BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

----- In the Matter of -----

HAWAII ELECTRIC LIGHT
COMPANY, INC.

Regarding Integrated Resource Planning.

DOCKET NO. 04-0046

ORDER NO. 23540

Filed July 12, 2007
At 2 o'clock P.M.

Karen Higashi
Chief Clerk of the Commission

ATTEST: A True Copy
KAREN HIGASHI
By Decision and Order No. 11523, filed on March 12, 1992, in In re Public Util. Comm'n, Docket No. 6617, as amended by Decision and Order No. 11630, filed on May 22, 1992, the commission established a framework for integrated resource planning ("IRP Framework") and ordered all electric and gas...
utilities, including HELCO, Hawaiian Electric Company, Inc. ("HECO"), and Maui Electric Company, Ltd. ("MECO"), to submit their integrated resource plans ("IRP") and program implementation schedules for commission approval in accordance with the IRP Framework.

Section III.C.1 of the IRP Framework provides that "[e]ach planning cycle for a utility will commence with the issuance of an order by the commission opening a docket for integrated resource planning."

A.

Procedural Background

On February 26, 2004, the commission opened this docket to commence HELCO's IRP cycle and examine HELCO's 3rd Integrated Resource Plan ("IRP-3").


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4Order No. 20821, filed on February 26, 2004. The deadline for HELCO to file its IRP-3 was October 31, 2005. The commission ultimately granted HELCO additional time, until May 31, 2007, to file its IRP-3. See Order No. 22105, filed on November 4, 2005; and Order No. 23152, filed on December 21, 2006.


issues, procedures, and schedule for this proceeding. The deadline for interested persons to file motions to intervene or

The commission identified two underlying issues: (1) whether HELCO's proposed IRP and program implementation schedule complies with the commission's IRP Framework; and (2) whether the commission should adopt the fuel diversity and fossil fuel generation efficiency standards set forth in Sections 111(d)(12), 111(d)(13), and 112(b)(3)(A) of the Public Utility Regulatory Policies Act of 1978, as amended by the Energy Policy Act of 2005.

With respect to the procedural schedule, Section II.B of Prehearing Order No. 23485 states in relevant part:

As noted above, to expedite the decision-making in this docket, the commission sets the following schedule of proceedings as outlined below. The commission intends to require that any party granted intervenor or participant status comply with this schedule, unless modified by the commission. In addition, to allow for flexibility by the parties, the commission does not include specific and detailed deadlines for discovery in this schedule of proceedings. If, however, the parties desire such deadlines, they are free to seek commission approval via stipulation or motion, so long as the discovery deadlines allow the parties to comply with the schedule of proceedings set forth below.

Public Meeting July 30, 2007, 10:30 a.m., Waimea, Hawaii

Prehearing Conference To be scheduled by the commission

Evidentiary Hearing Week of November 26, 2007, commission's hearing room, Honolulu, Hawaii

Prehearing Order No. 23485, at 6 - 7 (footnote and text therein omitted) (emphasis added).
participate in this docket was June 25, 2007, pursuant to Section III.E.3.c of the IRP Framework.8

Timely motions to intervene were filed by LOL and HREA, on June 15, 2007 and June 21, 2007, respectively. Timely memorandums in opposition to the motions to intervene were filed by HELCO on June 22, 2007 (LOL)9 and July 2, 2007 (HREA).10

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8Section III.E.3.c of the IRP Framework states in relevant part:

Applications to intervene or participate without intervention in any proceeding in which a utility seeks commission approval of its integrated resource plan . . . may be filed with the commission not later than 20 days after the publication by the utility of a notice informing the general public of the filing of the utility's application for commission approval of its integrated resource plan.

IRP Framework, Section III.E.3.c, at 15.

9HELCO's Memorandum in Opposition to LOL's Motion to Intervene; and Certificate of Service, filed on June 22, 2007 (collectively, "HELCO's Opposition to LOL's Motion").

