

**Maui  
Electric**

**REQUEST FOR PROPOSALS**  
**FOR**  
**RENEWABLE DISPATCHABLE GENERATION**  
**AND**  
**ENERGY STORAGE**  
**MAUI**

MAY 19, 2023

Docket No. 2017-0352

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## **Chapter 1: Introduction and General Information**

Maui Electric Company, Ltd. (“Maui Electric” or the “Company”) seeks proposals to acquire at least 425 gigawatt hours (“GWh”) annually of variable renewable dispatchable generation, and proposals to acquire at least 40 megawatts (“MW”) of renewable firm capacity through this Request for Proposals (“RFP”), as defined further in Section 1.2.2.<sup>1</sup> By no later than December 1, 2027, the Company seeks to have both the variable renewable energy and renewable firm capacity in service. However, while noting the Company’s strong preference that all bid GCODs be no later than December 1, 2027, due to the suspension of the renewable firm capacity portion of the RFP, the Company will allow renewable firm capacity Proposals with in service dates no later than February 1, 2028. Proposers should submit Proposals to achieve commercial operations as soon as possible to address urgent reliability needs, especially for the renewable firm capacity. Proposers are expected to have their permitting requirements addressed and provide a realistic project schedule in their Proposals. The Company stresses that Proposers must fully demonstrate that their Projects are able to meet their Guaranteed Commercial Operations Date. Failure to do so may result in Proposals not advancing through the evaluation phase of the RFP.

The Company seeks three general types of projects in this RFP, 1) new variable renewable dispatchable generation projects (with or without energy storage systems),<sup>2</sup> 2) standalone energy storage projects, and 3) new firm renewable dispatchable generation projects. The Company will also accept Proposals from existing renewable generation projects or existing fossil fuel projects that convert to a renewable source for new terms after the expiration of their current agreements. Any existing project’s Proposal must meet all of the terms of this RFP, including agreement to use the applicable model Stage 3 Contract attached hereto. Existing projects, however, still maintain the rights to use their existing interconnection facilities and points of interconnection.<sup>3</sup>

Through this RFP, the Company intends to contract any variable renewable dispatchable generation projects using its Model Renewable Dispatchable Generation Power Purchase Agreement (“RDG PPA”),<sup>4</sup> which treats variable generation facilities as fully dispatchable; any firm<sup>5</sup> dispatchable generation projects using its Model Firm Renewable Dispatchable Generation Power Purchase Agreement (“Firm PPA”); and any standalone energy storage projects using its Model Energy Storage Purchase Agreement (“ESPA”). Collectively, these model purchase

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<sup>1</sup> Procurement fulfillment will be dependent on the types of Proposals received in this RFP. The Company may consider selecting Proposals that will provide additional energy and other services in excess of or less than the targeted amounts depending on whether such Proposals demonstrate benefits to customers and meet the needs of the grid.

<sup>2</sup> Any photovoltaic (“PV”) projects must be paired with an energy storage component.

<sup>3</sup> Sections 1.2.10, 2.2.1, and Appendix H interconnection cost applications may not apply to existing projects currently interconnected and operating on the Maui Electric System. Please contact the Company via the RFP Email Address in Section 1.6 to seek clarification on what is required for existing projects.

<sup>4</sup> The Company offers a Model PV+BESS RDG PPA version for PV paired with energy storage and a Model Wind+BESS RDG PPA version for wind paired with energy storage. If a generation-only wind proposal is proposed, the BESS-specific provisions will be removed from the Model Wind+BESS RDG PPA.

<sup>5</sup> Firm generation is available up to 100% of the contract capacity at any time under Company dispatch, except during periods of outage and deration, independent of source energy resource availability.

agreements are referred to as the “Stage 3 Contracts”.<sup>6</sup> If a proposed Project utilizes a technology that is not encompassed by the model purchase agreements provided, then the terms of the applicable model purchase agreement will be modified to address the specific technology and/or component.<sup>7</sup>

Each successful Proposer will provide variable renewable dispatchable generation with/without energy storage, standalone energy storage, or firm renewable dispatchable generation to the Company pursuant to the terms of an applicable Stage 3 Contract which will be negotiated between the Company and Proposer, and also be subject to review and approval by the State of Hawai‘i Public Utilities Commission. Proposers are instructed to thoroughly review their respective model Stage 3 Contract attached as Appendix J, K, L, and M that represents the technology of their project. The structure of the RDG PPA, Firm PPA and ESPA intends to provide monthly payments to the Proposer by the Company (e.g., Lump Sum Payment, Capacity Charge payment), based upon the energy potential or contract capacity, as applicable, of the Facility, regardless of the actual energy dispatched.<sup>8</sup> In exchange, the utility maintains full dispatch control of the Facility as needed. Under the RDG PPA, Firm PPA and ESPA, each Facility must meet certain requirements to receive the full Lump Sum Payment/Capacity Charge payment (as applicable) each month. The Firm PPA also provides for a separate monthly Energy Charge payment. These requirements ensure that each plant is available to the Company for dispatch to meet System needs. The Company intends to use all Projects selected for the Final Award Group in accordance with the performance and dispatchability requirements described in the model Stage 3 Contracts to meet various grid needs identified in Appendix I of this RFP (“Grid Needs Assessment Update”).

Appendix I provides information to Proposers on the grid needs of the System based on computer modeling of the future dispatch of the System, including how new resources acquired through this RFP may be dispatched to provide various services (e.g., 20- and 1-minute upward and downward regulating reserve, ramp, and capacity). In addition to the expected provision for grid services, the Grid Needs Assessment Update also provides the portfolio of projects’ aggregated dispatch on typical days to inform Proposers when and how the projects may be utilized in addition to existing system resources. In turn, Proposers can use this information to design their Project to better fit within the Maui resource portfolio. Proposers must review Appendix I. The Grid Needs Assessment Update in Appendix I was determined by modeling which selected the addition of resources including onshore wind, standalone storage, and geothermal resources. The Company, however, is committed to selecting a portfolio of projects based on the results of the RFP to meet the System needs and is not focused on any particular technology. Therefore, acquiring the amount of grid needs set forth in Appendix I will be dependent on the final resource mix selected. As detailed in this RFP, during the detailed

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<sup>6</sup> Herein, the term “Stage 3 Contract” will be used generically to refer to the applicable purchase agreement for that technology (i.e., PV+BESS RDG PPA, Wind+BESS RDG PPA, Firm PPA, or ESPA).

<sup>7</sup> Contact the Company if there is any uncertainty with which model Stage 3 Contract the Proposer’s technology aligns.

<sup>8</sup> Firm proposals may include an Energy Charge payment component in addition to the Capacity Charge payment component. The Energy Charge payment would be based on actual production and delivery to the grid. The Firm PPA allows the Company dispatch rights and does not guarantee Seller any amount of energy will be delivered to the Point of Interconnection - in the event that the Company does not accept any energy at the Point of Interconnection, the Company will not pay any Energy Charge payment.

evaluation, modeling will be performed to assess the grid resources being provided by the final selected portfolios.

To assist Proposers in developing costs of potential projects, the Company also offers interconnection facilities cost and schedule information in Appendix H. The information provided in Appendix H can be used to approximate the cost for Company-Owned Interconnection Facilities, including substation, telecommunications, security, transmission and distribution lines, and project management.

The Company or its Affiliates may submit a Proposal in response to this RFP subject to the requirements of this RFP.

The Company will evaluate Proposals using the evaluation and selection process described in Chapter 4. The Company will evaluate and select Proposals based on both price and non-price factors that impact the Company, its customers, and communities affected by the proposed Projects. The number of Projects that the Company may acquire from this RFP depends on, among other things, the quality and cost-effectiveness of bids received in response to this RFP; economic comparison to other RFP responses; updates to the Company's forecasts; transmission and distribution availability; and changes to regulatory or legal requirements. If attractive Proposals are received that will provide energy and other services in excess of the targeted amounts, the Company will consider selecting such Proposal(s) if benefits to customers are demonstrated.

All requirements necessary to submit a Proposal(s) are stated in this RFP. A description of the technical requirements for Proposers is included in the body of this RFP, Appendix B, and in the applicable RDG PPA, Firm PPA, and ESPA attached as Appendix J, K, L, and M.

All capitalized terms used in this RFP shall have the meaning set forth in the glossary of defined terms attached as Appendix A. Capitalized terms that are not included in Appendix A shall have the meaning ascribed in this RFP.

## **1.1 Authority and Purpose of the Request for Proposals**

1.1.1 This RFP is issued in response to Order No. 38735 issued on December 1, 2022 in Docket No. 2017-0352 as part of the procurement process established by the PUC.

Per Order No. 39145 issued on April 14, 2023, the firm renewable generation portion of this RFP was granted a suspension by the PUC to allow for modifications to the firm renewable generation portion separate from the renewable dispatchable generation portion of this RFP.

1.1.2 While storage was not contemplated in Decision and Order (“D&O”) No. 23121 in Docket No. 03-0372 (To Investigate Competitive Bidding for New Generating Capacity in Hawai‘i), which sets forth the PUC’s Framework for Competitive Bidding (“Framework” or “Competitive Bidding Framework”), the Company intends to follow the Framework to the extent applicable for this RFP. This RFP is also consistent with the Updated Framework for Competitive Bidding (“Updated Framework”), which was

drafted to be more inclusive of various technologies, and filed on February 12, 2021 in Docket No. 2018-0165. Order No. 38481 issued on June 30, 2022 in that docket recently approved the Updated Framework for use in the first round of integrated grid planning. Until the first round of integrated grid planning RFPs commence, the Company will continue to follow the Framework.

- 1.1.3 Proposers must review Appendix I, the Company’s Grid Needs Assessment Update, to inform Proposers of the assessment performed and the resulting recommended grid needs identified that shape the basis of this RFP, including the manner in which the modeling software chose to dispatch the energy based on System need. As conveyed in the Introduction above, the Grid Needs Assessment Update provides the portfolio of projects’ aggregated dispatch on typical days to inform Proposers when and how projects may be utilized, so Proposers can use this information to design their Project to better fit within the Maui resource portfolio. This RFP seeks to address potentially urgent reliability needs on the island of Maui due to the removal and conversion to synchronous condensers of the Kahului Power Plant and potential end of service for diesel engines located at Maalaea Power Plant.

## **1.2 Scope of the RFP**

- 1.2.1 The Company has established two separate targets in this RFP. The first is for variable renewable dispatchable generation projects (with or without energy storage systems) and standalone energy storage projects. The second is for firm renewable dispatchable generation projects. There is no predetermined preference for a particular renewable energy generation or storage technology; however, the firm renewable dispatchable generation targets must be from a synchronous machine-based generation technology. The two separate targets are also intended to diversify the generation portfolio on the island of Maui and reduce procurement and execution risks associated with a potentially homogenous Final Award Group, if not for separate procurement targets.

- 1.2.2 Proposals may be submitted as:

- Target 1: Renewable Dispatchable Generation Need (“Renewable Dispatchable Generation Target”)
  - Variable renewable generation Projects (“Variable Generation Projects”)<sup>9</sup>
  - Paired variable renewable generation with energy storage Projects (“Paired Projects”)
  - Standalone energy storage Projects (“Standalone Storage Projects”)
- Target 2: Firm Renewable Generation Need (“Firm Renewable Generation Target”)
  - Firm renewable generation Projects<sup>10</sup> (“Firm Renewable Generation Projects”)

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<sup>9</sup> Variable Generation Projects, with the exception of PV, do not need to include an energy storage component. PV generation projects must be paired with an energy storage component and proposed as a Paired Project.

<sup>10</sup> As noted in footnote [6] above, firm generation is a synchronous machine based technology that is available up to 100% of the contract capacity at any time under Company dispatch for as long as needed, except during periods of outage and deration, independent of source energy resource availability. Firm generation must not be energy limited or weather dependent.



1.2.3 All Proposals with a generation component submitted in response to this RFP must utilize qualified renewable energy resource(s), as defined under the Hawai‘i Renewable Portfolio Standards (“RPS”) law.<sup>11</sup> By statute, “Renewable Energy” means energy generated or produced using the following sources: (1) wind; (2) the sun; (3) falling water; (4) biogas, including landfill and sewage-based digester gas; (5) geothermal; (6) ocean water, currents, and waves, including ocean thermal energy conversion; (7) biomass, including biomass crops, agricultural and animal residues and wastes, and municipal solid waste and other solid waste; (8) biofuels; and (9) hydrogen produced from renewable energy sources.<sup>12</sup>

All Proposals with a generation component that operates on fuel must include any and all costs of such fuel for the entire proposed Firm PPA term in its Proposal, with the exception of biofuel proposals. Proposals operating on biofuel<sup>13</sup> do not need to include the cost of biofuel in their Proposal cost, but those Proposals must provide a biofuel price forecast. The Proposal will not have to guarantee the biofuel forecast pricing, but the Company reserves the right to use an alternative appropriate fuel forecast when evaluating the Proposal (i.e., the Company may choose to use the Company’s biofuel forecast, or potentially look at more than one fuel forecast for evaluation purposes).

Proposers must also describe their fuel supply plan that will ensure sufficient fuel and other necessary consumables required for unconstrained dispatch and fuel storage on site for at least fourteen (14) days of 16 hours of Full Load<sup>14</sup> operation per day. If offsite storage connected via pipeline is utilized, or is otherwise immediately accessible, the on-site requirement can be reduced to seven (7) days of 16 hours of Full Load operation with the additional 7 days off site. In no event will there be less than seven days of fuel (based on 16 hours of operation) available on site.<sup>15</sup> This shall be calculated using the following Fuel Floor Requirement Calculation:

*Average Fuel Usage Per Day (Based on 16 hours Full Load) x Minimum Floor Requirement (7 or 14 days - Minimum Number of days required on Hand. See below to determine the Minimum Floor Requirement Amount.)*

- ***Example for Illustration Purposes (numbers below are for illustration purposes only):***
  - *Average Fuel Usage Per Day (Based on 16 Hours Full Load) = 2,000 barrels*
  - *Minimum Floor Requirement = 14 days (2 weeks) for fuel being stored on-site; 7 days (1 week) for fuel being stored offsite but connected via a pipeline.*

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<sup>11</sup> RPS requirements in Hawai‘i are codified in Hawai‘i Revised Statutes (“HRS”) §§ 269-91 through 269-95.

<sup>12</sup> See HRS § 269-91.

<sup>13</sup> Biofuel is defined in HRS § 269-91: “Biofuels” means liquid or gaseous fuels produced from organic sources such as biomass crops, agricultural residues and oil crops, such as palm oil, canola oil, soybean oil, waste cooking oil, grease, and food wastes, animal residues and wastes, and sewage and landfill wastes.

<sup>14</sup> Full Load is defined as the Contract Firm Capacity as defined in the Model Firm PPA.

<sup>15</sup> Days refer to calendar days, unless the term “business day” is used, which means calendar day excluding weekends and federal and State of Hawai‘i holidays.

- $2,000 \text{ barrels} \times 14 \text{ days} = 28,000 \text{ barrels}$

*28,000 barrels is the minimum Floor Requirement based on average fuel usage of 16 hours full load.*

In addition, Proposers must provide the following:

- Storage of 30 days of fuel and necessary consumables on island based on normal expected operation.<sup>16</sup> Fuel may be owned or under guaranteed contract and stored onsite or offsite but in all cases must be on island. Reserve fuel may be any fuel the developer is permitted to consume.
- A fuel management plan that guarantees that fuel and necessary consumables stored offsite will be delivered to the Project site, particularly during an emergency event when fuel is required.

Alternative fuel management plans that demonstrate the resilience sought by the above requirements may be considered. The fuel requirements may be revisited and adjusted downward in the future if needs so require.

All Proposals with a generation component that operate on fuel must also commit to provide fuel for the entire proposed term of the Firm PPA and, with the exception of biofuel, provide evidence, such as in the form of contracts, that the fuel will be secured for the duration of the Firm PPA term.<sup>17</sup> All Proposals utilizing a fuel source must also specify any minimum monthly, quarterly, and/or annual fuel purchases in their fuel contract. Proposers for facilities that elect to use a liquid or gaseous fuel source must also be capable of operating using fossil fuel, including obtaining the proper permitting, and include the costs for the use of such fuel in its Proposal. The Company will maintain the right to consent to any fuel supply changes during the term of the PPA. It is the responsibility of the Seller to operate within the limits of any applicable permits while being able to operate per the terms in the Firm PPA. Any operational constraints need to be identified in the Proposal. In the event that there are changes to operational limitations, such changes will be memorialized through an amendment to the Firm PPA. At a minimum Proposers are responsible for researching permitting and environmental requirements in existence and identifying such requirements and any resulting operational limits in their Proposal.

To assist with proposal preparation, the Near-Term Grid Needs Assessment for Maui, attached as Appendix I, provides the annual capacity factors, as shown below, for the new firm thermal units that were modeled as a proxy for the renewable firm capacity targets included in this RFP.

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<sup>16</sup> The Grid Needs Assessment information provided in App. I of the RFPs can be used to estimate the future normal expected operation for initial fuel supply planning purposes. Over the term of the Project, the future normal expected operation shall be based upon (i) the average level of Company Dispatch during the previous six (6) months and (ii) the expected level of Company Dispatch during the following month as indicated by Company.

<sup>17</sup> Proposals operating on biofuel must commit to providing fuel for the entire duration, but do not have to provide evidence of a fuel supply contract for the entire duration of the contract. However, Proposals utilizing biofuel must commit to provide evidence of a fuel supply for at least the first 3 years of the Firm PPA term.

Maui (see Appendix I, page 65)

Capacity Factor (%)	2027	2028	2029	2030	2031	2032	2033	2034	2035
ICE Unit 1	0%	0%	0%	2%	6%	1%	1%	2%	2%
ICE Unit 2	0%	0%	0%	2%	6%	2%	1%	2%	2%

The capacity factors provided above are intended to represent typical conditions, and are for illustrative purposes only. If an emergency occurs like a severe weather event that causes the forced outage of multiple resources, higher capacity factors of the new firm thermal units may be required. Additionally, many other factors may affect the capacity factor or run hours of generating units, such as the type and cost of fuel oil used, heat rate, existing generating units that remain in-service or retired, the amount of variable renewable dispatchable projects on the system, among others.

- 1.2.4 Each Proposal submitted into this RFP must represent a Project that is capable of meeting the requirements of this RFP without having to rely on the completion or implementation of any other Project, or without having to rely on a proposed change in law, rule, or regulation.
- 1.2.5 Proposals that will require System upgrades and the construction of which, in the reasonable judgment of the Company (in consultation with the Independent Observer), creates a significant risk that their Project’s Guaranteed Commercial Operations Date (“GCOD”) will not be met, will not be considered in this RFP.
- 1.2.6 Projects submitted into this RFP must be located on the island of Maui.
- 1.2.7 The term of the Firm PPA for any proposed firm renewable dispatchable generation Project must be thirty (30) years. Proposals utilizing the RDG PPA or ESPA for variable renewable dispatchable generation projects (with or without energy storage systems) and standalone energy storage projects, respectively, may propose the term of such contract.
- 1.2.8 Proposers must determine their Project Site, interconnection facilities and route of interconnection facilities, and Point(s) of Interconnection (“POI”).
- 1.2.9 Proposers must locate all Project infrastructure within areas of their Site that are:
  - outside the 3.2 feet sea level rise exposure area (SLR-XA) as described in the Hawai‘i Sea Level Rise Vulnerability, and Adaptation Report (2017);<sup>18</sup>
  - not located within a Tsunami Evacuation Zone;<sup>19</sup> and

<sup>18</sup> Hawai‘i Climate Change Mitigation and Adaptation Commission. 2017. Hawai‘i Sea Level Rise Vulnerability and Adaptation Report. Prepared by Tetra Tech, Inc. and the State of Hawai‘i Department of Land and Natural Resources, Office of Conservation and Coastal Lands, under the State of Hawai‘i Department of Land and Natural Resources Contract No: 64064. This report is available at: [https://climateadaptation.hawaii.gov/wp-content/uploads/2017/12/SLR-Report\\_Dec2017.pdf](https://climateadaptation.hawaii.gov/wp-content/uploads/2017/12/SLR-Report_Dec2017.pdf)

<sup>19</sup> See Hawai‘i Sea Level Rise Viewer at <https://www.pacioos.hawaii.edu/shoreline/slr-hawaii/>, and National Oceanic and Atmospheric Administration (NOAA) interactive map in partnership with the State of Hawai‘i at <https://tsunami.coast.noaa.gov/#/>. Projects infrastructure must be outside the “Tsunami Evacuation Zone” (but not necessary to be outside the “Extreme Tsunami Evacuation Zone”).

- not located within the Hawaii Department of Land and Natural Resources flood map's flood zones A, AE, AEF, AH, AO, VE based on the Federal Emergency Management Agency's Digital Flood Insurance Rate Maps.<sup>20</sup>

All equipment required for a Proposer's project must be sited within the proposed Project Site with no assumptions that any equipment will be sited on Company property unless specified by the Company.

