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BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF HAWAII

- - - - In the Matter of the Application of - - - )  
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 )  
 HAWAIIAN ELECTRIC COMPANY, INC. )  
 )  
 For Approval and/or Modification of )  
 Demand-Side and Load Management Programs and )  
 Recovery of Program Costs and DSM Utility Incentives )

PUC Docket 05-0069

PUBLIC UTILITIES  
COMMISSION

2006 OCT -6 A 11: 27

FILED

LIFE OF THE LAND'S  
AMENDED FINAL STATEMENT OF POSITION

&

CERTIFICATE OF SERVICE

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## **Aloha Commissioners,**

### **Introduction**

The Public Utilities Commission ("Commission") opened Docket No. 05-0069 to examine statewide energy efficiency programs.

The docket has numerous parties, including all of the utilities (HECO, MECO, HELCO, KIUC, and The Gas Company); the Government (Department of Defense, Maui County, Kauai County, Consumer Advocate, DBEDT consultant RMI); Trade Groups (HSEA, HREA); and the environmental community (LOL). The US EPA is participating in the docket.

In our Preliminary and Final Statements of Position, LOL favored having the Commission issue a Request for Proposal (RFP) to create Efficiency Hawai'i, a Negawatt Utility handling all demand side management programs for the state. In the Evidentiary Hearing we accepted the belief that Kauai should be exempt from this program.

During the Evidentiary Hearing, Hawaii Renewable Energy Alliance raised the issues of Sea Water Air Conditioning (SWAC) and ElectroFlow technology. The Commission ordered a round of Information Requests to be followed by position statements.

## New Analysis

HECO has ten existing and proposed demand side management (DSM) consisting of energy efficiency and load management programs <sup>1</sup>. The savings generated by these programs can be calculated in megawatts (MW) and megawatt-hours (MWh) of reduced demand, or equivalently in negawatts (NW) and negawatt-hours (NWh) of DSM. Furthermore, one can calculate the savings in any one year or the cumulative savings over a period of years.

Looking at the projected savings for year 1 (2006), the top three programs (measured either by NW or NWh) are (1) ESH (2) CIEE (3) CIRC. Together, these three programs account for our half of the savings of all ten programs combined.

The combined savings for all programs are 20.2 NW and 51,117 NWh. The total cost of all the programs is \$20M (the total costs include administrative costs and incentives, administration costs account for slightly more than half the total costs) <sup>2</sup>.

According to HREA, the first Sea Water Air Conditioning (SWAC) system, located in Downtown Honolulu, could produce 14.6 NW and 66,619 NWh in the first year. In their first year, subsequent SWAC systems in East Waikiki, West Waikiki and Pearl Harbor/Airport/Hickam would have similar impacts. <sup>3</sup> According to HREA,

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<sup>1</sup> According to HECO's IRP-3, HECO has five (5) existing DSM energy efficiency programs: Commercial and Industrial Energy Efficiency Program (CIEE), Commercial and Industrial New Construction Program (CINC), Commercial and Industrial Customized Rebate Program (CIRC), Residential Efficient Water Heating Program (REWH), Residential New Construction Program (RNC). Heco has proposed five (5) new DSM energy efficiency programs: Energy Solutions for the Home Program (ESH), Residential Low Income Program (RLI), Residential Direct Load Control Program (RDLC), Residential Customer Energy Awareness Program (RCEA), Commercial and Industrial Direct Load Control Program (CIDLC)

<sup>2</sup> See Aggregate Gross-Level Savings. HECO's Integrated Resource Plan (2006-2025) October 28, 2005 DN 03-0253 Table 6.6-1 page 6-28

<sup>3</sup> HREA Response to LOL-HREA-IR2

ElectroFlow technology could free up 25-40 MW of capacity.<sup>4</sup> Thus according to HREA, four SWAC systems and implementation of ElectroFlow technology could have a greater impact than four times (4x) all of HECO DSM planned and existing energy efficiency programs combined.

If the goal is to (1) reduce carbon emissions; (2) reduce peak demand; (3) reduce average demand; and/or (4) decrease reliance on fossil fuels, then inclusion of SWAC and ElectroFlow technology is essential.

### **Position**

Life of the Land continues to favor a third party implementer of energy efficiency programs. While the utilities currently make some money through energy efficiency programs, their real income comes from building new costly fossil fuel generators which will be paid for by ratepayers. An aggressive energy efficiency utility can achieve much higher DSM penetration levels which can postpone or even eliminate the need for the new generation. We support requiring Efficiency Hawai'i to fully support an aggressive energy efficiency program including SWAC systems and ElectroFlow technology. Sufficient incentives should be offered to maximize cost-effective reductions in demand. Life of the Land continues to support a portfolio approach to DSM including Solar Water Heating.

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<sup>4</sup> HREA Response to LOL-HREA-IR1

Certificate of Service

I hereby certify that on October 6, 2006, I have served an electronic copy of Life of the Land's Amended FINAL Statement of Position, Docket Number 05-0069, Energy Efficiency, upon the following parties/participants.

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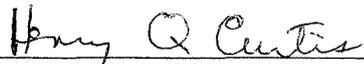
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