

BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF HAWAII

----- In the Matter of ----- )  
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 PUBLIC UTILITIES COMMISSION )  
 )  
 Regarding Integrated Resource )  
 Planning. )  
 \_\_\_\_\_ )

DOCKET NO. 2012-0036

ORDER NO. 30233

INITIATING HECO COMPANIES'  
INTEGRATED RESOURCE PLANNING PROCESS

PUBLIC UTILITIES  
COMMISSION

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FILED

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PUBLIC UTILITIES COMMISSION ) Docket No. 2012-0036  
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Regarding Integrated Resource ) Order No. 30233  
Planning. )  
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INITIATING HECO COMPANIES'  
INTEGRATED RESOURCE PLANNING PROCESS

By this Order, the commission commences the Integrated Resource Planning ("IRP") cycle for HAWAIIAN ELECTRIC COMPANY, INC. ("HECO"), MAUI ELECTRIC COMPANY, LIMITED ("MECO") and HAWAII ELECTRIC LIGHT COMPANY, INC. ("HELCO")<sup>1</sup> to examine the IRP Report and Action Plan, to be submitted to the commission, in compliance with the commission's *A Framework for Integrated Resource Planning, Revised March 14, 2011* for electric and gas utilities. This docket is to be followed by commencement of the IRP cycles for the Kauai Island Utility Cooperative and The Gas Company in the near future.

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<sup>1</sup>HECO, MECO and HELCO are collectively referred to as the "Hawaiian Electric Companies."

I.

Background

The Hawaiian Electric Companies are required to develop, prepare, and submit an IRP Report and Action Plan to the commission, pursuant to the Framework for Integrated Resource Planning adopted by the commission in In Re Public Util. Comm'n, Docket No. 6617 and revised in In Re Public Util. Comm'n, Docket No. 2009-0108 ("Revised Framework").<sup>2</sup> On March 14, 2011, the commission approved and adopted the Revised Framework to govern energy resource planning by energy utilities in the State of Hawaii. The Revised Framework incorporates for the first time the concept of scenario planning, which is designed to capture variations in planning assumptions and forecasts as well as high

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<sup>2</sup>"Integrated Resource Planning Report" and "Action Plan" are defined in the Revised Framework, at 1, to mean:

"Integrated Resource Planning Report" means the entire filing submitted by the utility pursuant to Section IV.D.1 [of the Revised Framework].

"Action Plan" means an implementation plan and schedule for the specific actions, resource options, and programs to be executed by the utility to serve its customers' future energy needs and requirements in a manner consistent with the framework. The Action Plan covers the first five (5) years of the twenty (20) year horizon based on the Scenarios analyzed.

level planning estimates of the costs and benefits of resource options. In addition, to better ensure a timely and transparent process, the commission incorporated into the Revised Framework an Independent Entity ("IE") to facilitate the IRP process and verify that the process is conducted in a manner consistent with the Revised Framework.<sup>3</sup> The Revised Framework also calls for a more robust Advisory Group, selected by the commission. These elements are expected to improve the quality of IRP process and build community awareness and support in the face of difficult choices that may have to be made to achieve the State's energy goals.

The overall goal of this IRP is to develop an Action Plan that governs how the Hawaiian Electric Companies will meet energy objectives and customer energy of needs of HECO, MECO, and HELCO. It is imperative that the Action Plan be consistent with State energy policies and goals, while providing safe and reliable utility service at reasonable costs. This will require the development of resource plans and scenarios of possible futures that provide a broader long-term perspective.

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<sup>3</sup>See Revised Framework, III.C.1, at 5.

## II.

### Discussion

#### A.

##### Roles of the Participants and Procedural Matters

The Revised Framework defines the roles of the commission, the Utility (in this case the Hawaiian Electric Companies), the IE, the Consumer Advocate,<sup>4</sup> the Public Benefits Fee ("PBF") Administrator, the Advisory Group, and the general public.

