



April 27, 2023

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

Subject: Docket No. 2017-0352 – Submission of Revised Maui Stage 3 Request for Proposals

Dear Commissioners:

The Hawaiian Electric Companies¹ respectfully submit a proposed revised Maui Stage 3 Request for Proposals (“Revised Maui Stage 3 RFP”) and supporting documentation in accordance with Order No. 39145, *Granting the Hawaiian Electric Companies’ Motion for Leave to Suspend the Firm Generation portion of the Maui Stage 3 Request for Proposals*, issued on April 12, 2023 in the subject proceeding (“Order 39145”) and Order No. 39119, *Denying the Hawaiian Electric Companies’ Motion for Reconsideration and Modification of Order No. 39065*, issued on April 5, 2023 in subject proceeding (“Order 39119”).²

Among other things, Order 39145 ordered the Companies to submit revisions to the firm generation portion of the Maui Stage 3 RFP by April 27, 2023. Those revisions, submitted herewith, include the following:

- An updated RFP schedule, under which the RFP will be reissued on May 15, 2023 assuming the Commission approves the revised RFP by May 11, 2023. Proposals would be due on August 14, 2023, and the Final Award Group selection would take place on January 23, 2024. As directed in Order 39145, the time periods for Company review of proposals have been shortened to advance the RFP as quickly as possible.³ Therefore, while there is an approximate four month delay in proposal submittal, project selection is only delayed by three months. To assist potential proposers interested in utilizing the Company-Owned Site,⁴ a site visit to the Waena Firm Site is being offered on May 4, 2023.⁵ Maui Electric has proposed that if, after the site visit, there is no interest from independent power producers, proposals will be due on June 23, 2023, which will lead to

¹ Hawaiian Electric Company, Inc. (“Hawaiian Electric”), Hawai'i Electric Light Company, Inc. (“Hawai'i Electric Light”), and Maui Electric Company, Limited (“Maui Electric”) are collectively referred to as the “Hawaiian Electric Companies” or “Companies”.

² Order 39145 ordered the Companies to submit revisions to the firm generation portion of the Maui Stage 3 RFP by April 27, 2023.,

³ See Order 39145, ordering paragraph 2.c. at 8.

⁴ Defined terms used, but not otherwise defined herein, have the meanings given to them in the Maui Stage 3 RFP.

⁵ See Table.3 of the Proposed Revised Maui Stage 3 RFP

a Final Award Group selection of December 1, 2023.⁶ This accelerated alternate schedule reduces the delay in the selection of the Final Award Group to approximately one month.⁷

- Provisions to offer a portion of the Company's Waena property as a Company-Owned Site available to proposers for firm generation proposals only.⁹ In addition to revisions made in the body of the RFP, the previously reserved Appendix F now includes information about the Waena Firm Site, including an updated map. The updated Appendix H now includes information related to interconnection of a firm project at the Waena Switchyard. In addition, the Model Firm Capacity Renewable Dispatchable Generation Power Purchase Agreement ("Model Firm PPA") has been updated to include an Attachment CC – Company-Owned Site.
- The latest allowed Guaranteed Commercial Operations Date for the Firm Renewable Generation Target will be pushed back from December 1, 2027 to February 1, 2028. However, the Company maintains an express preference for a Guaranteed Commercial Operations Date of December 1, 2027, given the permitting requirements to retire the Kahului Power Plant and the potential need to retire four units at Ma'alaea in this same time period. Therefore, the Company will evaluate the impact of GCODs during the Detailed Evaluation and will give preferences to GCODs of December 1, 2027 or earlier. There are no schedule changes for the Renewable Dispatchable Generation Target set forth in the RFP.
- A proposed revised version of Appendix G to Maui Stage 3 RFP (Hawaiian Electric Development Team Certification Form). Prior to March 15, 2023, members of the Hawaiian Electric Development Team serving on the Company's Contingency Plan team were provided access to certain proprietary information and analyses which would typically not occur until after selection in the competitive evaluation process. This has been mitigated by the Company making available such information to potential bidders subject to an NDA, as further described below.¹⁰ In addition, prior to March 15, 2023,

⁶ The Company is providing this alternative path in recognition of the Commission's guidance in Order 39119 which stated: "Although the Commission recognizes that such modifications have the potential to delay the guaranteed commercial operations date for firm generation project(s) on Maui, the Commission and Hawaiian Electric have an obligation to work to ensure that any delay be as minimal as possible in light of the current reliability concerns." The Company believes that if there is no interest in the Waena site, there is no need to further delay the RFP to allow for Proposals to be developed at such site and Proposers should have been prepared to meet the RFP schedule for Proposals at other locations.

