

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

In the Matter of the Application of) DOCKET NO. 2012-0185
HAWAII ELECTRIC LIGHT COMPANY, INC.)
AND HAWAIIAN ELECTRIC COMPANY, INC.)
For Approval of the Biodiesel)
Supply Contract with Aina Koa)
Pono-Ka'u LLC and for Approval)
to Establish a Biofuel Surcharge)
Provision and to Include the)
Biodiesel Supply Contract Costs)
In HELCO's Energy Cost Adjustment)
Clause and the Biofuel Surcharge)
Provision.)

LIFE OF THE LAND'S
MOTION TO INTERVENE,
&
CERTIFICATE OF SERVICE

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Aloha Commissioners,

This docket addresses a proposed contract signed by Hawaiian Electric Company, Inc. ("HECO"), Hawaiian Electric Light Company, Inc. ("HELCO") and Aina Koa Pono-Ka'u LLC ("AKP").

HECO's First AKP Biofuel Supply Contract

On January 6, 2011, the Hawaiian Electric Companies (HECO, HELCO and MECO) filed an application seeking the commission's approval of HELCO's Biodiesel Supply Contract with Aina Koa Pono-Ka'u LLC.

On March 4, 2011 the Commission issued an Order stating:

"HELCO is allowed under its franchise to charge its consumers for the use of electricity. HELCO's franchise does not authorize HELCO, explicitly or implicitly, to charge any non-consumers for the electricity HELCO produces or delivers to HELCO's consumers. In other words, the consumers of electricity who may be charged by HELCO, are the consumers of electricity that is produced or delivered by HELCO, and does not include MECO ' s and HECO ' s consumers." (p. 16)

Legislative Intervention

SB1347 was introduced in the Legislature on January 26, 2011; its purpose was to authorize the Public Utilities Commission to accept electronic filings. The bill passed the Senate on March 8, 2011.

The House Committee on Consumer Protection and Commerce (CPC) held a public hearing on the bill on March 14, 2011; most testifiers assumed that the bill would deal only with electronic filings.

Then HECO and Aina Koa Pono essentially “ambushed” the public, by seeking an amendment to the bill. HECO asked for this amendment to by-pass the Commission’s March 4, 2011 ruling: “The purpose of this amendment is to clarify the legislative intent that the renewable portfolio costs of an electric utility and its affiliates may be aggregated and allocated among the customers of the utilities when the electric utility and its affiliates are aggregating their renewable portfolios in order to achieve the renewable portfolio standard.”¹

Aina Koa Pono testified: “In January 2011, AKP and HELCO entered into a contract for AKP to supply HELCO with up to 16 million gallons of biofuel per year. This contract is the cornerstone on which AKP is financing and developing the project [and] any short-term rate increases in utility rates as a result of this project should be allocated across the state. [] During these tough economic times, the HELCO-AKP project—and other similar projects—offer a way to achieve substantial economic growth at no cost to the state’s own coffers, all while helping Hawaii achieve its goals of clean and independent energy.”

The CPC committee incorporated the proposed amendment in the bill, and it was ultimately adopted.

When the House Committee on Finance heard the bill on March 28, 2011, HECO testified:

“Renewable energy facilities generally exist at specific locations based on the resource involved and are geographically constrained. Currently, renewable energy

¹ http://www.capitol.hawaii.gov/session2011/Testimony/SB1347_SD1_TESTIMONY_CPC_03-14-11_LATE_.PDF

facilities utilizing Hawaii's renewable resources, such as geothermal, wind and biomass, are more easily developed and are often only available on the neighbor islands.[] There are far fewer suitable sites for substantial renewable resources on some islands, such as Oahu, even though Oahu contributes most to the total kilowatthour sales against which the consolidated Renewable Portfolio Standards energy targets must be measured. Thus, Oahu benefits from the neighbor islands' implementation of renewable energy projects without the associated cost, as the costs associated with such renewable energy projects are absorbed by the utilities' respective customers on those neighbor islands."²

Despite the fact that the Hawaii State Constitution, Article III, mandates that "Each law shall embrace but one subject,"³ and that "No bill shall become law unless it shall pass three readings in each house on separate days,"⁴ the provision authorizing the Commission to allow HECO ratepayers to subsidize HELCO ratepayers passed the Senate with a single reading; on May 31, 2011 SB1347 was signed by the Governor and became Act 69.

