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STATE OF HAWAII PUBLIC UTILITIES COMMISSION 465 S. KING STREET, #103 HONOLULU, HAWAII 96813

April 20, 2021

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Via EMAIL

Greg Shimokawa Acting Director, Renewable Acquisition Hawaiian Electric Company, Inc. <u>Greg.shimokawa@hawaiianelectric.com</u>

Re: Docket No. 2017-0352 – Development of Stage 3 RFP for Hawaii Island

Dear Mr. Shimokawa:

The Commission in in receipt of your letter response dated February 25, 2021, regarding development of a Stage 3 RFP for Hawaii Island. The Commission is appreciative of the discussion and recommendations offered by Hawaiian Electric and provides the following feedback and guidance.

Scope for Stage 3 RFP

Consistent with prior guidance, the Commission intends that this will be an "all-source" procurement, based upon an updated assessment of grid needs for the island, and open to a variety of utility-scale and distributed renewable energy technologies.

The Commission supports Hawaiian Electric's efforts to conduct studies "assessing the current Hawai'i Island system grid and near-term needs, reviewing geographic diversity of resources as a means to improve system resilience, and conducting an evaluation of the technical and operational requirements for the system to remain operable, reliable, and resilient with the future resource mix."¹ Accordingly, Hawaiian Electric should continue to update the Commission on the status of these efforts and complete these studies as soon as practicable.

Relationship to the Integrated Grid Planning Process

As Hawaiian Electric is aware, the Commission issued an order relating to the Integrated Grid Planning ("IGP") process on April 14, 2021, in Docket No. 2018-0165. This Order requires Hawaiian Electric to revise its proposed Inputs and Assumptions deliverables to incorporate stakeholder and Commission feedback. As such,

¹February 25 Letter at 2-3.

Greg Shimokawa Acting Director, Renewable Acquisition April 20, 2021 Page 2

the Commission believes that Hawaiian Electric should continue prioritizing the studies for Hawaii Island discussed above, notwithstanding the status of the IGP process.

Specifically, the Commission does not support Hawaiian Electric's alternative proposal of incorporating the "course correction received from the Commission…into the next IGP cycle (for Hawai'i Island), which could begin after the conclusion of the Stage 3 RFP."²

Instead, the Commission requests Hawaiian Electric proceed on an accelerated timeline for conducting the studies discussed above, including sharing the preliminary results of such studies with the Commission in this docket as soon as possible.

Timeline for Issuing a Draft Stage 3 RFP

Hawaiian Electric states a draft Stage 3 RFP can be prepared within two months after receiving guidance on the grid needs studies discussed above.³ Recognizing that the grid needs studies will take additional time to complete, the Commission requests Hawaiian Electric endeavor to complete these studies by July 15, 2021.

As noted above, the Commission further requests Hawaiian Electric share preliminary results earlier if possible. Subsequent to reviewing these studies, the Commission intends to provide further guidance. Unless directed otherwise by the Commission, the draft Stage 3 RFP should be filed in this docket no later than October 15, 2021.

Sincerely,

(James P. Griffi

Jennifer M.

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Leodoloff R. Asuncion), Jr. Commissioner

Chair

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Enclosure

c: Service List, Docket No. 2017-0352, via the Commission's Document Management System electronic Distribution List

²February 25 Letter at 4.

³February 25 Letter at 5.

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