

TESTIMONY OF  
ROBERT A. ALM

SENIOR VICE PRESIDENT  
PUBLIC AFFAIRS  
HAWAIIAN ELECTRIC COMPANY, INC.

Subject: Public Sentiment

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INTRODUCTION

- Q. Please state your name and business address.
- A. My name is Robert A. Alm and my business address is 900 Richards Street, Honolulu, Hawaii.
- Q. What is your present position with the Hawaiian Electric Company, Inc. (“HECO”)?
- A. I am the Senior Vice President of Public Affairs. My educational background and experience are provided in HECO-1200.
- Q. What is the scope of your testimony?
- A. My testimony will address the public sentiment regarding this project.

PUBLIC SENTIMENT

- Q. What is meant by public sentiment?
- A. Under Hawaii Revised Statutes §269-27.6, whenever a public utility applies to the Commission for approval to construct a new 46 kilovolt (“kV”) or greater electric transmission system, the Commission shall determine whether the electric transmission system should be constructed above or below the surface of the ground, after considering several factors. In making the determination for new 138 kV or greater high-voltage transmission systems, the Commission must consider additional factors including the breadth and depth of public sentiment with respect to an above ground versus underground system.

Based on the proposed project, 138 kV transmission lines will not be involved, thus the Commission is not required by that specific statute to consider the breadth and depth of public sentiment. However, HECO developed a public input process on the three alternatives considered.

1 Q. Why was a public input process developed?

2 A. As described by Mr. Joaquin in HECO T-1, after the Board of Land and Natural  
3 Resources' ("BLNR") denial of HECO's Conservation District Use Permit  
4 ("CDUP") application, an Executive Team was formed to provide executive  
5 oversight to ensure the project moved forward to address the continuing East  
6 Oahu transmission concerns. The Executive Team realized that continuing to  
7 obtain public input would be essential in moving the project forward. As  
8 discussed by Mr. Wong in HECO T-2, HECO had initiated a public scoping and  
9 input process in 1993. An apparent lack of transparency in HECO's decision-  
10 making process appeared to be a significant criticism of the earlier process of  
11 selecting the Waahila Ridge alternative. HECO realized after the CDUP decision  
12 that it needed to be more transparent in its planning process. It would be  
13 important to invite more public input to help HECO in selecting the alternative  
14 that would be presented to the Commission.

15 Q. Did you have concerns about going out to the public given the history of the  
16 Waahila Ridge proposal?

17 A. No, though HECO recognized that the Waahila Ridge permit process had been  
18 extremely controversial and that some very negative feelings about the overall  
19 process remained. Nonetheless, HECO also expected that it would receive useful  
20 input on the impacts of the alternatives if it asked the public for its view.

21 Q. Please describe the public input process utilized with respect to the three  
22 alternatives considered?

23 A. After HECO identified three alternatives to address the continuing East Oahu  
24 transmission concerns, HECO voluntarily created a process for gathering public  
25 comment for its new proposed alternatives before one of the alternatives was

1 selected. HECO's public input process was designed to obtain public input from  
2 the general public as well as from the communities more directly impacted by  
3 construction of the proposed new facilities and benefited by the improvement to  
4 electric service reliability that such facilities would bring. To obtain input from  
5 the more directly impacted communities, HECO reinstated the Community  
6 Advisory Committee ("CAC") that had been established in 1993 during the  
7 Kamoku-Pukele 138kV transmission line routing study as discussed by Mr. Wong  
8 in HECO T-2, and expanded the CAC to include (1) all of the neighborhood  
9 boards in the Pukele service area in order to represent the residents, (2) a set of  
10 well-known commercial groups to represent the businesses in the Pukele service  
11 area, and (3) the University of Hawaii, which has two large facilities (the Manoa  
12 campus and the Kapiolani Community College campus) in the Pukele service  
13 area. In addition, HECO also invited the three groups (Life of the Land, Malama  
14 O Manoa, and the Outdoor Circle) which had formally intervened in the  
15 proceeding concerning HECO's CDUP application. After the process began two  
16 groups from Palolo (Palolo Community Council and Ho'o Laulima O Palolo)  
17 wanted to join the CAC and were subsequently added.

