

# SCR148/SR84

## Proposed

Measure Title:

REQUESTING THE PUBLIC UTILITIES COMMISSION TO ISSUE AN ORDER IN THE REQUEST FOR PROPOSAL DOCKET NO 2012-0092 TO ENSURE THAT THE POWER SUPPLY IMPROVEMENT PLAN (ORDERED IN THE HU HONUA DOCKET) AND DUE APRIL 21, 2014, ADDRESSES THE PLAN TO INTEGRATE FIFTY MEGAWATTS OF GEOTHERMAL-DERIVED ELECTRICITY ONTO THE HAWAIIAN ELECTRIC COMPANY GRID WITHIN TWO YEARS OF THE AWARDED OF THE REQUEST FOR PROPOSALS AND REQUIRES THAT HAWAIIAN ELECTRIC COMPANY RETIRE ITS FOSSIL FUEL PLANTS ON HAWAII ISLAND BY A DATE CERTAIN.

Current Referral: WTL/ENE/CPN/WAM

<a href="#">Sort by Date</a>		Status Text
3/7/2014	S	Offered.
3/13/2014	S	Referred to WTL, WAM.
3/28/2014	S	Re-Referred to WTL/ENE/CPN/WAM.
3/28/2014	S	The committee(s) on WTL/ENE/CPN/WAM has scheduled a public hearing on 04-01-14 9:35AM in conference room 211.

TESTIMONY OF HERMINA MORITA  
CHAIR, PUBLIC UTILITIES COMMISSION  
DEPARTMENT OF BUDGET AND FINANCE  
STATE OF HAWAII  
TO THE  
SENATE COMMITTEES ON  
WATER & LAND,  
ENERGY & ENVIRONMENT,  
COMMERCE & CONSUMER PROTECTION,  
AND  
WAYS & MEANS

APRIL 1, 2014  
9:35 a.m.

**MEASURE:** S.C.R. No. 148, Proposed S.D. 1/S.R. No. 84, Proposed S.D. 1

**TITLE:** Requesting the Public Utilities Commission to Issue an Order in the Request For Proposals Docket No. 2012-0092 to Ensure that the Power Supply Improvement Plan (Ordered in the Hu Honua Docket) and Due April 21, 2014, Addresses the Plan to Integrate Fifty Megawatts of Geothermal-Derived Electricity onto the Hawaiian Electric Company Grid Within Two Years of the Awarding of the Request For Proposals and Requires that Hawaiian Electric Company Retire its Fossil Fuel Plants on Hawaii Island by a Date Certain

Chair Solomon, Chair Gabbard, Chair Baker, Chair Ige, and Members of the Committees:

**DESCRIPTION:**

S.C.R. No. 148, Proposed S.D. 1/S.R. No. 84, Proposed S.D. 1 (“Resolutions”) both request the Public Utilities Commission (“Commission”) to issue an order in Docket No. 2012-0092 that ensures that the Power Supply Improvement Plan (“PSIP”) that Hawaii Electric Light Company, Inc. (“HELCO”) has been ordered in Docket No. 2012-0212<sup>1</sup> to submit include plans to:

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<sup>1</sup>See Commission Decision and Order No. 31758, Docket No. 2012-0212 In re Hawaii Electric Light Company, Inc. Application for Approval of a Power Purchase Agreement for Renewable Dispatchable Firm Energy and Capacity, filed December 20, 2013.

1. Integrate fifty megawatts of geothermal-derived electricity onto the Hawaiian Electric Company grid within two years of the awarding of the request for proposals (“RFP”) in Docket No. 2012-0092; and
2. Require that Hawaiian Electric Company retire its fossil fuel plants on Hawaii Island by a specific, but as yet unspecified, date.

These Resolutions also request the Commission to ensure that the RFP final award is made no later than September 2014 “by Decision and Order in the event HELCO refuses to make or is incapable of making an award to one or more bidders[.]”

**POSITION:**

The Commission would like to offer the following comments for the Committees’ consideration.

**COMMENTS:**

These Resolutions discuss substantive issues and make requests for specific decisions in an ongoing Commission proceeding.<sup>2</sup> Therefore, the Commission is precluded from addressing the substantive issues raised or commenting on the requests for specific outcomes in these measures.

