

BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF HAWAII

---- In the Matter of ---- )  
 )  
PUBLIC UTILITIES COMMISSION ) DOCKET NO. 2019-0323  
 )  
Instituting a Proceeding to )  
Investigate Distributed )  
Energy Resource Policies )  
Pertaining To The Hawaiian )  
Electric Companies. )  
\_\_\_\_\_ )

DECISION AND ORDER NO. 37853

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OF THE STATE OF HAWAII

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\_\_\_\_\_ )

DECISION AND ORDER

By this Decision and Order,<sup>1</sup> the Public Utilities Commission ("Commission") approves, subject to certain modifications, the Emergency Demand Response Program

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<sup>1</sup>The Parties to this proceeding are HAWAIIAN ELECTRIC COMPANY, INC. ("HECO"), HAWAII ELECTRIC LIGHT COMPANY, INC. ("HELCO"), MAUI ELECTRIC COMPANY, LIMITED ("MECO") (collectively, HECO, HELCO, and MECO are referred to as "Hawaiian Electric" or "the Company") and the DIVISION OF CONSUMER ADVOCACY (the "Consumer Advocate"), an ex officio party, pursuant to Hawaii Revised Statutes ("HRS") § 269-51 and Hawaii Administrative Rules ("HAR") § 16-601-62(a). In addition, the Commission has granted Intervenor status to the HAWAII PV COALITION, the DISTRIBUTED ENERGY RESOURCES COUNCIL OF HAWAII, and the HAWAII SOLAR ENERGY ASSOCIATION (collectively the "DER Parties"). Order No. 36777, "(1) Granting Motions to Intervene Filed By Hawaii PV Coalition, Distributed Energy Resources Council Of Hawaii, And Hawaii Solar Energy Association; (2) Dismissing Without Prejudice The Motion To Participate Filed By Itron, Inc.; (3) Enlarging Time For Itron, Inc. To File A Motion To Participate; And (4) Addressing Other Preliminary Matters," filed November 15, 2019.

("EDRP")/Scheduled Dispatch Program ("SDP") Implementation Plan,<sup>2</sup> and Rule 31 and Rider: SDP, both submitted to the Commission by Hawaiian Electric on June 18, 2021.

I.

RELEVANT BACKGROUND

On June 8, 2021, the Commission issued Decision and Order No. 37816, which approved an EDRP, the SDP, to address the immediate need to mitigate possible resource shortfalls following the September 22, 2022 retirement of the AES coal plant on Oahu.<sup>3</sup>

On June 18, 2021, pursuant to D&O No. 37816, Hawaiian Electric submitted its EDRP/SDP Implementation Plan.

On June 23, 2021, the DER Parties submitted their Comments and Recommendations.<sup>4</sup>

On June 28, 2021, the Commission convened a Status Conference to allow the Parties to the instant docket an opportunity to respond to Commission SDP Questions, and discuss SDP implementation considerations.

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<sup>2</sup>"Hawaiian Electric's EDRP/SDP Implementation Plan," filed on June 18, 2021 ("EDRP/SDP Implementation Plan").

<sup>3</sup>Decision and Order No. 37816, filed on June 8, 2021 ("D&O No. 37816").

<sup>4</sup>"DER Parties' Comments and Recommendations on the Implementation of the Schedule Dispatch Program," filed June 23, 2021 ("DER Parties' Comments and Recommendations").

II.

EDRP/SDP IMPLEMENTATION PLAN

A.

Hawaiian Electric's EDRP/SDP Implementation Plan Proposal

**Fast Demand Response ("DR") Program.** Pursuant to

D&O No. 37816, the Company proposes the following to effectuate the replenishment of Oahu's Fast DR Program:

The Company intends to reach the 7 [megawatt ("MW")] capacity by adding 2.657 MW of capacity by the end of 2022. The Company is targeting 1.010 MW of additional Fast DR capacity by the end of 2021, and the remaining 1.647 MW in 2022. Using an average incentive cost of \$250/kW, the Company projects spending \$252,500 in 2021 and \$664,250 in 2022.<sup>5</sup>

Hawaiian Electric further provides that "[t]he Demand Response Adjustment Clause ("DRAC") will continue to reconcile on a quarterly basis the DR expenses embedded in the Company's base rates with the actual DR expenses incurred, and return to customers the unspent amount."<sup>6</sup> The Company identifies that if a need for Fast DR Program expansion arises after the 7 MW Program capacity has been met, it will resubmit its request to expand the Program.

