

BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF HAWAII

In the Matter of the Application of )  
 )  
HAWAII ELECTRIC LIGHT COMPANY, INC. ) DOCKET NO. 2022-0012  
 )  
To Institute a Proceeding Relating )  
To Competitive Procurement to )  
Acquire a Battery Energy Storage )  
System in North Kohala. )  
\_\_\_\_\_ )

ORDER NO. 38699  
SUSPENDING THE DOCKET

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SUSPENDING THE DOCKET

By this Order,<sup>1</sup> the Public Utilities Commission ("Commission"), on its own motion, based on representations made by HELCO, hereby suspends the proceedings in this docket relating to the procurement through competitive bidding of a Battery Energy Storage System ("BESS"), to be integrated with a microgrid controller, for North Kohala on Hawaii Island.

The proceedings shall be suspended until such time as the Company files a revised Draft Request for Proposal ("RFP") for a North Kohala BESS, as necessary, as well as the results of its

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<sup>1</sup>The Parties are HAWAII ELECTRIC LIGHT COMPANY, INC. ("HELCO" or "Company") and the DIVISION OF CONSUMER ADVOCACY ("Consumer Advocate"), an ex officio party pursuant to Hawaii Revised Statutes § 269-51 and Hawaii Administrative Rules § 16-601-62(a).

restudy to determine the appropriate BESS size and an updated cost estimate for the proposed Microgrid + BESS Project.

I.

BACKGROUND

By letter dated October 29, 2021, HELCO requested that the Commission: (1) open a docket for the purpose of receiving filings, reviewing approval requests, and resolving disputes relating to HELCO's plan to acquire a 5 megawatt/22 megawatt hour BESS that will integrate with a microgrid controller system and be located in and serve North Kohala on the island of Hawaii; and (2) either hire, or allow HELCO to hire, an independent observer ("IO") to oversee the RFP process.<sup>2</sup> HELCO also submitted a proposed draft RFP and supporting documentation for the North Kohala BESS.<sup>3</sup>

Accordingly, on January 25, 2022, the Commission opened this docket to receive filings, review approval requests, and resolve disputes, if necessary, related to HELCO's plan to proceed with a competitive bidding process to acquire a BESS that will integrate with a microgrid controller system and be located

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<sup>2</sup>Order No. 38195 at 9.

<sup>3</sup>Order No. 38195 at Exhibits 1 through 5.

in and serve North Kohala on Hawaii Island.<sup>4</sup> At that time, the Commission indicated it would appoint an IO to monitor the competitive bidding process and report on the progress and results thereto to the Commission.<sup>5</sup> Finally, the Commission solicited comments from interested stakeholders on the draft RFP, supporting documentation, and/or detailed description of how HELCO proposes to successfully execute the competitive bidding process, and directed that all comments be submitted to the Commission by February 25, 2022.<sup>6</sup>

Neither the Consumer Advocate, nor any other stakeholder, filed comments on the draft RFP, supporting documentation and/or HELCO's proposal for executing the competitive bidding process.

Thereafter, between June 2022 and October 2022 the Commission issued information requests ("IRs") to HELCO regarding

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<sup>4</sup>Order No. 38195, "Opening the Docket," filed on January 25, 2022 ("Order No. 38195").

<sup>5</sup>Order No. 38195 at 8.

<sup>6</sup>Order No. 38195 at 8.

its draft RFP and supporting documentation,<sup>7</sup> to which HELCO submitted timely responses.<sup>8</sup>

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<sup>7</sup>See Letter From: Commission To: R. Matsushima Re: Docket No. 2022-0012 - To Institute a Proceeding Relating to a Competitive Procurement to Acquire a Battery Energy Storage System in North Kohala, filed on May 23, 2022; Letter From: Commission To: R. Matsushima Re: Docket No. 2022-0012 - To Institute a Proceeding Relating to a Competitive Procurement to Acquire a Battery Energy Storage System in North Kohala, filed on July 26, 2022; and Letter From: Commission To: R. Matsushima Re: Docket No. 2022-0012 - To Institute a Proceeding Relating to a Competitive Procurement to Acquire a Battery Energy Storage System in North Kohala, filed on September 12, 2022; and Letter From: Commission To: R. Matsushima Re: Docket No. 2022-0012 - to Institute a Proceeding Relating to a Competitive Procurement to Acquire a Battery Energy Storage System in North Kahala, filed on October 13, 2022.

<sup>8</sup>Letter From: K. Katsura To: Commission Re: Docket No. 2022-0012 - Competitive Bidding Process to Acquire Energy Storage; Development of North Kohala Energy Storage RFP; Company Responses to PUC-HELCO-IR-1 through -14, filed on June 6, 2022; Letter From: K. Katsura To: Commission Re: Docket No. 2022-0012 - Competitive Bidding Process to Acquire Energy Storage Development of North Kohala Energy Storage RFP; Company Responses to PUC-HELCO-IR-15 through -27, filed on August 12, 2022; and Letter From: K. Katsura To: Commission Re: Docket No. 2022-0012 - Competitive Bidding Process to Acquire Energy Storage Development of North Kohala Energy Storage RFP; Company Responses to PUC-HELCO-IR-28 through -40, filed on September 26, 2022; and Letter From: K. Katsura To: Commission Re: Docket No. 2022-0012 - Competitive Bidding Process to Acquire Energy Storage Development of North Kohala Energy Storage RFP; Company Responses to PUC-HELCO-IR-41 through -45, filed on October 27, 2022. Responses to the Commission's IRs are referenced in this Order as follows: "HELCO's Response to PUC-HELCO-IR-\_\_."