10HELCO's Memorandum in Opposition to HREA's Motion; and Certificate of Service, filed on July 2, 2007 (collectively, "HELCO's Opposition to HREA's Motion").

HREA, in the Certificate of Service attached to its Motion, states, without specificity, that on June 21, 2007, it served copies of its Motion upon the Consumer Advocate and HELCO's representatives by hand-delivery or mail. On July 5, 2007, HELCO informed the commission that, to the best of its knowledge, copies of HREA's Motion were served upon HELCO by mail only, without personal service. See HELCO's letter, dated July 5, 2007; see also HELCO's Opposition to HREA's Motion, at 1 n.1. HELCO concludes that its Opposition to HREA's Motion was timely filed on July 2, 2007, pursuant to HAR §§ 6-61-41(c) (an opposition to a motion shall be filed no later than five days after being served the motion); 6-61-22 (when the prescribed period of time is less than seven days, weekends and holidays within the designated period shall be computed by the computation); and 6-61-21(e) (two days added to the prescribed period for service by mail). See HELCO's Opposition to HREA's Motion, at 1 n.1.
B.

**LOL's Motion**

LOL is a non-profit, Hawaii-based organization, "concerned about agricultural, energy, water, ecosystem, endangered species, and land-use policy, and the impact our energy choices have on land use, the environment, quality of life, aesthetics, and health."\(^\text{11}\) Its members live, work, and recreate in Hawaii.

LOL opposes HELCO's reliance on fossil fuels in the generation of electrical energy. LOL asserts that its intervention is appropriate since HELCO's IRP-3: (1) encompasses the 2007 to 2026 planning period, during which HELCO plans to introduce biofuels; and (2) discusses and evaluates the potential use of biofuels in existing and new generating units. Thus, "the next twenty years will be a critical time for the planet to transition from fossil fuels to renewable fuels[,]" and "[t]his docket will explore how [HELCO] will develop over these next two decades."\(^\text{12}\)

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In essence, if HREA hand-delivered its Motion to HELCO on June 21, 2007, the deadline for HELCO to file its Opposition to HREA's Motion was June 28, 2007. Conversely, if HREA mailed its Motion to HELCO on June 21, 2007, with no personal service, then the deadline for HELCO to file its Opposition to HREA's Motion was July 2, 2007. Upon review, the commission credits the pertinent representations set forth in HELCO's letter, dated July 5, 2007, and accepts as timely HELCO's Opposition to HREA's Motion. In any event, the commission grants intervention to HREA, over HELCO's stated objection. See Section II.B of this Order, above.

\(^{11}\)LOL's Motion, at 5.

\(^{12}\)LOL's Motion, at 3.
LOL states that: (1) the HELCO IRP-3 Advisory Group members did not have an adequate opportunity to review HELCO's intent to utilize biofuels; (2) the use of biofuels, regardless of the source, poses major agricultural, energy, water, land-use, and other environmental impacts, including climate change; and (3) issues related to the use of biofuels "include changing the nature of imports (fossil oil to vegetable oil), and changing the location of the oils acquired (deserts, oceans, the Arctic to rainforests)." Furthermore, LOL, as a recent participant in HECO's IRP-4 Advisory Group Technical Session on Climate Change/Global Warming in In re Hawaiian Elec. Co., Inc., Docket No. 2007-0084 (June 8, 2007), believes that climate change attributable to global warming is a serious environmental threat to Hawaii.

LOL concludes by noting that its participation will enable the commission to view and consider all of the pertinent, available information needed to make a sound decision, including information on the environment, global warming and climate change, renewable energy, and energy efficiency.

C.

HREA's Motion

HREA is a Hawaii-based, private, non-profit corporation, exempt from federal income tax under Section 501(c)(6) of the Internal Revenue Code of 1986. It is

\textsuperscript{13} LOL's Motion, at 4.
composed of developers, manufacturers, distributors, scientists, engineers, and advocates in renewable energy.

