



DEPARTMENT OF THE CORPORATION COUNSEL

COUNTY OF MAUI
200 SOUTH HIGH STREET
WAILUKU, MAUI, HAWAII 96793
TELEPHONE: (808) 270-7740
FAX: (808) 270-7152

November 7, 2003

FILED
NOV 10 10 17 AM '03
PUBLIC UTILITIES
COMMISSION

Public Utilities Commission
State of Hawaii
465 South King Street
Honolulu, HI 96813

Re: In the matter of PUBLIC UTILITIES COMMISSION Instituting a Proceeding to Investigate Distributed Generation In Hawaii; Docket No. 03-0371
In the matter of PUBLIC UTILITIES COMMISSION Instituting a Proceeding to Investigate Competitive Bidding for New Generating Capacity in Hawaii; Docket No. 03-0372

Dear Chief Clerk of the Commission:

Enclosed for filing are the following:

1. COUNTY OF MAUI'S MOTION TO INTERVENE IN THE PUBLIC UTILITIES COMMISSION'S DOCKET NO. 03-0371, ORDER NO. 20582, INSTITUTING A PROCEEDING TO INVESTIGATE DISTRIBUTED GENERATION IN HAWAII; VERIFICATION OF KALVIN K. KOBAYASHI; CERTIFICATE OF SERVICE (Original + 10)
2. COUNTY OF MAUI'S MOTION TO INTERVENE IN THE PUBLIC UTILITIES COMMISSION'S DOCKET NO. 03-0372, ORDER NO. 20583, INSTITUTING A PROCEEDING TO INVESTIGATE COMPETITIVE BIDDING FOR NEW GENERATING CAPACITY IN HAWAII; VERIFICATION OF KALVIN K. KOBAYASHI; CERTIFICATE OF SERVICE (Original + 10)

Please return the file-marked copies to this office. A self-addressed, stamped, envelope is enclosed for your convenience.

Public Utilities Commission
November 7, 2003
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If you have any questions, please do not hesitate to contact me.

Sincerely,

Cindy Y. Young
CINDY Y. YOUNG
Deputy Corporation Counsel

CYY:ko
Enclosures
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BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

In the matter of) DOCKET NO. 03-0371
)
PUBLIC UTILITIES COMMISSION)
)
Instituting a Proceeding to)
Investigate Distributed Generation)
In Hawaii)
_____)

PUBLIC UTILITIES
COMMISSION

Nov 10 10:18 AM '03

FILED

**COUNTY OF MAUI'S MOTION TO INTERVENE IN THE
PUBLIC UTILITIES COMMISSION'S DOCKET NO. 03-0371,
ORDER NO. 20582, INSTITUTING A PROCEEDING TO
INVESTIGATE DISTRIBUTED GENERATION IN HAWAII**

VERIFICATION OF KALVIN K. KOBAYASHI

CERTIFICATE OF SERVICE

DEPARTMENT OF THE CORPORATION COUNSEL

BRIAN T. MOTO 5421-0

Corporation Counsel

CINDY Y. YOUNG 7443-0

Deputy Corporation Counsel

County of Maui

200 S. High Street

Wailuku, Maui, Hawaii 96793

Phone: (808) 270-7740

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Attorneys for Intervenor

COUNTY OF MAUI

BEFORE THE PUBLIC UTILITIES COMMISSION

OF THE STATE OF HAWAII

In the matter of) DOCKET NO. 03-0371
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PUBLIC UTILITIES COMMISSION)
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**COUNTY OF MAUI'S MOTION TO INTERVENE IN THE
PUBLIC UTILITIES COMMISSION'S DOCKET NO. 03-0371,
ORDER NO. 20582, INSTITUTING A PROCEEDING TO
INVESTIGATE DISTRIBUTED GENERATION IN HAWAII**

The COUNTY OF MAUI ("COUNTY") by and through its attorneys BRIAN T. MOTO, Corporation Counsel, and CINDY Y. YOUNG, Deputy Corporation Counsel, hereby moves to intervene and become a party to Docket No. 03-0371, Order No. 20582, regarding the Public Utilities Commission ("Commission") instituting a proceeding to investigate distributed generation in Hawaii. No hearing is requested on this motion.

