

BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF HAWAII

In the Matter of )  
 )  
HAWAIIAN ELECTRIC COMPANY, INC. )  
 )  
For Approval and/or Modification of )  
Demand-Side and Load Management )  
Programs and Recovery of Program )  
Costs and DSM Utility Incentives. )  
\_\_\_\_\_ )

DOCKET NO. 05-0069

INTERIM DECISION AND ORDER NO. 22420

Filed April 26, 2006  
At 2:15 o'clock P.M.

Karen Higashi  
Chief Clerk of the Commission

ATTEST: A True Copy  
KAREN HIGASHI  
Chief Clerk, Public Utilities  
Commission, State of Hawaii.

K. Higashi

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COMMISSION  
STATE OF HAWAII

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OF THE STATE OF HAWAII

In the Matter of	)	
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HAWAIIAN ELECTRIC COMPANY, INC.	)	Docket No. 05-0069
	)	
For Approval and/or Modification of)		Interim Decision and
Demand-Side and Load Management	)	Order No. 22420
Programs and Recovery of Program	)	
Costs and DSM Utility Incentives.	)	
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INTERIM DECISION AND ORDER

By this Interim Decision and Order, the commission:

1) approves, on an interim basis, HAWAIIAN ELECTRIC COMPANY, INC.'s ("HECO") requests to modify several of its existing energy efficiency and demand-side management ("DSM") programs and to launch a new interim DSM program (collectively referred to as HECO's "Interim DSM Proposals"); and 2) requires the discontinuance of HECO's recovery of lost gross margins and shareholder incentives for its DSM programs within thirty days of the filing of this Interim Decision and Order, until further order by the commission.

I.

Introduction

A.

HECO's Interim DSM Proposals

Pursuant to a stipulated schedule for this proceeding, HECO requested approval of the Interim DSM Proposals by letter

dated and filed on December 5, 2005.<sup>1</sup> In its letter, HECO proposes to obtain approximately 3.87 MW of demand reduction through enhancements to three existing programs - Commercial and Industrial Energy Efficiency ("CIEE"), Commercial and Industrial New Construction ("CINC"), and Commercial and Industrial Customized Rebate ("CICR") - and utilization of a new interim Energy Solutions for the Home ("E\$H") program.

1. Interim CIEE Program

HECO, through its existing CIEE Program, provides cash rebates to non-residential customers who purchase high-efficiency equipment and incentives to dealers who sell such equipment. For its Interim CIEE Program, HECO proposes to increase the CIEE incentives for air conditioning equipment (excluding chillers),

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<sup>1</sup>HECO served copies of the Interim DSM Proposals on the Division of Consumer Advocacy, Department of Commerce and Consumer Affairs ("Consumer Advocate"), Life of the Land ("LoL"), the Rocky Mountain Institute ("RMI"), the County of Maui ("CoM"), the Department of the Navy, on behalf of the Department of Defense ("DoD"), Hawaii Solar Energy Association ("HSEA"), Hawaii Renewable Energy Alliance ("HREA"), Hawaii Electric Light Company, Inc. ("HELCO"), Maui Electric Company, Ltd. ("MECO"), Kauai Island Utility Cooperative ("KIUC"), The Gas Company ("TGC"), and the County of Kauai ("CoK"). HECO, the Consumer Advocate, LoL, RMI, DoD, HSEA, HREA, HELCO, MECO, KIUC, and TGC are collectively referred to as the "Parties." CoM and CoK are referred to as the "Participants."

On October 7, 2005, HECO, HELCO, MECO, and KIUC filed a proposed prehearing order ("HECO's Proposed Order"). That same day, the remaining Parties and Participants (including KIUC) submitted a proposed prehearing order ("Other Parties' Proposed Order") containing procedures and a schedule of proceedings identical to HECO's Proposed Order. As the letters transmitting HECO's Proposed Order and the Other Parties' Proposed Order noted, the difference in the two proposals focused on whether the Residential Customer Energy Awareness program, a conservation informational advertising program, should be considered in this proceeding. The commission approved HECO's Proposed Order by Order No. 22251, filed on January 31, 2006, which included the Residential Customer Energy Awareness program issue.