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<sup>5</sup>EDRP/SDP Implementation Plan at 2.

<sup>6</sup>EDRP/SDP Implementation Plan at 2.

**SDP Implementation Plan and Schedule.** Hawaiian Electric

proposes to begin accepting SDP applications on August 1, 2021, and to launch the SDP on July 1, 2021. Hawaiian Electric states that “[f]rom [the June 18, 2021] filing [date] of the Implementation Plan to July 1, 2021, the Company will focus on preparation of education and marketing materials.”<sup>7</sup> Further, the Company identifies eight (8) milestone dates for the implementation of the SDP, the intention of which is “to set up enrollment for the SDP as quickly as possible, while at the same time providing adequate time for education and training to customers, installers, and internal Company resources.”<sup>8</sup> Hawaiian Electric identifies that there are a number of system updates necessary to implement the SDP, namely updates to: (1) the SAP - to prepare and issue customer incentive payments; (2) the Customer Interconnection Tool (“CIT”) - to provide a streamlined, efficient, and transparent experience in applying for SDP; and (3) the Demand Response Management System (“DRMS”) - to keep records of participant information and

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<sup>7</sup>EDRP/SDP Implementation Plan at 12.

<sup>8</sup>EDRP/SDP Implementation Plan at 3.

committed capacity.<sup>9</sup> The following table<sup>10</sup> captures the milestone dates and associated tasks for implementing the SDP:

<b>Milestone</b>	<b>Completed Date</b>
Stakeholder Meeting - SDP Process Overview	8/1/2021
Interim Go-Live (Manual)	8/1/2021
Program Administration Updates	8/1/2021
SAP Updates	9/15/2021
Marketing and Education	9/30/2021
DRMS Updates	9/30/2021
SDP CIT Go-live	11/1/2021
Performance Requirement Process	2/28/2022

**Operational Requirements.** Hawaiian Electric provides that to enable the successful delivery of the 50 MW SDP resource, a ramping requirement should be incorporated into the Program design. "The Company's System Operators recommend this 50 MW resource be available during the timeframe of 6:00 p.m. to 8:00 p.m., but that the resource have a 2 MW per minute ramping requirement. This means a 50 MW resource would take 25 minutes to reach its full capacity."<sup>11</sup> The Company indicated that it met with

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<sup>9</sup>EDRP/SDP Implementation Plan at 3-4.

<sup>10</sup>See EDRP/SDP Implementation Plan at 3-6, wherein details of what each task/milestone entails can also be found.

<sup>11</sup>EDRP/SDP Implementation Plan at 6.

the DER Parties to discuss this approach and identified that while Hawaiian Electric's preferred solution is to set up twenty-five unique one-minute time blocks with each time block enrolling up to 2 MW of battery delivering SDP, it will reserve certain larger time blocks at five, ten, or fifteen minutes for inverters that are incapable of the preferred one minute time blocks.<sup>12</sup> Hawaiian Electric further identifies that it will continue to work with the DER Parties to refine this proposed operational requirement.

**Tariff Proposal.** Hawaiian Electric proposes developing a new rule, Rule 31, for the EDRP, and adding a rider under Rule 31 for the SDP, Rider 31a ("Rider: SDP"). In the proposed Rule, Hawaiian Electric includes a provision related to SDP battery size, and states that "to ensure added generation is for the battery to deliver SDP, the Company added a statement in Rule 31 requiring that the storage must be at least twice the size of the newly installed PV (e.g., 10 kWh battery for a 5 kW PV system)."<sup>13</sup> Hawaiian Electric identifies its reasoning for its suggested tariff approach by stating that:

[t]he objective of Rule 31 is to capture the technical and program requirements necessary to deliver emergency peak reduction, while maintaining the requirements of the underlying DER tariffs

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<sup>12</sup>EDRP/SDP Implementation Plan at 6.

