

HECO's 2nd IRP was eventually extended from January 1, 1997 to January 31, 1998.

B.

On January 31, 1998, HECO filed its 2nd IRP and Action Plans for commission approval. Besides HECO, the other parties in this proceeding consist of the DIVISION OF CONSUMER ADVOCACY, DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS (CONSUMER ADVOCATE),¹ THE DEPARTMENT OF NAVY ON BEHALF OF THE UNITED STATES DEPARTMENT OF DEFENSE (DOD),² and Gasco.³

By Stipulated Prehearing Order No. 16596, filed on October 8, 1998, the commission set forth, among other things, the procedural schedule for the above-referenced proceeding. In particular, the procedural schedule states that "[f]ollowing the filing of Statements of Position⁴, the parties will meet informally to attempt to reach a stipulation on issues where there is agreement, and/or establishment of additional procedural steps, as required."

On November 22, 2000, the commission held a status conference where the parties agreed to meet informally to attempt to reach a stipulation on the issues in this docket (Stipulation) by December 11, 2000. By Order No. 18269, filed on December 20,

¹Pursuant to Hawaii Administrative Rules § 6-61-62, the Consumer Advocate is an ex officio party to this proceeding.

²By Order No. 14862, filed on August 8, 1996, we granted DOD's motion to intervene.

³By Order No. 16263, filed on March 31, 1998, we granted Gasco's motion to intervene.

⁴The parties filed their Statements of Position in July 1999.

2000, we granted the parties' request for an extension (from December 11, 2000 to January 17, 2001) to meet with the parties and file the Stipulation with the commission.

On January 17, 2001, the parties filed the Stipulation for commission review and approval.

II.

The Stipulation provides, among other things, the following agreements and conditions:

1. The parties do not request additional procedural steps or an evidentiary hearing in this proceeding;
2. 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;
3. 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;
4. 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;
5. As a result, the parties agree that (a) HECO's 2nd 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 under the circumstances for the commission to issue a final decision and order under Section II.D.2. of the IRP Framework;

6. The parties further agree that, although HECO's 2nd IRP and Action Plans will have the status of plans filed with, but not approved by, the commission, HECO may execute the plans pursuant to Section II.C.3. of the IRP Framework as if approved by the commission, and the 2nd IRP and Action Plans will be considered to the extent deemed appropriate by the commission 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 forecast (which may impact parts of the IRP Plan and Action Plans such as the scheduling of the resource additions) or other planning assumptions be considered when the filed IRP Plan and/or Action Plans are considered in other proceedings;
7. The parties also agree that (a) HECO has sufficiently complied with the requirement that it submit its externalities findings and recommendations to the commission 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 2nd IRP and Action Plans no later than October 31, 2002, unless the commission sets or approves a later date for such submission; and
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 commission sets or approves a later date for such submission.

Upon our review of the Stipulation, filed on January 17, 2001, we find that the agreements and conditions proposed above are reasonable and will expedite and facilitate IRP planning and development in the State of Hawaii, which will ultimately benefit the electric power consumer or ratepayers affected by this proceeding. We also agree with the parties that the focus of an IRP proceeding should be to determine the overall reasonableness of a utility's IRP, with less focus on the details that are reviewed in proceedings seeking authorization to implement specific demand-side and supply-side resource options including in the IRP.

Moreover, since HECO represents that its first supply-side generating unit will not be required until the 2009 timeframe, we agree with the parties that concerns pertaining to supply-side resources can be more appropriately addressed in HECO's next IRP cycle. Consequently, notwithstanding the three-year cycle filing requirement⁵ set forth in the IRP Framework, we will allow HECO to file its 3rd IRP and Action Plans by October 31, 2005. However, should circumstances change pertaining to, among other things, HECO's supply-side resources (i.e., HECO additional supply-side generation required prior to the 2009 timeframe) and load and sales forecast, we expect HECO to immediately report in writing such change in circumstances to the commission and the parties.

⁵Section III.B.2. of the IRP Framework states that "each utility shall conduct a major review, resulting in the submission to the commission of a new integrated resource plan and implementation schedule on the same day every three years."

Accordingly, we conclude that the proposed agreements and conditions set forth in the parties' Stipulation, filed on January 17, 2001, should be approved in its entirety and made a part of this order, as described further below in section III. Furthermore, in light of our approval of the proposed agreement and conditions set forth in the Stipulation, we conclude that this docket should be thereafter closed.

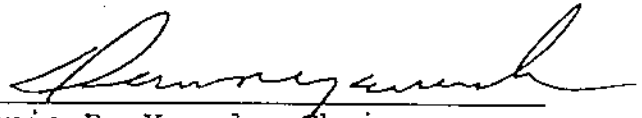
III.

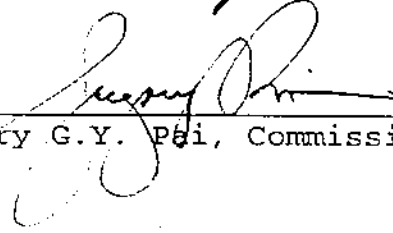
THE COMMISSION ORDERS:

1. The Stipulation, filed on January 17, 2001, are approved in its entirety and shall be made part of this order.
2. Pursuant to Section III.D.3. of the IRP Framework, HECO shall submit its first annual evaluation report of its 2nd IRP and Action Plans no later than October 31, 2002.
3. Pursuant to Section III.B.2. of the IRP Framework, HECO shall continue to conduct a major review of its IRP by adopting a new 20-year planning horizon, repeating the planning process cycle, and fully re-analyzing its resource programs, consistent with the terms of this order. HECO shall submit its revised or 3rd IRP and Action Plans no later than October 31, 2005.
4. HECO shall immediately report in writing any change in circumstances, if any, (i.e., HECO's additional supply-side generation required prior to the 2009 timeframe) and the reasons thereof, to the commission and the parties.
5. This docket is closed.


DONE at Honolulu, Hawaii this 29th day of January 2001.

PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

By 
Dennis R. Yamada, Chairman

By 
Gregory G.Y. Pei, Commissioner

APPROVED AS TO FORM:


Kris N. Nakagawa
Commission Counsel
95-0347.ac

CERTIFICATE OF SERVICE

I hereby certify that I have this date served a copy of the foregoing Order No. 18340 upon the following parties, by causing a copy hereof to be mailed, postage prepaid, and properly addressed to each such party.

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Catherine Sakato

DATED: January 29, 2001