As a result, Hawaii Revised Statutes (HRS) §269-93, Achieving portfolio standard (b) now reads:

"If an electric utility company and its electric utility affiliates aggregate their renewable portfolios to achieve the renewable portfolio standard, the public utilities commission may distribute, apportion, or allocate the costs and expenses of all or any portion of the respective renewable portfolios among the electric utility company, its electric utility affiliates, and their respective ratepayers, as is reasonable under the circumstances."⁶

² http://www.capitol.hawaii.gov/session2011/Testimony/SB1347_HD1_TESTIMONY_FIN_03-30-11_6_.PDF

³ **Section 14**

⁴ **Section 15.**

⁶ http://www.capitol.hawaii.gov/session2011/bills/SB1347_CD1_.htm

HECO's First AKP Biofuel Supply Contract

By Decision and Order issued on September 29, 2011, the Commission denied the HECO Companies application (p. 70). The Order noted that "the Consumer Advocate does not object to the commission's approval of the contract"(p. 42) and that "At least two members of the public have attempted to estimate the total amount of the proposed biofuel subsidy []. According to Life of the Land, dated August 1, 2011 [] the total amount of the subsidy would be \$26.553 million per year" (ibid. p. 53, fn 64)

HECO's Second AKP Biofuel Supply Contract

On August 2, 2012, the Hawaiian Electric Companies filed a second application seeking the commission's approval of a modified HELCO Biodiesel Supply Contract with Aina Koa Pono-Ka'u LLC, that had been signed and was dated August 1, 2012 ("AKP2"; "Biodiesel Supply Contract").

Āina Koa Pono (AKP)

Āina Koa Pono (AKP) biofuel operation proposed to build a microwave biorefinery on Camp Meyer Road, approximately 1.5 miles from the rural town of Pāhala in the Ka`ū District on the Island of Hawai`i. The biofuel crop would be grown on an 18 square mile biofuel farm located between Pahala and Na`alehu along an old cane haul road.

AKP intends to convert various products into biofuel, including Christmas berries, eucalyptus trees, sweet sorghum, napier grass, and other material such as green waste from existing coffee, macadamia nuts and farm cattle

operations.⁷ AKP state that it will produce about 26 MW of electricity for self-use.

AKP enthusiastically believes in its non-commercially tested biofuel process. "This does not put more carbon into the atmosphere. But it reduces the overall carbon put into the atmosphere. In fact, its carbon negative."⁸ "The Micro Dee process is a self-contained, closed loop system – with effectively zero emissions."⁹ "The AKP process produces more than five times the biofuel per acre of feedstock than other liquid fuel technologies, and the BTU quality is substantially higher than ethanol and other biodiesel."¹⁰

Commission's Statement of Issues

On August 9, 2012, the Commission, in recognition of the complexity of this docket and the number of issues that must be resolved, issued Order 30579 setting forth the "Statement of Issues" that would be considered:

1. Whether the commission should approve as reasonable and consistent with the public interest the Biodiesel Supply Contract for approximately sixteen million net United States gallons annually of locally produced biodiesel over twenty years, and the related contract costs, including the biodiesel, transportation, and storage costs, and related taxes.

1A. What price premiums or externalities should the commission consider in evaluating the Biodiesel Supply Contract.

What quantitative or qualitative values should be assigned to such price premiums or externalities, respectively.