- 1.2.10 Projects must interconnect to the Maui Electric System either (1) at the 69 kV transmission-level and construct a new substation to 69 kV transmission-level lines or alternatively, (2) via existing Company 69 kV substations, if interconnection for such substations is possible. In Section 2.3.7, the Company identifies seven (7) transmission lines and two (2) existing substations (the Lahainaluna substation and the Kealahou substation) that the Company offers and encourages interconnection to because of known available MW capacity, feasibility of interconnection, and pre-identified System upgrades typically provided in the IRS process. Additionally, for the firm renewable generation portion of the RFP only, a third location— Waena Switchyard – is being offered. The Waena Switchyard is only available to a project using the Waena Firm Site. Interconnection to non-recommended 69 kV transmission lines will require an additional line and/or reconductoring of the 69 kV line, as well as possible substation expansion/upgrade requirements at the line terminations. Interconnection to non-recommended 69 kV substations may require a rebuild, reconfiguration, or expansion of the existing substation, additional land acquisition, and/or the addition or reconductoring of 69 kV lines. Interconnection at voltages below 69 kV will not be considered. Proposers must inquire about the transmission line available MW capacity or substation conditions for all lines and substations. See Section 2.2.1 below. To the extent the Company's existing land rights for any Company-provided interconnection location are not perpetual, Proposers will remain responsible for securing land rights in Company's favor for any such Company-provided interconnection location in accordance with the requirements of the applicable Stage 3 Contract.
- 1.2.11 A Project's size must be greater than 2.5 MW, the threshold for a waiver from the Competitive Bidding Framework applicable to Maui. No single point of failure from the Facility shall result in a decrease in active power output measured at the Project's POI greater than 20 MW. Additionally, in meeting the single point of failure requirement, if the Project's generator step-up transformers are operated in parallel, the parallel step-up transformers must be equal in size (MVA) and have the same electrical characteristics and available tap positions. Each generator step-up transformer must have its own POI not in adjacent positions of the same breaker-and-a-half bay into the Maui Electric System that can be independently dispatched via the Company's Energy Management System. Revisions will need to be made to the Stage 3 Contract to account for multiple POI.
- 1.2.12 Contracts for Projects selected through this RFP must use the appropriate Stage 3 Contract as described in Section 3.8. Under the RDG PPA and Firm PPA, the Company

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<sup>20</sup> See Hawaii Department of Land and Natural Resources Flood Hazard Assessment Tool at <http://gis.hawaiiinfip.org/FHAT/>.

shall maintain exclusive rights to fully direct dispatch of the Facility, subject to availability of the resource for those Projects using the RDG PPA. Under the ESPA, the Company shall maintain exclusive rights to fully direct the charging and discharging of the Facility. Additionally, due to the critical nature and usage of this to support the grid, the ability to control and tune the Facility's response to certain grid events and conditions is an important aspect that will be required of all facilities.

- 1.2.13 The storage component of a Paired Project will be charged from its generation component during periods when full potential export of the generation component is not being dispatched by the Company. Energy in the storage component will be exported to the Company's System subject to Company dispatch. The storage component of a Paired Project must be sized to support the Facility's Net Nameplate Capacity (in MW)<sup>21</sup> for at least two (2) continuous hours for a Wind+BESS Project or at least four (4) continuous hours for a PV+BESS Project throughout the term of the respective RDG PPA and support a minimum of 365 full charging/discharging cycles per year (or 366 full charging/discharging cycles per leap year).

For example, for a paired 10 MW PV facility, the energy storage component must be able to store and discharge at least 40 MWh of energy in a cycle throughout the term of the PV+BESS RDG PPA. For a paired 10 MW wind facility, the Proposer must propose an energy storage component that is able to store and discharge at least 20 MWh of energy in a cycle throughout the term of the Wind+BESS RDG PPA.

Paired Projects must also be capable of being 100% charged from the grid at the direction of the Company from the GCOD.

- 1.2.14 The amount of energy discharged from any energy storage component (Paired Project or Standalone Storage Project) in a year will be limited to the BESS Contract Capacity (in MWh) multiplied by the number of days in that year. An energy storage component may be dispatched more than once per day, subject to such discharge energy limitations.
- 1.2.15 Standalone Storage Projects will be charged from the grid and provide energy to the Company during times that are deemed by the Company to be beneficial to the System. These facilities must be connected to the grid at all times, with the exception of allowed maintenance periods.
- 1.2.15.1 Standalone Storage Projects must be sized to support the Facility's Net Nameplate Capacity (in MW) for either two (2) or four (4) continuous hours throughout the term of the ESPA and support a minimum of 365 full charging/discharging cycles per year (or 366 full charging/discharging cycles per leap year).

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<sup>21</sup> A Project's Net Nameplate Capacity is the net maximum instantaneous active power capability of the Facility at the point of interconnection, considering: nameplate power rating of energy generating equipment sizing, expected losses in delivery of power to the POI, and any project control system involved in managing the delivery of power to the POI.

For example, for a 10 MW facility, the energy storage component must be able to store and discharge at least 20 MWh or 40 MWh of energy in a cycle throughout the term of the ESPA.

For both Paired Projects and Standalone Storage Projects, the inverter which interfaces between the BESS DC side and AC side must be a grid-forming control type inverter.

- 1.2.16 Proposals must specify a GCOD no later than December 1, 2027. However, due to the suspension of the firm renewable generation portion of the RFP, the Company will allow firm renewable generation Proposals with GCODs no later than February 1, 2028. However, Proposers should be aware that the December 1, 2027 date is driven by the need to replace existing firm generation at the end of 2027 and December 1, 2027 date is the preferred date for proposals. Therefore, while Proposals with GCODs that fall within this extended timeframe will be allowed, GCOD will be a key factor when Proposals are modeled in the Detailed Evaluation (see RFP [Section 4.7](#)). As the Company prepares for fossil fuel generation plant retirements, Proposals will be evaluated on the benefits it provides to the Company system, which includes reliability. As such, Proposals with a GCOD of December 1, 2027 or earlier will be favored in the evaluation. A Proposer's GCOD set forth in its Proposal will be the GCOD in any resulting Stage 3 Contract if such Proposal is selected to the Final Award Group. Proposers will not be able to request a change in the GCOD set forth in their Proposals.
- 1.2.17 If selected, Proposers will be responsible for all costs throughout the term of the Stage 3 Contract, including but not limited to Project development, completion of an Interconnection Requirements Study (“[IRS](#)”), the cost of conducting a greenhouse gas (“[GHG](#)”) emissions analysis, land acquisition, permitting, financing, construction of the Facility and all Interconnection Facilities including system upgrades, all fuel to operate the Facility, and the operation and maintenance (“[O&M](#)”) of the Facility.
- 1.2.18 If selected, Proposers will be solely responsible for the decommissioning of the Project and the restoration of the Site upon the expiration of the Stage 3 Contract, as described in [Attachment G, Section 7](#) of the RDG PPA, Firm PPA or ESPA.
- 1.2.19 If selected, Proposers shall pursue all available applicable federal and state tax credits (including, without limitation, all available applicable tax credits from the federal Inflation Reduction Act). Proposal pricing must be set to incorporate the benefit of such available federal tax credits. In the event additional federal tax credits become available through new tax legislation after Proposals are submitted but before Proposals are selected to the Final Award Group, the Company may require applicable Proposals propose an additional downward only price adjustment to allow the benefits of those additional tax credits to be passed along to the Company's customers.

However, to mitigate the risk on Proposers due solely to potential changes to Hawai'i state's tax credit law before a selected Project reaches commercial operations, Proposal pricing shall be set without including any state tax credits. If a Proposal is selected, the Stage 3 Contract for the Project will require the Proposer to pursue the maximum available state tax credit and remit tax credit proceeds to the Company for customers'

benefit as described in Attachment J of the RDG PPA, Firm PPA, or ESPA. The Stage 3 Contract will also provide that the Proposer will be responsible for payment of liquidated damages for failure to pursue such maximum available state tax credit.

- 1.2.20 If selected, Proposers will submit project schedules as required per Attachment S of the Stage 3 Contract, including creating their schedules using Microsoft Project and submitted in .mpp file format.

### **1.3 Competitive Bidding Framework**

Consistent with the Framework, this RFP outlines the Company's requirements in relation to the resources being solicited and the procedures for conducting the RFP process. It also includes information and instructions to prospective Proposers participating in and responding to this RFP.

### **1.4 Role of the Independent Observer and Independent Engineer**

- 1.4.1 Part III.C.1 of the Framework sets forth the circumstances under which an Independent Observer is required in a competitive bidding process. The Independent Observer will advise and monitor all phases of the RFP process and will coordinate with PUC staff throughout the RFP process to ensure that the RFP is undertaken in a fair and unbiased manner. In particular, the Company will review and discuss with the Independent Observer decisions regarding the evaluation, disqualification, non-selection, and selection of Proposals.
- 1.4.2 The role of the Independent Observer, as described in the Framework, will include, but is not limited to:
- Monitor all steps in the competitive bidding process
  - Monitor communications (and communications protocols) with Proposers
  - Monitor adherence to the Company's Code of Conduct
  - Submit comments and recommendations, if any, to the PUC concerning the RFP
  - Review the Company's Proposal evaluation methodology, models, criteria, and assumptions
  - Review the Company's evaluation of Proposals
  - Advise the Company on its decision-making
  - Participate in dispute resolution as set forth in Section 1.10
  - Monitor contract negotiations with Proposers
  - Report to the PUC on monitoring results during each stage of the competitive bidding process
  - Provide an overall assessment of whether the goals of the RFP were achieved

An Independent Engineer will be engaged by the PUC for this RFP. The Independent Engineer will provide technical expertise to oversee matters related to interconnection in the RFP process. The Independent Engineer's role will include, but not be limited to:

- Reviewing the Company's requirements and standards for interconnection
- Review the interconnection documents provided by Proposers

- Participate in discussions with the Company and Proposers over interconnection requirements, scope, and cost
- Verify any one-time Net Energy Potential RFP Projection adjustment allowed in Section 3.10.1.1
- Review requirements imposed on Proposers which bear cost implications
- Review system available MW capacity information to Proposers to ensure accuracy
- Oversee technical issue dispute resolution
- Investigate and review the cost of interconnection from the Proposers

1.4.3 The Independent Observer for this RFP is: Bates White, LLC.  
The Independent Observer Email Address: [vincent.musco@bateswhite.com](mailto:vincent.musco@bateswhite.com)

1.4.4 The Independent Engineer for this RFP is: PA Consulting  
The Independent Engineer Email Address: [suman.gautam@paconsulting.com](mailto:suman.gautam@paconsulting.com)

## **1.5 Communications Between the Company and Proposers – Code of Conduct Procedures Manual**

1.5.1 Communications and other procedures under this RFP are governed by the “Code of Conduct Procedures Manual” (also referred to as the “Procedures Manual”) developed by the Company as required by the Framework, and attached as Appendix C.

1.5.2 All Proposal communication with prospective Proposers will be conducted via the Company’s RFP website, Electronic Procurement Platform, and/or electronic mail (“Email”) through the address specified in Section 1.6 (the “RFP Email Address”). Phone communication or face-to-face meetings will not be supported.

To ensure the Independent Observer can monitor communication, questions regarding the RFP or a proposed Project submitted to the RFP Email Address should include the Independent Observer Email Address found in Section 1.4.3 above. In addition to the Independent Observer who should be included on all correspondence to the Company, Proposers should also include the Independent Engineer on any questions to the RFP Email Address of a technical nature. Frequently asked questions submitted by prospective Proposers and the answers to those questions may be posted on the Company’s RFP website. The Company reserves the right to respond only to comments and questions it deems are appropriate and relevant to the RFP. Proposers shall submit questions no later than fifteen days before the respective Proposal Due Date (Renewable Dispatchable Generation RFP Schedule in Section 3.1, Table 2 and the Firm Renewable Generation RFP Schedule in Section 3.1, Table 3, as applicable). The Company will endeavor to respond to all questions no later than five days before the respective Proposal Due Date.

1.5.3 After Proposals have been submitted, the Company may contact individual Proposers for purposes of clarifying their Proposal(s).



- 1.5.4 Any confidential information deemed by the Company, in its sole discretion, to be appropriate to share, will only be transmitted to the requesting party after receipt of a fully executed Stage 3 Mutual Confidentiality and Non-Disclosure Agreement (“NDA”). See Appendix E.
- 1.5.5 Except as expressly permitted and in the manner prescribed in the Procedures Manual, any unsolicited contact by a Proposer or prospective Proposer with personnel of the Company pertaining to this RFP is prohibited.

## **1.6 Company Contact for Proposals**

The primary contact for this RFP is:

Isaac Kawahara  
Energy Contract Manager  
Hawaiian Electric Company, Inc.

RFP Email Address: [mauirenewablerfp@hawaiianelectric.com](mailto:mauirenewablerfp@hawaiianelectric.com)

## **1.7 Proposal Submission Requirements**

- 1.7.1 All Proposals must be prepared and submitted in accordance with the procedures and format specified in the RFP. Proposers are required to respond to all questions and provide all information requested in the RFP, as applicable, and only via the communication methods specified in the RFP.
- 1.7.2 Detailed requirements regarding the form, submission, organization and information for the Proposal are set forth in Chapter 3 and Appendix B.
- 1.7.3 Proposals must not rely on any information that is not contained within the Proposal itself in demonstrating compliance for any requirement in this RFP.
- 1.7.4 In submitting a Proposal in response to this RFP, each Proposer certifies that the Proposal has been submitted in good faith and without fraud or collusion with any other unaffiliated person or entity. The Proposer shall acknowledge this in the Response Package submitted with its Proposal. Furthermore, in executing the NDA provided as Appendix E, the Proposer agrees on behalf of its Representatives (as defined in the NDA) that the Company’s negotiating positions will not be shared with other Proposers or their respective Representatives.

In addition, in submitting a Proposal, a Proposer will be required to provide Company with its legal counsel’s written certification in the form attached as Appendix B, Attachment 1 certifying in relevant part, that irrespective of any Proposer’s direction, waiver, or request to the contrary, the attorney will not share a Proposer’s confidential information associated with such Proposer with others, including, but not limited to, such information such as a Proposer’s or Company’s negotiating positions. If legal counsel represents multiple unaffiliated Proposers whose Proposals are selected for the Final Award Group, such counsel will also be required to submit a similar certification at the

conclusion of contract negotiations that he or she has not shared a Proposer's confidential information or the Company's confidential information associated with such Proposer with others, including but not limited to, such information as a Proposer's or Company's negotiating positions.

- 1.7.5 All Proposals must be submitted via the Electronic Procurement Platform by 2:00 pm Hawai'i Standard Time ("HST") on the respective Proposal Due Date shown in the Renewable Dispatchable Generation RFP Schedule in Section 3.1, Table 2 or the Firm Renewable Generation RFP Schedule in Section 3.1, Table 3, as applicable. No hard copies of these Proposals will be accepted by the Company.

It is the Proposer's sole responsibility to ensure that complete and accurate information has been submitted on time and consistent with the instructions of this RFP. With this assurance, the Company shall be entitled to rely upon the completeness and accuracy of every Proposal. Any errors identified by the Proposer or Company after the Proposal Due Date has passed may jeopardize further consideration and success of the Proposal. If an error or errors are later identified, the Company, in consultation with the Independent Observer, may permit the error(s) to be corrected without further revision to the Proposal, or may require the Proposer to adhere to terms of the Proposal as submitted without correction. Additionally, and in the Company's sole discretion, if such error(s) would materially affect the Priority List or Final Award Group, the Company reserves the right, in consultation with the Independent Observer, to remove or disqualify a Proposal upon discovery of the material error(s). The Proposer of such Proposal shall bear the full responsibility for such error(s) and shall have no recourse against the Company's decision to address Proposal error(s), including removal or disqualification. The Energy Contract Manager, in consultation with the Independent Observer, will confirm that all Proposals were submitted by the respective Proposal Due Dates shown in Section 3.1, Table 2 or Table 3, as applicable. The Electronic Procurement Platform automatically closes to further submissions after the IPP Proposal Due Date shown in Section 3.1, Table 2 and Table 3, as applicable.

## **1.8 Proposal Fee**

- 1.8.1 IPP and Affiliate Proposers are required to tender a non-refundable Proposal Fee of \$10,000 for each Proposal submitted.
- 1.8.2 Proposers may submit up to three (3) variations of their Proposal, one of which is the base variation of the Proposal, under a single Proposal Fee.
- 1.8.3 Variations of GCOD,<sup>22</sup> pricing terms, Facility size or with/without storage (solar energy must include storage) can be offered. Variations which propose a different Site or different generation technology will not be considered and will be deemed a separate

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<sup>22</sup> Differing from the Stage 2 RFPs, GCOD is no longer evaluated as part of the non-price criteria; however, all GCODs must be no later than December 1, 2027 to meet the corresponding Eligibility Requirement in Section 4.2. However, due to the suspension of the firm renewable generation portion of the RFP, the Company will allow firm renewable generation Proposals with GCODs no later than February 1, 2028, but as noted in Section 1.2.16 of this RFP such later dates will be accounted for in the Detailed Evaluation of the Proposals.

Proposal, and a separate Proposal Fee must be paid for each such Proposal. All unique information for each variation of a Proposal, no matter how minor such variation is, must be clearly identified and separated by following the instructions in Appendix B pertaining to “(Optional) Minor Proposal Variations”.

- 1.8.4 The Proposal Fee must be in the form of a cashier’s check from a U.S.-chartered bank made payable to “Maui Electric Company, Ltd.” and must be delivered and received by the Company by 2:00 pm (HST) on the respective Proposal Due Date shown in the Renewable Dispatchable Generation RFP Schedule in Section 3.1, Table 2 or the Firm Renewable Generation RFP Schedule in Section 3.1, Table 3, as applicable. The cashier’s check should include a reference to the Proposal(s) for which the Proposal Fee is being provided. Proposers must identify in the Proposal Response Package (instructions in Appendix B, Section 1.3.1) the delivery information for its Proposal Fee. Proposers are strongly encouraged to utilize a delivery service method that provides proof of delivery to validate delivery date and time.

If the Proposal Fee is delivered by U.S. Postal Service (with registered, certified, receipt verification), the Proposer shall address it to:

Isaac Kawahara  
Energy Contract Manager  
Hawaiian Electric Company, Inc.  
Mail Code AL12-IU  
PO Box 2750  
Honolulu, Hawai‘i 96840

If the Proposal Fee is delivered by other courier services, the Proposer shall address it to:

Hawaiian Electric Company, Inc.  
Ward Receiving  
Attention: Isaac Kawahara, Energy Contract Manager  
Mail Code AL12-IU  
799 S. King St.  
Honolulu, Hawai‘i 96813

Due to coronavirus prevention measures, in-person delivery of Proposal Fees by Proposers will not be allowed.

## **1.9 Procedures for any Hawaiian Electric Proposal or Affiliate Proposal**

- 1.9.1 The Competitive Bidding Framework allows the Company the option to offer a Self-Build Proposal in response to this RFP (“Hawaiian Electric Proposal”). Accordingly, the Company must follow certain requirements and procedures designed to safeguard against and address concerns associated with: (1) preferential treatment of the Hawaiian Electric Proposal or members, agents, or consultants of the Company formulating the Hawaiian Electric Development Team; and (2) preferential access to proprietary information by the

Hawaiian Electric Development Team. These requirements are specified in the Code of Conduct required under the Framework and implemented by certain rules and procedures found in the Procedures Manual submitted with this RFP and attached as Appendix C. The Code of Conduct will apply to this RFP, regardless of whether the Company submits a Hawaiian Electric Proposal.

The Competitive Bidding Framework also allows Affiliates of the Company to submit Proposals<sup>23</sup> to RFPs issued by the Company. All Hawaiian Electric Proposals and Affiliate Proposals are subject to the Company's Code of Conduct and the Procedures Manual. Affiliate Proposals are also subject to any applicable Affiliate Transaction Requirements issued by the PUC in Decision and Order No. 35962 on December 19, 2018, and subsequently modified by Order No. 36112, issued on January 24, 2019, in Docket No. 2018-0065. Affiliate Proposals will be treated identically to IPP Proposals and must be submitted electronically through the Electronic Procurement Platform by the Hawaiian Electric and Affiliate Proposal Due Date in RFP Section 3.1, Table 2 and Table 3, as applicable.

- 1.9.2 The Company will require that the Hawaiian Electric Proposal(s) and Affiliate Proposals be submitted electronically through the Electronic Procurement Platform. Hawaiian Electric and Affiliate Proposals will be due a minimum of one (1) day before other Proposals are due. A Hawaiian Electric and Affiliate Proposal will be uploaded into the Electronic Procurement Platform in the same manner Proposals from other Proposers are uploaded. The Energy Contract Manager, in consultation with the Independent Observer, will confirm that the Hawaiian Electric and Affiliate Proposals are timestamped by the Hawaiian Electric and Affiliate Proposal Due Date found in RFP Section 3.1, Table 2 and Table 3, as applicable.
- 1.9.3 Detailed requirements for a Hawaiian Electric Proposal can be found in Appendix G. These requirements are intended to provide a level playing field between Hawaiian Electric Proposals and third-party Proposals. Except where specifically noted, a Hawaiian Electric Proposal must adhere to the same price and non-price Proposal requirements as required of all Proposers, as well as certain Stage 3 Contract requirements, such as milestones and liquidated damages, as described in Appendix G. The non-negotiability of the Performance Standards shall apply to any Hawaiian Electric Proposal to the same extent it would for any other Proposal. Notwithstanding the fact that it will not be required to enter into a Stage 3 Contract with the Company, a Hawaiian Electric Proposal will be required to note its exceptions, if any, to the Stage 3 Contract in the same manner required of other Proposers, and will be held to such modified parameters if selected. In addition to its Proposal, the Hawaiian Electric Development Team will be required to submit the Hawaiian Electric Development Team Certification Form provided as Attachment 1 of Appendix G, acknowledging it has followed the rules and requirements of the RFP to the best of its ability and has not engaged in any collusive actions or received any preferential treatment or information providing an impermissible competitive advantage to the Hawaiian Electric Development Team over other Proposers responding to this RFP, as well as adherence to Stage 3 Contract terms and milestones

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<sup>23</sup> A Proposal will also be treated as an Affiliate Proposal if the Affiliate is a partner for the Proposal.

required of all Proposers and the Hawaiian Electric Proposal's proposed cost protection measures.