⁷ See Table.4 of the Proposed Revised Maui Stage 3 RFP.

⁹ See Section 3.11.3 of the Proposed Revised Maui Stage 3 RFP.

¹⁰ In Order No. 39119, the Commission provided the Company with an alternative to reset the bidding process for the firm generation portion of the Maui Stage 3 RFP, provided that, among other things, the Company make available to all potential bidders, information and analyses for the Waena property, including related and relevant

members of the Hawaiian Electric Development Team and the Hawaiian Electric RFP Team, while members of the Company's Contingency Plan Team, communicated directly with each other. Exhibit 1 to Appendix G to Maui Stage 3 RFP (Hawaiian Electric Development Team Certification Form) describes these exceptions to the certification. Without these exceptions, the Hawaiian Electric Development Team would not be able to provide the certification, which could render the Company's self-build proposal as non-conforming, and would therefore be counter to the Commission's Order Nos. 39065 and 39119 directing the Company to develop and submit a self-build proposal.

Additionally, pursuant to Order 39145, the Companies have made available to potential proposers information and analyses for the Waena property, including related and relevant material provided to the Contingency Project team. Exhibit 7 includes descriptions of such information and materials. Exhibit 7 includes confidential information that is being provided pursuant to Protective Order No. 36148 issued on February 7, 2019, in this docket. Exhibit 8 provides the detailed justification for the confidential treatment of the information. This information will be made available to potential proposers upon signing of an NDA. The Companies note that in addition to certain critical infrastructure information there is also information contained therein that cannot be disclosed to potential proposers even under an NDA, as such disclosure could result in potential proposers receiving an unfair business advantage over third-parties and such information could be used to derive pricing proposals for this and future procurements resulting in prejudice to the Companies and their customers. Therefore, although Protective Order No. 36148 is not a two-tiered protective order, the Companies are restricting such information from potential proposers in order to comply with the RFP Code of Conduct and maintain the integrity of the competitive bidding process.¹¹

The Hawaiian Electric Companies submit the following exhibits with this transmittal:

- Exhibit 1: Proposed Revised Maui Stage 3 RFP (Clean and Redline);
- Exhibit 2: Appendix A – Definitions (Clean and Redline);
- Exhibit 3: Appendix F – Description of Available Sites (Clean and Redline);

material provided to the Contingency Project team, which would ensure a level playing field for all bidders for the firm generation portion of the Maui Stage 3 RFP, while also allowing consideration of the best project proposals to provide reliable service and reasonable prices to customers on Maui.

¹¹ This is consistent with Order No. 39119 where the Commission stated that making information and analyses on the Waena site available to the potential bidders would ensure a level playing field for all bidders for the firm generation portion of the Maui Stage 3 RFP, while also allowing consideration of the best project proposals to provide reliable service and reasonable prices to customers on Maui.

- Exhibit 4: Appendix G – Hawaiian Electric Development Team Certification Form (Clean and Redline);
- Exhibit 5: Appendix H – Interconnection Facilities Cost and Schedule Information (Clean and Redline);
- Exhibit 6: Appendix L – Proposed Final Model Firm Capacity Renewable Dispatchable Generation Power Purchase Agreement (“Model Firm PPA”) (Clean and Redline);
- Exhibit 7: Description of Information and Materials on Waena Site Provided to Contingency Project Team; and
- Exhibit 8: Confidentiality Table

The draft Revised Stage 3 Maui RFP and the Model Firm PPA will be released to the public and made available on Hawaiian Electric’s website at <https://www.hawaiianelectric.com/clean-energy-hawaii/selling-power-to-the-utility/competitive-bidding-for-system-resources/stage-3-maui-rfp> (“RFP Website”).

Order 39145 provides that the Commission will issue another order to address the Proposed Revised Maui Stage 3 RFP by May 11, 2023. Order 39145 further provides that the Companies shall reopen the firm generation portion of the RFP two business days after the RFP is approved, unless the Commission orders otherwise. Therefore, the exact dates set forth in the draft of the Revised Stage 3 Maui RFP are subject to change pending such Commission guidance.

The Companies look forward to working with the Commission, the Independent Observer, and the Independent Engineer to launch and execute a competitive and successful procurement.

Sincerely,

/s/ Rebecca Dayhuff Matsushima

Rebecca Dayhuff Matsushima
Vice President
Resource Procurement

Attachments
cc: Division of Consumer Advocacy