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COMMISSION ON WATER  
RESOURCE MANAGEMENT

Attorney for MAUI ELECTRIC COMPANY, LTD.

BEFORE THE COMMISSION ON WATER RESOURCE MANAGEMENT

STATE OF HAWAII

In the Matter of Petitions to Amend Interim	)	MAUI ELECTRIC COMPANY, LTD.'S
Instream Flow Standards for East Maui	)	BRIEF IN SUPPORT OF HAWAIIAN
Streams	)	COMMERCIAL AND SUGAR
	)	COMPANY'S MOTION TO
	)	CONSOLIDATE PETITIONS TO AMEND
	)	INTERIM INSTREAM FLOW
	)	STANDARDS FOR EAST MAUI
	)	STREAMS AND COMPLAINT
	)	RELATING THERETO FILED MAY 29,
	)	2008; CERTIFICATE OF SERVICE
	)	

MAUI ELECTRIC COMPANY, LTD.'S BRIEF IN SUPPORT OF HAWAIIAN  
COMMERCIAL AND SUGAR COMPANY'S MOTION TO CONSOLIDATE PETITIONS TO  
AMEND INTERIM INSTREAM FLOW STANDARDS FOR  
EAST MAUI STREAMS AND COMPLAINT RELATING THERETO FILED MAY 29, 2008

MAUI ELECTRIC COMPANY, Ltd. ("MECO") is vitally interested in the continued viability of Hawaiian Commercial and Sugar Company ("HC&S") because HC&S has long been a firm and reliable power producer for MECO. Continued power production by HC&S from the burning of bagasse is an important part of MECO's plan to reduce dependence on fossil fuels and to meet the Renewable Portfolio Standards instituted by the State of Hawaii. Maui's energy future – both immediate and long-term – is reliant upon HC&S continuing to produce power into our transmission grid for distribution to MECO's customers.

Our reliance on firm continuous power by HC&S was especially evident during the October, 2006 earthquake when HC&S's power generation made a significant difference in Maui's ability to "keep the lights on." During this particular incident, the generating facilities at HC&S never tripped off line, and the fact that HC&S was able to maintain generation allowed MECO the opportunity to quickly restore and stabilize the electrical transmission and distribution grid.

Further, power produced by HC&S is critical to MECO because it is considered firm power that is available 24 hours a day, 7 days a week. Other forms of alternative energy, such as solar and wind power, while also important, are considered as-available power—that is, only available when the sun or wind can produce sufficient energy due to changing weather conditions. These forms of renewable energy cannot be consistently relied upon, and therefore, of necessity require standby generating capacity. Consequently, MECO is required to have on hand the facilities and fuel oil requisite to generate power in the absence of solar and wind generation.

Thus, generating power by burning biofuels, whether in the form of bagasse or other plant products, is a reliable source of firm energy which is not dependent upon the vagaries of weather therefore relieving MECO from having to have standby generating capacity. MECO's long-term business plan places a high reliance on agriculture to meet the power demands of our customers.

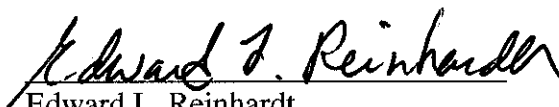
HC&S asserts that its economic well-being is dependent upon the integrated ditch system. We support that view. It doesn't make sense to make decisions about an integrated system by just considering a small portion of it.

At MECO, we also operate a complex integrated system, and we know first hand that you cannot make either technical or economic decisions about the whole system based on facts relating to just a portion of the system. That's one reason why we fully agree with HC&S's motion to consolidate.

The importance of HC&S to the well-being of Maui – in the jobs it provides, in the direct and indirect positive impacts on Maui's economy, in keeping agriculture thriving, and in producing a reliable source of alternative energy – requires that the Water Commission exercise utmost caution and deliberate with all seriousness about the potential impacts its decisions may have on HC&S. The stakes are too high to risk a piecemeal approach without a sufficient understanding of the impact on the entire comprehensive picture.

MECO, therefore, respectfully urges the Water Commission to grant HC&S's motion to consolidate and consider interim instream flow standards in the context of the entire East Maui Irrigation system.

DATED: Kahului, Maui, Hawaii, September 16, 2008.

  
Edward L. Reinhardt  
President  
MAUI ELECTRIC COMPANY, LTD.

BEFORE THE COMMISSION ON WATER RESOURCE MANAGEMENT

STATE OF HAWAII

In the Matter of Petitions to Amend Interim ) CERTIFICATE OF SERVICE  
Instream Flow Standards for East Maui )  
Streams )  
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CERTIFICATE OF SERVICE

I hereby certify that on this date, a copy of the document within was served via hand delivery (HD) or via U. S. Mail, postage prepaid (M) to the following:


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DATED: Honolulu, Hawaii, September 16, 2008

  
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