The cost recovery methods between a regulated utility proposal and IPP proposals are fundamentally different due to the business environments they operate in. As a result, the Company has instituted a process to compare the two types of Proposals for the initial evaluation of the price related criteria on a 'like' basis through comparative analysis.

At the core of a Hawaiian Electric Proposal are its total project capital cost and any associated annual O&M costs. During the RFP's initial pricing evaluation step, these capital costs<sup>24</sup> and O&M costs will be used in a revenue requirement calculation to determine the estimated revenues needed from customers which would allow the Company to recover the total cost of the project. The Hawaiian Electric Proposal revenue requirements are then used to determine a levelized energy price ("LEP" in \$/MWh), which will then be used for comparison to IPP and any Affiliate Proposals (see Section 4.4.1).

The Company, in conjunction with the Independent Observer, may also conduct a risk assessment of the Hawaiian Electric Proposal to ensure an appropriate level of customer cost protection measures are included in such Proposal.

If the Hawaiian Electric Proposal is not included in any shared savings mechanism for this RFP pre-approved by the PUC, the Hawaiian Electric Proposal will be permitted to submit a shared savings mechanism with its Proposal to share in any cost savings between the amount of cost bid in the Hawaiian Electric Proposal and the actual cost to construct the Project. If the Hawaiian Electric Proposal is selected to the Final Award Group, the proposed shared savings mechanism will need to be approved by the PUC. Submission of a shared savings mechanism is not required and will not be considered in the evaluation of the Hawaiian Electric Proposal.

## **1.10 Dispute Resolution Process**

- 1.10.1 If disputes arise under the RFP, the provisions of Section 1.10 and the dispute resolution process established in the Framework will control. See Part V of the Framework.
- 1.10.2 Proposers who challenge or contest any aspect of the RFP process must first attempt to resolve their concerns with the Company and the Independent Observer ("Initial Meeting"). The Independent Observer will seek to work cooperatively with the parties to resolve any disputes or pending issues and may offer to mediate the Initial Meeting to resolve disputes prior to such issues being presented to the PUC.
- 1.10.3 Any and all disputes arising out of or relating to the RFP which remain unresolved for a period of twenty (20) days after the Initial Meeting takes place may, upon the agreement of the Proposer and the Company, be submitted to confidential mediation in Honolulu,

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<sup>24</sup> Hawaiian Electric Proposals will be required to provide a table identifying project costs by year. These capital costs should be all inclusive, including but not limited to costs associated with equipment, Engineering, Procurement, and Construction, interconnection, overhead, and Allowance for Funds Used During Construction.

Hawai‘i, pursuant to and in accordance with the Mediation Rules, Procedures, and Protocols of Dispute Prevention Resolution, Inc. (“DPR”) (or its successor) or, in its absence, the American Arbitration Association then in effect (“Mediation”). The Mediation will be administered by DPR. If the parties agree to submit the dispute to Mediation, the Proposer and the Company shall each pay fifty percent (50%) of the cost of the Mediation (i.e., the fees and expenses charged by the mediator and DPR) and shall otherwise each bear their own Mediation costs and attorney’s fees.

- 1.10.4 If settlement of the dispute is not reached within sixty (60) days after commencement of the Mediation, or if after the Initial Meeting, the parties do not agree to submit any unresolved disputes to Mediation, then as provided in the Framework, the Proposer may submit the dispute to the PUC in accordance with the Framework.
- 1.10.5 In accordance with the Framework, the PUC will serve as the arbiter of last resort for any disputes relating to this RFP involving Proposers. The PUC will use an informal expedited dispute resolution process to resolve the dispute within thirty (30) days, as described in Parts III.B.8 and V of the Framework.<sup>25</sup> There will be no right to hearing or appeal from this informal expedited dispute resolution process.
- 1.10.6 By submitting a Proposal in response to this RFP, each Proposer expressly agrees that if it initiates a dispute resolution process for any dispute or claim submitted in violation of or arising under or relating to this RFP (e.g., a court proceeding, arbitration, etc.), other than as permitted by the Framework and Section 1.10 of this RFP, such dispute shall be dismissed with prejudice and the Proposer filing such dispute or claim shall be responsible for any and all attorneys’ fees and costs that may be incurred by the Company or the PUC in order to resolve such claim.

## **1.11 No Protest or Appeal**

Subject to Section 1.10, no Proposer or other person will have the right to protest or appeal to any court or other dispute resolution organization, any award, non-award or disqualification of a Project made by the Company or any decision by the Commission made pursuant to Section 1.10.5.

By submitting a Proposal in response to the RFP, the Proposer expressly agrees to the terms and conditions set forth in this RFP.

## **1.12 Modification or Cancellation of the Solicitation Process**

- 1.12.1 Unless otherwise expressly prohibited, the Company may, at any time up to the final execution of a Stage 3 Contract, as may be applicable, in consultation with the

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<sup>25</sup> The informal expedited dispute resolution process does not apply to PUC review of contracts that result from the RFP. See Decision and Order No. 23121 at 34-35. Further, the informal expedited dispute resolution process does not apply to the Framework’s process relating to issuance of a draft and final RFP, and/or to the PUC approval of the RFP because: (1) the Framework (and the RFP) set forth specific processes whereby interested parties may provide input through the submission of comments; and (2) the Framework’s dispute resolution process applies to “Bidders” and there are no “Bidders” at this stage in the RFP process.

Independent Observer, postpone, withdraw, and/or cancel any requirement, term, or condition of this RFP, including deferral of the award or negotiation of any contract, and/or cancellation of the award all together, all of which will be without any liability to the Company.

- 1.12.2 The Company may modify this RFP subject to requirements of the Framework, whereby the modified RFP will be reviewed by the Independent Observer and submitted to the PUC thirty (30) days prior to its issuance, unless the PUC directs otherwise. See Framework Part IV.B.10. The Company will follow the same procedure with regard to any potential postponement, withdrawal, or cancellation of the RFP or any portion thereof.

## **Chapter 2: Resource Needs and Requirements**

### **2.1 Performance Standards**

Proposals must meet the Performance Standards and attributes set forth in this RFP, and the Performance Standards and requirements set forth in the respective model Stage 3 Contract. This RFP and the applicable Stage 3 Contract set forth the minimum requirements that all Proposals must satisfy to be eligible for consideration in this RFP. Additional Performance Standards may be required based on the results of the IRS. The Company has not yet fully adopted IEEE 2800-2022 as it was recently published. However, the inverters being procured in this RFP may need to conform to certain functions of IEEE 2800-2022 as identified in studies completed within this RFP, or in the future operations of the project. The interconnection study will incorporate IEEE 2800 to the extent applicable to our island systems.

- 2.1.1 Storage inverters (i.e., Paired Projects and Standalone Storage Projects) must be able to operate in grid-forming mode<sup>26</sup> as defined in the applicable Stage 3 Contract.
- 2.1.2 Black start capability<sup>27</sup> is required for Generation Projects using synchronous machines, Paired Projects and Standalone Storage Projects.
- 2.1.3 For Proposals with energy storage components, the functionality and characteristics of the storage must be maintained throughout the term of the Stage 3 Contract since the Company will rely on the capacity the energy storage components provide. To be clear, Proposers may not propose any energy storage degradation for either capacity or efficiency in their Proposals. Ensuring that there is no degradation in storage capacity or efficiency over the term of the PPA can be accomplished in a number of ways, including

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<sup>26</sup> While not required, generation-only wind Proposals are also encouraged to propose Projects with grid-forming capabilities.

<sup>27</sup> Black start capability refers to the Facility's ability to start itself and provide power to the Company's grid without relying on any services or energy from the Company's grid in order to assist the grid in recovering from a total or partial shutdown. During such a total or partial shutdown of the grid, the Project may experience step changes in load and other transient and dynamic conditions as it picks up load without support from other resources on the grid during start-up (if the Project remains connected) or while connecting to the loads the Project is picking up (not the start-up and connecting of the Facility itself).

overbuilding or pricing in replacement components. The particular manner in which this requirement is achieved is ultimately up to the Proposer to include in its Proposal. Note that selected Projects shall not sell energy to off-takers or third parties. The Companies are not seeking proposals for microgrids and will not pay for availability, energy, capacity or any other service if a Project is being operated in a microgrid mode. However, in the event that a landowner requires a Project have the capability to provide such services to the landowner, the Companies require that Proposals being used for microgrid applications must operate in a grid-connected mode as its primary function but may operate from grid-connected mode to island mode at the Company's sole discretion. Microgrid generators in island mode must return to grid-connected mode at the Company's sole discretion.

## **2.2 Transmission System Information**

- 2.2.1 As specified in Section 1.2.10, Projects must interconnect either at the Maui Electric 69 kV transmission-level and construct a new substation to 69 kV transmission-level lines or alternatively, via existing Company 69 kV substations, if interconnection for such substations is possible. Proposers must inquire about the potential available MW capacity of the line at the specific location at which they propose to interconnect, or about the available MW capacity and substation conditions of the offered Company substation at which they propose to interconnect.<sup>28</sup> Proposers may also request a high-level map identifying the offered 69 kV transmission-level lines and the offered substations. Requests shall be directed to the RFP Email Address in Section 1.6 after the execution of the NDA as specified in Section 3.12.1.

Proposers should perform their own evaluation of project locations, and the Company does not guarantee any project output or ability to connect based on information provided prior to the completion of an IRS. For example, an IRS may find that a project causes an effective grounding issue, requiring additional grounding equipment to mitigate the issue.

Proposers may propose Project sizes greater than the potential available MW capacities, but such proposals are expected to require reconductoring of existing lines, the addition of transmission lines, the rebuild or expansion of an existing substation and/or other infrastructure, which would be at the Proposer's cost and must be able to be completed in time for the Project to reach its bid GCOD. Proposers seeking to propose Projects with system upgrades must seek feedback from the Company prior to bid submittal, as there may be reliability limitations on certain facilities that do not allow capacity increases. Proposers must include and reflect all system upgrade costs, schedule and timeline impacts, and design impacts in their Proposal. Further, Projects may require capacity reduction if identified in the detailed IRS.

- 2.2.2 Process for developers electing to interconnect to non-offered 69 kV transmission lines or 69 kV substations

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<sup>28</sup> Responses will be provided upon the execution of an NDA with the Company as specified in Section 3.12.1.



Proposers proposing Projects to non-offered locations should submit a proposed interconnection location, project size, and other available project details. The Company will review the interconnection location and project size to provide high-level requirements for interconnection of the project. The Proposers shall then use this information, along with unit pricing in Appendix H to include system upgrade costs in their proposal. Appendix H does not include an exhaustive list of estimates, and Proposers may need to develop their own estimates for work that is not covered. Proposers are ultimately responsible for development of their pricing to incorporate these system upgrades, and may submit follow-up questions to the Company as necessary to develop their cost estimate.

The Company re-iterates the reason for providing an offered 69 kV interconnection list is to provide a streamlined process for developers, as more upfront information is provided and locations were based on a preliminary feasibility assessment.

2.2.3 Proposers should anticipate the following system upgrades for interconnections to non-offered sites:

2.2.3.1 Interconnection to a non-offered 69 kV substation or for projects larger than the available MW capacity at offered 69kV substations:

Substation will generally require a rebuild, reconfiguration, and/or expansion of the substation. Depending on the configuration of the substation and available land to expand, the substation may require additional land to accommodate the generator interconnection.

2.2.3.2 Interconnection to a non-offered 69 kV line or for projects larger than the available MW capacity on offered 69 kV lines:

Lines that have been offered for interconnection are known to have available MW capacity to allow project interconnections. However, non-offered line interconnections have a high likelihood of requiring reconductoring and/or new transmission lines to the proposer's switching station. In addition, new transmission lines require terminations at the nearest or most feasible transmission substation, which may also trigger rebuild, reconfiguration, and/or expansion to accommodate the line interconnection.

2.2.4 A detailed IRS, when performed, may reveal other adverse system impacts that may further limit a Project's contract capacity or require interconnection upgrades.

## **2.3 Interconnection to the Company System**

2.3.1 The Proposer must provide information pertaining to the design, development, and construction of the Interconnection Facilities. Interconnection Facilities includes both: (1) Seller-Owned Interconnection Facilities; and (2) Company-Owned Interconnection Facilities. All Proposals must include a description and conceptual or schematic diagrams of the Proposer's plan to transmit power from the Facility to the Company's System. The proposed Interconnection Facilities must be compatible with the Company's System. In the design, Projects must adequately consider Company

requirements to address impacts on the performance, safety, and reliability of the Company System.

In addition to the Performance Standards and findings of the IRS, the design of the Interconnection Facilities, including power rating, POI with the Company's System, and scheme of interconnection, must meet Company standards.

To facilitate Proposers receiving additional information on the Company's required specifications and procedures early in the RFP process, the Company will offer its Engineer, Procure, Construct Specifications for Hawaiian Electric Power Lines and Substations ("EPC Specifications")<sup>29</sup> to Proposers if requested via the communication method identified in Section 1.6 and upon the execution of an NDA as specified in Section 3.12.1 and the execution of a separate Confidentiality, Waiver, and Hold Harmless Agreement with the Company provided as Attachment 1 of Appendix E. These EPC Specifications are intended to illustrate the scope of work typically required to administer and perform the design and construction of a Maui Electric substation and power line.

The Company will also make available typical substation layouts and typical transmission and distribution estimating assumptions to assist with Proposal estimations and familiarize Proposers with the Company's engineering expectations for the Proposer's Interconnection Facilities. The layouts and design assumptions may not reflect the exact requirements of a Proposer's Project but should provide useful guidance to assist with their Proposal development. To request these layouts and assumptions, Proposers may submit a request via the communication method identified in Section 1.6 upon the execution of an NDA as specified in Section 3.12.1.

The most updated and applicable Company standards and specifications will also be provided later to Projects that are selected to the Final Award Group and continue through negotiations. At that time, if the EPC Specifications have since been updated, the Company will also make available an updated version.

Past PPAs executed with the Company are filed with the PUC and are publicly available on the PUC's Document Management System website. Attachment G and Matrix G-1 of recently filed PPAs contain summarized total estimated interconnection cost information of the Company-Owned Interconnection Facilities and the identification of substation responsibilities. In addition, on March 31, 2022, the Company's Key Performance Metrics Interconnection Experience website went live. The website contains a list of projects and their estimated and actual interconnection costs for the portions of interconnection built by the Company. These resources may also aid Proposers in estimating the costs of their Interconnection Facilities. However, the Company notes that each Project and point of interconnection is unique and it is the Proposer's responsibility

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<sup>29</sup> The Company's EPC Specifications are currently being updated, but the Company will provide these in draft form. The draft is currently being reviewed to ensure consistency between all documents, but the drafts should provide useful guidance to assist with the Proposal development. The Company will not be responsible for updates made to the EPC Specifications after transmittal to a Proposer, even if such update results in the need for a Proposer to make necessary revisions to its designs and/or plans.

to ensure it conducts proper due diligence to determine the proper interconnection requirements for its Project. Proposers should therefore not assume that an interconnection configuration and associated interconnection costs for a prior project is suitable and appropriate for its proposed Project.

- 2.3.1.1 Interconnection Facilities must be designed such that it meets or exceeds the applicable single line diagram in Appendix H. Attachments 3 and 4 of Appendix H may be requested via the communication method identified in Section 1.6 upon the execution of an NDA as specified in Section 3.12.1. Additionally, Attachment 5 of Appendix H may be requested for firm renewable generation Proposals only.
- 2.3.2 Tariff Rule No. 19 establishes provisions for Interconnection and Transmission Upgrades and can be found at [https://www.hawaiianelectric.com/documents/billing\\_and\\_payment/rates/maui\\_electric\\_rules/19.pdf](https://www.hawaiianelectric.com/documents/billing_and_payment/rates/maui_electric_rules/19.pdf). The tariff provisions are intended to simplify the rules regarding who pays for, installs, owns, and operates Interconnection Facilities in the context of competitive bidding. As stated in the tariff, in the event there is any conflict between the tariff and this RFP, the provisions of this RFP shall prevail. Proposers shall be required to build the Company-Owned Interconnection Facilities, including the switching station and line work, except for any work in the Company's existing energized facilities and the final tap as described in Appendix H. Construction of Company-Owned Interconnection Facilities by the Proposer must comply with industry standards, laws, rules and licensing requirements, as well as the Company's specific construction standards and procedures that the Company will provide upon request. (See Section 2.3.1.)
- 2.3.3 The Proposer shall be responsible for all costs required to interconnect a Project to the Company's System, including all Seller-Owned Interconnection Facilities and Company-Owned Interconnection Facilities, regardless of who is responsible for building such facilities. Unless otherwise explicitly stated in this RFP, a Proposer must assume that it is responsible for all interconnection costs, and should not assume that any portion of such interconnection costs is for a System upgrade allocable to the Company.
- 2.3.4 Proposers are required to include in their pricing proposal all costs for interconnection and equipment expected to be required between their Facility and their proposed POI. Appendix H includes information related to Company-Owned Interconnection Facilities and costs that may be helpful to Proposers. Selected Proposers shall be responsible for the actual final costs of all interconnection costs for its Project including Seller-Owned Interconnection Facilities and Company-Owned Interconnection Facilities (see Appendix H), whether or not such costs exceed the costs set forth in a Proposer's Proposal. No adjustments will be allowed to the proposed price in a Proposal if actual costs for Interconnection Facilities exceed the amounts proposed.
- 2.3.5 Proposers are required to account for all costs for distribution-level service connection for station power in their pricing proposal.
- 2.3.6 All Projects will be screened for general readiness to comply with the requirements for interconnection. Proposals selected to the Final Award Group will be subject to Section

5.1. Proposals selected to the Final Award Group may be subject to further study in the form of an IRS. The IRS process is further described in [Section 5.1](#). The results of the completed IRS or as identified through the Detailed Evaluation process, as well as any mitigation measures identified, will be incorporated into the terms and conditions of a final executed Stage 3 Contract.

2.3.7 To maintain the integrity of the transmission system, Proposals will only be allowed to interconnect to the following:

2.3.7.1 **Existing 69 kV substations, as provided in Table 1 below.** Available terminations are 69 kV line terminations, which may be used for interconnecting up to 20 MW<sup>30</sup> of generation of each termination. Note that each termination is required to be a Breaker-and-a-Half (“[BAAH](#)”) configuration and may require additional land to complete the expansion. These substations have space available and the necessary infrastructure to meet the transmission planning criteria for firm generation resources.

**Table 1**  
**Potential 69 kV Substation Points of Interconnection**

Voltage	Location	Available Terminations	Comments
69 kV	Lahainaluna Substation	1	1 termination with equipment (breaker) additions and bus reconfiguration Note: 1 additional termination for a generator is possible with a BAAH bay expansion but major system upgrades will be required (e.g., new transmission circuit)
69 kV	Kealahou Substation	1	1 termination with equipment (breaker) additions and bus reconfiguration
69 kV	Waena Switchyard	2	2 terminations available for firm renewable generation project interconnections located at the Waena Firm Site only. Note: The Company is currently constructing the Waena Switchyard with 4 termination points, of which 2 are planned for the 40 MW Waena BESS project. The remaining 2 terminations are being made available to firm renewable generation Proposals. Additional terminations may be available with the expansion of the substation.

Note that the Company also completed a preliminary review of the following substations, which are not recommended for interconnection as interconnecting to these sites would require extensive equipment replacements, rebuilds, and/or land-related issues. The Company does not recommend interconnection to these substations and has not provided costs or requirements in [Appendix H](#) to do so.

<sup>30</sup> Additional equipment upgrades may be required to allow 20 MW of generation at each termination.

Maalaea, Kahului Power Plant, Wailea, Puunene, Pukalani, Puukolii, Mahinahina, Napili, Kihei, Waiehu 23 kV, Waikapu 23 kV, Maui Hardwood 23 kV, Kaonoulu

2.3.7.2 **Existing 69 kV lines.** Proposers shall provide a new BAAH switching station to interconnect to one (or more) of the following transmission lines and the new generating resource per Appendix H:

MPP-Lahainaluna, MPP-Waiinu, MPP-Waena, Waena-Kealahou, Waena-Pukalani, Pukalani-Kula, Kula-Kealahou

Alternatively, developers can elect to interconnect to non-offered 69 kV transmission lines or 69 kV substations, recognizing the increased risk and challenges of such decisions described in Section 1.2.10.