<sup>13</sup>EDRP/SDP Implementation Plan at 8.

in which customers are already enrolled. Therefore, EDR is not a replacement to interconnection agreements already executed with customers. . . . In addition, the Company proposes an amendment to Rule 14H to include a statement that allows customers to increase their capacity by 5 kVA if enrolled into an EDR program. This protects the customer and maintains their enrollment in their existing tariffs. If the customer chooses to enroll a capacity generation larger than 5 kVA the customer will void their existing tariff and will have to enroll into a new DER tariff that is currently accepting new applications.<sup>14</sup>

Hawaiian Electric further proposes to track generation from SDP separately, rather than adding capacity to existing underlying tariffs/programs, and will provide a separate line item from other DER programs for SDP generation.<sup>15</sup> Finally, Hawaiian Electric states that customers will be compensated at the export rate of the DER program in which they are enrolled, and acknowledges that inconsistent terminology (when referring to units of electric power) currently exists in the interconnection tariffs. Hawaiian Electric will address these inconsistencies in the final tariff rule and amendment publication.<sup>16</sup>

**SDP Amendment Approval Process.** Hawaiian Electric provides that new and existing customers will be able to notify the Company that they are interested in participating in the SDP

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<sup>14</sup>EDRP/SDP Implementation Plan at 7.

<sup>15</sup>EDRP/SDP Implementation Plan at 7.

<sup>16</sup>EDRP/SDP Implementation Plan at 8.



by requesting an amendment to the customer's existing DER interconnection agreement.<sup>17</sup> Upon SDP start, customers who wish to submit a SDP amendment request will need to do so manually, at least until Hawaiian Electric's CIT updates are complete. Hawaiian Electric proposes that "the SDP Amendment approval date [] be the date that represents when that customer's incentive level is secured."<sup>18</sup> Upon receipt of the customer's SDP amendment request, Hawaiian Electric will utilize its established Technical Review Process Flow Chart ("Distribution Planning Review") in Rule 14H. Distribution Planning Review "is designed to quickly enable systems posing no risk to the grid, and provides for incremental steps (or screening) to review the applicant's system should there be mitigations required."<sup>19</sup> Hawaiian Electric identifies the following Distribution Planning Review steps to approve SDP projects:

Step 1 (Immediate Approval): Immediate approval is provided to systems:

- which have existing interconnection agreements with the Company;
- where export during the hours of 9:00 a.m. - 5:00 p.m. will remain unchanged; and
- where maximum export of the system will be 5 kW or less during the scheduled dispatch hours.

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<sup>17</sup>EDRP/SDP Implementation Plan at 9.

<sup>18</sup>EDRP/SDP Implementation Plan at 9.

<sup>19</sup>EDRP/SDP Implementation Plan at 8.

Step 2 (Initial Technical Review Screens 1-11): Should the systems not comply with Step 1, the system will undergo an Initial Technical Review Screen.

Step 3 (Supplemental Review Screens 12-13): A Supplemental Review is required if the system fails the screens in Step 3. The Supplemental Review provides a more detailed review to understand the integration of the applicant's system relative to power quality voltage fluctuation, safety, and reliability. Should the system fail this step, a grid upgrade or modification may be required to mitigate specific impacts.<sup>20</sup>

**SDP Enrollment.** Hawaiian Electric proposes that following SDP Amendment approval, the SDP enrollment process may begin, but notes that “[m]any details of the processes are still under consideration and development, e.g., formats or form of specific submissions, calculation methodologies and tools, etc.”<sup>21</sup> The following table<sup>22</sup> captures the main processes and timeframes Hawaiian Electric identified in its EDRP/SDP Implementation Plan:

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<sup>20</sup>EDRP/SDP Implementation Plan at 8-9 (citations omitted).

<sup>21</sup>EDRP/SDP Implementation Plan at 9.

<sup>22</sup>EDRP/SDP Implementation Plan at 10-11.