⁷ http://www.ainakoapono.com/?page_id=136#faq1; http://www.ainakoapono.com/?page_id=2

⁸ Video (3:45-56) <http://www.bigislandvideonews.com/2011/09/20/video-aina-koa-pono-faces-concerned-pahala-community/>

⁹ http://www.ainakoapono.com/?page_id=5#SBS

¹⁰ http://www.ainakoapono.com/?page_id=74

1B. What ratepayer risks should the commission consider in evaluating the Biodiesel Supply Contract.

What quantitative or qualitative values should be assigned to such risks.

To what extent, if any, will utility customers assume any economic risks, if the biofuel is not truly a "drop-in diesel" or a substitute fuel or in the event that HELCO's Keahole power plant must be subsequently modified, or operations altered, to accommodate biofuels.

To what extent should utility customers be required to provide financial assurances for indigenous biofuel development, and if so, under what terms and conditions.

IC. Are there any additional investment and operating costs associated with converting a portion, or all, of the Keahole power plant to utilize liquid biofuel. This could include, but not be limited to, additional fuel delivery infrastructure, environmental compliance modifications and plant operation and maintenance requirements.

ID. Whether the failure of the Microwave Catalytic Depolymerization technology on a commercial operations basis to produce biodiesel that meets the contracted for fuel specifications should constitute an event or circumstance that is beyond or outside of the electric utility's reasonable control in the event that the utility is unable to meet its applicable renewable portfolio standards.

2. Whether the commission should approve as just and reasonable the establishment of a Biofuel Surcharge Provision that will permit HELCO to pass through the differential between the cost of the biofuel and the cost of the fossil fuel that the biofuel is replacing, in the event the cost of the biofuel is higher than the cost of the fossil fuel, over the customer base of HELCO and HECO, based on kilowatt-hour usage.

3. Whether the commission should approve as just and reasonable the inclusion of the cost differential between the biodiesel under the Biodiesel Supply Contract and the cost of

the petroleum diesel that the biodiesel is replacing in the Biofuel Surcharge Provision of HECO and HELCO.

4. Whether the commission should approve as reasonable and consistent with the public interest the inclusion of the costs of the Biodiesel Supply Contract, including without limitation, the costs associated with the biodiesel, transportation, storage, and related taxes, in HELCO's Energy Cost Adjustment Clause, to the extent that such costs are not recovered in HELCO's base rates (pursuant to HAR § 6-60-6) or through the Biofuel Surcharge Provision.

5. Whether the commission should approve as reasonable and in the public interest the electric utility's request to dispatch its system when using the biodiesel, at the lesser of the biodiesel price or at the price of the petroleum diesel being replaced by the biodiesel.

5A. To what extent should traditional generator economic dispatch or short-term/long-term avoided cost methodologies be modified in order to accommodate or reflect the conversion of existing fossil-fuel generators to utilize indigenous or imported biofuels.

5B. Whether the contracted supply of biofuels (i.e., approximately sixteen million net United States gallons annually of local produced biodiesel over twenty years) is reasonable for HELCO's Keahole power plant, and if excessive, whether HELCO's generating plant(s) should be allowed to operate as "must-run" generators and/or whether ratepayers should bear any risk (including economic risk) in the event that HELCO must accept any excessive quantities of biofuels for transshipment elsewhere.

Agencies can Adopt Rules via Rule-Making or Adjudication Procedures

The Hawaii Supreme Court ruled that "agencies are allowed the broad discretion to choose whether to develop policy by rule-making or adjudication."¹¹

¹¹ APPLICATION OF HAWAIIAN ELECTRIC CO., INC. 918 P.2d 561 (1996) 81 Hawai`i 459. No. 18156. Supreme Court of Hawai`i. June 18, 1996. As Amended July 11, 1996.

The High Court distinguished between a Department of Health (DOH) decision and a Public Utilities Commission (PUC) decision. The Court noted that it had reversed the DOH decision in a previous case, but in this case it upheld the PUC decision.

