

BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF HAWAII

-----In the Matter of----- )  
 )  
 PUBLIC UTILITIES COMMISSION )  
 )  
 Instituting a Proceeding to )  
 Review the Power Supply )  
 Improvement Plans for Hawaiian )  
 Electric Company, Inc., Hawaii )  
 Electric Light Company, Inc., and )  
 Maui Electric Company, Limited. )  
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DOCKET NO. 2014-0183

ORDER NO. 33740

INVITING COMMENTS ON THE HECO COMPANIES'  
POWER SUPPLY IMPROVEMENT PLAN UPDATE

PUBLIC UTILITIES  
COMMISSION

2016 JUN - 3 P 1:51

FILED

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INVITING COMMENTS ON THE HECO COMPANIES'  
POWER SUPPLY IMPROVEMENT PLAN UPDATE

By this Order, the commission, on its own motion, is inviting comments in this docket on the "Hawaiian Electric Companies' PSIPs Update Report" ("PSIP Update") filed by the Hawaiian Electric Company, Inc. ("HECO"), Hawaii Electric Light Company, Inc. ("HELCO"), and Maui Electric Company, Limited ("MECO") (collectively, the "HECO Companies") on April 1, 2016.

On August 7, 2014, the commission initiated this docket to consolidate the review of the Power Supply Improvement Plans ("PSIPs") filed by the HECO Companies.<sup>1</sup> On November 4, 2015, the commission issued Order No. 33320 ("Order No. 33320") in the instant docket, in response to the PSIPs filed by the HECO Companies on August 26, 2014.

In Order No. 33320, the commission identified the following eight (8) observations and concerns ("Observations and Concerns") regarding the PSIPs:

1. the PSIP cost impacts and risks have not been demonstrated to be reasonable;
2. the PSIPs do not appear to aggressively seek lower-cost, new utility-scale renewable resources;
3. the PSIPs do not adequately address utilization and integration of distributed energy resources;
4. the proposed plans for fossil-fueled power plants are not sufficiently justified;
5. system security requirements appear costly and are not sufficiently justified;
6. the proposed plan for provision of ancillary services lacks transparency and may not be most cost-effective option;

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<sup>1</sup>In the Matter of PUBLIC UTILITIES COMMISSION, Docket No. 2014-0183, Order No. 32257, filed on August 7, 2014, at 1.

7. the PSIP analysis on inter-island transmission lacks sufficient detail; and
8. customer and implementation risks are not adequately addressed.<sup>2</sup>

In Order No. 33320, the commission also identified the following initial statement of issues ("Initial Statement of Issues") for the review, supplement, amendment, and updating of the PSIPs:

1. Whether the PSIPs, as amended and updated in this proceeding, provide useful context and meaningful analysis to inform major resource acquisition and system operation decisions and identify well-reasoned and adequately-supported plans and actions that will result in reliable energy services, meeting State clean energy requirements, while ensuring that costs and rates will be reasonable.
2. Whether the PSIP for each of the HECO Companies, as amended and updated in this proceeding, includes reasonable plan components as required for HECO in Order No. 32053, including:
  - a. a Fossil Generation Retirement Plan;
  - b. a Generation Flexibility Plan;
  - c. a Must-Run Generation Reduction Plan;
  - d. an Environmental Compliance Plan;
  - e. a Key Generator Utilization Plan;
  - f. an Optimal Renewable Energy Portfolio Plan; and
  - g. a Generation Commitment and Economic Dispatch Review.

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<sup>2</sup>Order No. 33320 at 3-7.

3. Whether the PSIPs, as amended and updated, adequately address the Observations and Concerns . . . .<sup>3</sup>

As noted above, on April 1, 2016, the HECO Companies filed the PSIP Update with the commission.<sup>4</sup> By this Order, the commission is requesting comments on the PSIP Update from Intervenors and Participants (collectively, "Parties") in this docket.<sup>5</sup> Parties are free to comment upon any aspect of the PSIPs; however, the commission is particularly interested in comments that address the Initial Statement of Issues. In addition, the Parties are encouraged to address what specific procedural steps the commission should consider to ensure constructive further progress in this docket.

Parties to the proceeding shall file their comments pursuant to the commission's rules of practice and procedure. The commission will accept comments on the PSIP Update through June 17, 2016.

The commission also welcomes comments on these issues from interested persons who are not Parties to this docket. Public comments should be addressed to the attention of

