

BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF HAWAII

----- In the Matter of ----- )  
HAWAIIAN ELECTRIC COMPANY, INC. )  
Regarding Integrated Resource )  
Planning. )  
\_\_\_\_\_ )

DOCKET NO. 03-0253

ORDER NO. 20430

Filed Sept. 11, 2003  
At 3:00 o'clock P.M.

Karen Higash  
Chief Clerk of the Commission

BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF HAWAII

----- In the Matter of ----- )  
HAWAIIAN ELECTRIC COMPANY, INC. ) Docket No. 03-0253  
Regarding Integrated Resource ) Order No. 20430  
Planning. )  
\_\_\_\_\_ )

ORDER

I.

By Decision and Order No. 11523, filed on March 12, 1992, in Docket No. 6617 (as amended by Decision and Order No. 11630, filed on May 22, 1992, the commission established a framework for integrated resource planning ("IRP Framework"), and ordered all energy utilities including HAWAIIAN ELECTRIC COMPANY, INC. ("HECO") to, among other things, submit their integrated resource plans and program implementation schedules for commission approval in accordance with the IRP Framework.

By Decision and Order No. 13839, filed on March 31, 1995, in Docket No. 7257, the commission approved HECO's 1<sup>st</sup> integrated resource plan ("IRP") and program implementation schedule ("Action Plans").

By Order No. 18340, filed on January 29, 2001, in Docket No. 95-0347, the commission approved the parties'<sup>1</sup> January 17, 2001 Stipulation resolving all of the issues posed in that docket relating to HECO's 2<sup>nd</sup> IRP and Action Plans. The January 17, 2001 Stipulation provides, among other things, the following agreements and conditions

The parties do not request additional procedural steps or an evidentiary hearing in this proceeding;

The parties agree that since HECO's first supply-side generating unit is not required until the 2009 timeframe, concerns raised by the parties with respect to supply-side resources can be more appropriately addressed in HECO's next IRP cycle;

The parties agree that concerns raised by the parties with respect to [demand-side management ("DSM")] resources and/or HECO's DSM Action Plan can be more appropriately addressed in HECO's pending DSM program proceedings [in] Docket Nos. 00-0169 and 00-0209;

The parties agree that concerns raised with respect to the [Hawaii] Externalities Workbook[, filed on July 22, 1997, ("Externalities Workbook")] can be appropriately addressed in HECO's next IRP cycle;

As a result, the parties agree that (a) HECO's [2<sup>nd</sup> IRP] and Action Plans are sufficient to meet HECO's [responsibilities] under Sections II.C.1[.] [and II.C.2.] of the IRP Framework, and (b) it is not necessary

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<sup>1</sup>In addition to HECO, the parties in Docket No. 95-0347 included the Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs ("Consumer Advocate"), The Department of Navy on behalf of the United States Department of Defense and The Citizens Communications Company, dba The Gas Company (nka, The Gas Company, LLC).

under the circumstances for the [c]ommission to issue a final decision and order under Section II.D.2[.] of the IRP Framework;

The parties further agree that, although HECO's [2<sup>nd</sup> IRP] and Action Plans will have the status of plans filed with, but not approved by, the [c]ommission, HECO may execute the plans pursuant to Section II.C.3. of the IRP Framework as if approved by the [c]ommission, and the [2<sup>nd</sup> IRP] and Action Plans will be considered to the extent deemed appropriate by the [c]ommission in other HECO proceedings pursuant to Section III.D.5[.] of the IRP Framework. Nothing herein will be construed to prohibit HECO or another party from recommending that changes in forecasts (which may impact parts of the [2<sup>nd</sup> IRP] and Action Plans such as the scheduling of the resource additions) or other planning assumptions be considered when the filed/IRP ... and/or Action Plans are considered in other proceedings;

The parties also agree that (a) HECO has sufficiently complied with the requirement[s] that it submit[s] its externalities findings and recommendations to the [c]ommission by submitting its Externalities Workbook, (b) the Externalities Workbook may be used by HECO in subsequent IRP filings, and (c) nothing herein shall be construed to prohibit HECO or another party from presenting or using other qualitative or quantitative externality values and/or methodologies in future IRP proceedings;

8. Pursuant to Section III.D.3[.] of the IRP Framework, HECO will submit its first annual evaluation report of its [2<sup>nd</sup> IRP] and Action Plans no later than October 31, 2002, unless the [c]ommission sets or approves a later date for such submission;<sup>2</sup> and

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<sup>2</sup>By Order No. 19689, filed on October 2, 2002, the commission approved HECO's request for an extension of time (from October 31, 2002 to December 31, 2002) to submit its first annual evaluation report of its 2<sup>nd</sup> IRP and Action Plans ("2<sup>nd</sup> IRP Evaluation Report"). On December 31, 2002, HECO submitted its 2<sup>nd</sup> IRP Evaluation Report.

