

February 11, 2022

The Honorable Chair and Members of the Hawai'i Public Utilities Commission Kekuanao'a Building, First Floor 465 South King Street Honolulu, Hawai'i 96813

Dear Commissioners:

Subject: Docket No. 2017-0352 – To Institute a Proceeding Relating to a Competitive

Bidding Process to Acquire Dispatchable and Renewable Generation

Next Steps for Stage 3 Hawai'i Island RFP Following Commission Guidance

Hawaiian Electric¹ appreciates the Commission's guidance provided in its letter filed on January 20, 2022, offering comments to the draft Request for Proposals for Hawai'i Island ("Stage 3 Hawai'i RFP") filed on October 15, 2021 in the subject proceeding. The Company also filed a letter to further stakeholder engagement and address comments received from AES Clean Energy, Longroad Development Company, LLC, Innergex Renewables USA, LLC, Clearway Energy Group, Pacific Resource Partnership, and Hawai'i Island Group on January 19, 2022. In that letter, the Company proposed RFP changes to address concerns related to expanding the RFP scope, lengthening the storage duration, scoring a project's proposed guaranteed commercial operations date ("GCOD"), and hosting a technical conference. The Company also explained that proactive modifications were incorporated from the Stage 1 and Stage 2 RFPs to address comments related to making more information available, concerns with interconnection costs and interconnection delays, and comments regarding model checks. In addition, where applicable, the Company provided explanations as to why changes suggested by stakeholders could or should not be made, and where appropriate, offered alternative solutions.

The Commission's letter directed the Company to prepare for a second draft Stage 3 Hawai'i RFP filing and consider the comments offered. The Company is already updating a second draft with changes proposed in its January 19, 2022 letter, as well as additional changes based on guidance received in the Commission's January 20, 2022 letter. The Company believes it can incorporate the additional updates and file the second draft in the mid-March timeframe. The Company will include an exhibit with transmittal letter to address the points made by the Commission in its letter, identify the changes that were incorporated into the second draft, and where applicable, provide explanations if changes were not incorporated or alternative solutions offered.

The Commission's letter also directed the Company to update the Grid Needs Assessment

¹ "Hawaiian Electric" or the "Company" collectively refers to Hawaiian Electric Company, Inc., Hawai'i Electric Light Company, Inc., and Maui Electric Company, Limited.

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for Hawai'i Island. The Company has begun the update and believes the assessment report can be completed and filed in the mid-April timeframe. At this time, the Company does not believe that the updated Grid Needs Assessment will significantly alter the scope of the draft Stage 3 Hawai'i RFP, and because the RFP already includes flexibility to consider selecting more proposals that provide energy and other services in excess of the RFP's targeted amounts, its filing after the RFP should only result in minor updates as well as replacing the current Appendix I Grid Needs Assessment with the updated Grid Needs Assessment when the proposed final RFP is filed. The Company believes that a technical conference could be held around this same timeframe in April.

In summary the Company proposes the following next steps:

- 1. File updated draft RFP March 18, 2022
- 2. Technical Conference Week of April 11, 2022
- 3. File updated Grid Needs Assessment April 15, 2022

The Company appreciates the comments and guidance received and looks forward to further direction to finalize the Stage 3 Hawai'i RFP and launch a competitive and successful procurement.

Sincerely,

/s/ Rebecca Dayhuff Matsushima

Rebecca Dayhuff Matsushima Vice President, Resource Procurement

cc: Division of Consumer Advocacy

Chun, Marisa

From: puc@hawaii.gov

Sent: Friday, February 11, 2022 2:25 PM

To: Chun, Marisa

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