In support of its Motion, the COUNTY represents and asserts it meets the requirements to intervene, consistent with title 6, section 61-55 (b), Hawaii Administrative Rules.

1. STATEMENT OF THE DIRECT AND SUBSTANTIAL INTEREST OF THE APPLICANT

The interest of the COUNTY in this docket is as a result of its mandate, under the County Charter of Maui, to provide for and to protect the public health, safety and welfare of its residents and to otherwise maintain, protect and advance the interests of the public. This mandate includes, but is not limited to, land use planning, economic development, permitting, and energy

emergency preparedness for disasters and market disruptions. The COUNTY has an interest in any impacts that distributed energy resources would have on the public and on the overall economy of the COUNTY, specifically in the delivery of safe, affordable, and reliable energy. The docket investigates matters that affect the cost and availability of electricity on the islands of Maui, Molokai, and Lanai, and is thus of interest to the COUNTY in carrying out its Charter duties.

The COUNTY's continuous involvement in the Commission's integrated resource planning ("IRP") process¹ can support the Commission to address distributed generation issues relating to "developing the necessary revisions to the integrated resource planning process".² The COUNTY first raised concerns relating to the treatment of distributed generation in the first IRP cycle conducted by Maui Electric Company ("MECO").³ MECO responded to the COUNTY's distributed generation concerns by proposing to conduct a study on dispersed generation (more commonly referred to as distributed generation) as a part of its Supply-Side Resource Option Plan⁴. The COUNTY again expressed its concerns about the treatment of distributed generation in MECO's second IRP cycle.⁵

The General Plan of the County of Maui states that an objective of the COUNTY is "[t]o make Maui County more self-sufficient in its need for non-renewable energy and more efficient

¹ The COUNTY was a party to Public Utilities Commission Docket No. 6617 and was a member of Maui Electric Company's first and second IRP Advisory Groups

² Item I, subsection (6) of Order No. 20582.

³ Page 8-177, Book 7 of MECO's first IRP filing, Docket No. 7258

⁴ Page 23 of Appendix A.3, of MECO's first IRP filing, Docket No. 7258.

⁵ Pages F-420-422, Appendix F of MECO's second IRP filing, Docket No. 99-0004.

in its use of energy. The General Plan of the County of Maui 1990 Update (Revised), p. 36. As such, the COUNTY has interests in this instant docket because the widespread use of distributed generation and distributed energy resources support the above County objective.

The General Plan of the County of Maui further contains policies on public safety to “(m)aintain a proper state of preparedness for man-made or natural disasters” and “(e)ncourage private industries to provide for themselves protection services to meet their special needs.” The General Plan of the County of Maui 1990 Update (Revised), p. 46. In support of these policies, the COUNTY is continuing to promote the use of distributed generation as an important energy emergency management strategy.⁶ Accordingly, the COUNTY has a public safety interest in this instant docket.

The General Plan of the County of Maui 1990 Update (Revised), pp. 36-37. In support of these policies, the COUNTY is continuing to promote the use of distributed generation as an important energy emergency management strategy.⁷ Accordingly, the COUNTY has a public safety interest in this instant docket.

MECO is authorized in its franchise agreements for the islands of Maui, Molokai, and Lanai to use public rights-of-way for utility purposes.⁸ Inasmuch as the distributed generation and distributed energy resources can mitigate or obviate the need to install new power lines along

⁶ The COUNTY promoted distributed generation as an energy emergency management strategy at a workshop it co-sponsored on December 6, 2002. For the agenda and presentations, see <http://www.co.maui.hi.us/departments/Management/chp.htm>.