HREA notes its: (1) status as past and present intervenors in an array of energy-related commission dockets, including In re Maui Elec. Co., Ltd., Docket No. 99-0004, MECO's IRP-2 proceeding, and In re Public Util. Comm'n, Docket No. 03-0372, the commission's competitive bidding for new generation investigation; and (2) participation as an Advisory Group member in the development of HECO's IRP-3 and IRP-4 and MECO's IRP-3. HREA asserts that it has a substantial and continuing interest in the subject of renewable energy in the electric utility sector, and with respect to this proceeding, its interests extend directly to the appropriate: (1) treatment of renewable energy resources, both as supply-side and demand-side measures, in HELCO's IRP-3; (2) integration of the Framework for Competitive Bidding established by the commission in Docket No. 03-0372,\(^4\) into HELCO's IRP-3; and (3) refinements in the IRP process.

HREA expresses its interest in working with the other parties and participants (if any) in resolving the identified issues, and represents that its participation will neither broaden the issues nor delay the proceeding. HREA anticipates that HELCO's IRP-3, as approved by the commission, will "result in a clear plan that will not only meet customer demand, maintain

\(^4\)See Docket No. 03-0372, Decision and Order No. 23121, filed on December 8, 2006.
and enhance grid stability, reliability and security, but help exceed the [renewable energy portfolio standards] mandate."\(^5\)

D.

**HELCO's Opposition**

HELCO advances similar arguments in its opposition to the motions to intervene filed by LOL and HREA.

In support of its position, HELCO states:

1. LOL appears to be primarily concerned with the issue of biofuels, while "HREA appears to be primarily concerned with the 'renewable energy resource' issues, the integration of competitive bidding in the IRP process, and refinements to improve the IRP process."\(^6\)

2. If LOL and HREA had concerns to offer in the development of HELCO's IRP-3, the more appropriate time for them to participate was during the public participation process, where their "input could have been more efficiently considered as the plan was being developed. In contrast, . . . moving to intervene after the plan has already been developed and submitted to the Commission, is problematic as it is more difficult to take into consideration such input as this stage of the IRP process."\(^7\)

3. LOL and HREA have the ability to discuss their stated interests as Advisory Group members and named intervenors in Docket No. 2007-0084, HECO's on-going IRP-4 proceeding.

\(^5\)HREA's Motion, at 3.

\(^6\)HELCO's Opposition to HREA's Motion, at 2 - 3.

\(^7\)HELCO's Opposition to LOL's Motion, at 3; and HELCO's Opposition to HREA's Motion, at 3.
4. Biofuels were discussed throughout the development of HELCO's IRP-3, and the Final Report includes two action items relating to biofuels: (1) evaluating the potential use of biofuels in existing and new generating units; and (2) developing options for obtaining biofuel resources. "Had LOL chosen to provide input earlier in the process, its ideas could have been more easily taken into consideration in the IRP process."8

5. HREA's stated interests in Docket No. 2007-0084, HECO's IRP-4 proceeding, are substantially similar to the issues identified in its Motion, and "HREA did not make any specific allegations that are unique to the HELCO IRP-3 proceeding, or discuss why HREA needs to raise these issues in the HELCO IRP-3 proceeding (in addition to the HECO IRP-4 proceeding)."19

If the commission finds that the movants should be allowed to participate in this proceeding, HELCO contends that LOL and HREA should be granted participant status in lieu of intervention, limited to: (1) the issue of biofuels for LOL; and (2) the issues identified by HREA in its Motion.

II.

Discussion

The standard for granting intervention is set forth in HAR § 6-61-55, which requires the movant to state the facts and

8HELCO's Opposition to LOL's Motion, at 3.