T8 lighting, and delamping, so the incentive would cover twenty-five percent of the customers' incremental costs of installed measures under this program.

## 2. Interim CINC Program

The existing CINC Program seeks to capture lost opportunities to reduce electric demand and energy savings by providing customers with design assistance and custom rebates for the construction of new buildings or the major renovation of existing buildings. This program targets the same measures and utilizes similar delivery mechanisms as the CIEE Program. Consequently, the Interim CINC Program is affected by the proposed changes to the prescriptive measure incentive levels for the Interim CIEE Program.

HECO proposes to increase the CINC program incentives and reduce the proportion of administrative costs to total program costs to increase the efficiency of impact delivery. In particular, HECO seeks approval to apply the increase in incentives and to eliminate the minimum two-year payback period contained in the existing CIEE and CICR Programs.

## 3. Interim CICR Program

HECO's existing CICR Program provides customized energy efficiency services to HECO's large commercial and industrial customers. Measures qualifying for this program include high-efficiency chillers and refrigeration, energy management controls systems, industrial process applications, cooling equipment services, and building commissioning. A customer participating in this program receives a rebate of 1.5 times the annual energy and demand savings upon installation of the

recommended energy efficiency equipment. The existing program prohibits the payment of any rebate for measures that have a two-year payback without any incentive from the utility.

HECO proposes to eliminate the two-year payback restriction on project eligibility for the Interim CICR Program. HECO originally imposed the restriction to reduce free-ridership, since it was commonly accepted when the program was designed that customers did not need incentives to implement projects with payback periods of two years or less. HECO indicates that its experience with the program demonstrates that many projects with less than two-year payback periods are not being installed despite "the seemingly obvious financial benefits."<sup>2</sup> In addition, HECO states that the existence of the two-year payback period requirement has interfered with its customers' planning process.

#### 4. Interim E\$H Program

The Interim E\$H Program is an extension of a similar pilot program employed by HECO, and involves the distribution of approximately 180,000 compact fluorescent lamps ("CFLs") to residential customers in 2006. The program provides point-of-sale rebates of approximately \$2.50 per CFL, and is designed to place CFLs in the highest usage areas of the home to maximize their impact on system demand and customer bills.

HECO suggests that since much of the residential lighting load occurs at system peak, reducing energy consumption

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<sup>2</sup>See Letter from William A. Bonnet, Vice President, Government and Community Affairs, HECO (Dec. 5, 2005) ("HECO's December 5, 2005 Letter"), at 3.

will have the impact of reducing HECO's overall system kilowatt hour ("kWh") cost.

The Interim E\$H Program will use the existing Oahu distribution channels for retail lighting products. The program will involve the following components:

- a. Customer incentive in the form of a coupon that is redeemed at the point-of sale;

- b. Marketing and advertising in the form of educational radio campaigns, educational newspaper print ads, educational collateral material with the coupon, and promotional events; and

- c. Trade ally (manufacturers, distributors, retailers) outreach.

HECO requests flexibility to establish customer incentive levels for other, higher-priced lighting products without commission approval.

#### 5. Justification for Interim DSM Proposals

HECO asserts that the Interim DSM Proposals are necessary to provide it with additional megawatts ("MW") of peak demand savings in order to help address its projected reserve capacity shortfall situation. HECO contends that implementation of accelerated DSM initiatives can help to mitigate the shortfall by lowering the peak demand that HECO's units and independent power producer generators need to serve, and by increasing the reserve margin. HECO requests expedited interim approval of its Interim DSM Proposals "[r]ather than wait for the resolution of the Energy Efficiency Docket, which encompasses statewide energy issues as well as HECO's Proposed DSM Programs, and which is

tentatively scheduled for hearing before the [c]ommission during the summer of 2006."<sup>3</sup>

In HECO's Adequacy of Supply Report filed on March 10, 2005, HECO projected a reserve capacity shortfall of 70 MW in 2006.<sup>4</sup> HECO estimates the reserve capacity shortfall will continue until at least 2009, which is the estimated in-service date for its next generating unit.