⁷ The COUNTY promoted distributed generation as an energy emergency management strategy at a workshop it co-sponsored on December 6, 2002. For the agenda and presentations, see <http://www.co.maui.hi.us/departments/Management/chp.htm>.

⁸ Act 12, Session Laws of Hawaii, 1991, MECO franchise for the island of Maui; Act 147, SLH, 1989, MECO franchise for the island of Molokai; Act 54, 1988, MECO franchise for the island of Lanai.

county rights-of-ways, the COUNTY has an interest in the policies and rules established in this instant docket.

The COUNTY also has an interest in the proceeding and a right to participate in the hearing as a major consumer of electricity on the island.⁹ As a large consumer, the COUNTY is interested in and is concerned about the manner in which electricity services may be planned, priced, and provided to Maui County and a direct interest in distributed energy resources and the possibility of lower electricity prices through a competitive distributed energy resources marketplace. The COUNTY is also interested in issue no. 5 of Order No. 20582 in this docket, which addresses “the rate design and cost allocation issues associated with the deployment of distributed generation facilities” as Commission’s decisions regarding these issues may affect electric rates paid by the COUNTY and its citizens.

Moreover, the COUNTY has opportunities for joint ventures with power generators and has strong interests in generating power at County facilities. The COUNTY’s interest in these opportunities arises from Hawai’i Revised Statutes section 46-19 which allows each of the counties (1) to participate in the development of alternative energy resources with an end user or public utility pursuant to a plan for the direct utilization of the energy sources, and (2) should a joint venture partner not be available, to proceed with the development of alternate energy sources for their own consumption or for the furtherance of a plan for direct utilization. Accordingly, the policies and rules established by the Commission for distributed generation can impact upon the COUNTY’s statutory interests to develop renewable energy systems.

⁹ The COUNTY’s electric utility bills for fiscal year 2002-03 totaled more than \$13,700,000.

2. APPLICANT'S POSITION REGARDING THE MATTER IN CONTROVERSY

The COUNTY's positions are the consistent with its positions in the IRP process¹⁰, the renewable energy resources docket (Docket No. 94-0226), and the electric competition docket (Docket No. 96-0493).

In Docket No. 96-0493 we advocated that any restructuring activities in Hawai'i should focus primarily on retail energy services (commonly referred to as distributed energy resources). This position is consistent with the Commission's Order No. 20582, instituting an investigation into distributed generation and related distributed energy resources issues.

3. THE EXTENT TO WHICH PARTICIPATION WILL NOT BROADEN THE ISSUES OR DELAY THE PROCEEDING

The COUNTY's participation will not broaden the issues or delay the proceedings. Many of the COUNTY's concerns have been raised by the Commission in Order No. 20582, and the COUNTY's participation will be consistent with, and not broaden or delay the proceedings as described by the Commission in that order.

4. THE EXTENT TO WHICH THE APPLICANT'S INTEREST WILL NOT BE REPRESENTED BY EXISTING PARTIES

None of the parties known to the COUNTY have the same interests as the COUNTY as a large consumer and as the governing entity of the public affairs of the Maui County. The utilities have interests as producers and sellers of power to customers such as the COUNTY. The Consumer Advocate's emphasis is to ensure reasonably priced, reliably-delivered electric power to consumers, generally, and to residential consumers, in particular. No other party to this proceeding has the comprehensive interests of the COUNTY, which has the responsibility of the

¹⁰ Docket No. 6617, Docket No. 7258, and Docket No. 99-0004.

public welfare and commerce for Maui County. There are no other means available whereby the COUNTY's interests and concerns may come before the Commission.

5. STATEMENT OF THE EXPERTISE, KNOWLEDGE OR EXPERIENCE POSSESSED BY THE APPLICANT WITH REGARD TO THE MATTER IN CONTROVERSY

The COUNTY has been an intervenor and an Advisory Group member of the IRP process since its inception, and has intervened in Docket Nos. 94-0226 and 96-0493, which concern related issues. With the experience from its intervention in these dockets and the expertise of its energy coordinator, the COUNTY has the necessary expertise, knowledge, and experience to intervene in this docket.