DOH made policy without allowing public input:

“On appeal, this court reversed the circuit court's ruling by holding that the DOH erred in issuing an air pollution permit with emission limits for hydrogen sulfide without promulgating rules governing such emissions. [] The fact that the appellants in this case had an opportunity to present their views before the circuit court at trial is clearly not an adequate substitute for the rule[-]making process required under HRS § 342B-32. The appellants comprise a small portion of the public. Others may have been interested in providing input in the matter but may not have been able to intervene in this lawsuit due to a lack of notice or resources. Moreover, fairness to the public and potential applicants for air pollution permits dictates that the rules adopted by DOH be known beforehand.”

The PUC bent over backwards to accommodate the public:

“The public was fully apprised of the transmission line proceeding, and the PUC thoroughly accommodated public participation. Every person or entity seeking intervention was allowed to become a party, even long after the filing deadline had passed. Every party, including Appellants, had numerous opportunities to marshal evidence in support of their positions.”

Act 69 (SB1347-2011) codified as HRS §269-93

Section (1) clearly states that the Commission “MAY” allow allocation of costs between islands. The Commission is not required to authorize this;

(2) This provision would be used to "ACHIEVE" the renewable portfolio standard. This implies that if the renewable portfolio standard was reached without this provision, then there would be no need to consider this issue;

(3) Any such allocation must be "reasonable." If there are more cost effective ways of meeting the standard, then more expensive solutions should not be approved.

Renewable Energy Credits

There have been those intervenors in Commission dockets that have argued that renewable energy companies should be able to sell electricity to the utility and sell Renewable Energy Credits¹² (RECs) or climate credits as a way to generate funds to finance renewable energy projects.

The HECO proposal to have HECO ratepayers subsidize HELCO operations is a REC. HECO ratepayers would purchase RECs from HELCO which would use the funds to finance Renewable Energy Projects.

What factors should be used to determine the correct REC allocation? Can non-utilities also buy and sell RECs or should the Commission limit RECs to utilities?

Reasonable Alternatives

The first HECO-Aina Koa Pono Biofuel Supply Contract was rejected by the Commission, in part because it would have been the most expensive fuel contract ever entered into by the HECO family of utilities. It would have

¹² RECs are also called Environmental Credits, Greenhouse Gas Emission Credits and Climate Credits.

allowed HECO to transfer \$250 million of O`ahu ratepayer money to the Big Island over a 20-year period to subsidize a very expensive, unproven solution.

By way of comparison, fueling HELCO's Keahole Power Generation Station with Aina Koa Pono biofuel will be significantly more expensive than replacing the Keahole Power Generation Station with new geothermal facilities.

Cross-Island Subsidization

If cross-island subsidization is authorized, should the least cost or the most expensive renewable energy project be placed first on the subsidization queue?

O`ahu's Renewable Energy Resources

A self-serving statement by HECO used to justify the inter-island cable is that O`ahu is "resource poor." This statement is countered by the U.S. Department of Energy and the Electric Power Research Institute (EPRI), both of which have shown that O`ahu can generate all of the electrical power needed throughout the State.

Should the Commission, in this docket, rule that O`ahu is resource poor and that cross-island subsidization is acceptable? Should this approval occur BEFORE the Hawaii Clean Energy Programmatic EIS is completed?

Intervention

Intervention: This Motion to Intervene is filed according to the requirements of Hawaii Administrative Rules ("HAR") §6-61-55 Intervention. (a) A person may make an application to intervene and become a party by filing a timely written motion in accordance with sections 6-61-15 to 6-61-24, section 6-61-41, and section 6-61-57, stating the facts and reasons for the proposed intervention and the position and interest of the applicant.

A person may make an application to intervene (HAR §6-61-55(a)). Life of the Land ("LOL") is a person as defined by HAR §6-61-2. LOL will be represented by LOL's Vice President for Consumer Affairs, Henry Curtis, in accordance with HAR §6-61-12.

1) Timeliness.

Our motion to intervene is timely. The Application was filed on August 2, 2012, and our Intervention was filed on August 20, 2012, which is within 20 days after the Application was substantially amended.

2) The nature of the applicant's statutory or other right to participate in the hearing.

