



Hawaiian Electric
Maui Electric
Hawai'i Electric Light

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Hawaiian Electric Companies issue call for projects to accelerate islands' renewable energy transition

State's largest clean energy procurement aims to end coal use, replace oil

HONOLULU, August 22, 2019 – The Hawaiian Electric Companies are beginning Hawai'i's largest procurement effort for renewable energy resources to end the use of coal and reduce reliance on imported oil for power generation, moving the state closer to its goal of using 100 percent renewable energy by 2045.

"Hawaiian Electric has made huge strides toward our renewable energy goals and will end this year achieving a renewable generation portfolio of 30 percent," said Alan Oshima, president and CEO of Hawaiian Electric. "This effort is a big step in accelerating the transition from fossil fuels to locally-sourced clean energy resources. For customers, the benefits are simple: cleaner energy at lower prices."

With the approval of the Public Utilities Commission (PUC), the companies today issued requests for proposals for renewable energy and grid services from developers locally and globally. Details are at www.hawaiianelectric.com/competitivebidding.

Approximately 900 megawatts of new renewables or renewables paired with storage – generating about 2 million megawatt-hours annually – are sought. It is among the largest single renewable energy procurements undertaken by a U.S. utility.

This includes estimated targets of technologies equal to 594 MW of solar for O'ahu, 135 MW for Maui and up to 203 MW for Hawai'i Island, depending on whether other renewable energy projects are available on that island.

Projects for Maui must include energy storage. On Hawai'i Island, solar must include storage but is optional for other technologies. On O'ahu, pairing generation with energy storage is optional. Storage on O'ahu and Maui is also being sought to replace firm generating units. This can be provided by renewable generation paired with storage or standalone storage. Contingency storage is also being sought for O'ahu and Hawai'i islands.

For O'ahu, new renewable generation and storage is needed to replace the 180-megawatt coal-fired AES Hawaii plant in Campbell Industrial Park due to close by September 2022. It is the largest single generator on O'ahu, meeting 16 percent of peak demand.

For Maui, new renewable generation and storage is needed for the planned retirement of Kahului Power Plant by the end of 2024.

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A separate request for proposals for grid services from customer-sited distributed energy resources will help system operators manage reliability of modern electric grids with diverse, dynamic inputs and outputs. The companies are seeking grid services such as fast frequency response and capacity for O’ahu, Maui, and Hawai’i islands with targets ranging from 4 MW to 119 MW. This will create an opportunity for customers to play a direct role in modernizing the electric grid and integrating more renewable energy.

Final requests for proposals are expected to be issued later this year for the equivalent of 4 MW of solar or 3.6 MW of small wind for Moloka’i, paired with energy storage, and an equivalent up to 9.5 MW of solar paired with energy storage for Lāna’i, pending approval by the PUC.

Due to the complexity of projects sought, the PUC has chosen independent observers and a technical adviser to assure that all proposals – including “self-build” projects proposed by the companies – are treated fairly and equitably and will not interact to create technical problems on island grids.

These final requests for proposals are the result of extensive collaboration led by the PUC with participation of Hawaiian Electric, the Consumer Advocate, and other stakeholders.

Hawaiian Electric’s guiding principles in seeking renewable energy and grid services include transparency, predictability and streamlining to lower costs for customers, with community engagement essential to success.

Pending negotiations of contracts and final approvals, the first renewable generation projects from this phase would come online in 2022 with the total amount of megawatts expected by 2025. The timeline for proposals is:

Final RFP is Issued	August 22, 2019
Proposal due date	November 5, 2019 at 2 pm HST
Companies select priority list	January 17, 2020
Best and final offers due	January 24, 2020
Final award group named	May 8, 2020
Contract negotiations begin	May 15, 2020

Pending negotiations of contracts and final approvals, the grid services projects are expected to start ramping up in late 2020 with the total expected by 2022. The timeline for proposals is:

Final RFP is Issued	August 22, 2019
Proposal due date	October 31, 2019
Companies select priority list	December 12, 2019
Best and final offers due	December 19, 2019
Final award group named	January 9, 2020
Contract negotiations begin	January 9, 2020

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In the first phase of the renewable procurement, completed in 2018, the companies negotiated contracts for eight projects on three islands. The PUC approved seven projects on O’ahu, Maui and Hawai’i Island that will add approximately 260 MW of solar energy with over 1 gigawatt-hour of storage by the end of 2021. One project is pending commission approval.

The stable, long-term prices negotiated for those projects average 9.38 cents per kilowatt-hour and are significantly lower than the current cost of fossil fuel generation, which is about 15 cents per kilowatt-hour. These low prices reflect Hawaiian Electric’s innovative, new model contract that enables the Company to dispatch energy from each facility to meet the needs of the grid.

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