HECO contends that the Interim DSM Proposals can be easily implemented and will help achieve peak load reductions quickly. HECO suggests that the implementation of the Interim DSM Proposals has the added benefit of reducing the consumption of oil when compared to other fossil-fuel generation alternatives, and contributes toward the achievement of the State's Renewable Portfolio Standards ("RPS").

With respect to the commercial and industrial programs, HECO states that modifications can be implemented quickly, do not require significant process changes, can be communicated rapidly to potential customers, and should increase program participation, which has been diminishing.

HECO asserts that the Interim E\$H Program can also be easily implemented because HECO is currently involved in a pilot CFL program that is similar to the proposed program.

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<sup>3</sup>HECO's December 5, 2005 Letter at 4.

<sup>4</sup>Since the filing of its 2005 Adequacy of Supply Report on March 10, 2005, HECO filed a 2006 Adequacy of Supply Report on March 6, 2006, in which it projected a reserve capacity shortfall between 170 and 200 MW in the 2006-2009 periods. The commission takes official notice of HECO's reserve capacity shortfall, including its Adequacy of Supply Reports filed on March 10, 2005 and March 6, 2006, pursuant to Hawaii Administrative Rules § 6-61-48.

In executing the pilot program, HECO worked with manufacturers, distributors, and retailers of CFLs, and with coupon redemption centers. HECO intends to build upon these established relationships to implement the proposed Interim E\$H Program.

HECO suggests that the Interim DSM Proposals are "significantly less involved and complex than 1) the other energy efficiency DSM program enhancements that will be addressed in the Energy Efficiency Docket; and 2) the load management program modifications currently being evaluated by HECO . . . ."<sup>5</sup>

6. Recovery of Costs - Lost Margins and Shareholder Incentives

"In the interest of compromise," HECO does not seek lost margins and shareholder incentives for its proposed Interim E\$H Program. HECO does, however, propose to continue recovery of lost margins and shareholder incentives for "its currently implemented DSM programs," which include the CIEE, CINC, and CICR programs that HECO proposes to modify.

B.

Responses to HECO's Interim DSM Proposals

On January 10, 2006, HREA, RMI, HSEA, and the Consumer Advocate responded to HECO's Interim DSM Proposals. On January 11, 2006, DoD filed its response to HECO's Interim DSM Proposals.

1. HREA

In its response to HECO's Interim DSM Proposals, HREA stated that it is "basically neutral regarding the merits of HECO's [Interim DSM Proposals]," that it prefers that "HECO not

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<sup>5</sup>HECO's December 5, 2005 Letter at 5.



start any new DSM programs, pending the results of the instant docket," and that HECO should "explore and implement all approaches to expand or enhance existing DSM programs that would not require formal [commission] approval, or that could [be] implemented readily, e.g., on a pilot basis."<sup>6</sup> Specifically, HREA suggested that HECO consider expanding the residential efficient water heating program and consider other "potential technology applications."<sup>7</sup>

## 2. RMI

RMI supports HECO's request to implement the Interim DSM Proposals on an expedited basis. RMI concludes that immediate implementation of the proposed program modifications would be beneficial and reasonable because the Interim DSM Proposals "promise to be valuable components of HECO's more comprehensive portfolio of DSM programs proposed in this docket"; "RMI accepts HECO's assertions regarding its capacity reserve shortfall situation"; "[e]nergy and economic security are both critical concerns that should bear on the [c]ommission['s] decision to allow these programs to proceed"; and "HECO will need the full suite of [DSM] programs in order to fully mitigate the capacity shortfall, as well as the security and economic risks."<sup>8</sup>

RMI supports the recovery of the costs of the Interim DSM Proposals from HECO's customers. RMI similarly supports

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<sup>6</sup>Comments of [HREA] on HECO's Proposed Interim DSM Proposals and Certificate of Service, filed on January 10, 2006, at 2.

