

TESTIMONY OF HERMINA MORITA
CHAIR, PUBLIC UTILITIES COMMISSION
DEPARTMENT OF BUDGET AND FINANCE
STATE OF HAWAII
TO THE
HOUSE COMMITTEE ON
CONSUMER PROTECTION & COMMERCE

APRIL 11, 2012

MEASURE: H.C.R. No. 58, H.D. 1

TITLE: Requesting the Public Utilities Commission to Direct Electric Utilities to Examine Specific Renewable Energy Scenarios in the Integrated Resource Planning Process

Chair Herkes, Vice Chair Yamane, and Members of the Committee:

DESCRIPTION:

This measure requests the Commission ensure the examination of different integrated resource planning ("IRP") strategies and resources options, and the examination of other energy-focused topics. First, the Commission is requested to direct investor-owned electric utilities to examine as part of the upcoming IRP process 1) the replacement of existing fossil fuel-based electricity plants with renewable energy resources, and 2) the development of excess electricity to be transmitted between islands by an undersea cable or other means. The Commission is also requested to direct electric utilities to consider as part of the IRP process 1) geothermal energy, 2) hydrogen and other energy storage technologies, and 3) electricity from waste-to-energy resources. Finally, this measure requests the Commission examine a number of energy issues, including the avoided cost calculation methodology currently used and the minimization of curtailment of renewable energy resources.

POSITION:

The Commission supports this measure and would like to offer the following comments, as well as a proposed amendment for consistency.

COMMENTS:

The Commission recently commenced the consolidated IRP process for Hawaiian Electric Company, Inc., Maui Electric Company, Ltd., and Hawaii Electric Light Company, which calls for the development of scenarios and the examination of strategies and resource options as part of the planning process. Given that the IRP process has just recently begun, the Commission believes this resolution is the appropriate means for the Legislature to convey its desire to examine specific strategies and resource options to the utilities and Advisory Group that will be critical in determining the IRP process' focus.

The Commission is considering closer scrutiny or an investigation of the avoided cost calculation methodology and supports the inclusion of this language in the resolution.

The Commission appreciates the multiple amendments made by the previous committee to clarify this resolution's intent. However, the Commission requests the Committee amend the measure's title to read "Requesting the Public Utilities Commission to Direct Electric Utilities to Examine Specific Renewable Energy Strategies in the Integrated Resource Planning Process" to be consistent with the terminology and definitions in the Revised IRP Framework.

Thank you for the opportunity to testify on this measure.