The commission's primary responsibility is to determine whether the Hawaiian Electric Companies' Action Plan is in the public interest and represents a reasonable course for meeting the goal and objectives of IRP as set forth in the Revised Framework.<sup>5</sup> The commission is required to select the IE within sixty (60) days of publishing this order and the Advisory Group members within one hundred and twenty (120) days of issuing this order.<sup>6</sup> To the extent feasible and applicable, the commission will render its decision on the Hawaiian Electric Companies'

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<sup>4</sup>The DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS, DIVISION OF CONSUMER ADVOCACY ("Consumer Advocate"), is ex officio a party to this proceeding, pursuant to Hawaii Revised Statutes ("HRS") § 269-51 and Hawaii Administrative Rules ("HAR") § 6-61-62(a).

<sup>5</sup>See Revised Framework, III.A.1., at 3.

<sup>6</sup>Id., IV.C.3 and IV.C.5., at 11.

Action Plan within six (6) months of filing of its IRP Report, unless the commission decides in its discretion that an evidentiary hearing is warranted in which case the commission will render its decision shortly after the hearing.<sup>7</sup>

The Hawaiian Electric Companies are responsible for developing scenarios and resource plans for HECO, MECO, and HELCO to provide a long-term perspective which will be utilized to guide and develop the Action Plan for near term initiatives.<sup>8</sup> Within ninety (90) days the publishing of this order the Hawaiian Electric Companies shall prepare and file with the commission, in consultation with the IE and the Consumer Advocate, the proposed schedule for the development of the IRP.<sup>9</sup> Also, within one year after the commission selection of the Advisory Group, the Hawaiian Electric Companies will file with the commission the IRP Report and Action Plan for HECO, MECO, and HELCO.<sup>10</sup> As timely commission review is dependent on the utility filing its IRP Report at the time specified in this order, no extension of such deadline will be granted except upon a showing of excusable neglect.

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<sup>7</sup>Id., IV.C.11., at 12.

<sup>8</sup>Id., III.B.1., at 4.

<sup>9</sup>Id., IV.C.4., at 11.

<sup>10</sup>Id., IV.C.7., at 12.

Intervention into this docket will not be ripe until the Hawaiian Electric Companies file their IRP Report and proposed Action Plan with the commission.<sup>11</sup>

The IE shall be responsible for providing unbiased oversight of the IRP process (including the Hawaiian Electric Companies' development of scenarios, resource plans, and the Action Plan) in a cost-effective and timely manner.<sup>12</sup> The IE shall report directly to, take direction from, and be accountable to, the commission.<sup>13</sup>

The Consumer Advocate has the statutory responsibility to represent, protect, and advance the interests of the Hawaiian Electric Companies' customers.<sup>14</sup> The Consumer Advocate, therefore, has the duty to ensure that the Hawaiian Electric Companies' integrated resource planning process and Action Plan promote the interest of the Hawaiian Electric Companies' customers and are reasonable and in the public interest. The Consumer Advocate shall also participate in all public hearings

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<sup>11</sup>Id.

<sup>12</sup>Id., III.C.1., at 5.

<sup>13</sup>Id.

<sup>14</sup>See HRS § 269-51

and other sessions held in furtherance of the Hawaiian Electric Companies' efforts in IRP.<sup>15</sup>

The PBF Administrator shall participate in Advisory Group meetings, public hearings, and other sessions to support the forecasts of energy efficiency demand-side management programs developed in furtherance of the utilities' efforts in IRP.<sup>16</sup>

The Advisory Group shall represent interests that are affected by the Hawaiian Electric Companies' resource plans and that possess the ability to provide significant perspective or useful expertise in the development of the resource plans. Members of the Advisory Group may include State and county agencies, and environmental, cultural, business, and community interest groups.<sup>17</sup> Advisory Group members may act as individuals and there is no requirement for group decision-making.<sup>18</sup> However, to the extent possible or practicable, Advisory Group members are encouraged to work collaboratively to attempt to arrive at a consensus on issues.<sup>19</sup> The Hawaiian Electric Companies shall

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<sup>15</sup>Revised Framework, III.D.1., at 7.

<sup>16</sup>Id., III.E.1., at 7.

<sup>17</sup>Id., III.F.2., at 8.