<b>Process</b>	<b>Timeframe</b>
Customer - Enrollment Verification Submission	Customer may submit after SDP Amendment approval
Enrollment Review and Verification	Hawaiian Electric will complete within five (5) business days
Commence SDP Operation	Customer may begin scheduled discharge and is enrolled in SDP upon receipt of approval of verification of SDP operation
Operational Review Period	Review period is thirty (30) days from the enrollment start date. Within this review period, the customer must provide performance data for at least fourteen (14) consecutive days during the review period and notify the Company at the time said data is submitted.
Operational Review and Verification	<p>Hawaiian Electric will review the customer's performance data collected in the operational review period within ten (10) business days of receipt. If the Company does not notify the SDP participant within fifteen business days of submission of performance data, the SDP participant's operation is deemed to be automatically verified. The operational review and verification entails confirming compliance with the following metrics:</p> <ol style="list-style-type: none"> <li>1. Committed capacity is discharged and maintained for the two-hour period.</li> <li>2. Committed capacity is discharged at the assigned start time for the two-hour period.</li> </ol> <p>Compliance with these metrics must be demonstrated for ten consecutive days with discharge of the battery</p>

	storage system achieving at least 95% of the committed capacity each day.
Incentive Payment Processing	Within approximately thirty (30) days of operational verification, the SDP participant will receive their incentive payment check with their bill.

Further, Hawaiian Electric states that:

[t]he incentive payment is considered income by the IRS, and as such, the Company must provide SDP participants with 1099 forms and submit this income information to the IRS. To prepare the 1099 forms and submit participant income information to the IRS, the participants must provide their TIN to the Company (which is required prior to commencement of SDP operation).<sup>23</sup>

Hawaiian Electric provides that in the event a customer wishes to terminate their enrollment, the customer must submit written notice of an intent to terminate within sixty (60) days of the requested termination date. The Company states that “[i]f termination occurs prior to completion of their ten-year commitment, the SDP participant is required to return a prorated portion of the incentive they received after operational verification.”<sup>24</sup>

**Cost Recovery.** Pursuant to D&O No. 37816, Hawaiian Electric proposes a ten-year amortization for the

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<sup>23</sup>EDRP/SDP Implementation Plan at 11.

<sup>24</sup>EDRP/SDP Implementation Plan at 12.

\$34 million revenue requirements generated by the applicable incentive payments. This amount includes carrying costs on the unamortized balance, which would be recovered from customers through the Demand Side Management ("DSM") Surcharge.<sup>25</sup>

Hawaiian Electric states that:

[o]n a quarterly basis, the Companies will submit the total incentive amounts paid to customers for the respective quarter which will be recorded as deferred cost and request cost recovery over ten-years through the DSM surcharge. The Companies also propose carrying cost at the Allowance for Funds Used During Construction ("AFUDC") rate on net unamortized balance, and recovery of such costs. The costs (including accrued AFUDC) will be amortized over ten-year to the appropriate operations and maintenance expense account(s).<sup>26</sup>

The Company estimates that the three-year "average bill impact for a residential customer at 500 kWh would be an increase of approximately \$1.37/month."<sup>27</sup>

Hawaiian Electric affirms its commitment to "work with the Parties in this proceeding and the Commission throughout the term of the EDRP to address issues relating to implementation and management of the EDRP, and ensure a successful program that meets the objectives of D&O 37816."<sup>28</sup>

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<sup>25</sup>EDRP/SDP Implementation Plan at 13.

<sup>26</sup>EDRP/SDP Implementation Plan at 13.

<sup>27</sup>EDRP/SDP Implementation Plan at 14.

<sup>28</sup>EDRP/SDP Implementation Plan at 15.

B.

DER Parties' Comments and Recommendations

The DER Parties offer comments and recommendations, to "refine Hawaiian Electric's Implementation Plan, enable greater customer adoption and satisfaction with the program, and increase the likelihood the program will meet its goals."<sup>29</sup>

1.

SDP Enrollment and Application

The DER Parties identify a number of concerns related to how customer applications are reviewed and processed and with the SDP enrollment process currently identified in Hawaiian Electric's EDRP/SDP Implementation Plan. One such concern is with Hawaiian Electric's proposed definition of "enrollment," and the potential for increases in time in the SDP Amendment approval queue due to rushed submissions, which may be incomplete or may change over time. To address their "enrollment" definition concerns, the DER Parties provide two alternatives for consideration.