18 Q. How was input gathered?

19 A. Initially, HECO scheduled three public meetings and two CAC meetings. The  
20 three public meetings were planned to gather input from the general public island-  
21 wide, and included meetings in the Leeward/Central, Honolulu and Windward  
22 communities. In response to a request made by a number of legislators, another  
23 public meeting was scheduled. In addition, a follow-up meeting was scheduled  
24 for the Honolulu public meeting, since the questions raised during the initial  
25 Honolulu area meeting could not all be addressed before the end of the meeting.

1           Two meetings were scheduled for the CAC so that HECO could present the  
2 alternatives to the CAC members at the first meeting, and the CAC members  
3 would then have the opportunity to solicit input from their various groups and  
4 return to a second meeting with the input from the various groups.

5       Q. Please describe the public meetings and the CAC meetings.

6       A. HECO engaged two very well-known and respected professional facilitators to  
7 assist HECO in designing the public process and facilitating the public meetings.  
8 HECO also engaged 3Point Consulting (“3Point”) to write a report documenting  
9 the public process and summarizing public comments. 3Point was also charged  
10 with designing a survey instrument, which served as one of the tools for capturing  
11 public input about the three alternatives HECO presented at the public meetings.  
12 A copy of the 3Point report is included as Exhibit 11 to the Application.

13      Q. What was the format for the meetings?

14      A. The meetings began with the facilitators presenting a brief summary of the utility  
15 planning process, informing the audience that the public input process was a  
16 voluntary addition to the normal utility planning process, and that the question of  
17 whether or not a new line was “needed” would be determined at the end of the  
18 Commission’s approval process for the project. HECO then made a presentation  
19 of the East Oahu Transmission Project. The presentation included a description of  
20 the reliability concerns, information on HECO’s three proposed alternatives, the  
21 physical route for the three alternatives, and the project costs, rate impacts,  
22 construction and other impacts of each alternative. (For the second Honolulu and  
23 CAC meetings, HECO did not make a presentation.)

24           Following the HECO presentation and a brief break, the remainder of the  
25 meeting was devoted to responding to questions from the public. The questions

1 and answers were handled in a specific way. Participants were given Post-it®  
2 notes and were asked to write any questions they had, limiting themselves to one  
3 question per Post-it®. The facilitators collected the Post-it® notes during the  
4 HECO presentation. During the brief break, the facilitators and HECO resource  
5 people categorized the Post-it® questions into subject categories based upon the  
6 content of the questions and determined which HECO resource person would  
7 answer the question. Once the “clustering” of questions was complete, the  
8 facilitators read questions aloud and asked a HECO resource person to respond.  
9 Questions from the cluster with the most questions were responded to first. This  
10 process continued until all questions from all clusters had been asked and  
11 answered.

12 Each participant was provided an information packet, which included a  
13 meeting agenda, instructions for the question and answer session, a copy of the  
14 HECO presentation, the survey instrument, a meeting evaluation form, and other  
15 information. The information packet is provided as Exhibit 9 to the Application.  
16 HECO’s presentation is provided as Exhibit 10 to the Application. Enlarged maps  
17 and aerial photographs of the proposed routes were posted in prominent positions  
18 in the rooms.

19 Q. How was the information that was gathered reported?

20 A. After each meeting, 3Point collected the surveys, meeting evaluations and the  
21 clustered Post-it® questions. 3Point transcribed the questions and provided them  
22 to HECO within two days of each public meeting so that HECO might respond to  
23 select Frequently Asked Questions via its website. Comments could also be sent  
24 to HECO via its website or to 3Point. As described by 3Point in its report, 3Point  
25 made a unilateral decision to interview individual CAC members either in person,

1 by phone or via email in order to gain a broader perspective on the East Oahu  
2 Transmission Project and the public input process. The public's comments are  
3 summarized in 3Point's report.