Whether interconnecting to a 69 kV transmission-level line or 69 kV substation, Proposers must inquire about the potential available MW capacity of the line at the specific transmission line location at which they propose to interconnect or about the known substation conditions at which they propose to interconnect.<sup>31</sup> Information made available for offered locations may not be available for non-offered 69 kV transmission lines or 69 kV substations. Proposers may also request a high-level map identifying the offered 69 kV transmission-level line and the offered substations. Requests shall be directed to the RFP Email Address in Section 1.6 after the execution of the NDA as specified in Section 3.12.1.

Proposers should perform their own evaluation of Project locations, and the Company does not guarantee any Project output or ability to connect based on information provided prior to the completion of an IRS. For example, an IRS may find that a Project causes an effective grounding issue, requiring additional grounding equipment to mitigate the issue.

Proposers may propose Project sizes greater than the potential available MW capacities, but such Proposals are expected to require reconductoring of existing lines<sup>32</sup> or the addition of transmission lines and/or other infrastructure, which would be at the Proposer's cost and must be able to be completed in time for the Project to reach its bid GCOD. Further, Projects may require capacity reduction if identified in the detailed IRS.

2.3.8 A detailed IRS, when performed, may reveal other adverse system impacts that may further limit a Project's contract capacity or require interconnection upgrades.

### **Chapter 3: Instructions to Proposers**

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<sup>31</sup> Responses will be provided upon the execution of an NDA with the Company as specified in Section 3.12.1.

<sup>32</sup> Proposers seeking to propose Projects with transmission line upgrades must seek feedback from the Company, as there may be reliability limitations on certain lines that do not allow capacity increases through reconductoring.

### 3.1 Schedule for the Proposal Process

Table 2 sets forth the proposed schedule for the proposal process for the renewable dispatchable generation component (the “Renewable Dispatchable Generation RFP Schedule”). The Renewable Dispatchable Generation RFP Schedule is subject to PUC approval. The Company reserves the right to revise the Renewable Dispatchable Generation RFP Schedule as necessary. Changes to the Renewable Dispatchable Generation RFP Schedule prior to the RFP Proposal Due Date will be posted to the RFP website. Changes to the Renewable Dispatchable Generation RFP Schedule after the Proposal Due Date will be communicated via Email to the Proposers and posted on the RFP website.

**Table 2  
Proposed Renewable Dispatchable Generation RFP Schedule**

Milestone	Schedule Dates
(1) Draft RFP filed	May 2, 2022
(2) Community Meeting	May 24, 2022
(3) Parties and Participants filed Comments by	June 2, 2022
(4) Community Meeting 2	July 14, 2022
(5) Technical Status Conference	August 5, 2022
(6) Order 38735 Issued	December 1, 2022
(7) Proposed Final RFP Filed	December 22, 2022
(8) Issue RFP	January 20, 2023
(9) Hawaiian Electric and Affiliate Proposal Due Date	April 19, 2023 at 2:00 pm HST
(10) IPP Proposal Due Date	April 20, 2023 at 2:00 pm HST
(11) Selection of Priority List	July 6, 2023
(12) Hawaiian Electric and Affiliate BAFOs Due	July 13, 2023
(13) IPP BAFOs Due	July 14, 2023
(14) Selection of Final Award Group	October 27, 2023
(15) IRS and Contract Negotiations Begin	November 3, 2023

Table 3 (“Firm Renewable Generation RFP Schedule”) has been created to accommodate the suspension of the firm renewable generation portion of the RFP. Table 3 sets forth the proposed schedule for the proposal process for the firm renewable generation component (“Firm Renewable Generation RFP Schedule”).

Note that the proposed Firm Renewable Generation RFP Schedule in Table 3 is subject to PUC approval. The Company reserves the right to revise the Firm Renewable Generation RFP Schedule as necessary. Changes to the Firm Renewable Generation RFP Schedule prior to the RFP Proposal Due Date will be posted to the RFP website. Changes to the Firm Renewable Generation RFP Schedule after the Proposal Due Date will be communicated via Email to the Proposers and posted on the RFP website.

**Table 3**  
**Proposed Firm Renewable Generation RFP Schedule**

<b>Milestone</b>	<b>Schedule Dates</b>
(16) Request Pause - Firm Renewable Generation Portion	April 12, 2023
(17) Order 39145 Issued	April 14, 2023
(18) File revisions to the RFP, file information and analyses on the Waena Firm Site	April 27, 2023
(19) Waena Firm Site – Site Visit	May 4, 2023
(20) PUC Approval of RFP revisions	May 11, 2023
(21) Filing of the Final Revised Maui Stage 3 RFP - Firm Renewable Generation Portion	May 16, 2023
(22) Opening of the Final Revised Maui Stage 3 RFP – Firm Renewable Generation Portion	May 19, 2023
(23) Hawaiian Electric and Affiliate Proposal Due Date	August 16, 2023 at 2:00 pm HST
(24) IPP Proposal Due Date	August 17, 2023 at 2:00 pm HST
(25) Selection of Priority List	October 9, 2023
(26) Hawaiian Electric and Affiliate BAFOs Due	October 16, 2023
(27) IPP BAFOs Due	October 17, 2023
(28) Selection of Final Award Group	January 23, 2024
(29) IRS and Contract Negotiations Begin	January 30, 2024

### **3.2 Company RFP Website/Electronic Procurement Platform**

3.2.1 The Company has established a website for general information to share with potential Proposers. The RFP website is located at the following link:

[www.hawaiianelectric.com/MauiStage3RFP](http://www.hawaiianelectric.com/MauiStage3RFP)

The Company will provide general notices, updates, schedules and other information on the RFP website throughout the process. Proposers should check the website frequently to stay abreast of any new developments. This website will also contain the link to the Electronic Procurement Platform employed by the Company for the receipt of Proposals.

“Sourcing Intelligence” developed by PowerAdvocate<sup>33</sup> is the Electronic Procurement Platform that the Company has licensed and will utilize for the receipt of Proposals in this RFP. Proposers who do not already have an existing account with PowerAdvocate and who intend to submit a Proposal for this RFP will need to register as a “Supplier” with PowerAdvocate.

- 3.2.2 There are no license fees, costs, or usage fees to Proposers for the use of the Electronic Procurement Platform.

See Appendix D for user information on and screenshots of PowerAdvocate’s Sourcing Intelligence procurement platform.

### **3.3 Information Exchange**

Virtual Community Meetings were held on May 24, 2022 and July 14, 2022. A virtual Technical Status Conference was also held on August 5, 2022. The Company has also been fielding questions from prospective Proposers via the RFP Email Address and posting applicable Q&As on the RFP Website since May 2022.

Prospective Proposers may submit written questions regarding the RFP and their Proposal to the RFP Email Address set forth in Section 1.6. Proposers should include the Independent Observer when submitting questions to the RFP Email Address. In addition to the Independent Observer who should be included on all correspondence to the Company, Proposers should also include the Independent Engineer on any questions to the RFP Email Address of a technical nature. The Company will endeavor to address all questions. Questions and responses that might be helpful to other prospective Proposers will be shared via a Q&A section on the RFP website. Prospective Proposers should review the RFP website’s Q&A section prior to submission of their Proposal. Duplicate questions will not be answered.

### **3.4 Preparation of Proposals**

- 3.4.1 Each Proposer shall be solely responsible for reviewing the RFP (including all attachments and links) and for thoroughly investigating and informing itself with respect to all matters pertinent to this RFP, the Proposer’s Proposal, and the Proposer’s anticipated performance under the applicable Stage 3 Contract. It is the Proposer’s responsibility to ensure it understands all requirements of the RFP, to seek clarification if the RFP’s requirements or Company’s request is not clear, and to ask for any confirmation of receipt of submission of information. Under Section 1.7.5, the Proposer is solely responsible for all errors in its Proposal(s). The Company has no obligation to inform the Proposer of any error, and the Company will not accept any explanation by a Proposer that it was incumbent on the Company to catch any error.
- 3.4.2 Proposers shall rely only on official information provided by the Company in this RFP when preparing their Proposal. The Company will rely only on the information included

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<sup>33</sup> PowerAdvocate became part of Wood Mackenzie in 2021, but web addresses and support email addresses still reference PowerAdvocate.



in the Proposals, and additional information solicited by the Company to Proposers in the format requested, to evaluate the Proposals received. Evaluation will be based on the stated information in this RFP and on information submitted by Proposers in response to this RFP. Proposals must clearly state all capabilities, functionality and characteristics of the Project; must clearly detail plans to be performed; must explain applicability of information; and must provide all referenced material if it is to be considered during the Proposal evaluation. Referencing previous RFP submissions or projects for support will not be considered. Proposers should not assume that any previous RFP decisions or preferences will also apply to this RFP.

- 3.4.3 Each Proposer shall be solely responsible for, and shall bear all of its costs incurred in the preparation of its Proposal and/or its participation in this RFP, including, but not limited to, all costs incurred with respect to the following: (1) review of the RFP documents; (2) information conference participation; (3) third-party consultant consultation; (4) investigation and research relating to its Proposal and this RFP; and (5) site visits. The Company will not reimburse any Proposer for any such costs, including the selected Proposer(s).
- 3.4.4 Each Proposal must contain the full name and business address of the Proposer and must be signed by an authorized officer or agent<sup>34</sup> of the Proposer.

### **3.5 Organization of the Proposal**

- 3.5.1 The Proposal must be organized as specified in Appendix B. It is the Proposer's responsibility to ensure the information requested in this RFP is submitted and contained within the defined proposal sections as specified in Appendix B.
- 3.5.2 The Proposer must contact the Company to request any alterations from the proposal format if the Proposer feels the format will not allow the pricing, capabilities, functionality or characteristics of the Project to be captured in the Proposal. The Proposer must provide sufficient time for the Company to respond with guidance as to what alterations will be allowed.

### **3.6 Proposal Limitations**

In submitting a Proposal, Proposers expressly acknowledge and agree that Proposals are submitted subject to the following limitations:

The RFP does not commit or require the Company to award a contract, pay any costs incurred by a Proposer in the preparation of a Proposal, or procure or contract for products or services of any kind whatsoever. The Company reserves the right, in consultation with the Independent Observer, to accept or reject, in whole or in part, any or all Proposals submitted in response to this RFP, to negotiate with any or all Proposers

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<sup>34</sup> Proposer's officer or agent must be authorized to sign the Proposal. Such authorization must be in writing and may be granted via Proposer's organizational documents (i.e., Articles of Incorporation, Articles of Organization, By-laws, etc.), resolution, or similar documentation.

eligible to be selected for award, or to withdraw or modify this RFP in whole or in part at any time.

- The Company reserves the right, in consultation with the Independent Observer, to request additional information from any or all Proposers relating to their Proposals or to request that Proposers clarify the contents of their Proposals. Proposers who are not responsive to such information requests may be eliminated from further consideration upon consultation with the Independent Observer.
- The Company reserves the right, in consultation with the Independent Observer, to solicit additional Proposals from Proposers after reviewing the initial Proposals. Other than as provided in this RFP, no Proposer will be allowed to alter its Proposal or add new information to a Proposal after the Proposal Due Date.
- All material submitted in response to this RFP will become the sole property of the Company, subject to the terms of the NDA.

Proposers understand and agree that if its Proposal is selected by the Company for the Final Award Group, such selection shall in no way constitute the Company's confirmation that a Proposer's Project will meet the requirements under this RFP, e.g., that the Project's proposed interconnection is feasible and will meet the Company's requirements. The Proposer is ultimately responsible for ensuring that its Project meets the technical requirements specified in this RFP, and if the parties reach agreement on a Stage 3 Contract, the requirements specified in the Stage 3 Contract.

### **3.7 Proposal Compliance and Bases for Disqualification**

Proposers may be deemed non-responsive and/or Proposals may not be considered for reasons including, but not limited to, the following:

- Any unsolicited contact by a Proposer or prospective Proposer with personnel of the Company pertaining to this RFP as described in Section 1.5.5.
- Any illegal or undue attempts by or on behalf of the Proposer or others to influence the Proposal Review process.
- The Proposal does not meet one or more of the Eligibility Requirements specified in Section 4.2.
- The Proposal does not meet one or more of the Threshold Requirements specified in Section 4.3.
- The Proposal is deemed to be unacceptable through a fatal flaws analysis as described in Section 4.4.2.
- The Proposer does not respond to a Company request for additional information to clarify the contents of its Proposal within the timelines specified by the Company.

- The Proposal contains misrepresentations or errors.

### **3.8 Stage 3 Contracts**

- 3.8.1 The Stage 3 Contract for any PV Paired Project selected under this RFP will be in the form of the Company's PV+BESS RDG PPA attached as Appendix J.

The Stage 3 Contract for any wind Generation Project or wind Paired Project selected under this RFP will be in the form of the Company's Wind+BESS RDG PPA attached as Appendix K.

The Stage 3 Contract for any Firm Project selected under this RFP will be in the form of the Company's Firm PPA attached as Appendix L.

- 3.8.2 The Stage 3 Contract for Standalone Storage Projects selected under this RFP will be in the form of the Company's ESPA, attached as Appendix M.
- 3.8.3 If selected, any Affiliate Proposers will be required to enter into the applicable Stage 3 Contract with the Company.
- 3.8.4 If selected, a Hawaiian Electric Development Team will not be required to enter into a Stage 3 Contract with the Company. However, the Hawaiian Electric Development Team will be held to the proposed modifications to the applicable Stage 3 Contract, if any, it submits as part of the Hawaiian Electric Proposal in accordance with Section 3.8.6. Note that if it submits a proposal at the Waena Firm Site, the Hawaiian Electric Development Team will need to meet the TCU, see Appendix F. Moreover, the Hawaiian Electric Proposal will be held to the same performance metrics and milestones set forth in the applicable Stage 3 Contract to the same extent as all Proposers, as attested to in the Hawaiian Electric Proposal's Appendix G, Attachment 1, Hawaiian Electric Development Team Certification submittal. If liquidated damages are assessed, they will be paid from shareholder funds and returned to customers through the Purchased Power Adjustment Clause or other appropriate rate adjustment mechanisms.

To retain the benefits of operational flexibility for a Company-owned facility, the Hawaiian Electric Proposal will be permitted to adjust operational requirements and performance metrics with the approval of the PUC. The process for adjustment would be similar to a negotiated amendment to a Stage 3 Contract with PUC approval.

- 3.8.5 In general, under the RDG PPA and ESPA, payment to the Seller consists of a Lump Sum Payment to cover the costs of the Project. For Firm Projects only, in addition to a Capacity Charge payment, the Company will allow developers to also include an additional Energy Charge payment component (\$/MWh) to cover variable operations and maintenance costs that cannot be captured within the Capacity Charge payment component. In return for the payments, the Seller shall guarantee minimum performance and availability metrics to ensure that the Facility is maintained and available for energy, storage (if applicable) and dispatch, as well as provide an indication of the available energy in near real-time for the Company's dispatch. The Company shall not be

obligated to accept, nor shall it be required to pay for, test energy generated by the Facility during acceptance testing or other test conditions.

- 3.8.6 The Performance Standards identified in Section 2.1 establish the minimum requirements a Proposal must satisfy to be eligible for consideration in this RFP. A proposed Facility's ability to meet these Performance Standards is both a Threshold Requirement and a Non-price evaluation criterion under Sections 4.3 and 4.4.2, respectively. As such, these Performance Standards are non-negotiable by any Proposer. As previously stated, if a Proposer proposes a technology that is not already represented in any model Stage 3 Contract, the terms of the applicable model Stage 3 Contract will be modified to address the specific technology and/or component. Proposers must provide documentation to support their requests for contract modifications. For example, for firm generation facilities, recognizing some firm technologies operate significantly differently, necessary modifications required for particular technologies will be permitted if Proposer provides technical specifications that support the need for such proposed modifications. Proposers may propose modifications to other sections of the model Stage 3 Contracts (see Section 3.8.8 below) but are encouraged to accept such terms as written in order to expedite the overall RFP process and potential contract negotiations. As a component of their respective Proposals, the Hawaiian Electric Development Team or any other Proposer who elects to propose modifications shall provide a Microsoft Word red-line version of the relevant document identifying specific proposed modifications to the model Stage 3 Contract language that the Proposer is agreeable to, as well as a detailed explanation and supporting rationale for each modification.
- 3.8.6.1 General comments, drafting notes and footnotes such as "parties to discuss," and reservation of rights to propose modifications at a later time, are unacceptable and will be considered non-responsive. Proposed modifications to any model Stage 3 Contract will be evaluated as a non-price evaluation criterion as further described in Section 4.4.2. In order to facilitate this process, the Company will make available electronic versions of the model Stage 3 Contracts on the RFP website and through the Electronic Procurement Platform for the RFP. Any proposed modifications to the model Stage 3 Contract will be subject to negotiation between the Company and the Final Award Group and should not be assumed to have been accepted either as a result of being selected to the Final Award Group or based on any previously executed PPA. As stated above, since general comments, drafting notes, and footnotes without accompanying specific proposed language modifications are unacceptable and non-responsive, the Company will not negotiate provisions simply marked by such general comments, drafting notes, and footnotes.
- 3.8.6.2 The Company has an interest in maintaining consistency for certain provisions of the Stage 3 Contracts, such as the calculation of availability and payment terms. Therefore, for such provisions, the Company will endeavor to negotiate similar and consistent language across Stage 3 Contracts for the Final Award Group.
- 3.8.7 Proposals that do not include specific proposed modifications to the attached model Stage 3 Contracts will be deemed to have accepted the model Stage 3 Contract in its entirety.

- 3.8.8 As stated in Section 3.8.6 above, Proposers may propose modifications to sections of the model Stage 3 Contracts. However, certain sections specified below in the various model Stage 3 Contracts are non-negotiable.
- 3.8.8.1 For the RDG PPAs, Performance Standards are non-negotiable. Also, as identified in the Schedule of Defined Terms in the RDG PPAs that contain an energy storage component under “BESS Allocated Portion of the Lump Sum Payment”, the allocated portion of the Lump Sum Payment specified for energy storage for the Facility for determining liquidated damages is 50% and shall be a non-negotiable percentage in the RDG PPA. Further, as stated in Section 3.13.2 below, Proposers shall not propose an amount lower than that set forth in the RDG PPA for Development Period Security and Operating Period Security.
- 3.8.8.2 For the Firm PPA, Performance Standards are non-negotiable, except as recognized in Section 3.8.6 above, and, as stated in Section 3.13.2 below, Proposers shall not propose an amount lower than that set forth in the Firm PPA for Development Period Security and Operating Period Security.
- 3.8.8.3 For the ESPA, Performance Standards are non-negotiable, and, as stated in Section 3.13.2 below, Proposers shall not propose an amount lower than that set forth in the ESPA for Development Period Security and Operating Period Security.

### **3.9 Pricing Requirements**

- 3.9.1 Proposers must submit pricing for each of their variations associated with each Proposal (if variations as described in Section 1.8.2 and 1.8.3 are submitted). Proposers are responsible for understanding the terms of the applicable Stage 3 Contract. Pricing cannot be specified as contingent upon any other factor (e.g., changes to federal tax policy, assuming that all applicable federal tax credits are received, assuming that the Company will accept any proposed change to the applicable Stage 3 Contract).
- 3.9.2 Escalation in Lump Sum Payment or Capacity Charge payment pricing over the term of the Stage 3 Contract is prohibited.
- 3.9.3 Pricing information must only be identified within specified sections of the Proposal as instructed by this RFP’s Appendix B (i.e., Proposal pricing information must be contained within defined Proposal sections of the Proposal submission). Pricing information contained anywhere else in a Proposal will not be considered during the evaluation process.
- 3.9.4 The Proposer’s Response Package must include the following prices for each Proposal (and variation):

For IPP or Affiliate proposals:

- [For PV+BESS, Wind+BESS, and Standalone Storage Projects]
  - **Lump Sum Payment (\$/year):** Payment amount for full dispatchability of the Facility. Payment will be made in monthly increments.
- [For Firm Projects]

- **Capacity Charge payment (\$/kW/Month):** Payment for the capacity available to the Company’s System from the Facility.
- **Energy Charge payment (\$/kWh):** Payment for delivery of net energy sourced from the generation resource, if desired. As stated in Attachment J of the Firm PPA, the Energy Charge payment consists of two components: a Fuel Component and a Variable O&M Component. No Energy Charge will be provided for any energy delivery that is sourced originally from the grid (Company’s System). The Energy Charge may contain a Variable O&M Component; however, the Variable O&M Component must be guaranteed and not be tied to an index. The Variable O&M Component may include escalations; however, such escalation must be in the form of a guaranteed percentage.
- **Heat Rate Curve (if applicable):** A guaranteed heat rate curve specified as a three-term second-order polynomial relative to facility net MW output. This curve will be used to determine the variable cost of the fuel for a given MW output.

For Hawaiian Electric Proposals:

- **Total Project Capital Costs (\$/year):** Total capital costs for the project (identified by year).
- **Annual O&M Costs (\$/year):** Initial year operations and maintenance costs, annual escalation rate.
- **Annual Revenue Requirement (\$/year):** Annual revenue requirements (“ARR”) calculated for each year.
- [For Hawaiian Electric Firm Project Proposals]
  - **Heat Rate Curve (if applicable):** A guaranteed heat rate curve specified as a three-term second-order polynomial relative to facility net MW output. This curve will be used to determine the variable cost of the fuel for a given MW output.

See Appendix G for descriptions and detail on the Total Project Capital Costs, Annual O&M Costs, and ARR for Hawaiian Electric Proposals.