**Proposal 1. HECO's Proposal + Building Permit Application + Installation Deadline.** The DER Parties suggest that a customer's SDP Amendment request should be required to include proof of submission of a building permit application, which can be

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<sup>29</sup>DER Parties' Comments and Recommendations at 1.

achieved by requiring the building permit number be submitted along with the SDP Amendment request.<sup>30</sup> Additionally, the DER Parties suggest that customers should be required to install their systems by a set period of time, to support the expeditious integration of SDP projects.<sup>31</sup>

**Proposal 2: Performance Payment Based on Meeting Grid**

**Needs.** The DER Parties alternatively suggest that “instead of establishing tiered payments based on the *quantity* of enrollment, . . . . a second approach [is] to set payment levels based on *time* of enrollment[,] . . . . and would establish compensation tiers based on when the battery is installed.”<sup>32</sup> The DER Parties acknowledge that such a change could result in the exceedance of the currently estimated \$34 million SDP incentive budget, nonetheless, the DER Parties provide that such a tier adjustment could be identified as follows: “battery installed on or before September 1, 2022 would receive \$850 per kW of commitment,

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<sup>30</sup>DER Parties’ Comments and Recommendations at 3.

<sup>31</sup>DER Parties’ Comments and Recommendations at 3.

<sup>32</sup>DER Parties’ Comments and Recommendations at 3.

any system installed before July 1, 2023 would receive \$750 per kW, and all other systems would receive \$500 per kW.”<sup>33</sup>

### **Quick Connect Availability for All Scheduled Dispatch**

**Customers.** Another concern identified by the DER Parties is related to Hawaiian Electric’s proposed interconnection approval process. The DER Parties state that Hawaiian Electric’s limitations on system export, which require that “existing customers installing just a battery with a 5kW max system export threshold will proceed through an expedited process, and systems exporting over the 5 kW threshold would go through distribution planning review[,]”<sup>34</sup> are unwarranted and arbitrary. The DER Parties propose that all SDP interconnections can go through the Quick Connect<sup>35</sup> process, and should not be “limited to

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<sup>33</sup>DER Parties’ Comments and Recommendations at 4-5.

<sup>34</sup>DER Parties’ Comments and Recommendations at 5.

<sup>35</sup>In January 2021, the Company launched a Quick Connect “pre-approval” pilot program, which allows “solar systems that meet basic requirements to be installed and energized without full prior approval from Hawaiian Electric.” This allows customers to install a solar system faster, lowers installation costs, and should reduce the amount of paperwork required by the Company. For circuits with less hosting capacity, systems must be “energized in a non-export operating mode until conditional approval is granted by Hawaiian Electric or remain in a non-export mode if conditional approval is denied.” See DER Parties’ Comments and Recommendations at 5.



circuits that, by nature and definition, have low amounts of rooftop solar available that can be leveraged in the [SDP].”<sup>36</sup>

2.

### Battery Requirements

The DER Parties contend that Hawaiian Electric’s Rule 31 provision would “arbitrarily limit clean energy exports and increase inefficiencies and customer costs[,]” and that the Rule 31 requirement is not in alignment with the Commission’s guidance and anticipated future directives regarding DER exports. Thus, the DER Parties assert that “Hawaiian Electric’s proposed Rule 31 requirement that the battery storage system be at least twice the size of the solar PV system should be removed.”<sup>37</sup>

3.

### Incentive Eligibility and Payment

**Eligibility.** The DER Parties indicate that there is uncertainty about customer eligibility for the SDP in relation to Hawaiian Electric’s proposed SDP August 1, 2021 enrollment acceptance date. To address uncertainty about whether customers currently in the process of interconnection, installation, or in

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<sup>36</sup>DER Parties’ Comments and Recommendations at 6.

<sup>37</sup>DER Parties’ Comments and Recommendations at 7.

the sales process, can be accepted, the DER Parties propose that “any battery installed up to 90 days prior to the Commission’s June 8, 2021 Order should be allowed to opt into the [SDP].”<sup>38</sup>

**Payment Timeline.** The DER Parties identify Hawaiian Electric’s proposed Rule 31 provision stating that the “Incentive Payment will be paid in full within 90 days of the date on which the discharge of the Committed Capacity for the Discharge Period is demonstrated in compliance with this Rule.”<sup>39</sup> The DER Parties offer that a thirty (30) day payment period should be established, following the SDP customer’s submission of “proof of the hardcoding of the system to establish the system was set to the required specifications.”<sup>40</sup>

4.