<sup>7</sup>Id. at 3.

<sup>8</sup>Response to HECO's Interim DSM Proposals and Certificate of Service, filed on January 10, 2006 ("RMI's Response"), at 2<sup>nd</sup> - 3<sup>rd</sup> pages.

HECO's position not to request recovery of lost margins and shareholder incentives for the Interim E\$H Program. RMI contends that utilities should not be encouraged or rewarded for relying on stopgap, emergency, or capacity shortfall mitigation measures. However, RMI states that since, as a practical matter, it would be difficult for HECO to treat the interim modifications differently than the pre-existing portion of the commercial programs, it supports HECO's proposal to treat lost margins and shareholder incentives for the interim commercial program modifications the same way for the existing commercial DSM programs.

### 3. HSEA

In its comments to HECO's Interim DSM Proposals, HSEA questions why HECO did not propose a more aggressive interim DSM package. In particular, HSEA argues that in light of HECO's reserve margin shortfall, HECO should have also increased rebates for its Residential Efficient Water Heating and Residential New Construction programs.

HSEA generally supports HECO's Interim DSM Proposals, but notes that it does not believe that a "simple proportionate rebate structure for all DSM measures will necessarily lead to the desired adoption rate of the proposed program measures and technologies."<sup>9</sup>

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<sup>9</sup>The [HSEA's] Response to [HECO's] Interim DSM Proposals, filed on January 10, 2006, at 5 - 6.

#### 4. The Consumer Advocate

The Consumer Advocate asserts that the Interim DSM Proposals are problematic because they "lack context in relation to [HECO's] claimed need for incremental resources to address a reserve capacity shortfall."<sup>10</sup> However, the Consumer Advocate recommends commission approval of HECO's Interim DSM Proposals to allow HECO an opportunity to address a possible reserve capacity shortage. The Consumer Advocate emphasizes that it anticipates that any approval of the Interim DSM Proposals will be temporary. In addition, the Consumer Advocate identified additional information that should be provided as soon as possible to promote adequate consideration of HECO's final DSM proposals.

The Consumer Advocate recommends that the commission approve the Interim E\$H Program on a temporary basis, and is against allowing HECO to modify customer incentive levels in response to changing conditions at this time.

The recommendation of the Consumer Advocate is to approve the requested modifications to the CIEE, CINC, and CICR Programs on a temporary basis, and to require that HECO provide further information to support a review of the final DSM programs that HECO proposes to implement.

The Consumer Advocate notes HECO's agreement in an October 5, 2001 Stipulation, filed in Docket No. 00-0169, not to seek the continuation of lost margins and shareholder incentives in the next rate case. The Consumer Advocate further states that

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<sup>10</sup>See Letter from Cheryl S. Kikuta, Utilities Administrator, Consumer Advocate (Jan. 10, 2006) ("Consumer Advocate's January 10, 2006 Letter"), at 2.

it is "dismayed by [HECO's] continued attempts to recover lost margins and shareholder incentives in spite of the previous agreement."<sup>11</sup> Accordingly, the Consumer Advocate requests that the commission approve the implementation of the Interim DSM Proposals without any form of lost margin recovery or shareholder incentives.

5. DoD

In its response to the Interim DSM Proposals, DoD does not state a position as to the Interim DSM Proposals, but addresses the recovery mechanism for the proposal.<sup>12</sup> DoD recommends that HECO's request to continue to collect lost margins and shareholder incentives be denied for the Interim DSM Programs. DoD suggests that recovery of lost margins and shareholder incentives is inappropriate in light of HECO's agreement, in an October 5, 2001 Stipulation, to discontinue such recovery.