3.9.5 To allow Proposers to offer the most competitive pricing while offering protection during these times of market volatility, the Company will allow an indexed one-time capped pricing adjustment explained in Section 4.6.3 below.

### 3.10 Project Description

#### 3.10.1 NEP and Capacity

3.10.1.1 Proposals utilizing the RDG PPA are required to provide a Net Energy Potential (“NEP”) RFP Projection for the proposed Facility. The NEP RFP Projection represents the estimated annual net energy potential (in MWh) that could be produced by the Facility and delivered to the POI over a 10-year period with a probability of exceedance of 95%. The NEP RFP Projection represents the energy generated by the Facility from the renewable resource and delivered to the POI assuming all energy is directly exported to the POI in the moment it is generated (full dispatch during all production hours) and

never in excess of the Contract Capacity. The NEP RFP Projection should ignore any contributions from the energy storage component of the Facility.<sup>35</sup> The NEP RFP Projection is independent of the actual dispatch of the Facility as dispatch is at the full discretion of the Company. The NEP RFP Projection should be reduced by anticipated maintenance and losses such as System degradation and balance of plant losses. The NEP RFP Projection will be used in the RFP evaluation process and therefore Proposers will be held to their provided value.<sup>36</sup> However, after selection to the Final Award Group and prior to the completion of the NEP Independent Engineering Estimate, the Company will allow the Proposer a one-time upward adjustment to its NEP RFP Projection of up to five percent (5%) above its original Proposal's NEP RFP Projection along with any proportioned change to its Lump Sum Payment as long as the Project's RDG PPA unit price does not change.

3.10.1.2 Proposals utilizing the Firm PPA are required to provide their Contract Firm Capacity which is the amount of MW of net dependable active power anticipated to be made available to Company from the Facility at the Metering Point subject to Company Dispatch upon Commercial Operations. Along with the Contract Firm Capacity, Proposers utilizing the Firm PPA should provide an anticipated maintenance schedule and level of reductions expected to the Contract Firm Capacity during maintenance. Proposals must also agree to meet the warranties and guarantees of performance outlined in Section 3.2(B) of the Firm PPA, including, but not limited to, the guaranteed equivalent availability factor ("EAF") of ninety percent (90%), the equivalent forced outage rate ("EFOR") of four percent (4%), and no more than three (3) disconnection events per contract year. Further, any minimum loads or minimum up-times driven by the technical and operational capabilities of the Facility should also be provided in the Proposal.

3.10.1.3 Proposals utilizing the ESPA are required to provide their BESS Contract Capacity (MW/MWh), which is the anticipated maximum net instantaneous active power and maximum energy storage capability (MWh stored that represents a 100% State of Charge) for export to the POI upon Commercial Operations. Proposals must also specify their Allowed Losses (kWh/24-hour period) which will be utilized for purposes of establishing the limit in Section 2.13 of the ESPA.

3.10.2 Paired Project and Standalone Storage Project Proposals are required to provide a single value Round Trip Efficiency ("RTE"), measured at the POI, that the Facility's BESS

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<sup>35</sup> Since only the generation component of the Project generates energy, only its contributions should be counted in the NEP, which is intended to represent the potential net generation expected to be made available to the Company from the Project's siting and generating equipment and design. The benefit of the storage component will be included in the Company's production modeling of the Project dispatch.

<sup>36</sup> If a Proposal is selected to the Final Award Group and a RDG PPA is executed between the Company and the Proposer, the NEP RFP Projection will be further evaluated at several steps throughout the process as set forth in the RDG PPA, and adjustments to the Lump Sum Payment will be made accordingly. Additionally, because the Company will rely on an accurate representation of the NEP RFP Projection in the RFP evaluation, a one-time liquidated damage as described in the RDG PPA will be assessed if the First NEP Benchmark is less than the Proposer's NEP RFP Projection. After the Facility has achieved commercial operations, the performance of the Facility will be assessed on a continuing basis against key metrics identified in the RDG PPA. See Article 2 and Attachment U of the RDG PPA.

component is required to maintain throughout the term of the RDG PPA or ESPA. This RTE value will be used in the RFP evaluation process and therefore Proposers will be held to this provided value as it will become the RTE Performance Metric in Section 2.11 of the RDG PPA or ESPA. Review the applicable Stage 3 Contract for potential liquidated damages assessed against Seller if the BESS does not maintain the required RTE. The RTE is further specified in Appendix B, Section 2.2.4.

- 3.10.3 Each Proposer must also agree to provide Project financial information, including proposed Project finance structure information as specified in Appendix B. Such information will be used to evaluate Threshold Requirements and non-price criteria (e.g., Financial Compliance, Financial Strength and Financing Plan, State of Project Development and Schedule) set forth in Sections 4.3 and 4.4.2. Upon selection, the Final Award Group may be requested to provide further detailed cost information if requested by the PUC or the Consumer Advocate as part of the Stage 3 Contract approval process. If requested, such information would be provided to the PUC, Consumer Advocate, and Company pursuant to a protective order in the docket.
- 3.10.4 The Proposer agrees that no material changes or additions to the Facility from what is submitted in its Proposal will be made without the Proposer first having obtained prior written consent from the Company. Evaluation of all Proposals in this RFP is based on the information submitted in each Proposal at the Proposal Due Date. If any Proposer requests any Proposal information to be changed after that date, the Company, in consultation with the Independent Observer, and in consideration of whether the evaluation is affected, will determine whether the change is permitted.

### **3.11 Potential Sites**

#### **3.11.1 Potential Sites Identified through the Land RFI**

As an alternative to a Site identified by the Proposer, the Company has identified potential sites where landowners have expressed a willingness to negotiate a lease or purchase of the land to support a renewable energy project. These sites were identified through a Land Request for Information (“Land RFI”) issued on June 15, 2020. Proposers will be responsible for working directly with the landowner and must secure Site Control with such landowner prior to submitting a Proposal. The information that has been gathered through this RFI is available upon request by following the instructions at <http://hawaiianelectric.com/landrfi>. Land RFI information is available to interested parties who sign the NDA.

This information is being provided for Proposers’ consideration only. Project proposals submitted in response to this RFP are not required to be sited at a location identified through the Land RFI. The Hawaiian Electric Companies also make no representations as to the suitability of the listed sites for renewable energy production with regard to resource quality, interconnection constraints, zoning and permitting issues, community support, or other issues. Proposers should perform their own evaluation of these factors in determining whether a site is suitable for renewable energy project development. After further evaluation, Proposers that are interested in any of the identified sites are invited to



engage in further discussions directly with landowners to negotiate any required rights to use the property. A Proposer may ask the Company questions as set forth in Section 2.2.1 if it seeks interconnection information at a specific proposed Site.

### 3.11.2 Hawai‘i Powered – Renewable Energy Zones Feedback

The Company has begun a process to identify areas with potential for future renewable energy development. While the whole of this work is not yet complete and available for this RFP, as part of this process the Company has started community outreach and invited members of the community to provide feedback on areas of the island that the Community is or is not amenable to use for renewable energy projects and to provide other feedback that would be helpful in siting renewable energy projects. This information is available at [www.hawaiipowered.com/rez](http://www.hawaiipowered.com/rez). While intended to be used as part of the development of Renewable Energy Zones for future RFPs beyond this Stage 3 RFP, such community feedback may be instructive for Proposers in this RFP. Proposers are encouraged to carefully review such information when selecting sites and developing their community outreach plans. In addition, the Hawaii State Energy Office has developed a community engagement strategy called Energize Kākou<sup>37</sup> which includes a guide for best practices for community engagement.

### 3.11.3 Company-Owned Site

A Company-Owned Site is being offered to Proposers of firm renewable energy Projects for their consideration. An approximately 60.9 acre area within the Company’s Waena property in central Maui, referred to as the Waena Firm Site, is further described in Appendix F. Associated required costs and potential costs associated with developing a project at the Waena Firm Site are described in Appendix F.

Proposers proposing to use the Waena Firm Site shall be required to agree to specific terms and conditions for such use as provided for in Attachment CC (Company-Owned Site) to the Firm PPA. Limited sections of Attachment CC to the Firm PPA (Section 4 Seller’s Investigations of the Company-Owned Site, Section 5 Construction and Maintenance, Section 7 Hazardous Substances, and Section 8 Archeological and Historic Items) shall be negotiable.

To the extent not provided for in Appendix F or in Attachment CC (Company-Owned Site) of the Firm PPA, additional provisions providing for access to the site during construction and thereafter, during commercial operations, will be subject to current Company security policies and procedures. Physical, communication, and internet security will be required consistent with Company policy. Additional measures may be required to limit or eliminate interference between Seller and Company facilities and infrastructure. Such policies, procedures, and requirements may change as necessary during the term of the Firm PPA to reflect changes in Company policies or to remain in compliance with current applicable laws, rules, or regulations.

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<sup>37</sup> Energize Kākou website is available at <https://energy.hawaii.gov/get-engaged/energize-kakou/>. The Playbook of community engagement best practices is available at [https://energy.hawaii.gov/wp-content/uploads/2022/10/Energize-Kakou-Playbook\\_FINAL.pdf](https://energy.hawaii.gov/wp-content/uploads/2022/10/Energize-Kakou-Playbook_FINAL.pdf).

The Company has scheduled a site visit to provide potential Proposers an opportunity to visit the Waena Firm Site on May 4, 2023. Contact the email address in Section 1.6 for details. Information from the site visit will be posted on the Company's RFP website.

### **3.12 Confidentiality**

- 3.12.1 Each prospective Proposer must submit an executed NDA in the form attached as Appendix E by the respective Proposal Due Date specified in the Renewable Dispatchable Generation RFP Schedule in Section 3.1, Table 2 or the Firm Renewable Generation RFP Schedule in Section 3.1, Tables 3, as applicable. The form of the NDA is not negotiable. Information designated as confidential by the Company will be provided on a limited basis, and only those prospective Proposers who have submitted an executed NDA will be considered. NDAs that were fully executed for prior non-Stage 3 RFPs will not be accepted. Proposers must clearly identify all confidential information in their Proposals. However, Proposers should designate as confidential only those portions of their Proposals that genuinely warrant confidential treatment. The Company discourages the practice of marking every page of a Proposal as confidential. The Company will make reasonable efforts to protect any such information that is clearly marked as confidential. Consistent with the terms of the NDA, the Company reserves the right to share any information, even if marked confidential, to its agents, contractors, or the Independent Observer for the purpose of evaluating the Proposal and facilitating potential contract negotiations.
- 3.12.2 Proposers, in submitting any Proposal(s) to Company in response to this RFP, certify that such Proposer has not shared its Proposal(s), or any part thereof, with any other Proposer of a Proposal(s) responsive to this RFP. The Proposer shall acknowledge this in the Response Package submitted with its Proposal. Notwithstanding such certification, if the Company observes or receives evidence from a Proposer that appears to place one or more Proposers in violation of this RFP Section 3.12.2, e.g., a representative from one Proposer uses the same information in multiple Proposals submitted by different Proposers (e.g. individual Proposers with different names, joint ventures, etc.), Company will seek additional information and clarification from such Proposer(s) to determine whether such a violation does in fact exist (and, if so, in consultation with the Independent Observer, whether disqualification of one or more Proposals is appropriate).
- 3.12.3 The Company will request that the PUC issue a protective order to protect confidential information provided by Proposers to the Company and to be filed in a proceeding before the PUC. A copy of the protective order, once issued by the PUC, will be provided to Proposers. Proposers should be aware that the Company may be required to share certain confidential information contained in Proposals with the PUC, the State of Hawai'i Department of Commerce and Consumer Affairs, Division of Consumer Advocacy, and the parties to any docket instituted by the PUC, provided that recipients of confidential information have first agreed in writing to abide by the terms of the protective order. Notwithstanding the foregoing, no Proposer will be provided with Proposals from any

other Proposer, nor will Proposers be provided with any other information contained in such Proposals or provided by or with respect to any other Proposer.

### **3.13 Credit Requirements**

- 3.13.1 Proposers with whom the Company enters into an RDG PPA, Firm PPA or ESPA must post Development Period Security and Operating Period Security in the form of an irrevocable standby letter of credit from a bank doing business in the United States and subject to United States state or federal regulation, with a credit rating of “A-“ or better from Standard & Poor’s (“S&P”) or A3 or better from Moody’s as required and set forth in Article 14 of the RDG PPA or ESPA, or Article 7 of the Firm PPA. Cash, a parent guaranty, or other forms of security will not be accepted in lieu of the irrevocable standby letter of credit.
- 3.13.2 The Development Period Security and Operating Period Security identified in the RDG PPA, Firm PPA or the ESPA are minimum requirements. Proposers shall not propose an amount lower than that set forth in the RDG PPA, Firm PPA or the ESPA.
- 3.13.3 Each Proposer shall be required to provide a satisfactory irrevocable standby letter of credit in favor of the Company from a bank doing business in the United States and subject to United States state or federal regulation, with a credit rating of “A-“ or better from S&P or A3 or better from Moody’s to guarantee Proposer’s payment of interconnection costs for all Company-Owned Interconnection Facilities in excess of the Total Estimated Interconnection Costs and/or all relocations costs in excess of Total Estimated Relocation Costs that are payable to Company as required and set forth in Attachment G to the RDG PPA, Firm PPA or the ESPA.
- 3.13.4 Proposers may be required to provide an irrevocable standby letter of credit in favor of the Company from a bank doing business in the United States and subject to United States state or federal regulation, with a credit rating of “A-“ or better from S&P or A3 or better from Moody’s in lieu of the required Source Code Escrow in an amount and as required and set forth in Attachment B to the RDG PPA or the ESPA. Source code escrow is not required for synchronous generators.

## **Chapter 4: Evaluation Process and Evaluation Criteria**

### **4.1 Proposal Evaluation and Selection Process**

The Company will employ a multi-step evaluation process. Once the Proposals are received, the Proposals will be subject to a consistent and defined review, evaluation, and selection process. This Chapter provides a description of each step of the process, along with the requirements of Proposers at each step. Figure 1 sets forth the flowchart for the proposal evaluation and selection process.

Due to the suspension of the firm renewable generation portion of the RFP, the Proposal Evaluation and Selection Process will occur in two separate phases. The first will evaluate only Proposals to meet the Renewable Dispatchable Generation Target and the

second will evaluate only Proposals to meet the Firm Renewable Generation Target. This will result in the selection of two separate priority lists and two separate final award groups. The timing of these phases are set forth in Section 3.1, Table 2 and Table 3, as applicable. For purposes of this RFP, the terms Priority List and Final Award Group as used herein are meant to refer to both the Renewable Dispatchable Generation Target and Firm Renewable Generation Target priority lists and final award groups, and Proposers should assume provisions referencing these terms have the applicable dates and meanings associated with the generation need their Proposal was met to fulfill.

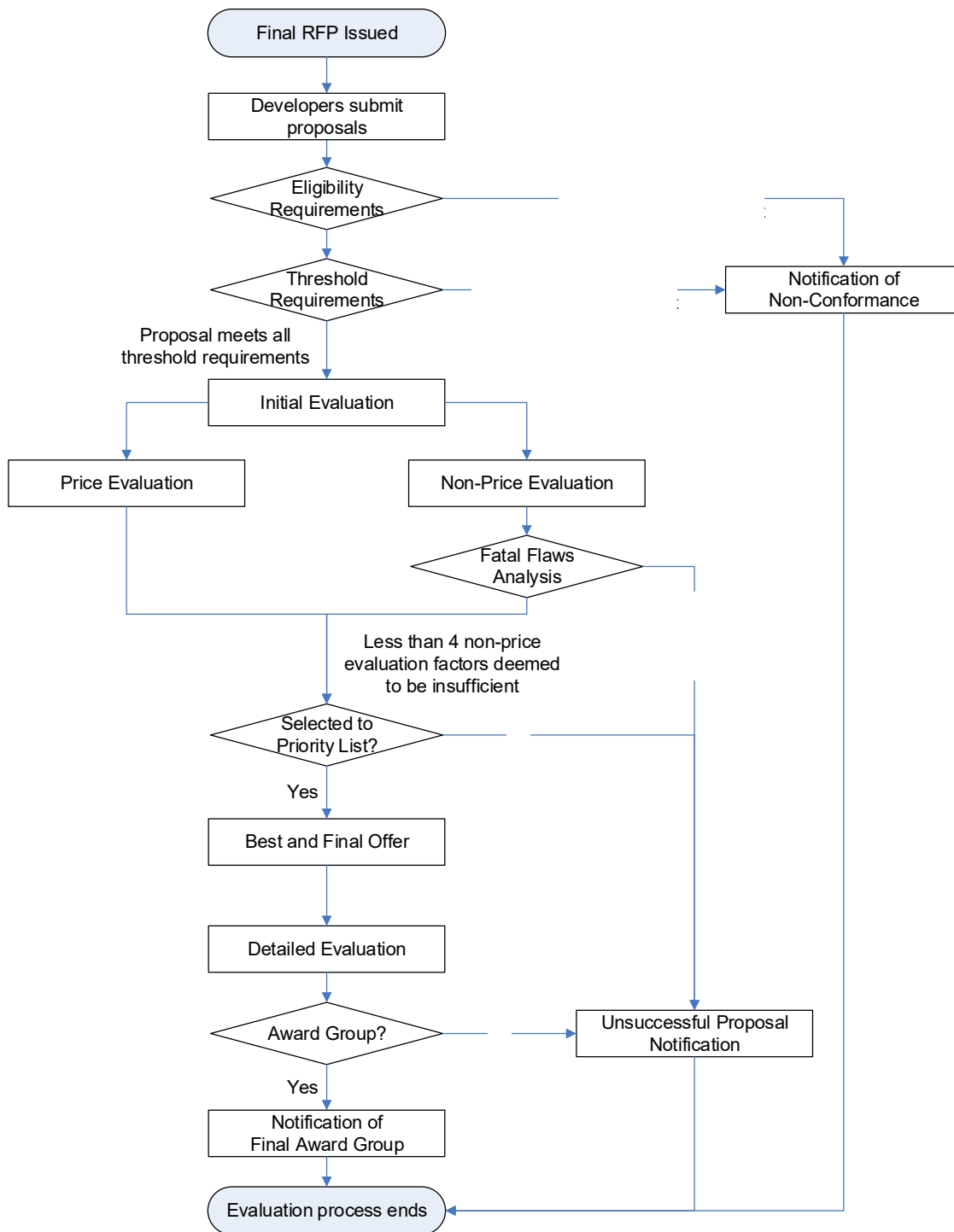
Upon receipt of the Proposals, the Company will review each Proposal submission to determine if it meets the Eligibility Requirements and the Threshold Requirements. The Company, in coordination with the Independent Observer will determine if a Proposer is allowed to cure any aspect of its Proposal or whether the Proposal would be eliminated based on failure to meet either Eligibility or Threshold Requirements.<sup>38</sup> If a Proposer is provided the opportunity to cure any aspect of its Proposal, the Proposer shall be given three (3) business days to cure from the date of notification to cure.<sup>39</sup> Proposals that have successfully met the Eligibility and Threshold Requirements will then enter a two-phase process for Proposal evaluation, which includes the Initial Evaluation resulting in the development of a Priority List, followed by the opportunity for Priority List Proposals to provide Best and Final Offers, and then a Detailed Evaluation process to arrive at a Final Award Group.

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<sup>38</sup> As a general rule, if a Proposer does not include a requested document, inadvertently excludes minor information or provides inconsistencies in its information, it may be given a chance to cure such deficiency. If a Proposer fails to provide material required information in its Proposal and providing the Proposer an opportunity to cure is deemed by the Company, in consultation with the Independent Observer, as an unfair advantage to such Proposer, the Proposal could be classified as non-conforming and eliminated for failure to meet the Eligibility Requirements.

<sup>39</sup> The three (3) business day period will apply to the initial opportunity to cure. The Company, at its discretion, and in consultation with the Independent Observer, may allow for additional cure periods, if any, for subsequent inquiries.

**Figure 1 – Evaluation Workflow**



## 4.2 Eligibility Requirements Assessment

Upon receipt of the Proposals, each Proposal will be reviewed to ensure that it meets the following Eligibility Requirements.

1. The Proposal including required uploaded files must be received on time via the Electronic Procurement Platform.
2. The Proposal Fee must be received on or before the Proposal Due Date.<sup>40</sup>
3. The Proposal must not contain material omissions.
4. The Proposal must be signed and certified by an officer or other authorized person of the Proposer.
5. The Proposer must fully execute the NDA and any other document required pursuant to this RFP.
6. The Proposer must provide a Certificate of Vendor Compliance from the Hawai'i Compliance Express with their Proposal that is current (dated and issued no earlier than 60 days of the date of Proposal submission). A Certificate of Good Standing from the State of Hawai'i Department of Commerce and Consumer Affairs and also a federal and Hawai'i state tax clearance certificates for the Proposer may be substituted for the Certificate of Vendor Compliance.
7. The Proposal must not be contingent upon changes to existing county, state, or federal laws or regulations.
8. The proposed Project must be located on Maui and interconnect to the Maui Electric System as identified in Section 2.2.1.
9. The proposed Project must be greater than 2.5 MW.
10. The proposed Project must interconnect to the Maui Electric System either (1) at the 69 kV transmission-level and construct a new substation to 69 kV transmission-level lines or alternatively, (2) via existing Company 69 kV substations, if interconnection for such substations is possible.
11. No single point of failure from the Facility shall result in a decrease of active power output measured at the Project's POI greater than 20 MW.
12. The proposed Project infrastructure and POI must be located outside the 3.2 feet sea level rise exposure area (SLR-XA) as described in the Hawai'i Sea Level Rise Vulnerability and Adaptation Report (2017), not located within a Tsunami Evacuation Zone, and not located within the Hawaii Department of Land and Natural Resources flood map's flood zones A, AE, AEF, AH, AO, VE.
13. Proposal must specify a GCOD that has been carefully considered and that is no later than December 1, 2027. However, due to the suspension of the firm renewable generation portion of the RFP, the Company will allow firm renewable generation Proposals with GCODs no later than February 1, 2028. See Section 1.2.16.
14. Proposers must confirm the available MW capacity at the POI and/or available substation accommodation with the Company for the interconnection of their proposed Project.
15. Proposers shall agree to post Development Period Security and Operating Period Security as described in Section 3.13.

