

# CONSUMER PROTECTION

## WHO'S LOOKING OUT FOR THE CUSTOMER?

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# Technology, Policy and the Shifting Utility Business Model:

## ***CASH-STRAPPED CONSUMER IMPACTS IN AN ERA OF RAPID INDUSTRY CHANGE***

# The “Existential Threat”

- Not a brand new concept
  - PURPA (1978), cogeneration and non-utility generation
  - “Retail wheeling” and rate impacts on captive rate payers
  - Open access; retail access (late 1990s)

# DEATH SPIRAL



# The more things change ...

- Technology and economics
  - Large- and small-scale electricity generation
  - Communication
  - Data development and management
  - Digital metering
- Decarbonization policies
  - Emission controls
  - RPS
  - FIT
  - Net metering

# ... the more they stay the same

- Essential services
- Access and affordability problems
- Regressive allocation of the costs and benefits of energy production and distribution

# Existential threats to consumers (especially low-volume, vulnerable)

- Rate impacts
  - T&D upgrades
  - FIT, net metering (territory-specific analysis required!)
  - DG and allocation of fixed costs
  - Time varying rate penalties on consumers with limited capacity to shift consumption
- Access to Service
  - Remote disconnection, prepaid service (AMI)
- Deterioration of the federal safety net

# A consumer advocates' view of selected regulatory responses to technology and policy challenges

- Review and enhance – but do not blow up – the utility regulatory paradigm (e.g. review strict economic, COS regulation vs appropriate accounting for NEBs/public policy objectives)
- Retain regulatory oversight of basic/default distribution service that includes an affordable, time-static rate option
- Review and revise policies that exacerbate inequity/regressivity (e.g., loading costs into fixed customer charges).



# Ensuring Energy Security in Lower-income Households

- Affordable Payments
  - Bill payment assistance and arrearage management
- Energy Efficiency
  - Whole-house, fuel-neutral deep retrofits
  - Zero customer financial contribution
- Regulatory Consumer Protections
  - Shutoff protections
  - Payment agreements
  - Secure notification of disconnection by mail

# A FEW RECOMMENDATIONS

- Get the data to evaluate home energy security
  - Monthly reporting of general residential and low-income residential arrearages and disconnection
- Open an affordability program docket
- Large-scale Community Solar Emphasis

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Since 1969, the nonprofit **National Consumer Law Center® (NCLC®)** has worked for consumer justice and economic security for low-income and other disadvantaged people, including older adults, in the U.S. through its expertise in policy analysis and advocacy, publications, litigation, expert witness services, and training. [www.nclc.org](http://www.nclc.org)



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Jeffrey Ono

Executive Director Consumer Advocate

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State of Hawaii

# KIUC Smart Meters

- Total customers 37,072
- Opt-Out 2,698
- Non-Standard Meter Set Up Charge \$50.64 (Residential)  
\$65.64 (Commercial)
- Monthly Non-Standard Meter Charge \$10.27

# KIUC Photovoltaic Systems on Kauai

## NEM Rate System Connections Annual Total

2007	34
2008	75
2009	15
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Grand Total	124

## NEM Pilot Rate System Connections Annual Total

2011	10
2012	1
2013	103
2014	16
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Grand Total	130

## Schedule Q Rate System Connections Annual Total

2008	17
2009	76
2010	147
2011	220
2012	477
2013	649
2014	581
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Grand Total	2167

# NEXTERA/HECO

<sup>45</sup> See supra nn.43 and 44. NextEra Energy is aware that the Hawaiian Electric Companies' decoupling mechanisms are being examined in Docket No. 2013-0141 ("Decoupling Investigation Docket"). NextEra Energy's customer savings commitments in this section are necessarily based and conditioned on the current formulation of the decoupling mechanisms. Material changes to the decoupling mechanisms, if any, that may result from a decision and order in the Decoupling Investigation Docket may require adjustments to NextEra Energy's commitments with respect to the rate case moratorium/rate case stay out and the foregoing of the incremental O&M RAM Adjustment. NextEra Energy's commitments are also conditioned upon: (i) each of the Hawaiian Electric Companies being authorized to record revenues collected through the RAM Provision starting January 1 of each year of the stay out period, with the recovery period for the RAM Revenue Adjustment remaining unchanged (i.e., recovery of the RAM Revenue Adjustment shall continue to commence on June 1 of the applicable year and shall continue over the subsequent twelve months, and if the accrual period terminates (for example, due to the implementation of new rates pursuant to a rate case decision after the stay out period), any accrued but unrecovered RAM Revenue Adjustment amount will be collected through an adjustment to the RBA Rate Adjustment), (ii) the Hawaiian Electric Companies not being precluded from requesting revenue neutral tariff provisions and/or changes, and (iii) the Hawaiian Electric Companies not being precluded from requesting changes to rates or charges that are authorized by legislation enacted during the stay out period.