## II.

### DISCUSSION

The Company maintains that its proposal for the proposed BESS size was based on its 2019 Microgrid Feasibility Study, wherein the Company utilized 2016 historical data provided by the customer to determine the North Kohala microgrid electric load.<sup>9</sup> HELCO stated that, "the BESS size (22 MWh) was based on the scenario with the least energy requirement, as it included a 15% load deduction and incorporates a 500 kW generator into the operation."<sup>10</sup>

Subsequently, however, in response to PUC-HELCO-IR-19g, the Company indicated that the 2019 Microgrid Feasibility Study "overstates the contribution of the DGPV to the microgrid, as compared to the existing actual coincident DGPV production in the area considering existing and planned DGPV interconnection capacities."<sup>11</sup> As a result of this error, the Commission queried whether the sizing of the BESS should be revisited, to which HELCO responded that, "[b]ased on the overstated PV requirement,

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<sup>9</sup>HELCO's Response to PUC-HELCO-IR-04, Attachment 1 at 5.

<sup>10</sup>HELCO's Response to PUC-HELCO-IR-04c.

<sup>11</sup>HELCO's Response to PUC-HELCO-IR-19g.

the Company will pursue a restudy to determine a revised BESS size to meet the stated needs of this project.”<sup>12</sup>

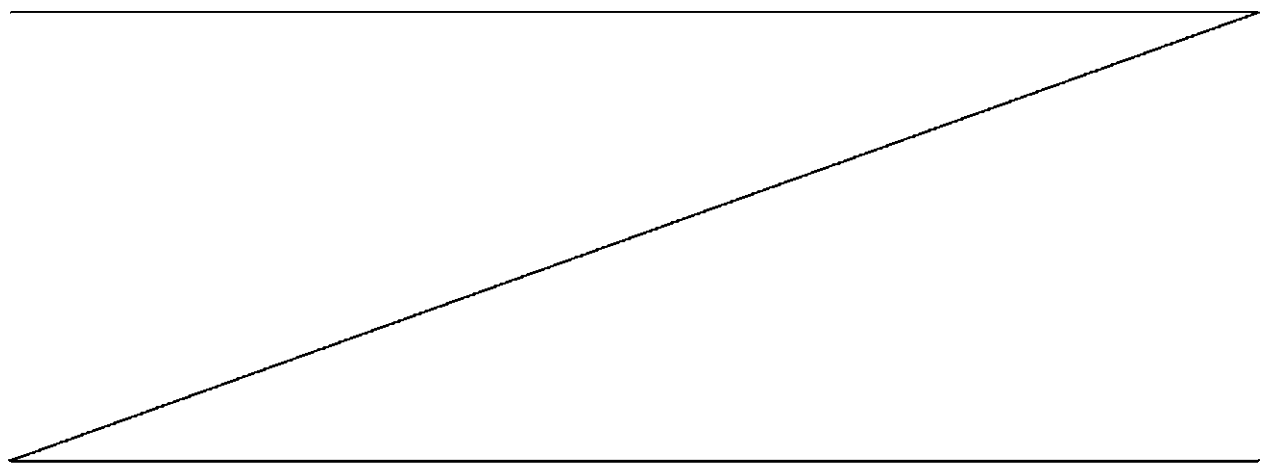
Further, the Company advised that “its request for the Commission’s approval to issue the RFP is on hold at least until the results of the restudy are received and a revised Draft RFP is submitted, if necessary.”<sup>13</sup>

### III.

#### ORDERS

##### THE COMMISSION ORDERS:

1. This docket is hereby suspended.
2. Following the completion of the restudy, HELCO shall file a revised North Kohala BESS Draft RFP, if necessary, as well as the results of the restudy and updated pricing for the Microgrid + BESS Project.



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<sup>12</sup>HELCO’s Response to PUC-HELCO-IR-38.

<sup>13</sup>HELCO’s Response to PUC-HELCO-IR-43.

3. The Commission shall issue an order lifting the suspension following the filing of the foregoing information, as appropriate.

DONE at Honolulu, Hawaii NOVEMBER 10, 2022.

PUBLIC UTILITIES COMMISSION  
OF THE STATE OF HAWAII

By   
Leodoloff R. Asuncion, Jr., Chair

By   
Naomi U. Kuwaye, Commissioner

By   
Colin A. Yost, Commissioner

APPROVED AS TO FORM:

  
Keira Y. Kamiya  
Commission Counsel

2022-0012.ljk



CERTIFICATE OF SERVICE

The foregoing Order was served on the date it was uploaded to the Public Utilities Commission's Document Management System and served through the Document Management System's electronic Distribution List.

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PUBLIC UTILITIES  
COMMISSION

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