While the Commission appreciates receiving guidance from the Legislature, the regulatory process provided for in each and every Commission proceeding is the best forum to address issues and provide recommendations such as those included in these Resolutions. Moreover, for the public to accept that the Commission’s decision is fair and free from influence outside of the process for public proceedings, the decision must be made on the record developed by the Commission in that proceeding. Of course, members of the Legislature, as well as any of their constituents and the public, may participate in the development of this record through the regulatory process.

Thank you for the opportunity to offer comments on this measure.

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<sup>2</sup>See Commission Order No. 30360 Opening Docket, Docket No. 2012-0092, Instituting a Proceeding Related to a Competitive Bidding Process for 50 MW of Dispatchable Renewable Geothermal Firm Capacity Generation on the Island of Hawaii, filed May 1, 2012.

**TESTIMONY BEFORE  
THE SENATE WATER & LAND COMMITTEE  
THE SENATE ENERGY & ENVIRONMENT COMMITTEE  
THE SENATE COMMERCE & CONSUMER PROTECTION COMMITTEE  
& THE SENATE WAYS AND MEANS COMMITTEE**

**ON SCR 148/SR 84, PROPOSED SD 1**

**Requesting the Public Utilities Commission to issue an order in the Request for Proposal Docket No. 2012-0092 to ensure that the Power Supply Improvement Plan (ordered in the Hu Honua Docket) and Due April 21, 2014, address the plan to integrate fifty megawatts of geothermal-derived electricity onto the Hawaiian Electric Grid within two years of the awarding of the Request for Proposals and requires that Hawaiian Electric Company retire its fossil fuel plants on Hawaii Island by a date certain.**

**April 1, 2014**

**Jay Ignacio  
President  
Hawaii Electric Light Company**

**Written Testimony Only**

Chairs Solomon, Gabbard, Baker, Ige and Members of the Committees.

Hawaii Electric Light respectfully opposes S.C.R No. 148, Proposed S.D.1/S.R. No. 84, Proposed S.D.1 . We believe the ongoing PUC regulatory dockets, Docket No. 2012-0092 (Geothermal RFP) and Docket No. 2012-0212 (Application for Approval of a PPA for Renewable Dispatchable Firm Energy and Capacity) are the appropriate forums to consider the issues that are being raised in these resolutions, and that it is important to allow these proceedings to happen without preconceived outcomes in order to assure that customers are best served. As stated in Hawaii Electric Light's letter of March 5, 2014, to the PUC in Docket No. 2012-0092:

Pursuant to D&O No. 31758, the PSIP is required to include, among other things, a Fossil Generation Retirement Plan, Generation Flexibility Plan, Must-Run Generation Reduction Plan and Generation Commitment and Economic Dispatch Review. The Commission also stated that Hawaii Electric Light should re-examine its existing generation unit commitment and economic dispatch practices to ensure that: (1) the selected mix of firm and as-available resources will minimize energy costs; (2) non-traditional sources of ancillary services, such as energy storage and demand response, are considered and, if lower-cost, utilized to supply these services; and (3) curtailments of renewable energy resources, where necessary, are accomplished in cost-effective manner from the perspective of ratepayers.

...

Hawaii Electric Light anticipates that the PSIP will confirm and reinforce the fact that any new geothermal facility will need to be lower cost and able to meet the Performance Standards in order to displace energy from other existing and potential resources, achieve lower costs to customers, and maintain acceptable system reliability.

Thank you for the opportunity to testify on this measure.

**From:** [mailinglist@capitol.hawaii.gov](mailto:mailinglist@capitol.hawaii.gov)  
**To:** [WTLTestimony](#)  
**Cc:** [kate31999@gmail.com](mailto:kate31999@gmail.com)  
**Subject:** Submitted testimony for SR84 on Apr 1, 2014 09:35AM  
**Date:** Monday, March 31, 2014 2:34:10 PM

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**SR84**

Submitted on: 3/31/2014

Testimony for WTL/ENE/CPN/WAM on Apr 1, 2014 09:35AM in Conference Room 211

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Katarina Culina	Individual	Oppose	No

Comments: Aloha, Please do not support proposed SD1 so that the resolution tells the PUC to "ensure that the [HELCO geothermal] Request for Proposals final award is made no later than September 2014, by Decision and Order in the event HELCO refuses to make or is incapable of making an award to one or more bidders..." It is an obvious attempt to advance the commercial interests of a would-be geothermal developer by over-riding the roles and responsibilities of the utility company and the regulatory agency. Mahalo, Katarina Culina PO BOX 2142 Pahoehoa, HI 96778

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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