TESTIMONY OF HERMINA MORITA CHAIR, PUBLIC UTILITIES COMMISSION DEPARTMENT OF BUDGET AND FINANCE STATE OF HAWAII TO THE HOUSE COMMITTEE ON ENERGY & ENVIRONMENTAL PROTECTION

APRIL 19, 2013 8:45 a.m.

MEASURE: S.C.R. No. 28, S.D. 1

TITLE: Requesting the Public Utilities Commission to Report to the Legislature on the Progress in Implementing the Recommendations of the Reliability Standards Working Group

Chair Lee and Members of the Committee:

DESCRIPTION:

This resolution requests a report be submitted by the Public Utilities Commission ("Commission") to the Legislature prior to the 2014 Regular Session on the progress of the Commission in implementing the recommendations of the Reliability Standards Working Group ("RSWG").

POSITION:

The Commission supports the intent of this measure and would like to offer the following comments.

COMMENTS:

Significant resources have been invested by the Commission, the Consumer Advocate, the State's electric utility companies, and numerous other stakeholders during the course of the RSWG process in producing recommendations to increase the penetration of variable generation on the electric grid while maintaining system reliability. In related proceedings, modifications to Tariff Rule No. 14H concerning the interconnection of distributed generation systems were approved in late 2011 in order to help streamline the process.

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The RSWG, following a thorough review and analysis of the HECO Companies' system and operations, recently completed its work and has produced a number of work products, including recommendations on increasing the penetration of variable generation onto the system while maintaining system reliability. The Commission is in the process of reviewing the RSWG's work product and recommendations for appropriate action. A copy of the RSWG Independent Facilitator's final report can be found via the Commission's Docket Management System¹ by searching Docket No. 2011-0206.

Thank you for the opportunity to testify on this measure.

¹ To access the Commission's publicly-accessible Document Management System database, please visit <u>http://dms.puc.hawaii.gov/dms/</u>.