19HELCO's Opposition to HREA's Motion, at 3 - 4; see also id., at 6 ("HREA has not demonstrated that it has specific concerns to raise concerning these subjects in the HELCO IRP-3 proceeding that cannot be raised during the HECO IRP-4 proceeding.")
reasons for the proposed intervention, and its position and interest thereto. HAR § 6-61-55 provides:

§6-61-55 Intervention. (a) A person may make an application to intervene and become a party by filing a timely written motion in accordance with sections 6-61-15 to 6-61-24, section 6-61-41, and section 6-61-57, stating the facts and reasons for the proposed intervention and the position and interest of the applicant.

(b) The motion shall make reference to:

(1) The nature of the applicant's statutory or other right to participate in the hearing;

(2) The nature and extent of the applicant's property, financial, and other interest in the pending matter;

(3) The effect of the pending order as to the applicant's interest;

(4) The other means available whereby the applicant's interest may be protected;

(5) The extent to which the applicant's interest will not be represented by existing parties;

(6) The extent to which the applicant's participation can assist in the development of a sound record;

(7) The extent to which the applicant's participation will broaden the issues or delay the proceeding;

(8) The extent to which the applicant's interest in the proceeding differs from that of the general public; and

(9) Whether the applicant's position is in support of or in opposition to the relief sought.

(c) The motion shall be filed and served by the applicant in accordance with sections 6-61-21 and 6-61-57.

(d) Intervention shall not be granted except on allegations which are reasonably pertinent to
and do not unreasonably broaden the issues already presented.


HAR § 6-61-56, which governs participation in a commission proceeding in the absence of intervention, states:

§6-61-56 Participation without intervention.
(a) The commission may permit participation without intervention. A person or entity in whose behalf an appearance is entered in this manner is not a party to the proceeding and may participate in the proceeding only to the degree ordered by the commission. The extent to which a participant may be involved in the proceeding shall be determined in the order granting participation or in the prehearing order.

(b) A person who has a limited interest in a proceeding may make an application to participate without intervention by filing a timely written motion in accordance with sections 6-61-15 to 6-61-24, section 6-61-41, and section 6-61-57.

(c) The motion shall provide:

(1) A clear and concise statement of the direct and substantial interest of the applicant;

(2) The applicant's position regarding the matter in controversy;

(3) The extent to which the participation will not broaden the issues or delay the proceeding;

(4) The extent to which the applicant's interest will not be represented by existing parties;

(5) A statement of the expertise, knowledge or experience the applicant possesses with regard to the matter in controversy;
(6) Whether the applicant can aid the commission by submitting an affirmative case; and

(7) A statement of the relief desired.

HAR § 6-61-56.

Sections II.D and III.E of the IRP Framework, governing the commission's responsibility and public participation in IRP proceedings, state in relevant part:

D. Commission's Responsibility

1. The commission's responsibility, in general, is to determine whether the utility's plan represents a reasonable course for meeting the energy needs of the utility's customers and is in the public interest and consistent with the goals and objectives of integrated resource planning.

2. Specifically, the commission will review the utility's integrated resource plan, its program implementation schedule, and its evaluations, and generally monitor the utility's implementation of its plan. Upon review, the commission may approve, reject, approve in part and reject in part, or require modifications of the utility's integrated resource plan and program implementation schedule.

E. Public Participation

To maximize public participation in each utility's integrated resource planning process, opportunities for such participation shall be provided through advisory groups to the utility, public hearings, and interventions in formal proceedings before the commission.

1. Advisory groups

2. Public hearings
a. The utility is encouraged to conduct public hearings or provide public forums at the various, discrete phases of the planning process for the purpose of securing the input of those members of the public who are not represented by entities constituting advisory groups.

b. Upon the filing of requests for approval of an integrated resource plan or projects, the commission may, and it shall where required by statute, conduct public hearings for the purpose of securing public input on the utility's proposal. The commission may also conduct such informal public meetings as it deems advisable.

3. Intervention

   . . .

   d. A person's status as an intervenor or participant shall continue through the life of the docket, unless the person voluntarily withdraws or is dismissed as an intervenor or participant by the commission for cause.

