

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

APRIL 1, 2014
8:30 a.m.

MEASURE: H.R. No. 32 / H.C.R. No. 49

TITLE: Requesting the Public Utilities Commission and the Department of Business, Economic Development, and Tourism to Collaborate in Developing a Forecasting Program Using Moneys from the Public Benefit Fund and Other Sources to Align Efficiency Efforts and the Growth of Renewable Energy with Technological Innovation that May Increase Energy Demand

Chair Lee and Members of the Committee:

DESCRIPTION:

These resolutions request the Public Utilities Commission ("Commission") and the Department of Business, Economic Development and Tourism ("DBEDT") to use funds from the Public Benefits Fee to develop a forecast that indicates whether energy demand reductions due to the State's efforts to meet the energy efficiency portfolio standard would be offset by increases in energy demand from the "technological innovation that may increase energy demand," including energy used in the transmission of data over wireless networks. H.R. No. 32 and H.C.R. No. 49 also request the Commission and DBEDT to report their findings and recommendations on the efforts described above prior to the Regular Session of 2015.

POSITION:

The Commission believes that this measure is unnecessary, and would like to offer the following comments for the Committee's consideration.

COMMENTS:

Funds from the Public Benefits Fee are currently used in the following manner:

1. The Commission contracts with a third party provider of services (currently Hawaii Energy) to run energy efficiency programs on all islands except Kauai.
2. Each year, an Annual Plan, with a Technical Reference Manual, is developed for the provision of energy efficiency services. Prior to the Commission's approval of the Annual Plan, the draft is made available for public review and comment.
3. The Annual Plan is reviewed in Docket No. 2007-0323.¹
4. Monthly and annual reports on the progress of the approved Annual Plan are submitted to the Commission.
5. Each year, an independent reviewer conducts an evaluation of the program and prepares an "Evaluation, Measurement, and Verification Report" ("EM&V Reports").
6. The Technical Reference Manual, EM&V Reports, Annual Reports, Quarterly Reports, Annual Plans, and more are publicly available here: <http://www.hawaiienergy.com/information-reports>

It is the Commission's view that the process outlined above is sufficient to successfully forecast and capture changes in energy demand, including from "technological innovation," as well as in the management and transmission of data.

Therefore, we believe that this measure is not necessary.

Thank you for the opportunity to testify.

¹Information filed in Docket No. 2007-0323 can be found at: http://dms.puc.hawaii.gov/dms/DocketSearch?V_DocketNumber=2007-0323&QuickLink=1.



**DEPARTMENT OF BUSINESS,
ECONOMIC DEVELOPMENT & TOURISM**

NEIL ABERCROMBIE
GOVERNOR

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Statement of
RICHARD C. LIM
Director
Department of Business, Economic Development, and Tourism
before the
COMMITTEE ON ENERGY AND ENVIRONMENTAL PROTECTION

Tuesday, April 1, 2014
8:30 a.m.
State Capitol, Conference Room 325
in consideration of
HR32/HCR49

**REQUESTING THE PUBLIC UTILITIES COMMISSION AND THE DEPARTMENT
OF BUSINESS, ECONOMIC DEVELOPMENT, AND TOURISM TO COLLABORATE
IN DEVELOPING A FORECASTING PROGRAM USING MONEYS FROM THE
PUBLIC BENEFIT FUND AND OTHER SOURCES TO ALIGN EFFICIENCY
EFFORTS AND THE GROWTH OF RENEWABLE ENERGY WITH
TECHNOLOGICAL INNOVATION THAT MAY INCREASE ENERGY DEMAND.**

Chair Lee, Vice Chair Thielen, and Members of the Committee.

Thank you for the opportunity to testify on HR32/HCR49, a resolution requesting the Public Utilities Commission and the Department of Business, Economic Development, and Tourism to collaborate in developing a forecasting program using moneys from the Public Benefit Fund (PBF) and other sources to align efficiency efforts and the growth of renewable energy with technological innovation that may increase energy demand.

DBEDT **supports the intent** of this resolution, provided the PUC is able to provide PBF funding to carry out the intent of this resolution, otherwise the Department's Research and Economic Analysis Division (READ) would not have adequate resources to fulfill this request.

Thank you for the opportunity to comment.