BYOD Program

The DER Parties note the Commission’s acknowledgement in D&O No. 37816 that “customers will have the option to transition to a next-generation BYOD program, the details of which will be

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<sup>38</sup>DER Parties’ Comments and Recommendations at 8.

<sup>39</sup>DER Parties’ Comments and Recommendations at 7. Citation omitted.

<sup>40</sup>DER Parties’ Comments and Recommendations at 7-8.

defined in a forthcoming order,"<sup>41</sup> and "respectfully urge the Commission to issue that order prior to the "go live" date of the [SDP]."<sup>42</sup>

### III.

#### RELEVANT AUTHORITY

##### A.

#### HRS § 269-16(b)

HRS § 269-16(b) provides in relevant part:

Regulation of utility rates; ratemaking procedures. (b) No rate, fare, charge, classification, schedule, rule, or practice, other than one established pursuant to an automatic rate adjustment clause previously approved by the commission, shall be established, abandoned, modified, or departed from by any public utility, except after thirty days' notice to the commission as prescribed in section 269-12(b), and prior approval by the commission for any increases in rates, fares, or charges. The commission, in its discretion and for good cause shown, may allow any rate, fare, charge, classification, schedule, rule, or practice to be established, abandoned, modified,

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<sup>41</sup>DER Parties' Comments and Recommendations at 9. Citation omitted.

<sup>42</sup>DER Parties' Comments and Recommendations at 9.

or departed from upon notice less than that provided for in section 269-12(b).

B.

HAR § 16-601-112

HAR § 16-601-112 provides:

Short notice filings. The commission may, in its discretion and for good cause shown, allow any rate, fare, change, classification, schedule, rule, or practice to be established, abandoned, modified, or departed from upon notice less than that provided for in section 16-601-111.

IV.

DISCUSSION

The Commission appreciates the Parties' collaboration in support of Hawaiian Electric's rapid development of a readily implementable SDP. The Commission highlights that it must consider both the pressing need immediately before it, and the alignment of any immediate actions, with the State's long-term clean energy and climate goals and objectives.

With these considerations in mind, the Commission emphasizes the criticality of immediate implementation of the SDP to mitigate possible resource shortfalls following the September 22, 2022 retirement of the AES coal plant on Oahu. The Commission asserts that this emergency must be met with not simply an established framework, but with swift and discrete

implementation so that the needed 50 MW resource can be readily integrated into the Company's electric grid resources.

In light of the Commission's review of the proposed EDRP/SDP Implementation Plan and the DER Parties' Comments and Recommendations, as well as the content shared during the June 28, 2021 Status Conference, the Commission approves Hawaiian Electric's EDRP/SDP Implementation Plan subject to modifications, and approves Rule No. 31, subject to revisions.

A.

SDP Implementation Plan

Hawaiian Electric's SDP Implementation Plan is approved, subject to the modifications contained in the following paragraphs.

**SDP Implementation:** The SDP incentive budget shall not exceed \$34 million. Further, Hawaiian Electric shall begin the execution of Key Milestones on July 1, 2021, and shall complete the Stakeholder Meeting - SDP Process Overview tasks in a manner that will permit the Company to submit to the Commission copies of completed program materials no later than July 19, 2021. No later than August 1, 2021, Hawaiian Electric shall submit to the Commission an update on the identified costs and proposed method of recovery of CIT, DRMS, and SAP system updates.

The Commission approves Hawaiian Electric's request to establish the ramping requirement identified in its EDRP/SDP Implementation Plan, and clarifies that the Company may establish two-hour dispatch times for customers anytime in the 5:00 pm to 9:00 pm system peak.

**Reporting Requirements:** The following reporting requirements shall remain in place until such time that the Commission orders otherwise.

**Monthly Reporting.** Beginning on August 13, 2021, and continuing for the duration of the SDP, Hawaiian Electric shall file within 15 days of the last day of the prior month, monthly reports. The monthly reports shall contain updates on the progress of the SDP, installed SDP capacity, compliance testing queue, and how much incentives have been claimed/issued to date, identified by the respective tiers. The monthly reports shall also report the number of applications that were rejected and provide information explaining what led to the rejection.