Life of the Land has a right to intervene to protect our fundamental interests in this docket.

HECO proposes that Life of the Land and those it represents be taxed to support the argument that O`ahu is resource poor and must subsidize Neighbor Island renewable energy projects. This argument is counter to our

most basic beliefs. Furthermore, taxation without representation is anathema to the U.S. legal system.

We seek intervention on the grounds that this docket will establish firm or *de facto* rules regarding biofuels. The Hawai`i Supreme Court, as noted, has stated that adjudicatory proceedings can only establish rules if they allow public involvement.

3) The nature and extent of the applicant's property, financial, and other interest in the pending matter;

Life of the Land is a 40-year old non-profit organization. We have been accepted by the Commission as an intervenor or participant in over 30 regulatory dockets including several dealing with biofuels. On September 22, 2000, the LOL Board of Directors approved continuing to intervene in energy dockets as a means of promoting sustainable policies. Henry Curtis, Vice-President for Consumer Affairs, is authorized by the LOL Board of Directors to represent LOL before the PUC in accordance with HRS Section 6-61-12.

LOL is a non-profit Hawaii-based organization. Our members live, work and recreate in Hawaii. They are concerned about climate change, energy policy, agricultural policy, air pollution, water pollution, energy costs, energy rates, biofuels, and environmental externalities.

4) The effect of the pending order as to the applicant's interest;

Life of the Land is very concerned about biofuel externalities, biofuel price premiums, and the environmental impacts associated with existing utility generators operations such as minimum load, must-run and spinning reserve.

(a) "The commission may determine that short-term costs or direct costs that are higher than alternatives relying more heavily on fossil fuels are reasonable, considering the impacts resulting from the use of fossil fuels." (HRS §269-6(b), Application p. 21)

Although the commission may authorize contracts that cost more than the avoided cost of oil, the commission shouldn't approve the contract merely because the contract is more expensive. Rather the contract should be approved only if the proponent is able to justify the higher costs.

(b) "The Companies are also proposing that any higher cost differential of the AKP biodiesel be included in the Biofuel Surcharge Provision, as Hawaiian Electric's customers (in addition to HELCO's customers) will also clearly benefit from this new renewable energy future." (Application p. 4) "It is probable that it will be easier to achieve higher levels of renewable energy generation on islands other than Oahu." (Energy Agreement, Section 29. Application p. 29 fn. 12)

The Application states that HECO ratepayers should subsidize the operation, even though the biofuel will be grown and used solely on Hawai`i Island. HECO asserts that this subsidy is needed, based on two specious arguments: first that O`ahu is resource poor, and second that an inter-island cable is

needed to achieve the goals of the Renewable Portfolio Standards provisions of state law. To justify the self-serving cornerstone provision (the inter-island cable) of the HCEI Energy Agreement, HECO feels the need to minimize available energy resources on O`ahu so HECO asserts that O`ahu is "resource poor."

There is nothing in the record to indicate that O`ahu lacks renewable energy resources to be energy self-sufficient. In fact, earlier this year the U.S. Department of Energy published "Tapping into Wave and Tidal Ocean Power: 15% Water Power by 2030." The Report states that O`ahu's recoverable wave energy resource is 80 billion kWh/yr. This is eight times Hawai`i's statewide electricity demand of 10 billion kWh/yr. Furthermore, Booz Allen Hamilton reported that O`ahu can get nearly 1000 MW of photovoltaic energy from rooftop solar.

The arguments to support the inter-island cable were developed using reverse engineering. Since the utility needs to remain financially whole, it needs a large capital base. The inter-island cable will be expensive and will provide future revenue for the company. Therefore it should be built. There is nothing in any legal record that it will be cheaper, more reliable or could better achieve any regulatory or legal requirement.

(c) "AKP has undertaken a voluntary Environmental Assessment ("EA") for the Project." (p. 14)

Life of the Land opposes efforts by some to issue false interpretations of state environmental law. Voluntary Environmental Assessments have no legal basis under Hawai`i law and regulation.