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<sup>40</sup> Proposal Fees will not be required for Hawaiian Electric Proposals.

### 4.3 Threshold Requirement Assessment

Proposals that meet all the Eligibility Requirements will then be evaluated to determine compliance with the Threshold Requirements, which have been designed to screen out Proposals that are insufficiently developed, lack demonstrated technology, or will impose unacceptable execution risk for the Company.

Proposals must provide explanations and contain supporting information demonstrating how and why the Project proposed meets each of the Threshold Requirements. Proposals that fail to provide this information or meet a Threshold Requirement will be eliminated from further consideration upon concurrence with the Independent Observer.

The Threshold Requirements for this RFP are the following:

1. **Site Control:** The Proposal must demonstrate that the Proposer has Site Control for all real property required for the successful implementation of a specific Proposal at a Site not controlled by the Company, including any Interconnection Facilities, with the exception of right-of-way or easements for the interconnection route, for which the Proposer is responsible. The need for a firm commitment is necessary to ensure that Proposals are indeed realistic and can be relied upon as the Company moves through the remainder of the RFP process.

Site Control will be judged by how well the documentation demonstrates the Proposal meeting this Site Control requirement. Proposers must do one of the following:

- Provide documentation confirming (1) that the Proposer has an existing legally enforceable right to use and control the Site, either in fee simple or under leasehold for a term at least equal to the term of the Stage 3 Contract (“Site Control”) as specified in the Proposer’s Proposal (taking into account the timelines set forth in this RFP for selection, negotiation, and execution of a Stage 3 Contract and PUC approval as applicable), and (2) the applicable zoning for the Site and that such zoning does not prohibit the development of the Site consistent with the Proposal; or
- Provide documentation confirming, at a minimum, (1) that the Proposer has an executed binding letter of intent, memorandum of understanding, option agreement, or similar document with the landowner (a “binding commitment”) which sets forth the general terms of a transaction that would grant the Proposer the required Site Control, and (2) the applicable zoning for the Site and that such zoning does not prohibit the development of the Site consistent with the Proposal. The binding commitment does not need to be exclusive to the Proposer at the time the Proposal is submitted and may be contingent upon selection of the Proposal to the Final Award Group. If multiple Projects are provided a binding commitment for the same Site, the documents granting the binding commitments must not prevent the Company from choosing the Proposal that otherwise would have been selected.

- **Government/Public Lands Only:** The above two bullet points may not be feasible where government or publicly-owned lands are part of the Site or are required for the successful implementation of the Proposal. In such a case, at a minimum the Proposer must provide a credible and viable plan, including evidence of any steps taken to date, to secure all necessary Site Control for the Proposal, including but not limited to evidence of sufficient progress toward approval by the government agency or other body vested with the authority to grant such approval (as demonstrated by records of the agency). The Proposer will still be required, however, to demonstrate Site Control as required in the Stage 3 Contract should the Proposal be selected to the Final Award Group.

While land rights for the interconnection route are not required at the time of submission of the Proposal, (1) the Proposal must thoroughly describe the interconnection route as set forth in Attachment B, Section 2.5.4, and (2) if the Proposal is selected to the Final Award Group, and if the Proposer and Company are able to reach agreement on a Stage 3 Contract, it will be the Proposer's sole responsibility to obtain all required land rights within the timeframes set forth in the Stage 3 Contract. The Proposer must also provide a credible and viable plan for obtaining such rights-of-way or easement(s), including the proposed timeline, the identification of all steps necessary to obtain such right-of-way or easement(s), and evidence of any steps taken to date. In addition, developmental requirements and restrictions such as zoning of the Site and the status of easements must be identified and will be considered in determining whether the Proposal meets the Site Control threshold.

2. **Performance Standards:** The proposed Facility must be able to meet the performance attributes identified in this RFP and the Performance Standards identified in Section 2.1 of this RFP. Proposals shall include sufficient documentation to support the stated claim that the Facility will be able to meet the Performance Standards. The Proposal shall include information required to make such a determination in an organized manner to ensure this evaluation can be completed within the evaluation review period.
3. **Proven Technology:** This criterion is intended as a check to ensure that the technology proposed is viable and can reasonably be relied upon to meet the objectives of this RFP. The Company will only consider Proposals utilizing technologies that have successfully reached commercial operations in commercial applications (i.e., a power purchase agreement) at the scale being proposed. Proposals should include any supporting information for the Company to assess the commercial and financial maturity of the technology being proposed.
4. **Experience of the Proposer:** The Proposer, its affiliated companies, partners, and/or contractors and consultants on the Proposer's Project team must have experience in financing, designing, constructing, interconnecting, owning, operating, and maintaining at least one (1) electricity generation and/or standalone storage project, including all components of the project (i.e., paired energy storage



or other attributes), similar in size, scope, technology, and structure to the Project being proposed by Proposer. The Company will consider a Proposer to have reasonably met this Threshold Requirement if the Proposer can provide sufficient information in its Proposal's RFP Appendix B Section 2.13 tables demonstrating that at least one member of the Proposer's team (identified in the Proposal) has specific experience in each of the following categories: financing, designing, constructing, interconnecting, owning, operating, and maintaining projects similar in size and scope to the Project being proposed.

5. **Financial Compliance:** The proposed Project must not cause the Company to be subject to consolidation, as set forth in Financial Accounting Standards Board (“FASB”) Accounting Standards Codification Topic 810, Consolidation (“ASC 810”), as issued and amended from time to time by FASB. Proposers are required to state to the best of their knowledge, with supporting information to allow the Company to verify such conclusion, that the Proposal will not result in the Seller under the Stage 3 Contract being a Variable Interest Entity and result in the Company being the primary beneficiary of the Seller that would trigger consolidation of the Seller's finances on to the Company's financial statements under FASB ASC 810. The Company will perform a preliminary consolidation assessment based on the Proposals received. The Company reserves the right to allow a Proposal to proceed through the evaluation process through selection of the Priority List and work with the Proposer on this issue prior to or during contract negotiations.
6. **Community Outreach:** Gaining community support is an important part of a Project's viability and success. A comprehensive community outreach and communications plan (“Community Outreach Plan”) is an essential roadmap that guides a developer as they work with various communities and stakeholders to gain their support for a Project. Proposers must include a Community Outreach Plan that describes the Proposer's commitment to work with the neighboring community and stakeholders and to provide them timely Project information during all phases of the Project. The Community Outreach Plan shall include, but not be limited to, the following information: Project description, community scoping (including stakeholders and community concerns), Project benefits, government approvals, development process (including Project schedule), plan for reporting construction schedules and activities which include resulting impacts (e.g., traffic, noise, and dust) and mitigation plans beginning at least one month prior to the start of scheduled work, and a comprehensive communications plan which factors in monthly Project status updates and includes a timeline. The Company will carefully review the Community Outreach Plans to ensure that outreach to residents, area elected officials and known community leaders and organizations is documented and that the plan is tailored by community and includes the outreach schedule, communication plans and required project information that will be shared in each engagement.

7. **Cultural Resource Impacts:** Proposers need to be mindful of the Project’s potential impacts to historical and cultural resources. Proposers must identify: (1) valued cultural, historical, or natural resources in the area in question, including the extent to which traditional and customary native Hawaiian rights are exercised in the area; (2) the extent to which those resources – including traditional and customary native Hawaiian rights – will be affected or impaired by the proposed action; and (3) the feasible action, if any, to be taken to reasonably protect any identified cultural, historical, or natural resources in the area in question, and the reasonable protection of traditional and customary native Hawaiian rights in the affected area. Proposers must also have already contracted with a consultant with expertise in this field to begin a cultural assessment for the Project.

Also, at a minimum, Proposers must conduct and provide at least an initial Archaeological Literature Review of existing cultural documentation filed with the State Historic Preservation Division and a Field Inspection Report which identifies any known archaeological and/or historical sites within the project area. If sites are found, Proposers must provide a plan for mitigation from an archaeologist licensed in the State of Hawaii. An Archaeological Literature Review and Field Inspection Report should ideally be submitted at the appropriate Proposal Due Date in Table 2 or Table 3, as applicable. However, if it is not submitted with the Proposal, these must be submitted three weeks before the Selection of Priority List date in Section 3.1, Table 2 or Table 3, as applicable. If Proposers are unable to deliver the required cultural documentation with the allocated timeframe due to access and right of entry issues, the Company will work with Proposers to deliver a documented Field Inspection Report prior to signing of the Stage 3 Contract.

8. **Available MW Capacity:** This criterion is intended as a check to ensure that the proposed Project’s Net Nameplate Capacity is within the available MW capacity of the 69 kV transmission-level line or substation identified for interconnection.<sup>41</sup>
9. **Technical Model:** Developing an accurate and functional facility technical model is imperative to commencing the Interconnection Requirement Study phase of the process. This criterion is to check whether Proposers have provided the required models per Appendix B, Attachment 4, as well as documentation that Proposers have tested their models under all scenarios prescribed in Appendix B, Attachment 3.<sup>42</sup>
10. **State of Project Development and Schedule & Permitting:** Projects must fully demonstrate how they will reach their GCOD specified, including identification of risks and schedule assumptions. Proposals must also fully demonstrate, via a detailed critical path schedule, that the Project will be able to reach commercial

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<sup>41</sup> The available MW capacity is verified under the assumption there is only one project interconnecting to the line. Interactions among proposed projects in close proximity with each other will be analyzed when the Company performs load flow analyses as described in Section 4.7 below.

<sup>42</sup> Proposers of an existing Project should contact the Company via the communication method identified in Section 1.6 to clarify any concerns they have about meeting all the model requirements in this RFP.

operations as specified. This is particularly important for renewable firm capacity projects, as the need-by date in the RFP is critical to meet. Proposals shall include a Gantt chart that clearly illustrates the overall schedule and commercial operations by their specified GCOD. The Gantt chart shall include realistic task durations, accurate dependencies, tasks that will be fast tracked, as well as slack time and contingencies. The Gantt chart must also include the milestones identified in Appendix H, Section 4 and reflect the appropriate durations associated with such milestones. Proposals must be sure to include permitting and scheduling issues for any system upgrades.

Proposals shall identify all permits necessary for the Project and provide realistic durations to obtain such permits. Proposals shall also provide the current status of the permits (ex. permit application identified, permit application submitted, permit received).

#### **4.4 Initial Evaluation – Price and Non-Price Analysis**

Proposals that meet both the Eligibility and Threshold Requirements are Eligible Proposals which will then be subject to a price and non-price assessment. The Company will establish two teams to undertake the Proposal evaluation process: a Price Evaluation Team and Non-Price Evaluation Team. The results of the price and non-price analysis will be a relative ranking and scoring of all Eligible Proposals. Price-related criteria will account for sixty percent (60%) of the total score and non-price-related criteria will account for forty percent (40%) of the total score. The non-price criteria and methodology for applying the criteria are explained in Section 4.4.2.

The Company will employ a closed-bidding process for this solicitation in accordance with Part IV.H.3 of the Framework where the price and non-price evaluation models to be used will not be provided to Proposers. However, the Company will provide the Independent Observer with all necessary information to allow the Independent Observer to understand the evaluation models and to enable the Independent Observer to observe the entire analysis to ensure a fair process.

##### **4.4.1 Initial Evaluation of the Price Related Criteria**

For the initial price analysis, the Company will complete a levelized price calculation for each Project based on the contracted energy output (e.g., NEP) and/or capacity (e.g., MW, Contract Firm Capacity) using the fixed and variable pricing (as applicable per Stage 3 Contract type).

In order to fairly evaluate Proposals with different technologies and characteristics, the Company will group Proposals into technology-based and storage-based evaluation categories,<sup>43</sup> dependent on the types and quantities of Proposals received in this RFP.

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<sup>43</sup> If Proposals with various storage sizes are received in the RFP, different categories based on storage size will be established during the Initial Evaluation to enable the benefits of the Projects' storage to be assessed.

For example<sup>44</sup>: (1) Wind generation (MWh) only; (2) Wind generation (MWh) and Energy storage; (3) Solar generation (MWh) only; (4) Solar generation (MWh) and Energy storage; (5) Standalone Energy Storage (MW/MWh); (6) Firm synchronous generation (MW).

The Eligible Proposal with the lowest LEP in each evaluation category will receive 600 points. All other Eligible Proposals in that evaluation category will receive points based on a proportionate reduction using the percentage by which the Eligible Proposal's LEP exceeds the lowest LEP in that evaluation category. For example, if a Proposal's LEP is ten percent (10%) higher than the lowest LEP in that evaluation category, the Proposal will be awarded 540 points (that is, 600 points less 10%). The result of this assessment will be a ranking and scoring of each Proposal within each evaluation category.

In instances where Proposers offer a Proposal variation for the same resource type in the same electrical location (i.e., POI), only the highest scoring variation for that location and technology type will be considered for the Priority List.

#### 4.4.2 Initial Evaluation of the Non-Price Related Criteria and Previous Performance

For the non-price analysis, each Proposal will be evaluated on each of the eleven (11) non-price criteria categories set forth in [Section 4.4.2.1](#) below. The non-price score accumulated after evaluation of such criteria is subject to reduction based on a new Previous Performance evaluation described in [Section 4.4.2.2](#) below.

##### 4.4.2.1 Non-Price Criteria and Scoring

The non-price criteria are as follows and further described below:

1. Community Outreach
2. State of Project Development and Schedule
3. Performance Standards
4. Environmental Compliance and Permitting Plan
5. Experience and Qualifications
6. Financial Strength and Financing Plan
7. Proposed Contract Modifications
8. Carbon Emissions
9. Cultural Resource Impacts
10. Technical Model
11. Land Use and Impervious Cover

Each of the first three criteria – Community Outreach, State of Project Development and Schedule, Performance Standards – will be weighted twice as heavily as the others to reflect the impact these categories have on projects achieving a successful completion. The non-price criteria are generally scored on a scale of 1 (poor) to 5 (highly preferable). A score of 3 means that a Proposal meets the minimum standard for that criterion.

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<sup>44</sup> There may be other technologies that are offered in this RFP. This list is illustrative of how technology-based evaluation categories will be established for the Initial Evaluation. The categorizing of Proposals will depend on the types and quantities of Proposals received in this RFP.

The Company's evaluation of the non-price criteria will be based on the materials provided by a Proposer in its Proposal. Acceptance of any Proposal into the Final Award Group shall not be assumed or construed to be an endorsement or approval that the materials provided by Proposer are complete, accurate or in compliance with applicable law. The Company assumes no obligation to correct, confirm, or further research any of the materials submitted by Proposers. Proposers retain sole responsibility to ensure their Proposals are accurate and in compliance with all laws.

The non-price criteria are:

1. **Community Outreach** – Gaining community support is an important part of a Project's viability and success. An effective Community Outreach Plan will call for early meaningful communications with stakeholders – that include area residents, elected officials and community leaders – and will reflect a deep understanding and respect for the community's desire for information and provide opportunities that enable them to make informed decisions about future projects in their communities. Therefore, Proposals will be evaluated on the quality of the Community Outreach Plan to inform the Project's impacted communities.

Proposals should include a Community Outreach Plan that describes the Proposer's commitment to work with the neighboring community and stakeholders and to provide timely Project information during Project development, construction and operation. The more robust and customized the stakeholder list, meeting frequency, and commitments are defined in the plan, the higher the rating the Proposer will receive as part of the scoring and evaluation process. The Community Outreach Plan shall include, but not be limited to the following:

- 1) Project description. A thorough description including a map of the location of the Project. This information will help the community understand the impact that the Project may have on the community.
- 2) Community scoping. Identify stakeholders (individuals, community leaders, organizations), community issues and concerns, and community sentiment.
- 3) Project benefits. An explanation of the need for the Project. This will help the community to understand how the Project might benefit their community.
- 4) Government approvals. Required government permits and approvals, public hearings and other opportunities for public comment. This information will help the community to understand the level of public scrutiny and participation that might occur for the Project and the opportunities to provide public comments.
- 5) Development process. A Project schedule that identifies key Project milestones will facilitate the community's understanding of the development process.
- 6) Community benefits package. Details on the amount of funds that the Proposer will commit on an annual basis to providing as community benefits and other community benefits in addition to funding that the

proposer intends to provide. At a minimum, Proposers should commit to setting aside at least \$3,000 per MW per year for community benefits. These shall be donated to actions and/or programs aimed at addressing specific needs identified by the Host Community, or to a 501(c)(3) not-for-profit community-based organization(s) to directly address Host Community-identified needs. A documented community benefits package highlighting the distribution of funds must be developed by Proposers for the Company's review. This document will be made public on each Proposer's website and must demonstrate how funds will directly address needs in the Host Community to benefit community members. Proposers will provide details regarding the intended beneficiaries of the funds, including recipients, and the area(s) in which the funds will be directed. The community benefits package must include documentation of each Proposer's community consultation and input collection process to define Host Community needs, along with actions and programs aimed at addressing those needs. Preference will be given to Proposers that commit to setting aside a larger amount or commit to providing other benefits (including but not limited to creating local jobs, payment of prevailing wages, or improving community infrastructure). The Proposer may choose to identify and select an eligible non-profit organization to serve as the administrator for the duration of the contract term responsible for ensuring the project's community benefit is appropriately disbursed. Should a Proposer need an example of the use of a community benefit funding host, the Company will provide such example(s) upon request.

- 7) Communications Plan. A communications plan including a detailed community outreach schedule that will keep the affected communities and stakeholders informed about the Project's outreach efforts during early Project development period through construction and operations, including monthly Project status updates.

Preference will be given to Proposers who have already identified established contacts to work with the local community, have used community input to incorporate changes to the final design of the Project and mitigate community concerns, have proposed a community benefits package (including details of the community recipients and benefits package), or have community consultants as part of the Project team doing business in Hawai'i that have successfully worked with communities in Hawai'i on the development of two or more energy projects or projects with similar community issues. These criteria are aligned with the Company's community engagement expectation whereby all developers will be required to engage in community outreach prior to signing a Stage 3 Contract with the Company. This process is also outlined in RFP Section 5.3. Further information and instructions regarding expectations for the Community Outreach Plan are included as Attachment 5 and 6 to Appendix B.

Preference would also be given to a Proposer's commitment that eighty percent (80%) of non-supervisory construction and operations workers' hours associated

with project construction or repowering of a project will be paid at prevailing wage equivalent indicated under HRS Chapter 104 during all periods of construction; and the preference to hire qualified construction and operations/maintenance workers from Maui County, and the State of Hawai‘i, in that order, before hiring non-resident laborers.

2. **State of Project Development and Schedule** – Projects that are further along in development generally have lower project execution risk and a greater probability of being able to be successfully placed into service prior to the GCOD (specifically identified in each Proposal). At a minimum, Projects should demonstrate how they plan to reach their GCOD specified, including identification of risks and schedule assumptions, and capture any tax-related safe harbors, if applicable. (Schedules must be created in Microsoft Project and submitted in .mpp file format and must identify the IRS completion date and PUC approval dates assumed.) Proposals must also fully demonstrate, via a detailed critical path schedule, that the Project will be able to reach commercial operations as specified. This is particularly important for renewable firm capacity projects, as the need-by date in the RFP is critical to meet. Proposals shall include a Gantt chart that clearly illustrates the overall schedule and demonstrates achievement of any tax-related safe harbor, if applicable, and commercial operations by their specified GCOD. The Gantt chart shall include task durations and dependencies, identify tasks that will be fast tracked, and identifies slack time and contingencies. This criterion will also look at the high-level Project costs set forth in the Proposal including: costs for equipment, construction, engineering, Seller-Owned Interconnection Facilities, Company-Owned Interconnection Facilities, land, annual O&M, the reasonableness of such costs and the assumptions used for such costs. The Company will specifically look to see if the Proposer has included all of the cost line items from Appendix H applicable to the Project type for Company-Owned Interconnection Facilities. An example of what the Company is looking for is identified in Appendix H, Attachment 1. Proposals that do not appear to include all the applicable cost line items from Appendix H that are reasonable for a project of the size proposed may result in a lower ranking for this criterion as it may reflect risk that the Project cannot be built on time and for the price proposed by the Proposer. The Company reserves the right to discuss any cost and financial information with a Proposer to ensure the information provided is accurate and correct. The Company may require an attestation from the Proposer that they understand their proposed interconnection costs do not appear accurate to the Company and should the Proposer continue and is selected that the Proposer shall be responsible for the final determination of interconnection costs whether or not it is higher than what the Proposer has included in its Proposal.
3. **Performance Standards** – The proposed Facility must be able to meet the performance attributes identified in this RFP (Section 2.1) and the Performance Standards identified in the applicable Stage 3 Contract. The Company will review the Proposal information received, including design documents and operating procedures materials provided in the Proposal, and evaluate whether the

Project as designed is able to meet the Performance Standards identified in the applicable Stage 3 Contract and in this RFP. At a minimum, in addition to meeting the Performance Standards, the Proposal should include sufficient documentation, provided in an organized manner, to support the stated claim that the Facility will be able to meet the Performance Standards. The Proposal should include information required to make such a determination in an organized manner to ensure this evaluation can be completed on a timely basis. Preference will be given to Proposals that provide detailed technical and design information showing how each standard can be met by the proposed Facility. Preference will also be provided on facilities that offer additional capabilities over and above the required performance attributes.