<sup>18</sup>Id., III.F.6., at 9.

<sup>19</sup>Id.



consider the input of each Advisory Group, but is not bound to follow the recommendations of any such Advisory Group.<sup>20</sup> All reasonable out-of-pocket costs incurred by Advisory Group members (other than representatives of governmental agencies, a for-profit entity, or an association of for-profit entities) related to participation in the integrated resource planning process as an Advisory Group member, shall be paid for by the utility, subject to commission approval. Such costs shall be recovered as part of the Hawaiian Electric Companies' cost of integrated resource planning.<sup>21</sup>

Individuals interested in serving on the Advisory Group may apply to the commission via United States mail by sending a letter of interest together with a resume or curriculum vitae, and referencing the instant docket proceeding. Letters should be sent to the Public Utilities Commission, 465 South King Street #103, Honolulu, HI 96813. The deadline for applying to serve on the Advisory Group is one hundred (100) days from the publishing of this order. Interested persons may also provide suggestions on what persons or groups that should serve on the Advisory Group.

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<sup>20</sup>Id., III.F.3., at 9.

<sup>21</sup>Id., III.F.9., at 9.

The Hawaiian Electric Companies' shall also provide opportunities for public participation in the development of the IRP. Participation may be provided through public hearings, meetings or forums, public outreach programs or other methods that the Hawaiian Electric Companies deem appropriate and effective to encourage and maximize public participation.<sup>22</sup> The commission is also seeking input from the public at this time on which key policy and technical issues should be considered in the IRP. Such public guidance relating to IRP issues can be submitted to the commission via United States mail at the address stated above.

A summary of the significant procedural milestones for this docket are contained in the table below:

Milestone	Timing
1. Docket opens	Day 1
2. Independent Entity selected by the commission	60 Days from docket opening
3. Hawaiian Electric Companies file a IRP schedule with the commission.	90 Days from docket opening
4. Deadline to apply to serve on the Advisory Group	100 Days from the docket opening
5. Commission establishes the Advisory Group	120 Days from docket opening
6. Hawaiian Electric Companies file the IRP Report and Action Plan with the commission	365 days from the establishment of the Advisory Group.
7. Hawaiian Electric Companies publish in the newspaper a notice that they have filed the IRP Report and Action Plan with the commission	7 days after filing IRP Report and Action Plan

<sup>22</sup>Id., III.G.1., at 9.

Milestone	Timing
8. Applications to intervene are due to the commission	20 days after publication by the HECO Companies
9. Commission renders a decision on the IRP Action Plan within 6 months, to the extent possible.	180 days from the Hawaiian Electric Companies' filing of the IRP Report and Action Plan

III.

Orders

THE COMMISSION ORDERS:

1. This docket is opened to formally commence the next integrated resource planning cycle for HECO, MECO and HELCO and to examine the IRP Report and Action Plan for all three companies.

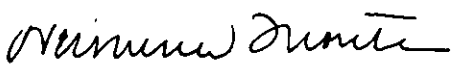
2. HECO, HELCO, MECO, and the Consumer Advocate are named as parties to this Docket.

3. Within ninety days of this Order, the Hawaiian Electric Companies, the IE and the Consumer Advocate will file an IRP schedule with the commission.

4. Within one year of the commission selecting the Advisory Group, the Hawaiian Electric Companies shall file their IRP Report and Action Plan with the commission.

DONE at Honolulu, Hawaii MAR - 1 2012

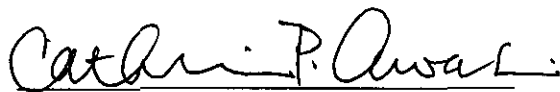
PUBLIC UTILITIES COMMISSION  
OF THE STATE OF HAWAII

By   
Hermina Morita, Chair

By   
John E. Cole, Commissioner

By   
Michael E. Champley, Commissioner

APPROVED AS TO FORM:

  
Catherine P. Awakuni  
Commission Counsel

2012-0036.s1

CERTIFICATE OF SERVICE

The foregoing order was served on the date of filing by mail, postage prepaid, and properly addressed to the following parties:

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