

BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF HAWAII

In the Matter of the Application of)  
HAWAII ELECTRIC LIGHT COMPANY, INC.)  
For Approval to Commit Funds in )  
Excess of \$2,500,000 for Item )  
HZ.005027, Keahole Battery Energy )  
Storage System Project, and to )  
Recover Costs through the )  
Exceptional Project Recovery )  
Mechanism. )  
\_\_\_\_\_ )

DOCKET NO. 2020-0127

ORDER NO. 38527

SUSPENDING THE DOCKET

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SUSPENDING THE DOCKET

By this Order,<sup>1</sup> the Public Utilities Commission ("Commission"), suspends the proceedings in this docket, based on HELCO's request that the Commission defer its ruling on HELCO's Motion for Reconsideration of Decision and Order No. 38399.<sup>2</sup>

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<sup>1</sup>The Parties to this proceeding are HAWAII ELECTRIC LIGHT COMPANY, INC. ("HELCO" or "Company") and the DIVISION OF CONSUMER ADVOCACY, an ex officio party, pursuant to Hawaii Revised Statutes ("HRS") § 269-51 and Hawaii Administrative Rules § 16-601-62(a). No persons moved to intervene or participate in this proceeding.

<sup>2</sup>"Hawaii Electric Light Company, Inc.'s Motion for Reconsideration of Decision and Order No. 38399; Memorandum in Support of Motion; and Certificate of Service," filed on June 6, 2022 ("Motion for Reconsideration"); and Letter From: J. Stewart To: Commission Re: Docket No. 2020 0127 - "Supplement to Hawaii Electric Light Company, Inc.'s Motion for Reconsideration of Decision and Order No. 38399 filed herein

I.

RELEVANT BACKGROUND

On May 25, 2022, the Commission issued D&O No. 38399, wherein the Commission:

1. Denied HELCO's request to commit funds in excess of \$2,500,000, at a total current estimated cost of \$16,920,000, pursuant to Paragraph 2.3(g)(2) of the Commission's General Order No. 7, as amended by Decision and Order No. 21002, filed May 27, 2004, in Docket No. 03-0257 ("G.O. 7"), for its Keahole Battery Energy Storage System Project ("Project"); and

2. Denied, as moot, HELCO's related requests:

A. To approve its proposed accounting and ratemaking treatment of the Project costs, including the recovery of costs through the Exceptional Project Recovery Mechanism ("EPRM"), in accordance with Decision and Order No. 37507, filed on December 23, 2020, in Docket No. 2018-0088, until new rates become effective that provide cost recovery for the Project or as otherwise provided by the Commission; and

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on June 6, 2022," filed on June 24, 2022 ("HELCO's Supplemental Request").

B. For approval to construct a 69 kilovolt transmission line above the surface of the ground, pursuant to HRS § 269-27.6(a).<sup>3</sup>

Subsequently, on June 6, 2022, HELCO timely filed its Motion for Reconsideration, requesting that the Commission reconsider its decision in D&O No. 38399.<sup>4</sup>

Thereafter, on June 24, 2022, HELCO filed a letter seeking to supplement its Motion for Reconsideration.<sup>5</sup>

## II.

### DISCUSSION

In its Supplemental Request, HELCO explains that it has determined that the Project may be eligible to receive funds to finance up to fifty percent of the eligible project costs under the federal Infrastructure Investment and Jobs Act ("IIJA"), based on the Project's potential ability to improve the resilience of the electric grid against disruptive events.<sup>6</sup> Noting the Commission's concerns in D&O No. 38399 regarding Project costs, among other things, HELCO believes that such funding would address

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<sup>3</sup>Decision and Order No. 38399, filed on May 25, 2022 ("D&O No. 38399"), at 1-2.

<sup>4</sup>Motion for Reconsideration at 1.

<sup>5</sup>HELCO's Supplemental Request.

<sup>6</sup>HELCO's Supplemental Request at 1-2.

cost effectiveness concerns and reduce customer bill impact.<sup>7</sup> Further, HELCO notes that the U.S. Department of Energy has indicated that the application process for such funding will open in the third quarter of this year and that the ultimate grant of such funds would still require the Commission's approval of the Project.<sup>8</sup>

As a result, HELCO requests that, in lieu of the Commission's favorable consideration of the pending Motion for Reconsideration at this time, the Commission "defer its ruling in order for the Company to supplement the record regarding the availability of such IIJA funding and, subject to appropriate information responses and other proceedings, to allow the Commission to review such a supplemented record."<sup>9</sup> Should the Commission grant such request, HELCO then states that, "[u]pon the receipt of the notice of a grant award, the Company would file a request for an expedited Commission approval for the Project and required matching funds, which would also address the Commission's aforementioned concerns with the Project."<sup>10</sup> The Commission notes that the Project was denied pursuant to D&O No. 38399, based on a

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<sup>7</sup>HELCO's Supplemental Request at 2.

<sup>8</sup>See HELCO's Supplemental Request at 2.

<sup>9</sup>HELCO's Supplemental Request at 3.

<sup>10</sup>HELCO's Supplemental Request at 3.

culmination of several factors, which included the reasonableness of the Project costs, as well as HELCO's lack of justification for the Project, lack of consideration of viable alternatives, and uncertainty of Project costs and schedule.

The Commission is amenable to granting HELCO's request and is supportive of its pursuit of potential matching funding through the IIJA.<sup>11</sup> However, the Commission cautions HELCO that its decision to suspend this docket while HELCO pursues funding under the IIJA, and even if such does occur, should not be construed to mean that the Commission automatically agrees to favorably reconsider its previous denial of the Project under Paragraph 2.3(g)(2) of G.O. 7 or guarantee cost recovery under the EPRM. Instead, HELCO will be expected to adequately supplement the record to support the Commission's potential approval for the Project, which would include that, as previously stated by the Company, any supplemental information will also address the Commission's previously stated concerns with the Project and its request for cost recovery.

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<sup>11</sup>Suspension of this docket shall not preclude the filing of any ongoing reports, such as the monthly updates that HELCO has continued to provide following the issuance of D&O No. 38399, as well as any supplemental information or requests associated with HELCO's application for IIJA funds.


III.

ORDERS

THE COMMISSION ORDERS that this docket is suspended until after such time that HELCO has notified the Commission that it has received final disposition of its application for funding under the IIJA. Therein, HELCO shall request that the Commission lift the suspension of this docket and either issue a decision on the pending Motion for Reconsideration, or provide an amended procedural schedule to allow for supplementation of the record and additional briefing to consider the award of funds and related matters, as appropriate.


DONE at Honolulu, Hawaii JULY 27, 2022.


PUBLIC UTILITIES COMMISSION  
OF THE STATE OF HAWAII

By   
Leodoloff R. Asuncion, Jr., Chair

By   
Jennifer M. Potter, Commissioner

APPROVED AS TO FORM:

  
Keira Y. Kamiya  
Commission Counsel

By   
Naomi U. Kuwaye, Commissioner

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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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