(d) HELCO has signed contracts with Aina Koa Pono, Hu Honua (23 MW), and proposes to increase geothermal production (50 MW).

HELCO has over 60 MW of excessive baseload energy. Demand is falling. How can all of these new projects be in the "public interest"?

(e) Alternatives. What are the relative costs of these three baseload renewable energy resources? How does Aina Koa Pono fit in with that mix? Are HELCO ratepayers facing higher bills merely because the highest price baseload is the first to seek regulatory approval? Is that in the public interest?

(f) Avoided Cost Calculations. If some HELCO-Power Purchase Agreements (PPAs) are tied to "avoided cost" and the AKP contract is above the existing "avoided cost" and therefore will raise the average avoided cost on the system, will this result in windfall profits for non-utility generators at the expense of ratepayers? Will this contract affect avoided cost calculations for other HELCO PPAs?

Will the cost of diesel increase for HELCO's remaining generators because of a drop in the demand for diesel (elementary economics: demand decreases lead to price increases).

(g) Timing. Is this contract being slipped in just before the commission adopts new reliability regulations that are being analyzed via the Reliability Standards Working Group (RSWG) and the Minimum Load and Curtailment (MLC) Subgroup?

(h) Environmental Risks. The AKP microwave technology proposed is very new and not commercially available. Will there be any risk to ratepayers or residents from its development and use?

(i) Economic Risks. Does this contract help to expand biofuel opportunities in Hawai`i, or does it attempt to corner the market?

We hereby incorporate by reference into this filing our filings and submissions made in the HECO's Campbell Industrial Park CT-1 Generation Station (Docket 2005-0145), the HECO-Imperium Renewables Biofuel Supply Contract (Docket 2007-0346) and the HECO-Aina Koa Pono Biofuel Supply Contract (Docket 2011-0005) as if set forth in entirety.

5) Other Means Available Wherein Applicant May Protect His Interest.

There are no other means available to protect our interests.

6) Other Parties Do Not Represent LOL's Interests.

The existing parties are the fossil fuel based utilities and the Consumer Advocate which has a legal requirement to protect consumer interests. LOL represents environmental interests. The Consumer Advocate has been more aggressive in moving the State towards biofuels than any utility in the State. They have advocated this position with no in-house expertise and no credible biofuel consultants.

HECO makes the absurd statement that the Consumer Advocate can represent LOL's interests. There is no single issue in which Life of the Land and the Consumer Advocate are further apart, and HECO is well aware of

this, since in previous commission proceedings, Life of the Land has filed extensive documentation on this point. To assert that the Consumer Advocate can represent interests that are diametrically opposites, is to make a mockery of the entire HRS and HAR chapters permitting intervention.

HECO has been unwilling in past dockets to explain how the Consumer Advocate can represent Life of the Land's biofuel interests. Instead, they have cut and pasted boilerplate language.

The positions of HECO and the Consumer Advocate are aligned on numerous issues and are directly tied together on the biofuel issue in that the Consumer Advocate and HECO are co-signers of the HCEI Energy Agreement.

The Consumer Advocate has never cross-examined any HECO witness in any biofuel Evidentiary Hearing.

The Consumer Advocate supported HECO's enormously expensive Aina Koa Pono biofuel contract which the Commission rejected because it would cost HECO ratepayers over "9 digits" (\$100 million) over the 20-year contract to subsidize HELCO ratepayers.

The Consumer Advocate endorsed HECO's Imperium Renewables Palm Oil Biodiesel contract. The contract was rejected by the Commission.

Life of the Land opposed both the Aina Koa Pono and the Imperium Renewables biofuel contracts, the former on pricing and externalities, the latter on externalities.