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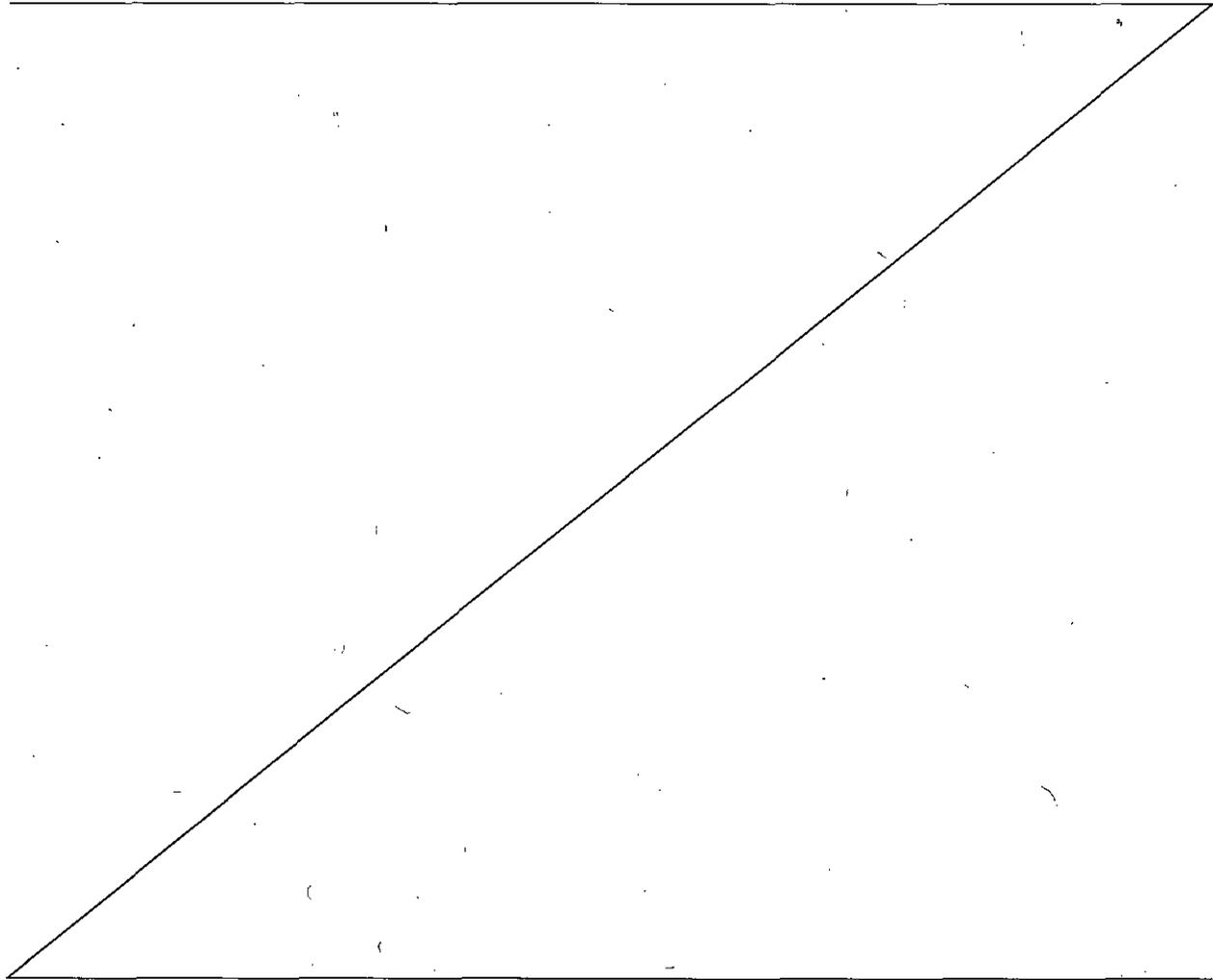
<sup>3</sup>Order No. 33320 at 138-139.

<sup>4</sup>On May 17, 2016, the HECO Companies hosted a public meeting to discuss the PSIP Update with interested stakeholders.

<sup>5</sup>Parties are identified in Order No. 33320 at 168-169.

the commission and clearly indicate that they are being filed in Docket No. 2014-0183 to address the PSIP Update. Written comments may be submitted to the commission by hand-delivery, by first class mail, or E-filing so as to reach the commission no later than June 17, 2016. Public comments may also be submitted by the same deadline via e-mail to the following address: [hawaii.puc@hawaii.gov](mailto:hawaii.puc@hawaii.gov). Comments filed via e-mail should include the following in the subject line:

"Docket No. 2014-0183 - PSIPs - [Filer Name]."

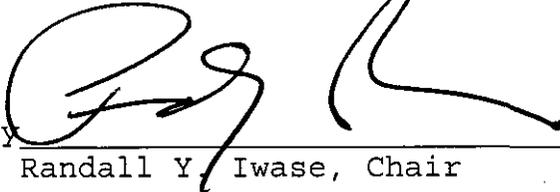


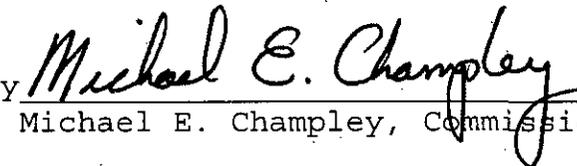
With respect to public comments, the commission is not requiring the submission of additional hard copies of documents that have been submitted electronically.

Late submissions from the Parties or the public will not be accepted.

DONE at Honolulu, Hawaii JUN - 3 2016

PUBLIC UTILITIES COMMISSION  
OF THE STATE OF HAWAII

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By   
Michael E. Champley, Commissioner

By   
Lorraine H. Akiba, Commissioner

APPROVED AS TO FORM:

  
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Commission Counsel

2014-0183.ljk

CERTIFICATE OF SERVICE

The foregoing order was served on the date of filing by mail,  
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