6. WHETHER THE APPLICANT CAN AID THE COMMISSION BY SUBMITTING AN AFFIRMATIVE CASE

The COUNTY, as stated above, has the background and interest in the issues to be addressed in this docket. It also has knowledge of conditions on the islands of Maui, Molokai, and Lanai, and can assist the Commission by providing its assessment of the various issues, and their effect on Maui County and its citizen-ratepayers.

7. STATEMENT OF THE RELIEF DESIRED

The COUNTY cannot formulate a statement of the relief it desires, as its desired relief will be affected by the issues raised by the other parties to the docket. However, the COUNTY will be seeking an outcome from this docket that promotes the health and welfare of its citizen-ratepayers and the economy of Maui County, and that protects the interests of the COUNTY as a major ratepayer.

For all of the foregoing reasons, the COUNTY respectfully requests the Public Utilities Commission to grant the COUNTY intervenor status in Docket No. 03-0371.

DATED: Wailuku, Maui, Hawai'i, November 7, 2003.

BRIAN T. MOTO
Corporation Counsel
Attorney for Intervenor
COUNTY OF MAUI

By *Cindy Y. Young*
CINDY Y. YOUNG
Deputy Corporation Counsel

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

In the matter of) DOCKET NO. 03-0371
)
PUBLIC UTILITIES COMMISSION)
)
Instituting a Proceeding to)
Investigate Distributed Generation)
In Hawaii)
_____)

VERIFICATION OF KALVIN K. KOBAYASHI

STATE OF HAWAII)
) SS.
COUNTY OF MAUI)

Kalvin K. Kobayashi, being first duly sworn on oath, deposes and says:

1. That I am the Energy Coordinator for the County of Maui.
2. That I make this verification for and on behalf of the County of Maui.
3. That I have read the foregoing County of Maui's Motion to Intervene In the Public

Utilities Commission's Docket No. 03-0371, Order No. 20582, Instituting a Proceeding to Investigate Distributed Generation in Hawaii.

Further, Affiant sayeth naught.


KALVIN K. KOBAYASHI

Subscribed and sworn to before me
this 7th day of November, 2003.

Kay A. Ogasawara
Notary Public, State of Hawaii
My Commission expires: 7/1/05
LS. Kay A. Ogasawara

CERTIFICATE OF SERVICE

I hereby certify that I have this date served copies of the foregoing **COUNTY OF MAUI'S MOTION TO INTERVENE IN THE PUBLIC UTILITIES COMMISSION'S DOCKET NO. 03-0372, ORDER NO. 20583, INSTITUTING A PROCEEDING TO INVESTIGATE COMPETITIVE BIDDING FOR NEW GENERATING CAPACITY IN HAWAII; VERIFICATION OF KALVIN K. KOBAYASHI; CERTIFICATE OF SERVICE**, upon the following parties, by causing copies hereof to be mailed, postage prepaid, and properly addressed to each such party, as noted below.

DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS (2 copies)
DIVISION OF CONSUMER ADVOCACY
P.O. Box 541
Honolulu, HI 96809

ALTON MIYAMOTO
PRESIDENT AND CEO
KAUA'I ISLAND UTILITY COOPERATIVE
4463 Pahee Street
Lihue, HI 96766

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

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

WARREN H.W. LEE
PRESIDENT
HAWAII ELECTRIC LIGHT COMPANY, LTD.
P.O. Box 1027
Hilo, HI 96721-1027

DATED: Wailuku, Maui, Hawai'i, November 7, 2003.

BRIAN T. MOTO
Corporation Counsel
Attorney for Intervenor
COUNTY OF MAUI

By *Cindy Y. Young*
CINDY Y. YOUNG
Deputy Corporation Counsel