4. Intervenor funding

   a. Upon the issuance of the commission's final order on a utility's integrated resource plan or any amendment to the plan, the commission may grant an intervenor or participant . . . recovery of all or part of the intervenor's or participant's direct out-of-pocket costs reasonably and necessarily incurred in intervention or participation . . .

IRP Framework, Section II.D, at 5 (emphasis added), and Section III.E, at 13 - 16.

The commission recognizes that LOL and HREA are intervenors in Docket No. 2007-0084, HECO's on-going IRP-404-0046
proceeding, and that LOL was also an intervenor in In re Hawaiian Elec. Co., Inc., Docket No. 03-0253, HECO's IRP-3 proceeding. In those dockets, however, HECO affirmatively did not object to LOL and HREA's intervention. Here, by contrast, HELCO objects to the motions to intervene filed by LOL and HREA. 20

In opposing LOL and HREA's motions to intervene, HELCO contends that it was more appropriate for the movants, from the outset, to participate in the development of HELCO's IRP-3 during the public participation/Advisory Group process, where their stated interests could have been more efficiently considered and discussed. In essence, HELCO objects to the perceived "lateness" of the movants' efforts in providing input on HELCO's IRP-3 through the formal intervention process.

While the commission would prefer that interested persons participate in the development of an electric utility's IRP from the outset (i.e., during the public participation/Advisory Group process), failure to participate in the Advisory Group process will not alone preclude intervention in an IRP docket. It is, however, a factor that the commission will consider in deciding whether intervention is appropriate. HELCO's IRP-3, at this stage of the proceeding, represents HELCO's preferred twenty-year plan, which is subject to the commission's review under Section II.D of the IRP Framework. Following the completion of the various procedures as reflected in Prehearing Order No. 23485, the commission is free to reject,

20LOL and HREA were not intervenors or participants in In re Hawaii Elec. Light Co., Inc., Docket No. 7259, HELCO's IRP-1 proceeding, or in In re Hawaii Elec. Light Co., Inc., Docket No. 97-0349, HELCO's IRP-2 proceeding.
modify, or approve, in whole or in part, HELCO's IRP-3 and program implementation schedule, taking into consideration the recommendations and views expressed by the Consumer Advocate and anyone named by the commission as an intervenor or participant.21

A.

LOL

With respect to LOL, HELCO also argues that LOL's stated interests in this proceeding are focused on HELCO's potential use of biofuels for existing and new generating units, and in developing options for obtaining biofuel resources.22 These stated interests, HELCO notes, represent just two of the fourteen items proposed by HELCO as part of its IRP-3 Action Plan.

While the use of biofuels is a major part of LOL's discussion in its Motion, LOL's stated interests also include the environment, global warming and climate change, renewable energy, and energy efficiency. Here, the commission finds that LOL's participation in this proceeding can assist the commission in developing a sound record, that the allegations raised by LOL appear reasonably pertinent to the issues identified by the commission in Prehearing Order No. 23485, and that LOL will not unduly broaden said issues. The commission, thus, grants LOL's motion to intervene.

21The commission also intends to consider the views expressed by interested persons at the public meeting scheduled for July 30, 2007, in Waimea, Hawaii.
B.

HREA

With respect to HREA, the commission granted intervention to HREA in Docket No. 2007-0084, HECO's pending IRP-4 proceeding. Now, HREA seeks to intervene in HELCO's pending IRP-3 proceeding, based on the virtually identical interests it previously raised in HECO's pending IRP-4 proceeding." Moreover, HREA has actively participated as an intervenor in Docket No. 03-0372, the commission's competitive bidding docket, and seeks to ensure that HELCO's IRP-3 incorporates and is consistent with the applicable requirements of the Framework for Competitive Bidding, adopted by the commission.

