



DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM

LINDA LINGLE
GOVERNOR
THEODORE E. LIU
DIRECTOR
MARK K. ANDERSON
DEPUTY DIRECTOR

No. 1 Capitol District Building, 250 South Hotel Street, 5th Floor, Honolulu, Hawaii 96813
Mailing Address: P.O. Box 2359, Honolulu, Hawaii 96804
Web site: www.hawaii.gov/dbedt

Telephone: (808) 586-2355
Fax: (808) 586-2377

Testimony of
THEODORE E. LIU
Director

Department of Business, Economic Development, and Tourism
Before the

Senate Committee on Commerce and Consumer Protection

Wednesday, February 24, 2010
9:00 a.m., Conference Room 229

Statement on Governor's Message No. 192

TO CHAIR ROSALYN H. BAKER, VICE CHAIR DAVID Y. IGE, AND MEMBERS OF THE COMMITTEE:

It is my pleasure to support the nomination of Carl Caliboso for reappointment as Chairman of the Public Utilities Commission. Mr. Caliboso has delivered a stellar performance and exemplary leadership in carrying out the regulatory and oversight mandates of the PUC in the face of all the challenges and complexities of energy regulation. His continued service on the Commission will help to provide effective regulatory guidance that would assist Hawaii reduce its dependence on imported fossil fuel.

During the past few years when Hawaii started its quest for energy independence with the deployment of the Energy for Tomorrow Initiative in 2006, the Public Utilities Commission under Mr. Caliboso's leadership, instituted major regulatory dockets and issued decisions with far reaching implications for the electric companies' business model. The most significant of these decisions include the transfer of the management and implementation of the ratepayer-funded energy efficiency programs from the utilities to a third-party Public Benefits Fee Administrator, the institution of the competitive bidding framework in the utilities' construction and procurement of generation capacity addition, the establishment of the feed-in tariffs (FITs) program in the HECO Companies' service territories, the institution of the renewable energy infrastructure surcharge, and the recent approval of the decoupling mechanism for the HECO

Companies. All of these decisions provide major regulatory transformations that facilitate reducing Hawaii's dependence on imported fossil fuel by at least 70% in 20 years.

Today, there are over 35 energy-policy related dockets that are open and require the PUC's attention. These dockets are complex and will have significant impact on Hawaii's energy future. As a participant in some of these major dockets, DBEDT observes that the PUC's regulatory process under Carl Caliboso's leadership provides an open, fair, and meaningful forum for stakeholders' participation. Equally important has been the institution of the PUC's Data Management System (DMS) which provided public access to the PUC documents in an unprecedented way.

Carl Caliboso's continued service on the commission will allow him to continue to lead and guide the regulatory transformation for the public's best interest. I urge the Committee to confirm him for a second term as Chairman of the Public Utilities Commission.