



CONSUMER SPOTLIGHT

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Executive Director's Message

By Dean Nishina

There are two power purchase agreement applications (PPA) that are highlighted in this newsletter—the KIUC–AES Lawai, Inc. PPA and this HELCO-Hu Honua PPA. These PPAs are a great reminder that we encourage public comment on applications filed with the Hawaii Public Utilities Commission (PUC). It allows our office to hear comments directly from consumers to consider when forming our Statement of Position. Visit puc.hawaii.gov/contact/public-comments/ for more details.

As electric vehicle usage increases, the need for charging stations increases as well. The PUC recently approved an extension of public electric vehicle charging facilities. That also ties into HECO's draft plan for its Grid Modernization Strategy. Read about both on page 2.

Lastly, with the announcement of Hawaiian Telcom and Cincinnati Bell's merger agreement, our office awaits a formal application submission before the PUC.

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Fun Fact:

Water utilities process 38 billion gallons of water daily in the United States.

Source: Environmental Protection Agency



Consumer Advocate Dean Nishina (far left) sat on a panel at the 2017 VERGE Asia Pacific Clean Energy Summit held in June. The workshop panel discussed future models for utility ownership and regulation in Hawaii.

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Pictured: HECO's Campbell Industrial Park Generating Station.

HECO Submits Draft Plans of Grid Modernization Strategy

In its recent filing of a Grid Modernization Strategy draft plan, the Hawaiian Electric Companies (HECO) estimate the first segment of its plan will cost about \$205 million over six years.

Some near-term work planned by HECO include distribution of smart meters, an expansion of voltage management tools, use of sensors and automated controls, communication network, and outage management and notification technology.

HECO notes that “new technology will help more than triple the amount of private rooftop solar, make use of rapidly evolving products—including storage and advanced inverters—and incorporate a vast array of sophisticated energy management tools, such as demand response.”

HECO also says that modernizing the electric grid will give customers more information and more control over the energy they use. That's in addition to using less imported oil faster, and using technology to predict and avoid outages, restoring service faster.

HECO submitted its Smart Grid application in March 2016. The Public Utilities Commission issued Order No. 34281 in January of this year dismissing the application and requiring HECO to submit a detailed, scenario-based Grid Modernization Strategy that was filed on June 30, 2017.

Docket No. 2016-0087

PUC Docket Numbers are included in these articles for further, in depth reading. PUC public filings are accessible online via the PUC's Document Management System (DMS). Visit: <http://dms.puc.hawaii.gov/dms>

PUC Approves EV Charging Program Extension

The Public Utilities Commission (PUC) has approved the Hawaiian Electric Companies' request to extend its commercial public electric vehicle charging facilities for five years. The additional five-year extension will have the pilot program in effect until June 30, 2023.

In its extension request the Companies sought a ten-year extension of the pilot program from 2018 to 2028.

The Consumer Advocate argued that “evolving factors” including “evolving EV technology (e.g., larger batteries) and changes in forecasted demand and utilization” as well as the degree of subsidization, warrant a five-year, rather than a ten-year, extension of the pilot.

Public comments submitted were all in support of public EV charging stations.

Docket No. 2016-0168



Pixabay image.

Home Cooling Tips for Summer

Learn ways to save energy and keep your home cool during these summer months. Did you know: Two-thirds of all U.S. homes have air conditioners and homeowners spend \$11 billion every year to power their AC units.

Here are a few simple tips on how you can stay cool:

- Install and set a programmable thermostat, saving you up to 10 percent on costs a year.
- Install energy-efficient window coverings that let natural light in and prevent solar heat gain.
- Buy an ENERGY STAR-qualified AC unit. On average, they're up to 15 percent more efficient.
- Don't heat your home with appliances. Consider using an outdoor grill instead of your oven.
- Use a fan. Ceiling fans will allow you to raise the thermostat about 4 degrees without impacting your comfort.



