

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

In the Matter of the Application of)
MAUI ELECTRIC COMPANY, LIMITED)
Regarding Integrated Resource)
Planning.)
_____)

DOCKET NO. 04-0077

ORDER CLOSING DOCKET

RECEIVED

2008 DEC -9 A 8:37

DIV. OF CONSUMER ADVOCACY
DEPT. OF COMMERCE AND
CONSUMER AFFAIRS
STATE OF HAWAII

PUBLIC UTILITIES
COMMISSION

2008 DEC -8 A 9:59

FILED

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

In the Matter of the Application of)
MAUI ELECTRIC COMPANY, LIMITED) Docket No. 04-0077
Regarding Integrated Resource)
Planning.)
_____)

ORDER CLOSING DOCKET

By this Order, the commission closes this docket.

I.

Request

By letter dated and filed on November 6, 2008, MAUI ELECTRIC COMPANY, LIMITED ("MECO") and the DIVISION OF CONSUMER ADVOCACY, DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS ("Consumer Advocate")¹ request that the commission suspend the filing of MECO's IRP-4, as a result of the "Energy Agreement Among the State of Hawaii, Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs, and the Hawaiian Electric Companies" dated October 20, 2008 ("Energy Agreement").

According to MECO and the Consumer Advocate:

As a part of the Energy Agreement and in order to improve analysis and guidance for Hawaii's clean energy future, the [Hawaii Clean Energy Initiative ("HCEI")] Parties agreed to replace the current Integrated Resource Planning ("IRP") process with a new [Clean Energy Scenario

¹The only parties to this docket are MECO and the Consumer Advocate.

Planning ("CESP")] process. Specifically, the HCEI Parties agreed to the following:

- The CESP process will provide high level guidance on long term (10-20 years) direction and an Action Plan for near term initiatives (5 years), balancing how the utility will meet its customers' expected energy needs as modified by planned energy efficiency, renewables substitution and demand response, encouraging high levels of renewable and clean energy with distributed resources, while protecting reliability at reasonable costs.
- The CESP process will be conducted on an on-going basis with a new Clean Energy Scenario Plan developed in three-year cycles. The CESP process will include exploring alternative energy scenarios, risks and uncertainties, to develop a base case and variations for a 20-year planning horizon.
- Since clean energy actions and choices on one island may affect the entire State, all Hawaiian Electric utilities shall conduct the CESP process in parallel or as one CESP process for all three utilities, using common economic and other assumptions and common scenarios for technology, economic, and development paths and options, while maintaining the option to also develop island-specific scenarios.
- The Hawaiian Electric utilities shall conduct a comprehensive generation and transmission analysis every three years to support the evaluation of several planning scenarios to be considered in developing the new base case. In addition, the Hawaiian Electric utilities shall provide Locational Value Maps that will guide the identification of geographic areas of distribution system growth for potential application of new energy efficiency, demand response, and distributed generation and storage within Clean Energy Investment Zones.

- The CESP process will incorporate an Advisory Committee and a public review process;

Energy Agreement at 36-37.

Additionally, the HCEI Parties agreed that a joint request would be made to the Commission to suspend MECO's IRP-4 and open a new docket to establish the CESP process. The Hawaiian Electric Companies anticipate submitting a proposed framework to govern the CESP process consistent with the determinations contained in the Agreement for the Commission's review and approval by March 31, 2009. The Hawaiian Electric Companies and the Consumer Advocate respectfully request that the Commission defer opening the docket to establish the CESP process until that time. Pending the Decision and Order establishing the CESP process, MECO will continue to meet with its IRP Advisory Group and file IRP-3 Evaluation Reports as currently scheduled in Docket No. 04-0077.

The suspension of MECO IRP-4 will avoid the expenditure of significant resources by all parties to the proceeding which may ultimately be rendered unnecessary by the new CESP process. The opening of a new docket to establish the CESP process will provide a vehicle for the Commission to review, evaluate and approve the specifics of the CESP process which are generally discussed in the Energy Agreement. The transition from the IRP process to the CESP process in a timely manner will facilitate implementation of the Energy Agreement as a coherent whole while also moving the State toward a more "sustainable, clean, flexible and economically vibrant energy future." Energy Agreement at 1.

Accordingly, the undersigned respectfully request that the Commission 1) suspend MECO's IRP-4, and 2) open a new docket to establish the Clean Energy Scenario Planning process upon the submission of a proposed CESP framework for the Commission's review and approval. MECO and the Consumer Advocate offer the foregoing as good cause therefore.

Letter dated and filed November 6, 2008, from MECO and the Consumer Advocate to the commission, at 2-3 (footnotes and text therein omitted).

Here, having considered the filings, the commission will close this docket. As the commission is closing the docket to allow for resources to be diverted to development of a CESP framework,² the commission directs MECO to suspend all activities pursuant to the IRP Framework. MECO is no longer required to: 1) meet with its IRP Advisory Group; 2) file an initial evaluation report of its IRP-3 Plan and Action Plan by December 31, 2008, and a second evaluation report by December 31, 2009; and 3) file its IRP-4 by April 30, 2010.

II.

Order

THE COMMISSION ORDERS:


This docket is closed.

²The CESP framework that MECO and the Consumer Advocate intend to file in March 2009 should comprise proposed revisions to the existing IRP Framework. The IRP Framework was the result of a collaborative process and has been the basis for utility planning in Hawaii for over a decade. In contrast, it is the commission's understanding that the CESP framework is a novel concept that has not yet been adopted by any other jurisdiction. Accordingly, the commission's preference is that the parties revise the IRP Framework to develop their proposed CESP framework. In drafting the proposed CESP framework, MECO and the Consumer Advocate shall include all interested parties, including Kauai Island Utility Cooperative, in discussions regarding the new framework.

DONE at Honolulu, Hawaii

DEC - 8 2008


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:


Jodi L. K. Yi
Commission Counsel

04.0077.cp

CERTIFICATE OF SERVICE

The foregoing order was served on the date of filing by mail, postage prepaid, and properly addressed to the following parties:

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

EDWARD REINHARDT
PRESIDENT
MAUI ELECTRIC COMPANY, LTD.
P.O. Box 398
Kahului, HI 96733-6898

DEAN MATSUURA
MANAGER, REGULATORY AFFAIRS
HAWAIIAN ELECTRIC COMPANY, INC.
P.O. Box 2750
Honolulu, HI 96840-0001

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

Counsel for MECO