

CBRE Order 37592 - Stakeholder Working Group Meeting #3

Thursday, March 11, 2021

9:00am – 10:00am

WebEx

Attendees

Stakeholders:

- Gerald Sumida (Carlsmith Ball / Ulupono Initiative)
- Samantha Ruiz (Ulupono Initiative)
- Rene Kamita / Marcey Chang / Michelle Daigle (Consumer Advocate)
- Kylie Wager Cruz (Earthjustice/Hawaii Solar Energy Association/BluePlanet)
- Ryan Morita (Hawaii State Energy Office)
- Dr. Lewis Hashimoto (Arroyo Seco Consulting, CBRE Independent Observer)
- Rocky Mould (Hawaii Solar Energy Association)
- Robert Harris (TASC/HI PV Coalition)

Hawaiian Electric:

- Lani Shinsato, Director, CER Programs
- Yoh Kawanami, Director, CER Operations
- Mark Wong, Manager CER Community & Commercial Programs
- Troy Milhoan, Christyn Senda, Ellyse Mazzi; Program Managers, CER Community & Commercial Programs
- Greg Shimokawa, Acting Director, Renewable Acquisition
- Marc Asano, Director, Integrated Grid Planning
- Ari Gold-Parker, E3 RESOLVE
- Jason Reyes, Manager, Interconnection Services
- Blaine Hironaga, Distribution Planning
- Kevin Oda, Sr. General Counsel
- Tracie Black, Associate General Counsel
- Marisa Chun, Regulatory Analyst
- Chris Lau, Manager, Corporate Energy Planning
- Robert Uyeunten, Manager, Analytical Planning Services
- Kanoa Jou, T&D Planning

Objective

- Hawaiian Electric (HE) to provide details on Grid Services, Bid Evaluation using RESOLVE model, and Non-Wires Alternatives

Agenda

- Ground Rules
- Commission Discussion
- Grid Services
 - Definitions
 - Translating to Grid Needs
- Bid Evaluation

- Levelized Benefit Calculation
- Non-Wires Alternatives

Discussion

I. Proposed Grid Services for CBRE

- a. Stakeholder: Re: Load Reduce/Build, can you explain what a controlled load is?
 - i. Speaker: Something like demand response where demand resource is providing service rather than supply side (example is a water heater).
- b. Stakeholder: Are all definitions from the IGP docket?
 - i. Speaker: Yes, we provided in June draft.
- c. Stakeholder: What relationship between energy reserve margins and regulating reserves?
 - i. Speaker: For regulating reserve we want to be able to balance the system on a narrower timeframe (20-30 min).

II. Translating to Grid Needs

- a. Stakeholder: Will future iterations of RESOLVE affect these grid needs?
 - i. Speaker: In IGP process we got a lot of feedback and plan to make modifications. When we rerun RESOLVE we expect some of these charts will change, but providing this as an example for now.
 - ii. Speaker: We ran the model when filed draft RFP but we can freeze all the assumptions for the CBRE docket and include that information in final RFP so developers have this system information when designing their project. The frozen assumptions will be used to evaluate the projects.
- b. Stakeholder: In the last graph, what does it mean when it flat lines to 0?
 - i. Speaker: Means the value of the price (marginal cost). Any curtailable resource can provide downward regulating reserve.
- c. Stakeholder: Is the proposal to incorporate these services into the RFP? If so, similar to GSPA, define how it will be used?
 - i. Speaker: For CBRE, will follow RGP contracts. Assuming Company Dispatch per definition.
 - ii. Speaker: Intent of information is to inform prospective bidders into what system needs are by showing profiles and relative avoided costs of each of those services.

III. Illustrative Grid Needs Provided by Proxy Resource to Better Specify the Quantity and Types of Grid Services Sought

- a. Stakeholder: Is it true that thermal units in general cannot provide FFR?
 - i. Speaker: Yes that's the assumption that we're making, but the inverter based resources can.
- b. Stakeholder: Concern is any existing facility is going to show up as zero or little cost. What about thermal units?
 - i. Speaker: In Stage 1 or Stage 2, they would have no marginal cost. Thermal units have a variable cost. Depending on what we procure, it comes down to what types of resources can provide which services.

IV. Detailed Evaluation – Portfolio Optimization

- a. Stakeholder: If there are a lot of projects that are similar, how does RESOLVE choose between two projects that could fulfill the same need?
 - i. Speaker: We can model cost and profile based on the developer inputs (instead of assumptions), which will differentiate the proposals in the RFP\

- ii. Speaker: It will likely come down to lump sum payment proposed and the NEP (net energy potential)
- b. Stakeholder: Regarding portfolios, is it the selection of projects RESOLVE chooses or are you looking at finer portfolios within that group? Are subsets of resources being run in RESOLVE vs running as many as technically feasible?
 - i. Speaker: As part of RFP we have capacity targets so we can use RESOLVE to pick proposals to meet that portfolio (instead of manually picking as done in Stage 2 RFPs).

V. Non-Wires Alternatives

- a. Stakeholder: Are these LVMs available on this level of detail on HECO website?
 - i. Speaker: Yes, it's been up since the draft RFP. If you have any issues you can contact Mark Wong.
- b. Stakeholder: How is this procurement process (grid services) fit within the overall CBRE program?
 - i. Speaker: Grid services is part of the evaluation process of CBRE RFP projects. RFPs will be released in tranches.
- c. Stakeholder: Will you be addressing the Commission's directive to address the location specificity and quantity of grid services?
 - i. Speaker: We will issue a document that describes the models and methods in more detail. A lot was in the IGP deliverable but more inputs and assumptions will be provided shortly. See 'Next Steps' slide to address the Commission's directive.
 - ii. As of 3/15/21 the inputs workbooks for all islands are now posted:
<https://www.hawaiianelectric.com/clean-energy-hawaii/integrated-grid-planning/stakeholder-engagement/working-groups/forecast-assumptions-documents>
- d. Stakeholder: What is your overall timing of these updates?
 - i. Speaker: Inputs workbook we plan to post by next week. Revisions of the I&A (inputs & assumptions) and GNA (Grid Needs Assessment), plan by end of the month.

Next Steps

- Send any follow up emails to group or to Mark Wong at mark.wong@hawaiianelectric.com
- Hawaiian Electric will work on taking comments back and assessing feasibility
- Follow up meeting tomorrow March 12 on interconnection