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December 22, 2021

VIA EMAIL

Rebecca Dayhuff Matsushima
Director, Renewable Acquisition Division
Hawaiian Electric Company, Inc.
Rebecca.matsushima@hawaiianelectric.com

Re: Docket No. 2021-0024 – Guidance for Development of a Firm Renewable Generation Request for Proposals on Oahu, filed on November 17, 2021.

Dear Ms. Dayhuff Matsushima,

The Hawaii Public Utilities Commission (“Commission”) is in receipt of the AES Biomass Monthly PUC Update (“November Update”) from the Hawaiian Electric Companies (“Hawaiian Electric” or “Companies”) filed in Docket No. 2021-0024 on November 17, 2021. In this update, Hawaiian Electric proposed a streamlined renewable firm generation Request for Proposals (“RFP”) for Oahu to address future grid needs.

The Commission is amenable to this proposal to develop a competitive solicitation through which to review and evaluate opportunities to develop additional renewable generation, which could include allowing existing facilities to repower or fuel switch.

This letter provides guidance to Hawaiian Electric for developing such an RFP, including several areas that should be addressed by Hawaiian Electric in drafting the proposed RFP documents.

Grid Needs: The Commission notes the proposed firm RFP may be developed prior to the results of the Oahu Grid Needs Assessment (GNA) under development in the first round of the Integrated Grid Planning (IGP) proceeding. Hawaiian Electric acknowledges this in its letter, stating that it will leverage information from the IGP process to develop a set of grid needs. In light of this, the Commission requests that Hawaiian Electric address the uncertainty around future grid needs for Oahu when proposing the timeline for the RFP and in development of the RFP documents. Hawaiian Electric should ensure the RFP reflects an accurate and current assessment of Oahu’s grid needs, including detailed analysis supporting the grid needs identified in the proposed RFP.

Comparison to Other Technologies: In the IGP proceeding and in prior RFPs, the Commission has encouraged Hawaiian Electric to develop all-source procurements, which enable projects using a variety of technologies and resources to compete directly to meet identified grid needs. In developing a firm renewable RFP for Oahu, Hawaiian Electric should maintain this emphasis on soliciting bids from various technologies and resources that are capable of meeting identified grid needs. Hawaiian Electric should also consider how project bids from other RFPs (e.g., parallel efforts in the IGP process) could serve certain grid needs identified in the proposed firm

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Director, Renewable Acquisition Division
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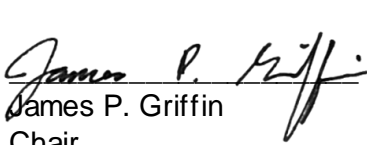
RFP and ensure that any final awards in the proposed firm RFP account for resources procured in parallel solicitations.

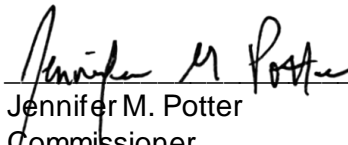
Additionally, Hawaiian Electric should ensure the bid price terms that are solicited in the RFP can be compared across technology types, as was directed in Order No. 36474 approving the Final Stage 2 RFPs in Docket No. 2017-0352.

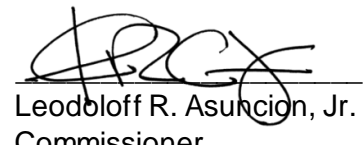
Community Engagement: The Commission acknowledges Hawaiian Electric's commitment to community engagement in its November Update and emphasizes the importance of engaging with the community early and often in the RFP process to mitigate potential delays later. Hawaiian Electric should conduct extensive outreach and engagement with key stakeholders and local communities on the proposed RFP, and should incorporate any feedback received, prior to finalizing any draft RFP documents. Hawaiian Electric should further ensure extensive community outreach and engagement is conducted with respect to any proposal, consistent with the requirements in other competitive solicitations.

The Commission emphasizes these areas as key issues to be addressed by Hawaiian Electric in developing a proposed firm renewable RFP for Oahu. The Commission will perform further review of materials that Hawaiian Electric files in development of the firm RFP, not limited to the issues described herein.

Sincerely,


James P. Griffin
Chair


Jennifer M. Potter
Commissioner


Leodoloff R. Asuncion, Jr.
Commissioner

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c: Service List, Docket No. 2021-0024 via the Commission's Document Management System electronic Distribution List.

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