Here, the commission finds that HREA's participation in this proceeding can assist the commission in developing a sound record, that the allegations raised by HREA appear reasonably pertinent to the issues identified by the commission in Prehearing Order No. 23485, and that HREA will not unduly broaden said issues. The commission, thus, grants intervention to HREA.

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"As noted by the commission in Order No. 23455, filed on May 23, 2007, in Docket No. 2007-0084:

HREA represents that its interests include:

(i) treatment of renewable energy resources, both as supply-side and demand-side measures, in HECO's IRP,
(ii) integration of the competitive bidding framework established in the Competitive Bidding docket (No. 03-0372) in HECO's fourth round IRP framework, and
(iii) refinements to improve the IRP process . . . .

Docket No. 2007-0084, Order No. 23455, at 5 (quoting HREA's motion to intervene, filed on April 11, 2007, at 3).
C. Conditions

As the commission is required to issue a decision and order in this docket in a relatively short time frame, it will preclude any effort by LOL and HREA to unreasonably broaden the pertinent issues set forth in Prehearing Order No. 23485, or unduly delay the proceeding. Likewise, the commission will reconsider LOL and HREA's participation in this docket if, at any time during the course of this proceeding, the commission determines that LOL or HREA is unreasonably broadening the pertinent issues set forth in Prehearing Order No. 23485 or unduly delaying the proceeding.

LOL and HREA shall adhere to the applicable procedures and deadlines set forth in Prehearing Order No. 23485. As such, the deadline for LOL and HREA to file their testimonies, exhibits, and work papers is September 28, 2007.

III. Orders

THE COMMISSION ORDERS:

1. LOL's motion to intervene, filed on June 15, 2007, is granted.

2. HREA's motion to intervene, filed on June 21, 2007, is granted.

3. LOL and HREA are precluded from unreasonably broadening the pertinent issues set forth in Prehearing Order No. 23485, or unduly delaying the proceeding.
4. LOL and HREA shall adhere to the applicable procedures and deadlines set forth in Prehearing Order No. 23485. As such, the deadline for HREA and LOL to file their testimonies, exhibits, and work papers is September 28, 2007.

DONE at Honolulu, Hawaii JUL 12 2007.

PUBLIC UTILITIES COMMISSION OF THE STATE OF HAWAII

By Carlito P. Caliboso, Chairman

By John E. Cole, Commissioner

By Leslie H. Kondo, Commissioner

APPROVED AS TO FORM:

Michael Azama
Commission Counsel
CERTIFICATE OF SERVICE

I hereby certify that I have this date served a copy of the foregoing Order No. 23540 upon the following parties, by causing a copy hereof to be mailed, postage prepaid, and properly addressed to each such party.

CATHERINE P. AWAKUNI
EXECUTIVE DIRECTOR
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
DIVISION OF CONSUMER ADVOCACY
P. O. Box 541
Honolulu, HI 96809

WARREN H. W. LEE
PRESIDENT
HAWAII ELECTRIC LIGHT COMPANY, INC.
P. O. Box 1027
Hilo, HI 96720

WILLIAM A. BONNET
VICE PRESIDENT
HAWAII ELECTRIC LIGHT COMPANY, INC.
P. O. Box 2750
Honolulu, HI 96840-0001

THOMAS W. WILLIAMS, JR., ESQ.
PETER Y. KIKUTA, ESQ.
GOODSILL ANDERSON QUINN & STIFEL
1800 Alii Place
1099 Alakea Street
Honolulu, HI 96813

Counsel for HELCO

HENRY Q. CURTIS
VICE PRESIDENT FOR CONSUMER ISSUES
LIFE OF THE LAND
76 North King Street, Suite 203
Honolulu, HI 96817
Certificate of Service
Page 2

WARREN S. BOLLMEIER II
PRESIDENT
HAWAII RENEWABLE ENERGY ALLIANCE
46-040 Konane Place #3816
Kaneohe, HI 96744

DATED: JUL 12 2007

Karen Hi~shi
Karen Higashi