6. EPA

On March 7, 2006, at the request of the commission, the United States Environmental Protection Agency ("EPA") filed a report describing its review of HECO's Interim DSM Proposals in which the EPA concluded that HECO's "load management programs will more directly address the capacity shortfall" and that the Interim DSM Proposals "can contribute in a relatively limited

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<sup>11</sup>Consumer Advocate's January 10, 2006 Letter at 17.

<sup>12</sup>See Letter by Randall Y.K. Young, Associate Counsel, NAVFAC Pacific (Jan. 11, 2006), at 1.

manner."<sup>13</sup> In light of this conclusion and the fact that none of the Parties objects to the approval of the Interim DSM Proposals on a temporary basis, the EPA recommends that the commission approve the proposals.

The EPA suggests that HECO provide or consider the following "to enhance the effectiveness of the programs, refine demand and energy savings projections, and reduce program costs."<sup>14</sup>

a) Clarification on what measures were considered in developing the proposals, and the procedure for selecting measures;

For commercial and industrial programs:

b) Consider targeting commercial lighting retrofits which may produce the most meaningful demand savings - based on the fact that lighting accounts for 43% of peak commercial demand;

c) Clarification of all of the factors that were used to determine per measure savings and responses to the EPA's questions, and corresponding suggestions;

For residential programs:

d) Consider adding or expanding incentives and customer education for [addressing or reducing] air conditioning and refrigeration use, which make up 45% of residential peak demand;

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<sup>13</sup>See EPA's Review of HECO Interim Demand-Side Management Proposals (Docket No. 05-0069), filed on March 7, 2006, at 12.

<sup>14</sup>Id.

e) Consider alternate rebate models for the proposed CFL program that work directly with manufacturers and retailers; Also consider aligning the marketing efforts with the ENERGY STAR *Change a Light, Change the World* campaign; and

f) Clarification of all of the factors that were used to determine per measure savings and responses to the EPA's questions, and corresponding suggestions to refine the projected energy and demand savings, and enhance program performance.

C.

HECO's Responses

On January 31, 2006, HECO responded to the comments filed by the Consumer Advocate, DoD, HSEA, and HREA.<sup>15</sup> In its January 31, 2006 response, HECO, among other things, provided additional information about its assumptions made for the Interim DSM Proposals, responded to the Consumer Advocate's reference to HECO's "alleged" reserve capacity shortfall, and addressed criticism of its recovery of lost margins and shareholder incentives. In particular, HECO stated that it relied upon Order No. 21698, filed on March 16, 2005, in Docket No. 04-0113 and the instant docket, which bifurcated HECO's request for approval of its DSM programs from Docket No. 04-0113, and allowed "HECO to temporarily continue, in the manner currently employed, its existing [DSM programs], until further order by the

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<sup>15</sup>HECO noted that nothing in RMI's filing that necessitated a response by HECO. See Letter from William A. Bonnet, Vice President, Government and Community Affairs, HECO (Jan. 31, 2006) ("HECO's January 31, 2006 Letter"), at 1.

commission."<sup>16</sup> HECO reasons that an order providing the continuation of the energy efficiency DSM programs, "in the manner currently employed," includes recovery of the costs using the current mechanisms, like, for example, lost margins and shareholder incentives.

As noted above, after HECO filed its January 31, 2006 response, the EPA filed a report describing its review of HECO's Interim DSM Proposals on March 7, 2006. Thereafter, the commission, by its own initiative, amended the schedule of proceedings to allow the Parties and Participants to respond to the EPA's written report.<sup>17</sup>

On March 28, 2006, HECO responded to the EPA's Report. In its March 28, 2006 response, HECO notes that the EPA's comments are appropriate for discussion and consideration in the broader context of HECO's proposed full-scale, final, DSM programs. HECO also restated its need for its Interim DSM Proposals and their relationship to its reserve capacity situation.