4 Q. Can you summarize the comments as a result of the public input process?

5 A. The report provides a detailed account and description of the most common  
6 themes expressed regarding HECO's process, a brief summary of responses  
7 collected in the surveys and evaluations, and a summary of CAC member  
8 comments made at the second CAC meeting. In summary, we learned:

- 9 • The issue of the need for the project remains the subject of much skepticism  
10 and disagreement.
- 11 • The opposition to a 138kV transmission line was strenuous and the opposition  
12 will seek out every legal option to defeat or delay the process.
- 13 • The community in Palolo feels that they are already carrying a significant  
14 infrastructure burden for the rest of the island and is very resistant to any  
15 option involving their neighborhood.
- 16 • Reliability is a very big issue, especially for Waikiki. Outage tolerances are  
17 very low for the business community, however cost is also a concern.
- 18 • Concerns were raised about the construction impact of the alternatives and the  
19 electric and magnetic fields ("EMF").

20 Q. How were the public comments incorporated in the decision-making?

21 A. As described by Mr. Joaquin in HECO T-1, the public sentiment was considered  
22 in the evaluation of alternatives and the selection of the proposed 46kV phased  
23 project alternative presented in this Application. HECO considered the significant  
24 time that would be required to pursue the 138 kV transmission line alternative, the  
25 impact on the Palolo community, and the strong concern about reliability

1 expressed by the business community.

2 Q. Did HECO inform the public of its selected alternative prior to filing its  
3 Application?

4 A. Yes. On October 8, 2003, HECO issued a press release indicating that it had  
5 selected the Kamoku 46 kV Underground Alternative Expanded, which would be  
6 built in two phases. A copy of the press release is provided as HECO-1201.

7 Q. What did HECO do after the announcement of the selected alternative?

8 A. HECO attended the McCully/Moilili Neighborhood Board Meeting on November  
9 6, 2003, to explain the route of the selected alternative. The McCully/Moilili area  
10 is the area most directly impacted by the work for the selected alternative. At the  
11 meeting HECO made a presentation describing the specific route in detail.

12 Q. Did HECO receive comments regarding the alternative selected?

13 A. Yes. There continued to be public interest regarding the need for the project, and  
14 concerns regarding project alternatives, community impacts, route selection and  
15 other impacts. Requests have been made for HECO to conduct an Environmental  
16 Assessment (“EA”) for the project following the McCully/Moilili neighborhood  
17 meeting. Based on the continued substantial public interest regarding this project,  
18 and its unique history, as discussed by Mr. Joaquin in HECO T-1, HECO has  
19 voluntarily decided to conduct an EA – which will provide a formalized process to  
20 address the community’s concerns.

21 Q. Have there been other requests from the community regarding the project?

22 A. Yes. A number of residents of Fern Street have voiced concern of the route via  
23 Fern Street and have suggested utilizing the Kapiolani Boulevard route for the  
24 selected alternative. As addressed by Mr. Morikami in HECO T-7, there are  
25 disadvantages to utilizing Kapiolani Boulevard. However, given the concerns

1           voiced about the Fern Street route, HECO will continue to examine the Kapiolani  
2           Boulevard route.

3           Q.    What did HECO learn about the public input process itself?

4           A.    HECO realized that obtaining public input prior to making a decision is an  
5           important undertaking, and there are things that may be improved on in the  
6           process. HECO noted the items in a commentary to the Honolulu Advertiser on  
7           September 28, 2003, which is provided as HECO-1202. The process brought  
8           forth important community wisdom on both the process and the outcome.  
9           Moreover, HECO is in the energy facility siting business for the long run and is  
10          committed to receiving public input as part of its planning process.

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OTHER COMMENTS

13          Q.    Do you have any other comments?

14          A.    HECO believes it is responsible for planning, constructing and maintaining a safe  
15          and reliable electric system. As discussed by Mr. Joaquin in HECO T-1 and Ms.  
16          Ishikawa in HECO T-4, HECO first identified the need to address the East Oahu  
17          transmission problems and concerns in 1991. As discussed by Mr. Wong in  
18          HECO T-2, HECO has been making every effort to resolve these problems and  
19          concerns. The alternative proposed in this Application addresses the issues and  
20          problems identified in 1991, while taking advantage of the transmission system  
21          improvements implemented in the intervening years (such as the completion of  
22          the Kewalo and Kamoku substations.) HECO is addressing the same system  
23          challenges, which are growing more critical and immediate with the load growth  
24          in the affected areas.