9. Pursuant to Section III.B.2[.] of the IRP Framework, HECO will submit a revised (third) IRP Plan and Action Plans no later than October 31, 2005, unless the [c]ommission sets or approves a later date for such submission.

By letter filed on September 8, 2003, HECO and the Consumer Advocate jointly request that the commission open a docket for HECO's 3<sup>rd</sup> IRP cycle, as required under Section III.C.1. of the IRP Framework.<sup>3</sup>

## II.

Section III.C.1. of the IRP Framework provides that "[e]ach planning cycle for a utility will commence with the issuance of an order by the commission opening a docket for [IRP]." Thus, in light of HECO's and the Consumer Advocate's representation

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<sup>3</sup>In their September 8, 2003 joint request, HECO and the Consumer Advocate represent, in relevant part:

Section III.C. of the IRP Framework indicates the planning cycle will commence with the issuance of an order by the [c]ommission to open a docket and the [IRP] Framework contemplates that the utility will complete its IRP Plan and Action Plans within one year of the commencement of the planning cycle. It has taken longer than a year, however, for the utility to complete its planning cycle and the utility has requested extensions of the filing date in the past. Therefore, it is in the public interest that the process for HECO's 3<sup>rd</sup> IRP Plan begin immediately such that HECO's 3<sup>rd</sup> IRP Plan is not delayed beyond October 2005.

In addition, an important part of the IRP process is public participation. To better achieve meaningful public participation as part of HECO's 3<sup>rd</sup> IRP process, HECO held two meetings (on July 21, and August 4, 2003) with various community, business, environmental, government and energy representatives. Based on the information gathered, HECO would like to begin the IRP process by convening an advisory group and begin the planning step outlined in the IRP Framework.

in their joint request to open a docket and pursuant to Section III.C.1, of the IRP Framework, the commission finds and concludes that a docket should be opened to commence the next IRP cycle for HECO, and to examine HECO's 3<sup>rd</sup> IRP to be submitted no later than October 31, 2005. Furthermore, in accordance with Section III.C.3. of the IRP Framework, we also conclude that HECO shall prepare, in consultation with the Consumer Advocate, and file with the commission within 30 days after the date of this order, a schedule that it intends to follow in the development of its 3<sup>rd</sup> IRP. Unless ordered otherwise, the schedule should also be consistent with the IRP Framework and the terms and conditions of Stipulation approved by the commission in Order No. 18340, filed on January 29, 2001.

### III.

#### THE COMMISSION ORDERS:

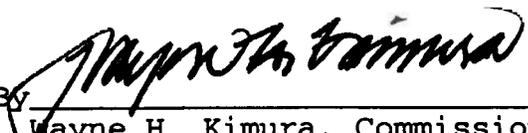
1. Pursuant to Section III.C.1. of the IRP Framework, this docket is opened to commence the next IRP cycle for HECO, and to examine HECO's 3<sup>rd</sup> IRP to be submitted no later than October 31, 2005.

2. HECO shall prepare, in consultation with the Consumer Advocate, and file with the commission within 30 days after the date of this order, a schedule that it intends to follow in the development of its 3<sup>rd</sup> IRP. Unless ordered otherwise, the schedule should also be consistent with the IRP Framework and the terms and conditions of Stipulation approved by the commission in Order No. 18340, filed on January 29, 2001.

DONE at Honolulu, Hawaii this 11th day of September,  
2003.

PUBLIC UTILITIES COMMISSION  
OF THE STATE OF HAWAII

By   
Carlito P. Caliboso, Chairman

By   
Wayne H. Kimura, Commissioner

By (EXCUSED)  
Janet E. Kawelo, Commissioner

APPROVED AS TO FORM:

  
Kris N. Nakagawa  
Commission Counsel

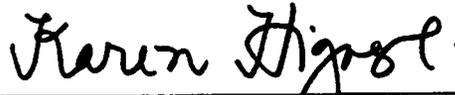
HECO IRP.ah

CERTIFICATE OF SERVICE

I hereby certify that I have this date served a copy of the foregoing Order No. 20430 upon the following parties, by causing a copy hereof to be mailed, postage prepaid, and properly addressed to each such party.

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

WILLIAM A. BONNET  
VICE PRESIDENT  
GOVERNMENT & COMMUNITY AFFAIRS  
HAWAIIAN ELECTRIC COMPANY, INC.  
P. O. Box 2750  
Honolulu, HI 96840

  
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Karen Higashi

DATED: September 11, 2003