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<sup>16</sup>See HECO's January 31, 2006 Letter at 8, citing Order No. 21698, filed on March 16, 2005, in Docket Nos. 04-0113 and 05-0069, at 19.

<sup>17</sup>Order No. 22319, filed on March 15, 2006.

## II.

### Discussion

#### A.

##### IRP Framework

The commission's Integrated Resource Planning ("IRP") Framework governs a utility's implementation of DSM programs and the recovery of DSM program costs and incentives.<sup>18</sup> Paragraph V.B.1. of the IRP Framework provides:

A utility may implement on a full-scale basis (without pilot testing) any demand-side management program that has been proven cost effective as a result of a full-scale or pilot implementation of the program in another comparable utility service territory or as a result of pilot testing by a utility in Hawaii. In all other cases, the utility shall pilot test a demand-side management program before implementing it on a full-scale basis.

Paragraph II.B.7. and III.F. of the IRP Framework provides that a utility is entitled to recover all appropriate and reasonable integrated resource planning and implementation costs, including the costs of planning and implementing pilot and full-scale DSM programs. The commission determines the appropriate mechanism for the recovery of costs associated with DSM programs when the DSM programs are submitted for commission approval.<sup>19</sup>

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<sup>18</sup>The commission established the IRP Framework by Decision and Order No. 11630, filed on May 22, 1992, in Docket No. 6617, which amended Decision and Order No. 11523, filed on March 12, 1992, in Docket No. 6617.

<sup>19</sup>See IRP Framework, Paragraph III.b.



B.

Interim DSM Proposals

Citing a reserve capacity shortfall, HECO has requested approval of the Interim DSM Proposals prior to completion of this docket. All Parties responding to HECO's Interim DSM Proposals recommended, albeit with some reservations, that the commission approve HECO's proposals on an interim basis.

The magnitude and duration of the reserve capacity shortfall that HECO described in its 2005 and 2006 Adequacy of Supply Reports and in the filings relating to HECO's Interim DSM Proposals are a source of great concern for the commission. It is, therefore, necessary for HECO to take advantage of as many reasonable measures as possible to achieve peak load reductions quickly. While HECO's Interim DSM Proposals may not be, based on the necessarily sparse record (due to the expedited nature of these requests), the best measures for addressing the near term reserve capacity situation or represent an ideal final DSM portfolio, they appear to be proposals, which can easily and quickly be implemented, and which may alleviate, somewhat, the reserve capacity shortfall experienced by HECO.

The Consumer Advocate, however, has suggested that the commission deny HECO's request to modify at this time customer incentive levels for the Interim E\$H Program in response to changing conditions. Based on the entire record, the commission disagrees that the Consumer Advocate's limitation on incentive levels is necessary at this time. HECO, however, shall provide the commission and the Parties and Participants to this docket with notice of each modification to the Interim E\$H Program

incentives provided and the basis therefore. The commission reserves the right to more fully review any amendment made to program incentive levels.

Based on the foregoing, the commission finds HECO's Interim DSM Proposals to be reasonable, and concludes that they should be approved, on an interim basis, until further order of the commission. To the extent not already provided, in its final Statement of Position, or other appropriate filing, HECO shall provide the additional information requested by the Consumer Advocate and the EPA in their respective responses.

C.

Lost Margins and Shareholder Incentives

The Consumer Advocate and DoD argue that HECO should not be allowed to recover lost margins and shareholder incentives for its DSM programs, because HECO previously agreed in an October 5, 2001 Stipulation not to seek recovery of lost margins and shareholder incentives in its next rate case or thereafter.

By Order No. 19019, filed on November 15, 2001, the commission approved the proposed agreements, terms, and conditions submitted on October 5, 2001, by HECO and the Consumer Advocate for Docket No. 00-0169 ("October 5, 2001 Stipulation"). Among other things, by the October 5, 2001 Stipulation, HECO agreed that it would not seek the continuation of lost margins or shareholder incentives recovery in its next rate case or thereafter.