4. **Environmental Compliance and Permitting Plan** – This criterion relates to the potential (short- and long-term) environmental impacts associated with each Project, the quality of the plan offered by the Proposer to mitigate and manage any environmental impacts (including any pre-existing environmental conditions), and the plan of Proposers to remain in environmental compliance over the term of the contract. These impacts are reflected on a technology-specific basis. Completing any necessary environmental review and obtaining required permitting in a timely manner is also important and Proposals will be evaluated on their plan to identify, apply for, and secure required permits for the Project, any permitting activity that has been completed to date, including having initial discussions with the applicable regulating agencies such as U.S. Fish and Wildlife and the State of Hawai‘i Department of Land and Natural Resources’ Division of Forestry and Wildlife, prior to submitting a Proposal, and the degree of certainty offered by the Proposer in securing necessary permits.

At a minimum, proposed Projects should be expected to have minimal environmental impact for most areas and Proposals should provide a comprehensive plan to mitigate the identified potential or actual significant environmental impacts to remain in environmental compliance. The proposed mitigation plans should be included in the Project timeline. Preference will be given to Proposals that provide a more detailed plan as well as those that have proactively taken steps to mitigate potential environmental impacts.

Also, this criterion requires that, at a minimum, Proposers should have identified, and disclosed in their Proposal(s) all major permits, approvals, appurtenances and entitlements (including applicable access, rights of way and/or easements) (collectively, the “permits”) required and have a preliminary plan for securing such permits. Preference will be given to Proposals that are able to provide a greater degree of certainty that its plan to secure required permits is realistic and achievable, or have already received all or a majority of the required permits. The Proposer should disclose all identified (a) discretionary permits required, i.e., those requiring public or contested case hearings and/or review and discretionary approval by an appropriate government agency and (b) ministerial conditions without discretionary approval conditions. In all cases, the Proposer must provide



a credible and viable plan to secure all necessary and appropriate permits necessary for the Project. For example, if the Project is located within an agricultural district, the Proposer shall provide evidence of Proposer's verification with the appropriate government agency that the Project complies with HRS Section 205-2 and Section 205-4.5, relating to solar energy facilities placed on agricultural land, provided, however that where a special use permit (under Section 205-6), exemption (under Section 205-6), or amendment to land use district boundary lines (under Section 205-4) is required to secure such compliance, Proposer shall identify the need for such permit, exemption or amendment and provide a list of required prerequisites and/or conditions and a realistic timeline necessary to obtain such permit, exemption or amendment satisfactory for Proposer to still meet its designated GCOD.

The Proposal's non-price score for this requirement will reflect the lower of either the Environmental Compliance sub-score or the Permitting Plan sub-score.<sup>45</sup>

5. **Experience and Qualifications** – Proposals will be evaluated based on the experience of the Proposer in financing, designing, constructing, interconnecting, owning, operating, and maintaining projects (including all components of the project) of similar size, scope and technology. At a minimum, Proposals must show via the table format specified in RFP Appendix B, Section 2.13 that at least one (1) member must have specific experience in each of the following categories: financing, designing, constructing, interconnecting, owning, operating, and maintaining at least one electricity generation project including all components of the project similar to the Project being proposed. Preference will be given to Proposers with experience in successfully developing multiple projects that are similar to the one being proposed and/or that have prior experience successfully developing and interconnecting a utility-scale project to the Company's System.
6. **Financial Strength and Financing Plan** – This criterion addresses the comprehensiveness and reasonableness of the financial plan for the Project as well as assesses the financial strength and capability of the Proposer to develop the Project. A complete financial plan addresses the following issues: Project ownership, capital cost and capital structure, sources of debt and equity, and evidence that credit-worthy entities are interested in financing the Project. The financial strength of Proposers or their credit support providers will be considered, including their credit ratings. The financing participants are expected to be reasonably strong financially. Developers and their sources of capital that have investment grade credit ratings from a reputable credit rating agency (S&P, Moody's, Fitch) will also be given preference, with those that have higher credit ratings ranked higher.

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<sup>45</sup> Two different teams will assess the Proposals for this non-price criteria – one focusing on the environmental impacts of the Proposal and the other on the permitting plans and activities of the Proposer. Each team will contribute a sub-score, and the overall score for this criterion will be based on the lower of the two sub-scores.

7. **Proposed Contract Modifications** – Proposers are encouraged to accept the contract terms identified in the applicable model Stage 3 Contract in their entirety to expedite the overall RFP process and potential contract negotiations. Proposers who accept the Stage 3 Contract without edits will receive a higher score and will be the only Proposals that can achieve the highest scoring for this non-price evaluation criterion. Technology-specific or operating characteristic-required modifications, with adequate explanation as to the necessity of such modifications, will not jeopardize a Project’s ability to achieve the highest score. Proposers who elect to propose modifications<sup>46</sup> to the model agreements shall provide a Microsoft Word red-line version of the applicable document identifying specific proposed modifications to the model agreement language, as well as a detailed explanation and supporting rationale for each modification. General comments without proposed alternate language, drafting notes without explanation or alternate language, footnotes such as “parties to discuss,” or a reservation of rights to make additional modifications to the model agreements at a later time are unacceptable, will be considered unresponsive, and will result in a lower score. See also Section 3.8. The Company and Independent Observer will evaluate the impact that the proposed modifications will have on the overall risk assessment associated with the evaluation of each Proposal.
  
8. **Carbon Emissions** – Proposals should provide responses to the Carbon Criteria Questions provided in Section 2.15 of Appendix B, which will be used to score each Project depending on Project-specific design, siting, procurement, construction and O&M information likely to impact the Project’s lifecycle GHG emissions. In line with carbon neutral goals set forth by Hawaiian Electric<sup>47</sup> and the State of Hawai‘i,<sup>48</sup> preference will be given to Proposers expected to have lower lifecycle GHG emissions based on the responses to the Carbon Criteria Questions.
  
9. **Cultural Resource Impacts** – Proposers need to be mindful of the Project’s potential impacts to historical and cultural resources. Proposers should have identified (1) valued cultural, historical, or natural resources in the area in question, including the extent to which traditional and customary native Hawaiian rights are exercised in the area; (2) the extent to which those resources – including traditional and customary native Hawaiian rights – will be affected or impaired by the proposed action; and (3) the feasible action, if any, to be taken to reasonably protect any identified cultural, historical, or natural resources in the area in question, and the reasonable protection of traditional and customary native Hawaiian rights in the affected area.

Also, Proposers should have already contracted with a consultant with expertise in this field to begin a cultural assessment for the Project. Proposals will be evaluated on the Proposer’s plan and commitment to addressing cultural resource

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<sup>46</sup> See Section 3.8.8 for all non-negotiable sections of the Stage 3 Contracts.

<sup>47</sup> See <https://www.hawaiianelectric.com/about-us/our-vision-and-commitment/climate-change-action>.

<sup>48</sup> See HRS § 225P-5.

impacts on their Project, if any. Therefore, in order to be evaluated for this criterion, Proposers should, at least, provide the following documentation, as applicable: (1) Proposer's or its consultant's experience with cultural resource impacts on past projects; (2) the status of their cultural assessment plan. Should the Project Proposal cite a previously completed cultural assessment of the area, a copy of the assessment document should be included. Proposals will be evaluated on the extent to which their cultural assessment plan has been developed, and preference will be given to Proposals that are further along in the assessment process, including but not limited to, whether a mitigation/action plan has been provided that addresses any identified cultural resource issues, or a date for when such a plan will be available has been identified, or any portions of such plan have been completed.

**10. Technical Model** – Developing an accurate and functional facility technical model is imperative to the successful completion of the IRS, the accuracy of study results, and, by extension, the reliability of the System. Models must be accurate representations of the Facility and its operation. The Company validates the quality of the models and acceptability for the IRS through a model checkout process. Proposers should have developed, executed, tested, and documented results of their models prior to submitting a proposal. This criterion is to evaluate the extent to which Proposers have met the requirements in Appendix B, Attachment 3. Scoring will be based on the Proposer's documentation, which are the result of self-testing and benchmarking documentation, demonstrating the model's ability to meet the requirements of Appendix B, Attachment 3. Preference will be given to Proposals for which the accompanying documentation show they are able to meet the requirements and achieve the expected results for all scenarios proposed in Appendix B, Attachment 3.

**11. Land Use and Impervious Cover** – The Company encourages Proposers to site Projects on developed lands and to preserve open spaces and agricultural lands. Proposers will be scored more favorably for locating Projects on:

- Land with greater existing impervious cover;<sup>49</sup>
- Land zoned industrial or industrial mixed use, commercial or business mixed use, or apartment or apartment mixed use, based on county zoning designations, with a preference in that order; or
- Land deemed as reclaimed, such as brownfield.<sup>50</sup>

In addition, projects that minimize the net increase of impervious cover of a Project site will be scored more favorably.

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<sup>49</sup> As defined by the Environmental Protection Agency (“EPA”) ([8 Tools of Watershed Protection in Developing Areas | Watershed Academy Web | US EPA](#)), impervious cover is “the sum total of all hard surfaces within a watershed including rooftops, parking lots, streets, sidewalks, driveways, and surfaces that are impermeable to infiltration of rainfall into underlying soils/groundwater.” For purposes of evaluation, PV panels shall be considered impervious.

<sup>50</sup> As defined by the EPA ([Overview of EPA's Brownfields Program | US EPA](#)), brownfield is “a property, the expansion, redevelopment, or reuse of which may be complicated by the presence or potential presence of a hazardous substance, pollutant, or contaminant.”

#### 4.4.2.2 Previous Performance Evaluation

A new overall Previous Performance scoring criterion will be employed in this RFP. Based on any underperformance experienced within the past five (5) years from any Proposer, its parent company, or an affiliate of such Proposer, the Company will deduct points from the Proposer's total non-price score based on the infraction. Unlike the 11 non-price criteria above that generally score each project on a scale of 1 to 5, the Previous Performance scoring criteria will deduct points from the total non-price score. The total deductions could range from 0 to 20 points. If a Proposer has not been awarded a project by the Company or does not have an existing or past contract with the Company within the past five years, no points will be deducted.

The Company will evaluate Proposers (which for purposes of the Previous Performance criteria, includes the Proposer, its parent company, or any affiliate) for any past underperforming infractions listed below. For each of the following infractions identified for any of the Proposer's existing or past projects, points will be deducted, up to a maximum of ten (10) points, from the Proposer's total non-price score in this RFP. Any infraction caused by force majeure will not be counted into the deductions.

1. Proposer declined a Priority List or Final Award Group invitation. [1 point deduction]
2. Proposer withdrew from an awarded project after accepting a Final Award Group invitation. [2 point deduction]
3. Proposer terminated an executed contract, except for a termination due to a Company-event of default, including declaring the contract null and void, except for a null and void declaration due to an unfavorable PUC order, which was not reinstated or otherwise superseded by a subsequent contract. [2 point deduction]
4. Termination of an executed contract by Company due to a Proposer-, parent company-, or affiliate-event of default, unless such default was cured by the contracting Proposer, parent company, or affiliate in an expeditious manner to the satisfaction of the Company. [2 point deduction]
5. Proposer missed the Guaranteed Commercial Operations Date under an existing or past PPA. [1 point deduction for missing GCOD by more than 10 days up to 3 months, 2 point deduction for missing GCOD more than 3 months up to 6 months, and 3 point deduction for missing GCOD by more than 6 months.]
6. Proposer missed one or more PPA Milestones or Seller's Conditions Precedents, other than GCOD, by more than 10 days. [1 point deduction]
7. Proposer paid LDs during the development phase of the project. [0.5 point deduction]
8. Proposer breached its representations and warranties under the PPA. [0.5 point deduction]
9. Proposer failed to remedy one or more violations of the Company's performance standards during operations within 6 months. [0.5 point deduction]

10. During the operating term of the PPA, Proposer paid LDs or failed to meet one or more performance metrics, warranties or guarantees (NEP, EAF, EFOR, MPR, Unit Trips, etc.) for more than one reporting period. [0.5 point deduction]

In addition to the above-referenced infractions, ten (10) points shall be deducted from any Proposal's non-price score in the event the Proposer, its parent company, or an affiliate of the Proposer is involved in any pending litigation in which the Proposer, parent company, or affiliate has made claims against the Company or in which the Company has made claims against the Proposer, parent company, or affiliate, which is not subject of a settlement agreement that is currently in effect. This ten-point deduction for involvement in pending litigation is not subject to the maximum of ten (10) points that may be deducted for the other Previous Performance criteria delineated above. As such, a total of up to twenty (20) points may be deducted from a Proposal's non-price score for infractions of Previous Performance criteria.

During the non-price criteria evaluation, should the Company identify any Previous Performance infractions, including the identification of pending litigation, the Company will notify Proposers of any potential deductions and provide them with the opportunity to respond with a written explanation within 5 business days. The Company, in consultation with the Independent Observer, will review the explanations and determine whether there were instances outside of the Proposer's control or otherwise excusable. The Company will finalize deductions with the objective of determining the risk of future under/non-performance based on past experiences.

The resulting non-price score will be the sum of the scores for each of the individual non-price criteria minus any points deducted for underperformance infractions based on this new Previous Performance scoring criterion. The Company will then award non-price evaluation points in accordance with the relative ranking of scores within each evaluation category. The Proposal in each evaluation category with the highest total non-price score will receive 400 points, and all other Proposals will receive points equal to the Proposal's score divided by the top score, multiplied by 400.

During the non-price criteria evaluation, a fatal flaws analysis will also be conducted such that any Proposal that is deemed not to meet the minimum standards level for four (4) or more non-price criteria will be disqualified given that the Proposal has failed to meet the required number of non-price factors that are indicative as to the general feasibility and operational viability of a proposed Project.

#### **4.5 Selection of a Priority List**

At the conclusion of both the price and non-price analysis, a total score will be calculated for each Proposal using the 60% price-related criteria / 40% non-price-related criteria weighting outlined above. The price and non-price analysis, and the summation of both price and non-price scores described above, will result in a ranking of Proposals within each technology-based evaluation category.

Following the price and non-price scoring, an initial pool of top scoring Proposals for each technology-based category with consideration for electrical location of each resource will be determined. The Company may consider using a computer model to optimize the pool of resources by technology category in order to select Proposals in each technology-based category to advance to the Priority List.

The collective export of portfolios will be reviewed against the existing transmission available MW capacity.

The selection to the Priority List does not assure an eligible Project's inclusion in the selection of the Final Award Group.

Proposers will not be able to update their Proposals based on any feedback provided by the Company after Proposal submission. Pricing components, as explained in [Section 3.9.4](#), will not be allowed to change, except as allowed at the Best and Final Offer stage noted in [Section 4.6](#).

#### 4.5.1 Generation Facility Technical Model Requirements and Review Process

Proposers selected to the Priority List are required to submit an initial payment of \$15,000<sup>51</sup> to commence with a Generation Facility Technical Model Requirements and Review Process, as prescribed in [Appendix B, Attachment 3, Section 3](#). The \$15,000 payment will be used to offset the costs to perform one cycle of model reviews by the Company and its consultants related to the Generation Facility Technical Model Review Process. Any feedback provided to Proposers is expected to be actioned and resolved by the Proposer prior to the commencement of the Interconnection Requirement Study.

Upon completion of one cycle of review, Proposers will have the option to:

**Closeout the model review process:** A true-up will be completed upon closure of the process. Any remaining funds may either be refunded to the Proposer or applied to the Interconnection Requirements Study phase. If costs to complete the review exceed the \$15,000, the Proposer is required to submit payment of the balance within 30 days of the invoice.

**Continue review:** Upon receiving the first cycle of model review feedback, Proposers have the option to request another cycle of reviews. Proposers selecting this option will be required to submit another \$15,000 payment, unless explicitly directed by the Company – such as if the Company determines the remaining balance of the first cycle will cover the estimated cost of another review cycle.

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<sup>51</sup> The \$15,000 payment is for review of one variation. If a Proposal has multiple variations that advance to the Priority List, only one variation will be required to perform a model review if all variations utilize the same equipment. Otherwise, additional reviews (and payments) may be required for the variations with different equipment. The feedback provided for the one variation selected can be utilized to assist the developer in preparing its models for other Priority List variation(s). The Proposer may request the Company perform a cycle of model reviews on other variations, but each variation request will require a \$15,000 initial payment.

In order to minimize the cost and schedule for all Proposers, as well as study the impacts of the portfolio of projects, portions of the System Impact Study will be performed as a group study, requiring all Proposer models to be an accurate, functional model, and deemed suitable by the Company prior to commencement of the study. The IRS process (Section 5.1) includes a 30-day timeframe for all model reviews to be completed prior to commencement of the group study. Should a Proposer's model not be ready by that time, the Project will be subject to a standalone IRS, which will result in increased cost and potential delays to the Proposer, as the study will have to be undertaken after the group study is completed.

#### 4.5.2 Community Outreach Plan and Cultural Resource Impacts

Within thirty (30) days of notifying Proposers of their selection to the Priority List (which is after the Initial Evaluation where Proposals are scored), the Company will provide feedback to such Proposers on the following portions of their Proposal(s): 1) Community Outreach Plan and 2) Cultural Resource Impacts. Proposers shall respond to any Company requests for clarification and resolve potential issues identified by the Company related to either the Community Outreach Plan or the Cultural Resource Impacts portion of their Proposal. Proposers will not be able to update their Proposals before selection to the Final Award Group based on any feedback provided by the Company on the Community Outreach Plan and/or Cultural Resource Impacts. Pricing components, as explained in Section 3.9.4, will not be allowed to change, except as allowed at the Best and Final Offer stage noted in Section 4.6.

The methods or means of addressing/resolving the potential issues identified by the Company shall be reflected in an updated Community Outreach Plan submitted to the Company within five (5) business days of notification of selection to the Final Award Group (see Section 5.3). Unless the Company otherwise determines, such methods or means of addressing/resolving the potential issues identified by the Company shall be incorporated as additional obligations of the Seller in the negotiated Stage 3 Contract for the Project.

### 4.6 Best and Final Offer (BAFO)

- 4.6.1 The Company will solicit a Best and Final Offer from Proposers selected to a Priority List in a technology-based evaluation category. All Proposers selected to the Priority List, including any Hawaiian Electric Proposals,<sup>52</sup> will have the opportunity to update (downward only)<sup>53</sup> the pricing elements in their Proposal in order to improve the competitiveness of their Proposal prior to being further assessed in the Detailed

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<sup>52</sup> Similar to the Proposal Due Date, if any Hawaiian Electric Proposals or Affiliate Proposals are selected to the Priority List, the Company will require that the Hawaiian Electric Proposal(s) and Affiliate Proposals be submitted a minimum of one (1) day before other Proposals are due.

<sup>53</sup> Proposers will only be allowed to adjust pricing elements downward. No upward adjustment to the pricing elements will be permitted or considered. All other characteristics of the Proposal and Facility capabilities must remain valid and unchanged (e.g., NEP, Contract Firm Capacity, GCOD, etc.)

Evaluation phase. At this point in the process, updates may only be made to the following pricing elements:

- [For PV+BESS, Wind+BESS, Standalone Storage Projects] Lump Sum Payment (\$/year) amount
- [For Firm Projects] Capacity Charge payment (\$/kW/month) and Energy Charge payment(\$/kWh) amount.
- [For Hawaiian Electric Proposals] Total Project Capital Costs (\$/year), Annual O&M Costs (\$/year), ARR (\$/year)

Proposers will not be allowed to increase their price<sup>54</sup> but may elect to maintain the same pricing submitted in their original Proposal. Proposers will not be allowed to make any other changes to their Proposal during the Best and Final Offer.

- 4.6.2 If a Proposer does not propose improvements to their pricing elements during the Best and Final Offer solicitation, the original Proposal pricing elements will be deemed its Best and Final Offer.<sup>55</sup>
- 4.6.3 To allow Proposers to offer the most competitive pricing while offering protection during these times of market volatility, the Company will allow all Proposals that are selected into the Final Award Group a one-time pricing adjustment of their BAFO-defined Lump Sum Payment amounts for PV and wind Projects and Standalone Storage Projects, and Capacity Charge payment amounts for Firm PPA Projects<sup>56</sup> (or Total Project Capital Costs for the Hawaiian Electric Proposal) based on the difference in the Gross Domestic Producer Price Index between the BAFO submission date and the Commission approval date of the Stage 3 Contract. The price adjustment will be capped to be no greater than a ten percent (10%) adjustment. If there is no inflation during the time period or the index decreases, pricing will remain as bid in the BAFO.

