



Meeting Name	Date of Meeting
Microgrid Services Tariff Working Group Meeting	January 20, 2021

Agenda

<p>Introduction, Action Item List, Jan. 25 Filing (Slides 1-4)</p>	<ul style="list-style-type: none"> • Commission staff provided updates, feedback, and guidance on certain action items (below). Commission staff clarified that guidance provided in this meeting is from Commission staff and not the Commissioners’, so the guidance is subject to change. <ul style="list-style-type: none"> ○ Proposed Microgrid Compensation (per MRC/Uluono presentations) <ul style="list-style-type: none"> ▪ Commission staff asked for clarification on whether the intent of any hybrid model was to capture compensation by payments from the Company or by bill credits to the electric bill. Discussion suggested bill credit capture was the appropriate mechanism for the MGO to be compensated, but may warrant additional discussion. ▪ Commission staff provided guidance to the team that given the items requiring discussion on alternative compensation models, the Commission does not expect for the Working Group to resolve and adopt the alternative compensation models within the current timeframe. Commission is contemplating additional time for the Working Group to convene regarding alternative compensation models. ▪ Commission staff requested the Working Group look into adopting MRC’s proposed sec. E.4 (sent via email 1/18/21): <ul style="list-style-type: none"> • “Alternative Hybrid Microgrids. The developer of a proposed Hybrid Microgrid may make a proposal for other compensation or joint operating arrangements to the Company, which would, if acceptable to the Company, be incorporated in a separate agreement with the Company that is subject to Commission approval.” ○ Working Group filing expectations <ul style="list-style-type: none"> ▪ Commission clarified the Working Group filing should include areas of agreement, areas of disagreement. ▪ The CA and Working Group Leads discussed a one week extension to the Working Group filing, given the status of discussions. MRC, Uluono, and HECO agreed with request. <p style="margin-left: 20px;">Action Item: CA to file extension request with the Commission.</p> • Working Group members discussed: <ul style="list-style-type: none"> ○ Compensation for hybrid MGs in California jurisdiction – Occurs under CAISO or existing Utility Tariff structures.
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	<ul style="list-style-type: none"> ○ Compensation structure may impact revisions to the disclosure checklist. ○ Concerns on compensation by Rule 24 for MGs that can island at their discretion. Under certain MG compensation models, ratepayers would effectively be compensating MGOs for generation while islanded, but if the MG can island at-will, there would be no value for ratepayers (in non-emergency events).
<p>Hybrid MGO Interconnection Agreement Walk-Through (Slide 5)</p>	<ul style="list-style-type: none"> ● The Working Group commenced with a walk-through of the Hybrid MGO Interconnection Agreement, and reviewed Appendix II and Exhibit A. Updates based on discussion on 1/20/21 reflected in word document sent to Working Group. ● Significant discussion items: <ul style="list-style-type: none"> ○ Company proposed to base the Interconnection Agreement’s 3MW limit on the Total Peak Demand (as opposed to the Total Rated Capacity) to clarify the intent of the limit was to address MGs with relatively lower complexity and within the limits of a distribution feeder. Working Group agreed with the clarification. ○ The Company clarified that the intent of the Hybrid MGO Interconnection Agreement was to provide requirements for the operation of the microgrid, and the concept was all generating resources within the microgrid have an executed generating interconnection agreement. ○ MRC proposed an addition to section 1 and deletion to section 1.b to address its previous comment regarding Mobile-Sierra. The Company requested to review proposal. ○ The Company clarified the intent of Section 7.b-d was generally a right of entry to access the MGO’s equipment. The Working Group was acceptable to the current language. ○ Sec. 8.a.3 (re: operating records and procedures) was discussed. MRC was concerned the Company would dictate day-to-day operation of the Microgrid; however, the Company clarified the intent was to ensure the Microgrid is tested and operates in a manner consistent with the applicable testing procedures. The Working Group was acceptable to the intent. Action Item: Hawaiian Electric to clarify and revise language. ○ Company clarified Section 14 should remain as is (leaving “Microgrid Agents”) as there may be instances where information is required by the Microgrid’s Agents (defined term in the Interconnection Agreement). Working Group was acceptable to reverting to original language. ○
<p>Hybrid Microgrids,</p>	<ul style="list-style-type: none"> ● Slides were not discussed due to time constraints. <ul style="list-style-type: none"> ○ Content in slides 10-11, 14-22 provided by MRC on Jan. 18, 2020



<p>Hybrid MG Compensation, Applicability of Other Tariffs (Slides 6-22)</p>	<ul style="list-style-type: none"> ○ Slide 12 listed the Company’s initial questions on the proposed compensation language.
<p>Next Steps (Slides 23-26)</p>	<ul style="list-style-type: none"> ● Next (and last) WG meeting scheduled Jan. 21. ● Action Item: Hawaiian Electric to send out revised version of the consolidated Interconnection Agreement. ● Agenda for meeting includes: <ul style="list-style-type: none"> ○ Hybrid MGO IA Walk-through - Continuation ○ Microgrid Services Tariff Walk-through ○ Hybrid MG Compensation (if time permits) ○ Applicability of Other Tariffs (if time permits)
<p>Working Group Parking Lot (Added for reference)</p>	<ul style="list-style-type: none"> ● Change of ownership of Microgrid ● Standby Charges or Exit Fees ● Customer protection-related considerations ● Microgrid/IGP procurement considerations ● Considerations of gaming between utility-owned and 3rd-party MGs ● Army/Military MG issues such as WG will consider nested microgrids, if appropriate ● Interactions with other dockets <ul style="list-style-type: none"> ○ DER Tariff/Programs ○ IGP Resiliency ● Consideration of societal, environmental value ● Development of PPA model for hybrid MGs ● Other types of microgrids that don’t fit Act 200 definition ● Gap in tariff for customers greater than 100kW participation & compensation in non-normal, non-island scenarios. Eg, SIA ● Harmonize compensation with other grid service mechanisms <ul style="list-style-type: none"> ○ Expanded functionality from MG service and whether should be included in MST. ● Contractual obligations for other grid services – Customers with existing DER/DR obligations still need to meet performance if included in a MG. ● Customer approvals – Does a Hybrid MG need a full customer subscription? ● Resiliency Tariff ● Retail wheeling (see January 16, 2020 Commission Guidance Letter) ● Compensation While Grid Connected (see January 16, 2020 Commission Guidance Letter)

Working Group Chairs:



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Andrew Nojiri, HE	Craig Nakanishi, Cades Schutte	Gina Yi, Hawaii PUC
Andrew Okabe, Hawaii PUC	Darene Matsuoka, Cades Schutte	Jennifer Potter, Hawaii PUC
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