In its first monthly report, Hawaiian Electric shall provide the Commission with a schedule that identifies dates and times for quarterly check-in meetings with the Commission and the Parties to this docket for the first two years of the SDP.

**Web-based Reporting.** Hawaiian Electric shall implement the web-based reporting plan as provided in its EDRP/SDP Implementation Plan.

**DER Parties Proposal 1:** The Commission accepts the DER Parties' Proposal 1, to include a verification of building permit submission in the SDP Amendment request. Thus, to be considered complete, an SDP Amendment request submission must include proof that the customer has submitted a building permit. Hawaiian Electric shall amend its SDP Amendment approval process to incorporate this requirement.

As a part of their Proposal 1, the DER Parties indicated that an installation deadline should be established. The Commission would like to further consider this request, and thus requests that the DER Parties, by August 1, 2021, file an update in the instant docket that specifies the details of such an installation deadline scheme, and provides information to support the proposal.

**SDP Amendment Approval:** In accordance with the Commission's guidance in D&O No. 37816,<sup>43</sup> Hawaiian Electric shall complete its SDP amendment review within 30 calendar days of receipt of a customer's completed SDP Amendment request. Hawaiian Electric shall be subject to a penalty for all

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<sup>43</sup>D&O No. 37816 at 28, wherein the Commission states that "Hawaiian Electric may require customers to undergo a simplified interconnection review as a condition of adding additional generation capacity, but Hawaiian Electric shall complete the review within 30 days after receipt of the completed amendment forms."

SDP Amendment requests that are not reviewed within the required 30 calendar days ordered herein. Hawaiian Electric shall keep track of and report (in its monthly report) on the number of SDP Amendment requests that have not been reviewed, as well as the kilowatt or MW amount associated with all SDP amendments that have yet to be reviewed at day 31 (following SDP Amendment request receipt). The Commission shall impose a penalty, the details of which will be provided in forthcoming guidance for all SDP Amendment requests which have not been reviewed within 30 calendar days of receipt.

B.

Rule No. 31 and Rider: SDP

Pursuant to the HRS § 269-16(b) and HAR § 16-601-112, the Commission approves Hawaiian Electric's Rule No. 31; EDRP; Rider: SDP, subject to the following revisions:

1. SDP Enrollment shall begin on July 1, 2021.
2. Incentive Payments shall be paid in full within 30 days of the date on which the discharge of the Committed Capacity for the Discharge Period is demonstrated in compliance with Rule 31.
3. Within 30 days of the enrollment start date, the Eligible Customer Battery Storage Operator shall provide seven (7) consecutive days of operational performance data



in five (5) minute intervals, as necessary for the Company to verify the Eligible Customer Battery Storage-Operator's compliance with Rule 31.

4. Daytime exports between the hours of 9:00 am to 5:00 pm shall not be included as a determining factor for whether an SDP Amendment requests receives immediate approval.

5. Hawaiian Electric shall not require that the storage be at least twice the size of the newly installed PV. Hawaiian Electric shall not implement any such or other limitations on battery size.

V.

ORDERS

THE COMMISSION ORDERS:

1. The SDP shall commence on July 1, 2021.
2. Hawaiian Electric's EDRP/SDP Implementation Plan is approved with the modifications provided in Section IV.A.

3. Hawaiian Electric shall amend its Rule 31 and Rider: SDP to comply with the revisions identified in Section IV.B., and shall immediately file the updated tariffs with the Commission.

DONE at Honolulu, Hawaii JUNE 30, 2021.

PUBLIC UTILITIES COMMISSION  
OF THE STATE OF HAWAII

By James P. Griffin  
James P. Griffin, Chair

By Jennifer M. Potter  
Jennifer M. Potter, Commissioner

By Leodoloff R. Asuncion, Jr.  
Leodoloff R. Asuncion, Jr., Commissioner

APPROVED AS TO FORM:

Rachel James  
Rachel M. James  
Commission Counsel

2019-0323.ljk

CERTIFICATE OF SERVICE

Pursuant to Order No. 37043, 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.

FILED

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PUBLIC UTILITIES  
COMMISSION

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