Article source: Energy Saver, energy.gov

KIUC Seeks Approval of PPA with AES Lawai Solar, LLC

The Consumer Advocate (CA) recently filed its Statement of Position with the Public Utilities Commission (PUC) regarding the application filed by Kauai Island Utility Cooperative (KIUC). The application requests the approval of a proposed Power Purchase Agreement (PPA) between KIUC and AES Lawai Solar, LLC (AES), which would be the second solar and storage project on Kauai.



Upon completion of its review, the CA recommended the PUC approve the proposed PPA. The CA considered three factors in review of whether to approve the application: 1) the reasonableness of selecting the AES Facility; 2) the anticipated benefits associated with the proposed PPA and the risks associated with realizing the anticipated benefits; and 3) the reasonableness of the terms and conditions of the proposed PPA.

The proposed AES Facility will be located between the towns of Lawai and Koloa on Kauai. The initial term proposed is 25 years and with a contract price at a fixed rate of \$110.80/MWh.

Docket No. 2017-0018

Consumer Advocate Has Questions and Concerns on HELCO-Hu Honua PPA

The Consumer Advocate (CA) filed its Statement of Position to the Public Utilities Commission (PUC) on July 10, contending that the record reflects insufficient and inconsistent information to facilitate a final decision.

While recognizing the time constraints of the proceeding, in light of the risks and costs to ratepayers of Hawaii island, the CA also contends that it is critical that Hawaii Electric Light Company, Inc. (HELCO) and Hu Honua address the remaining questions and concerns before the PUC renders its decision.

The Hu Honua biomass project was approved by the PUC in December 2013 in the original power purchase agreement (PPA) between HELCO and Hu Honua. Subsequently, Hu Honua failed to meet two significant contractual milestones that resulted in HELCO terminating the original PPA.

In May of this year, the PUC opened this current docket to review the request filed in the original proceeding (Docket No. 2012-0212) after a settlement was reached between HELCO and Hu Honua related to separate litigation.

Docket No. 2017-0122

Hawaiian Telcom, Cincinnati Bell Announce Merger Agreement

Two telecommunications companies, Hawaiian Telcom and Cincinnati Bell have announced a definitive agreement to merge. Both entities will continue to maintain their separate local brand identities and operations. The transaction is subject to federal and state regulatory approvals. Also, the entities expect the merger to close in the second half of 2018.

Founded in 1883 and headquartered in Hawaii, Hawaiian Telcom provides integrated communications services for business and residential customers. Since its founding, there have been a number of transactions that resulted in a change of ownership of Hawaiian Telcom. The last transaction was approved by the Hawaii Public Utilities Commission in 2005, when the Carlyle Group acquired Hawaiian Telcom from GTE and Verizon.

Once the application is submitted, the Consumer Advocate anticipates reviewing the proposed transaction to determine if there are significant net benefits for customers and whether the transaction is in the best interest of Hawaii's businesses and residents.

Upcoming Dates of Interest

- **Aug 3: Aqua Puhī, LLC Public Hearing** held at Lihue State Office Building, Rooms 209A, B & C at 6 p.m.
- **Aug 18: Statehood Day** (State holiday, our office will be closed).
- **Aug 28: Hawaii Energy Policy Forum's [Hawaii Clean Energy Day](#)** held at YWCA Laniakea from 9:30 a.m.—6 p.m.
- **Sep 4: Labor Day** (State holiday, our office will be closed).
- **Sep 22: Senior Fair** held at Neal Blaisdell Exhibition Hall from 8 a.m.—4:30 p.m. DCA will be at the DCCA booth.

A graphic for 'Consumer Spotlight'. It features the text 'Consumer Spotlight' in a large, brown, serif font. Below it, in a smaller, black, sans-serif font, is the text 'Subscribe to DCA's newsletter'. The background is a light gray with two studio lights on stands, one on the left and one on the right, both pointing towards the center. The entire graphic is set against a dark gray background.

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We also welcome feedback and story ideas. Email us at dca@dcca.hawaii.gov.

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