The palm oil externalities -- including the enormous environmental, habitat, greenhouse, health and cultural impacts -- were noted by the lead story on the front page of the Wall Street Journal. (As Alternative Energy Heats Up, Environmental Concerns Grow. By Patrick Barta and Jane Spencer. WSJ December 5, 2006. LOL-EXH-30, Docket Number 2007-0346)

That Imperium Renewables contract allowed HECO to acquire biofuels from plantations that were working towards "no child labor" and "free and prior informed consent" of native peoples at the specific plantations from which the fuel was purchased, regardless of practices by the growers on their other plantations.

The Consumer Advocate had no issue with using palm oil biodiesel, even suggesting that the utility needed to go faster than their engineers wanted to in using biofuels.

7) LOL's Participation will Assist the Development of a Sound Evidentiary Record.

We offer a unique perspective. We intend to present a proactive case, supported by expert witnesses and exhibits. We have demonstrated our expertise in past biofuel proceedings. We will include specific witnesses with biofuel knowledge including LOL Executive Director Henry Curtis. We are consulting with a wide range of experts as we have in past biofuel dockets.

Life of the Land's Executive Director has been appointed by the PUC to serve on both the Reliability Standards Working Group (RSWG) (Docket 2011-0206), the RSWG Minimum Load and Curtailment (MLC) subgroup which is currently analyzing must-run operating procedures and requirements, and

the Advisory Group for the HECO Companies Integrated Resource Planning Process (Docket 2012-0036).

Life of the Land has presented the biofuel expert testimony given by lawyers, engineers and researchers in recent Commission Dockets. This demonstrates our ability to present the Commission evidence that will lead to the Commission's making a better and sounder decision.

8) LOL's Participation Will Neither Unduly Broaden The Issues Nor Delay This Proceeding.

Life of the Land will limit testimony and exhibits to those areas specified by the Commission's Revised Statement of Issues.

Our comments, testimonies, expert witnesses and exhibits will be provided so as to strengthen the defensibility of the ultimate PUC decision. We do not seek to muddy the waters, but rather to bring clarity to the issues at hand. In numerous proceedings the utility and/or the Consumer Advocate have asked for anywhere from one to almost ten (10) delays per proceeding. Except going along with many of their requests to be polite, LOL has never instigated a delaying motion.

9) LOL's Interests Differ From Those Of Those Of The General Public.

The Consumer Advocate is bound by the law to represent the interests of the general public, that is, the consumers of utility services. Life of the Land is concerned with justice, equality, equality, externalities, environmental justice, climate justice, social, environmental, climatic and greenhouse gas

impacts. If the general public believed as strongly as we do in the need for the transformation, Hawai`i would already be 100% renewable with a small amount of biofuels using waste oil and local sustainable feedstock).

10) Whether the applicant's position is in support of or in opposition to the relief sought.

We oppose this Application but may revise our assessment pending a review of the record.

Specifically, we believe the Contract is not "reasonable and consistent with the public interest" (Issue #1)

We believe that there is a lack of documentation filed with the docket to determine biofuel price premiums and externalities (Issue #1A) and quantitative or qualitative values assigned for various risks (Issue #1B).

That Microwave Catalytic Depolymerization technology is not a proven commercial technology. (Issue #1D)

Establishing a cross-island biofuel surcharge should only be justified if there are no reasonable and less expensive alternatives. (Issue #3)

The biofuel surcharges should only be deployed when there are no reasonable and less expensive alternatives. (Issue #4)

The discussion on economic dispatch issues, avoided cost methodologies, and "must-run" generators, will preempt and duplicate the efforts of, the Reliability Standards Working Group (RSWG), the RSWG Minimum Load and

Curtailment (MLC) Subgroup, and the Integrated Resource Planning (IRP). It is better to consider modification of any proposed contract until after these other proceedings are concluded. (Issue #5A & #5B)

CERTIFICATE OF SERVICE

The foregoing MOTION TO INTERVENE was filed by hand delivered to the Public Utilities Commission. Copies were hand delivered to the Consumer Advocate and to HECO (Dean Matsuura). Electronic copies were sent to all parties listed below.

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Dated: August 20, 2012, Honolulu, HI

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