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bcc

Subject KIUC comments on PUC workshop concept paper

Good morning Catherine,

Sorry for the late reply. I didn't realize until this morning that comments were due by 10:00 today regarding the PUC upcoming workshop.

I offer the following comments:

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- \* Status and prospects of regulation under RPS in hawaii and elsewhere (NC)
- \* Various alternatives for renewable energy resources in Hawaii:
- \* KIUC has hired a consultant to evaluate the economic and technical feasibility of renewable energy resources specifically on Kauai. The final report is due this year. KIUC is planning to use the results of this report in its Integrated Resource Plan to evaluate options to achieve the RPS goals.
- \* Viability of renewable energy investments:
- \* The models used to evaluate the viability of utilities investing in renewables should be able to analyze the financial impacts on both a non-profit electric cooperative (KIUC) and an investor owned, for-profit, electric utility.
- \* Location cost of renewable energy in Hawaii:
- \* Some elements of location cost may be similar between islands while others may be unique to each island.
- \* Successful RPS schemes and electric utility rate design (NC).

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KIUC has no comment (NC) at this time for these issues.

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- \* The simulation models:
- \* Similar to the comment above, the financial models used in this study should be able to evaluate TIER, margin, and asset equity (an electric cooperative's financial measures) as well as rate of return (an IOU's financial measures).
- \* Objective of the Baseline Simulations (NC).
- \* Base year: Leaning towards 2004
- \* Design Inputs (NC)
- \* Congurrence between simulations outputs and market realities (NC)

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- \* Objective of Status Quo Simulations (NC)
- \* The choice study period: I think the IRP study period is 20 years. Let's be consistent.
- \* Input designs: (NC)
- \* Candidate projects for renewable investments (see above reference to renewable study)
- \* Forecast rate designs under the continuation of cost-of-service regulations:
- \* KIUC is researching the rate designs used by other electric cooperatives.

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\* Objectives of the Alternative Scenarios Simulation (NC)  
\* The choice study period: I think the IRP study period is 20  
years. Let's be consistent.  
\* Input designs: (NC)  
\* Candidate incentive or PBR regimes:  
\* KIUC is researching the rate designs used by other electric  
cooperatives  
\* Forecast rate designs under incentive or PBR regimes:  
\* KIUC is researching the rate designs used by other electric  
cooperatives.  
\* The nature, scope, and duration of penalties, if needed, for a  
future non-compliance with the RPS:  
\* As a member-owned electric cooperative, KIUC encourages and  
listens to input from its members regarding renewable generation. KIUC  
is researching the role and responsibilities of electric cooperatives in  
states that have mandated RPS standards.

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Any comments would be similar to those previously expressed.

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