By Order No. 20391, filed on August 26, 2003, in Docket No. 00-0169, the commission approved HECO and the

Consumer Advocate's August 7, 2003 Stipulation to Amend Order No. 19019. Among other things, HECO and the Consumer Advocate, in the August 7, 2003 Stipulation to Amend Order No. 19019, agreed to: a) the temporary continuation of HECO's three existing commercial and industrial DSM programs until HECO's next rate case; and b) the continuation by HECO to accrue and recover the program costs, lost margins, and shareholder incentives for its three existing commercial and industrial DSM programs in accordance with the agreements, terms, and conditions of the Stipulation and Order No. 19019.

As HECO agreed that it would not seek to continue recovery of lost margins or shareholder incentives in its next rate case or thereafter, and this Energy Efficiency Docket arises from HECO's rate case, it would be inappropriate to continue to allow HECO to recover lost margins and shareholder incentives for its DSM programs.

Even if HECO had not agreed to forego its lost margins and shareholder incentives, it would be inappropriate for HECO to receive incentives to utilize DSM programs in an environment that: a) requires renewable energy resource use, pursuant to the RPS, codified at Part V, Chapter 269, Hawaii Revised Statutes; and b) involves an estimated reserve capacity shortfall of at least 70 MW in 2006. Such measures appear especially unsuitable for emergency measures, such as the Interim DSM Proposals offered by HECO. The commission agrees with RMI's statement that a

"utility should not be encouraged or rewarded for relying on stopgap, emergency or capacity shortfall mitigation measures."<sup>20</sup>

In light of these factors and HECO's commitment not to seek to recover for such measures in the October 5, 2001 Stipulation, the commission concludes that HECO shall discontinue recovery of lost margins and shareholder incentives for all of its DSM programs, within thirty days of the filing of this Interim Decision and Order, until further order by the commission.

### III.

#### Orders

##### THE COMMISSION ORDERS:

1. HECO may implement its Interim DSM Proposals, on an interim basis, until the commission issues a final decision in this docket.

2. HECO shall provide the commission and the Consumer Advocate with notice of any modifications made to the incentive levels for the Interim E\$H Program within thirty days of such modification. The commission reserves for itself the right to more fully examine any such modifications made to the program.

3. To the extent not already provided, HECO shall, in its Final Statement of Position, or other appropriate filing, provide the additional information requested by the Consumer Advocate and the EPA in their respective responses to HECO's Interim DSM Proposals.

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<sup>20</sup>RMI's Response at 5<sup>th</sup> page.

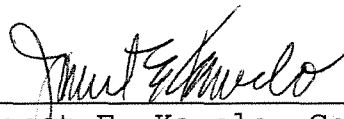
4. HECO's recovery of lost gross margins and shareholder incentives for its DSM programs must be discontinued within thirty days of the filing of this Interim Decision and Order, until further order by the commission.

DONE at Honolulu, Hawaii APR 26 2006.

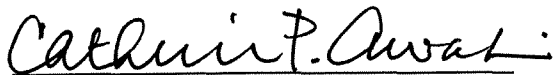
PUBLIC UTILITIES COMMISSION  
OF THE STATE OF HAWAII

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Carlito P. Caliboso, Chairman

By (EXCUSED)  
Wayne H. Kimura, Commissioner

By   
Janet E. Kawelo, Commissioner

APPROVED AS TO FORM:

  
Catherine P. Awakuni  
Commission Counsel

05-0069.eh

CERTIFICATE OF SERVICE

I hereby certify that I have this date served a copy of the foregoing Interim Decision and Order No. 22420 upon the following parties, by causing a copy hereof to be mailed, postage prepaid, and properly addressed to each such party.

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Page 3

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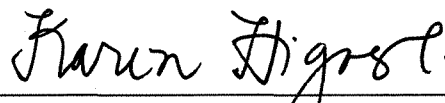
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\_\_\_\_\_  
Karen Higashi

DATED: APR 26 2006