25          Q.    Why has HECO not brought this project to the Commission sooner?

1 A. HECO determined that it was most important to have a definite route selected  
2 before bringing the project to the Commission for approval. In the process of  
3 pursuing its initial route selection, which utilized the Waahila Ridge route,  
4 HECO's application to build in the conservation district was denied by BLNR.

5 Q. What did HECO do after BLNR's denial of the CDUP application?

6 A. After BLNR's denial of HECO's CDUP application, the project engineers were  
7 asked to identify any possible new alternatives and to revisit past alternatives.  
8 HECO also considered presenting a petition for a declaratory ruling on the need  
9 for the project. The goal would have been to take the need issue substantially off  
10 the table during public discussions. However, there was no real precedent for  
11 such a proceeding, and there was some uncertainty on how the petition would  
12 proceed. Further, with the passage of time since the inception of the project, as  
13 described by Mr. Wong in HECO T-2, resolution of the original transmission  
14 system concerns was becoming critical. With the controversy surrounding the  
15 project still very high, a declaratory ruling and then a Commission application to  
16 commit funds to proceed with the project would be too time consuming. Thus,  
17 HECO determined that the public needed an opportunity to provide input to the  
18 selection of the alternative in order for HECO to address public sentiment. HECO  
19 would then proceed to submit a Commission application that addressed both the  
20 need issue and the route alternative together.

21 Q. Do you have any other comments regarding this project?

22 A. Yes. HECO takes providing reliable electric service at a reasonable cost  
23 seriously. HECO has shown through the various testimonies that the project is  
24 needed and that the time when the project needs to be installed has become critical  
25 for the reliability of the system. HECO has shown in the various testimonies that

1 a “no action” outcome poses major risks to the system and to its customers. As  
2 the business community has indicated through the public input process, reliability  
3 of the electrical system is critical for the economic engine of this island, Waikiki.  
4 Transmission system improvements are required even with the aggressive pursuit  
5 of combined heat and power, demand-side management, energy conservation, and  
6 renewable energy projects. This project is needed to meet our obligation to  
7 provide reliable service to our customers. We have chosen the alternative that  
8 best addresses the system needs, system risks, public sentiment and time required  
9 to complete the project.

10 SUMMARY

11 Q. Please summarize your testimony.

12 A. HECO developed a public input process because it was important to invite the  
13 public to help HECO in its decision making process of selecting the alternative  
14 that would be presented to the Commission. HECO realized it needed to be more  
15 transparent in its decision making process. Through the public input process  
16 HECO learned: (1) the issue of the need for the project has to be a core element in  
17 our presentation to the Commission; (2) the opposition to a 138 kV transmission  
18 line will be strenuous and the opposition will seek out every legal option to defeat  
19 or delay the process; (3) the community in Palolo feels that they are already  
20 carrying a significant burden and are very resistant to any option involving their  
21 neighborhood; and (4) reliability is very significant issue, especially for Waikiki,  
22 however, the business community is also concerned about the cost impact of such  
23 a project. HECO’s selection of the proposed alternative considered this feedback  
24 from the public. Further, HECO has presented detailed support for the need of the  
25 project through the various testimonies.

1                   HECO takes providing reliable electric service at a reasonable cost  
2                   seriously. The alternative selected considers the electrical system requirements,  
3                   the cost, the construction and other impacts, and public sentiment. The selected  
4                   alternative provides the needed reliability to address the East Oahu transmission  
5                   problems in the shortest time at a reasonable cost to our customers. HECO has  
6                   shown that there are transmission problems and it would be irresponsible for us to  
7                   do nothing in the face of recognized risks.

8           Q.    Does this conclude your testimony?

9           A.    Yes, it does.

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