#### **4.7 Detailed Evaluation**

The Best and Final Offers of the Priority List Proposals from this RFP will be further assessed in the Detailed Evaluation to determine the Proposals selected to the Final Award Group.

Computer modeling will evaluate the Total Net Cost (Cost and Benefits) of integrating and operating the portfolio onto the Company's System. The portfolio's Total Net Cost will be compared against a reference case that uses the latest inputs and assumptions in

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<sup>54</sup> Proposers will not be allowed to increase the pricing in their Proposals to address interconnection and/or System upgrade costs or for any other reason.

<sup>55</sup> The Company reserves the right, in consultation with the Independent Observer, to adjust the parameters of the BAFO, in the unlikely event that System needs have evolved in a way that the Proposals received do not fully address.

<sup>56</sup> No adjustment will be allowed for the Energy Charge payment amounts for the Firm PPA Projects.



the Integrated Grid Planning proceeding (Docket No. 2018-0165), described further below.

All Proposals from the Priority List will be input into the computer model using the Proposal's performance data (i.e., NEP, Contract Firm Capacity, BESS Contract Capacity), and Proposal costs (i.e., Lump Sum Payments, Capacity Charge payments, Energy Charge payments, etc.). An optimal, least-cost resource portfolio will be selected by the computer model, RESOLVE. RESOLVE will be used to determine the optimal type and quantity of resource additions based on a range of constraints such as pricing, GCOD, reliability, operational characteristics and services offered. Note, depending on the number of Proposals on the Priority List, multiple iterations of the computer model may be needed. Additional modeling scenarios or portfolios may also be completed in consultation with the Independent Observer. The evaluation will be based on the Total Net Cost (Costs and Benefits) to the Company of integrating the combination of Priority List Proposals onto the Company's System which includes:

1. The cost to dispatch the Project or combination of Projects and the energy and storage purchased;
2. The fuel cost savings (benefits) and any other direct savings (IPP savings from dispatchable fossil fuel savings, where applicable) resulting from the displacement of generation by the Priority List Proposals, including consideration of round-trip efficiencies for Facilities with storage;
3. The estimated increase (or decrease) in operating cost, if any, incurred by the Company to maintain System reliability; and
4. The cost of imputed debt, if applicable.

The Company may complete additional analyses of the portfolio in consultation with the Independent Observer to verify other operating requirements are met.

The Company will take into account the cost of rebalancing its capital structure resulting from any debt or imputed debt impacts associated with each Proposal (including any costs to be incurred by the Company, as described above, that are necessary in implementing the Proposal). The Company proposes to use the imputed debt methodology published by S&P that is applicable to the Proposal being evaluated. S&P views long-term PPAs as creating fixed, debt-like financial obligations that represent substitutes for debt-financed capital investments in generation capacity. By adjusting financial measures to incorporate PPA-fixed obligations, greater comparability of utilities that finance and build generation capacity and those that purchase capacity to satisfy new load are achieved.

During the Detailed Evaluation and before the Proposals advance to the Final Award Group, the Company will perform load flow analyses to determine if certain Projects or combinations of Projects introduce line constraints that will factor into the selection process. This is to address the possibility that even though sufficient available MW

capacity was identified for an individual Project, Projects that are in close proximity with each other could introduce additional line constraints. The Projects selected must not have any additional constraints imposed based on the Load Flow Analysis to advance to the Final Award Group. However, the Company reserves the right, in consultation with the Independent Observer, to allow minor modifications and/or downsize the project to a Proposal to avoid such additional constraints or the Proposer can choose to perform interconnection upgrades to eliminate the constraints. If such modification resulted in a reduced size of the Facility, the pricing proposed would also need to be revised. Under no circumstances would a Proposer be allowed to increase its price as a result of such minor modification.

Also in the Detailed Evaluation, other factors will be validated to ensure that the final combination of Projects provides the contemplated benefits that the Company seeks. The Company will evaluate the collateral consequences of the implementation of a combination of Projects, including consideration of the geographic diversity, resource diversity, interconnection complexity, and flexibility and latitude of operation control of the Projects. The Company will also assess the combination of Projects ability to meet the reliability and resilience needs of the system, including considering Project's GCODs and if the GCOD will result in generation shortfalls for any periods identified in the modeling.

The Company may assess additional combinations of Projects if requested by the Independent Observer and if the time and capability exist to perform such analyses.

#### **4.8 Selection of the Final Award Group**

Based on the results of the Detailed Evaluation and review of the results with the Independent Observer, the Company will select a Final Award Group from which to begin contract negotiations. The Company intends to select projects that meet the targeted needs and provide customer benefits. As noted above, only firm renewable generation Projects utilizing synchronous generators will be selected to meet the Firm Renewable Generation Target while Variable Generation Projects and Standalone Storage Projects will be selected to meet the Renewable Dispatchable Generation Target.

In the event that either target in this RFP is not completely met by Proposals received in either the firm renewable generation or the renewable dispatchable generation categories, the Company may then, if the Company determines such Proposals can meet the needs identified for such target, consider Proposals responsive to one target to satisfy the needs of the alternate target.

Note that due to the suspension of the firm renewable generation portion of the RFP, the firm renewable generation Final Award Group selection will take place at a later time when compared to the renewable dispatchable generation Final Award Group selection.

As such, renewable dispatchable generation Projects not selected to the renewable dispatchable generation Final Award Group may be considered to fill the Firm

Renewable Generation Target, if (1) non-selected Proposers of renewable dispatchable generation Projects indicate a willingness to hold their Proposals until such time as the Final Award Group for the Firm Renewable Generation Target is announced, (2) if the Company determines that such renewable dispatchable generation Proposals can meet the needs identified for Firm Renewable Generation Target, and (3) there are not enough firm renewable generation Projects to meet the Firm Renewable Generation Target specified in this RFP.

Conversely, firm renewable generation Projects not selected to the firm renewable generation Final Award Group may still be selected to fill the Renewable Dispatchable Generation Target. This scenario would only occur if not enough renewable dispatchable generation Projects were procured into order to meet the Renewable Dispatchable Generation Target. In such an instance during an evaluation of the firm renewable generation Projects, the Company may elect to select more firm renewable generation projects to fill any remaining Renewable Dispatchable Generation Target, if it is determined that such Proposals can meet the identified need.

All Proposers will be notified at this stage of the evaluation process whether their Proposal is included in the Final Award Group.

Selection to the Final Award Group and/or entering into contract negotiations does not guarantee execution of a Stage 3 Contract.

Up to the selection announcement of the Final Award Group, should any new legislation for renewable energy be enacted that would offer developers further tax credits, the Company reserves the right to require Proposers to provide a downward pricing adjustment reflective of such savings for the benefit of the Company's customers.

Further, if at any time during the evaluation process it is discovered that a Proposer's Proposal contains incorrect or misrepresented information that has a material effect on any of the evaluation processes, including selection of the Priority List or the Final Award Group, the Company reserves the right, at any time prior to submission of the Stage 3 Contract Application with the PUC, in consultation with the Independent Observer, to disqualify the Proposer from the RFP. If discovery of the incorrect or misrepresented information is made after the Company has filed its PUC application for approval of the Stage 3 Contract with the Proposer, the Company will disclose the incorrect or misrepresented information to the PUC for evaluation and decision as to whether such Proposer should be disqualified and the Company's application dismissed.

Following any removal of a Proposal from the Final Award Group, either by disqualification noted immediately above, or via any other removal or withdrawal of a Proposal, including failure to reach agreement to the Stage 3 Contract, the Company, taking into consideration the timing of such removal and the current status of the Company's needs under the RFP, in consultation with and concurrence from the Independent Observer, will review the Priority List to determine (1) if another Proposal should be added to the Final Award Group; or (2) if the remaining Proposals in the Final Award Group should remain unchanged.

## **Chapter 5: Post Evaluation Process**

### **5.1 Project Interconnection Process**

#### **At Proposal Submission**

Development of accurate and functional facility technical model is imperative to the successful completion of the IRS, the accuracy of study results, and, by extension, the reliability of the System. Models must be accurate representations of the Facility and its operation. The Company validates the quality of the models and acceptability for the IRS through a model checkout process. Proposers should have developed, executed, tested, and documented results of their models prior to submitting a proposal.

A complete package of Project Interconnection Requirement Data Request worksheets, Project single line and three line diagrams, models (see Appendix B, Attachment 3), and documentation prescribed in Appendix B, Attachment 4, including a report, with plots, documenting that Proposers have tested their models under all scenarios, is required upon Proposal submission. See Section 2.11 of Appendix B.

The models required are set forth in Appendix B, Attachment 4. PSSE Generic models, PSSE User models, and ASPEN models shall be configured to represent all of the functional equipment with settings in place to comply with the Company's Stage 3 Contract performance requirements. These must be checked for functionality by the Proposer or its vendors and consultants prior to submission to the Company (see Appendix B, Attachment 3). Similar and fully accurate PSCAD models shall be submitted in a condition that complies with the PSCAD modeling guidelines provided by the Company.

#### **Post Selection to Final Award Group**

For projects meeting the Renewable Dispatchable Generation Target, within thirty (30) days after selection of the Final Award Group, final submissions, incorporating any updates, shall be made for the Project data and modelling submittals described above. For projects meeting the Firm Renewable Generation Target, immediately upon selection of the Final Award Group, but in no instance later than 5 days after notification of selection, final submissions, incorporating any updates, shall be made for the Project data and modelling submittals described above.

The Company will inspect the data packages for general completeness. For any incomplete submissions, a list of missing or non-functional items will be provided. Proposers will be given 15 days to resolve data and modeling deficiencies. The Company, in consultation with the Independent Observer and Independent Engineer, may remove Proposals from the Priority List or Final Award Group, or may terminate contract negotiations or executed Stage 3 Contracts if their submission requirements are deemed incomplete for the lack of requested models. The Proposal must be complete to begin the IRS process. A formal, technical model checkout will be deferred until a later date when

IRS Agreements and deposits are in place, so that the expert subject matter work can be provided by the Company's IRS consultant(s).

Upon notification of selection to the Final Award Group, the Company will provide a draft IRS Agreement for each selected Project, with a statement of required deposit for individual and prorated work as part of an IRS Scope for a System Impact Study that will involve (a) technical model checkout for each project, (b) any considerations that are specific to a particular Project and location, and (c) System impact analyses of the Projects as a group. Interconnection cost and schedule, including cost of any required System upgrades, will be determined in a subsequent Facilities Study.

In order to minimize the cost and schedule for all Proposers, as well as study the impacts of the portfolio of Projects, portions of the System Impact Study will be performed as a group study, requiring all Proposer models to be an accurate, functional model, and deemed suitable by the Company prior to commencement of the study. For clarity, the Company intends to perform a group SIS incorporating Renewable Dispatchable Generation and Firm Renewable Generation projects, depending on the status of model readiness. Separate System Impact Studies may need to be conducted for any Renewable Dispatchable Generation Projects selected at the time of the Final Award Group or any Firm Renewable Generation Projects selected at the time of the Final Award Group. The Company will consult with the Independent Observer and the Independent Engineer before making such determination. The IRS process includes a 30-day timeframe, following the model submittal deadline, for all model reviews to be completed prior to commencement of the group study. Should a Proposer's model not be ready by that time, the Project will be subject to a standalone IRS, which will result in increased cost and potential delays to the Proposer, as the study will have to be undertaken after the group study is completed.

The technical model checkouts will be conducted first. Upon identification of any functional problems or deficiencies, corrective action shall be taken immediately and on an interactive basis so that the problems or deficiencies can be resolved within 15 days, including re-submission of data and updated models, or the project shall be deemed withdrawn. At the discretion of the Company and provided that there is a demonstration of good faith action to minimize delay that would affect the schedule for IRS analyses, a second round of model checkout and problem solving may proceed. Thereafter any notice that a Project is deemed withdrawn for lack of completeness shall be final. Subject to consultation with the Independent Observer and Independent Engineer, failure to provide all requested material within the time(s) specified, or changes to the data provided after the due date(s), shall result in elimination from the Final Award Group.

Proposers shall be responsible for the cost of the IRS, under separate agreements for the System Impact Study and the Facilities Study. The overall IRS will provide information including, but not limited to, an estimated cost and schedule for the required Interconnection Facilities for a particular Project and any required mitigation measures. Proposers will be responsible for the actual final costs of all Seller-Owned Interconnection Facilities and Company-Owned Interconnection Facilities. Upon reviewing the results of the IRS, Proposers will have the opportunity to not move forward

with the Project and therefore not complete execution of the Stage 3 Contract in the event that the estimated interconnection costs and schedule for the Project are higher than what was estimated in the Project Proposal. See Section 12.4 of the RDG PPA or the ESPA, or Section 2.2(D) of the Firm PPA.

Proposers should assume, at a minimum, a 12-month process for the completion of the IRS, and the execution and filing of the Stage 3 Contract for approval. Such assumption is dependent on, among other factors, working and finalized models being timely provided for study by Proposers in accordance with the requirements of this Section 5.1.

## **5.2 Contract Negotiation Process**

Within five (5) business days of being notified by the Company of its intent to enter into contract negotiations, Proposers selected for the Final Award Group will be required to indicate, in writing to the Company's primary contact for this RFP, whether they intend to proceed with their Proposals. Proposers who elect to remain in the Final Award Group will be required to keep their Proposal valid through the award period.

As described in Section 5.1 above, a draft IRS Agreement will be provided upon notification of selection to the Final Award Group. The IRS process will commence upon payment of the deposit and execution of the IRS Agreement. Contract negotiations will commence in parallel with the IRS process. The Stage 3 Contract will not be executed until completion of the IRS, and any impacts from the IRS are folded into the Stage 3 Contract. The submission of an executed Stage 3 Contract for PUC approval will take place thereafter.

## **5.3 Community Outreach and Engagement**

The public meeting and comment solicitation process described in this section and Section 29.21 of the Stage 3 Contracts or Section 12.1(L) of the Firm PPA (Community Outreach Plan) do not represent the only community outreach and engagement activities that can or should be performed by a Proposer.

The Company will publicly announce the Final Award Group no more than five (5) business days after the notification is given to Proposers who are selected to the Final Award Group. Selected Proposers shall not disclose their selection to the public before the Company publicly announces the Final Award Group selection.

By the fifth (5<sup>th</sup>) business day after the Company notifies a Proposer they were selected, each Proposer shall provide the Company with links to their Project website, which the Company will then post on the Company's website. Each Proposer will launch a Project website that will go-live by that fifth (5<sup>th</sup>) business day after notification of Final Award Group selection. Information on what should be included on the Project website is identified in Appendix B.

Within five (5) business days of notification of selection to the Final Award Group, Proposers must provide the Company with an updated comprehensive Community Outreach Plan to work with and inform neighboring communities and stakeholders and to

provide them timely information during all phases of the Project. The updated Community Outreach Plan shall also incorporate the recommendations of the Company to address potential issues identified in the Company's reviews outlined in Section 4.5.2. The Community Outreach Plan shall include but not be limited to the following information: Project description, identification of Project stakeholders, community concerns and Proposer's efforts to address such concerns, Project benefits, government approvals, Project schedule, plan for reporting construction related updates, labor and prevailing wage commitment, details regarding the intended beneficiaries of the funds (including recipients, and the area(s) in which the funds will be directed), the methods or means of addressing/resolving the potential issues identified by the Company based on its review (as described in RFP Section 4.5.2), and a comprehensive communications plan which factors in monthly Project status updates. Proposers must provide to the Company the name of the individual designated to implement the Project's Community Outreach Plan. The Proposer's Community Outreach Plan shall be a public document identified on the Proposer's Project website for the term of the Stage 3 Contract and made available to the public upon request. If requested by the Company, Proposers shall provide their updated Community Outreach Plan and website information to the Company for review and feedback. If there is no such request by the Company, a Proposer may still provide their updated Community Outreach Plan and website information to the Company for review and feedback. If provided at least thirty (30) days prior to the dates required, the Company will endeavor to review such information and provide feedback on the information before it is made available to the public. Further information and instructions regarding expectations for the Community Outreach Plan can be found in Appendix B, Attachments 5 and 6.

Prior to the execution date of the Stage 3 Contract, Proposers shall also host a public meeting in the community where the proposed Project is to be located. The public meeting shall provide to the community it is situated in, other stakeholders and the general public with: (i) a reasonable opportunity to learn about the proposed Project; (ii) an opportunity to engage in a dialogue about concerns, mitigation measures, and potential community benefits of the proposed Project; (iii) an update regarding the Proposer's cultural impact plan, including any findings made and mitigations identified to-date as part of the Archaeological Literature Review and Field Inspection Report; and (iv) information concerning the process and/or intent for the public's input and engagement, including advising attendees that they will have thirty (30) days from the date of said public meeting to submit written comments to Company and/or Proposer for inclusion in the Company's submission to the PUC of its application for a satisfactory PUC Approval Order and for inclusion on the Proposer's website. The Proposer shall collect all public comments, and then provide the Company copies of all comments received in their original, unedited form. If a Stage 3 Contract is executed by the Proposer and the Company, the Company may submit any and all public comments (presented in its original, unedited form) as part of its PUC application for this Project. Proposers shall notify the public at least three (3) weeks in advance of the meeting. The Company shall be informed of the meeting. The Company has provided Proposers with detailed instructions regarding the community meeting requirement after the selection of the Final Award Group (Attachment 5 to Appendix B). (For example, notice will be published in county and regional newspapers/media, as well as media with statewide distribution. The

Proposer will be directed to notify certain individuals and organizations. The Proposer will be provided templates to use for the public meeting notices, agenda, and presentation.) Proposers must also comply with any other requirement set forth in the Stage 3 Contract relating to Community Outreach.

Following the submission of the PUC application for the Project, and prior to the date when the Parties' statements of position are to be filed in the docketed PUC proceeding for the Project, the Proposer shall provide another opportunity for the public to comment on the proposed Project. The Proposer's statement of position filed in the docket associated with the Project will contain an attachment including those comments.

The Proposer shall be responsible for community outreach and engagement for the Project in accordance with the requirements ultimately agreed to in the Stage 3 Contract. The public meeting and comment solicitation process described in this section or in the Stage 3 Contract do not represent the only community outreach and engagement activities that can or should be performed. The Company will also require (monthly/bi-monthly) Project status updates from Proposers to verify the implementation of the Community Outreach Plan and will ensure Proposers provide accessible opportunities for community members and stakeholders to provide public comment as required by the RFP.

#### **5.4 Greenhouse Gas Emissions Analysis**

Proposers whose Proposal(s) are selected for the Final Award Group shall cooperate with and promptly provide to the Company and/or Company's consultant(s) upon request all information necessary, in the Company's sole and exclusive discretion, for such consultant to prepare a GHG emissions analysis and report in support of a PUC application for approval of the Stage 3 Contract for the Project (the "GHG Review"). Proposers shall be responsible for the full cost of the GHG Review associated with their Project under a Greenhouse Gas Analysis Letter Agreement between the Proposer and the Company. The GHG Review is anticipated to address whether the GHG emissions that would result from approval of the Stage 3 Contract and subsequent to addition of the Project to the Company's System are greater than the GHG emissions that would result from the operations of the Company's System without the addition of the Project, whether the cost for renewable, dispatchable generation, and/or energy storage services as applicable under the Stage 3 Contract is reasonable in light of the potential for GHG emissions, and whether the terms of the Stage 3 Contract are prudent and in the public interest in light of its potential hidden and long-term consequences.

#### **5.5 PUC Approval**

Any signed Stage 3 Contract resulting from this RFP is subject to PUC approval as described in the applicable Stage 3 Contract.

#### **5.6 Facility In-Service**

To facilitate timely commissioning of Projects selected through this RFP, the Company requires the following be included with the 60% design drawings: relay settings and



protection coordination study, including fuse selection and AC/DC schematic trip scheme.

For the Company to test the Facility, coordination between the Company and Project is required. Drawings must be approved by the Company prior to testing. The entire Facility must be ready for testing to commence, unless otherwise agreed to by the Company, which such be at the Company's sole discretion. Communication infrastructure and equipment must be tested by the IPP and ready for operation prior to Company testing.

If approved drawings are not available, or if the Facility is otherwise not test ready as scheduled, the Project may lose its place in the queue, with the Company retaining the flexibility to adjust scheduling as it sees fit. If tests are not completed within the allotted scheduled testing time, the Project will be moved to the end of the Company's testing queue. The IPP will be allowed to cure if successful testing is completed within the allotted scheduled time. No adjustments will be made to Stage 3 Contract milestones if tests are not completed within the original allotted time. Liquidated damages for missed milestones will be assessed pursuant to the Stage 3 Contract.

## **5.7 Archaeological Literature Review and Field Inspection Report**

All Projects selected to a Final Award Group must, within five (5) months of selection, complete and submit to the Company a plan for mitigation from an archaeologist licensed in the State of Hawaii for any archaeological and/or historical sites identified in the completed Archaeological Literature Review of existing cultural documentation filed with the State Historic Preservation Division and a Field Inspection Report.

Any results available at the time of the Community Outreach meeting required prior to Stage 3 Contract execution discussed in Section 5.3 must be presented at that time, along with an update regarding the Proposer's cultural impact plan.