

Microgrid Services Tariff (MST) Phase 2: Working Group Status Report and High-Level Work Plan

Docket 2018-0163

May 5, 2022

May 5 Status Report

1. Working Group Participants
2. Working Group Objectives
3. Meeting Schedule and Format
4. High Level Work Plan
5. Coordination with Other Dockets
6. Energy Transitions Initiative Partnership Project (ETIPP) Update

Working Group Participants

◆ Co-Chairs

- ◆ Christyn Senda, Hawaiian Electric
- ◆ Marcey Chang, Consumer Advocate

◆ Responsibilities

- ◆ Coordinating the Working Group's activities
- ◆ Manage Working Group Meetings

◆ Working Group Members

- ◆ Gerald Sumida, Ulupono Initiative
 - ◆ Chris Debone, Distributed Energy Resources Council of Hawaii (Declined)
 - ◆ Baird Brown, Microgrid Resources Coalition (TBD)
 - ◆ Will Rolston, Energy Island (TBD)
 - ◆ External entities (e.g., input from Hawaii microgrid developers, PG&E, SEPA) (TBD)
 - ◆ Additional Hawaiian Electric SMEs
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- ◆ Ground Rules and Participant Responsibilities to be discussed in next meeting

Objectives

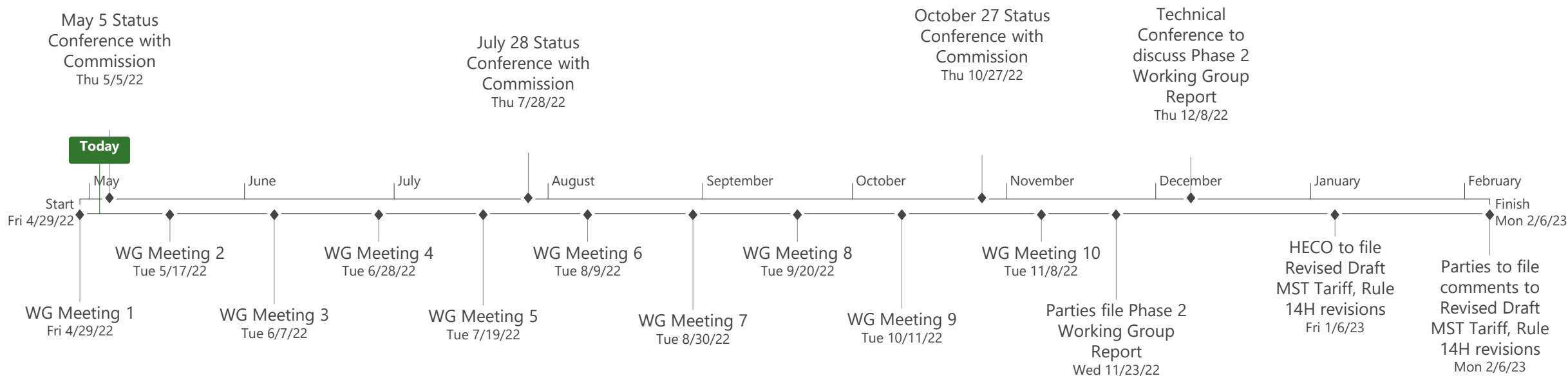
PUC Phase 2 Objectives:

1. Continue development of the Tariff
 - ❖ Promote self-sufficiency and resiliency among microgrid project operators
 - ❖ Streamline MST
2. Enhance Tariff to support broader use of microgrids in non-emergency situations
 - ❖ At minimum, enable voluntary islanding
3. Further explore opportunities to support resilience through microgrid development
 - ❖ Encourage development of microgrids that can provide power to remote communities and critical facilities such as schools, shelters, and hospitals
4. Identify grid services that can be provided by microgrids
 - ❖ Explore ways related exchanges between the utilities and microgrid operators could happen

Working Group Objectives (not in order of priority – will be discussed at future working group meetings):

1. Coordinate and align with other Dockets to leverage resources and streamline efforts
2. Focus on resiliency
 - ❖ Microgrids and/or other tools/programs
 - ❖ “Low-hanging” fruit, with such considerations as Act 200 goals, practical implementation, “real-world” goals, technical, costs, etc.
3. Understand how the tariff could support microgrid operations in non-emergency situations
 - ❖ Existing microgrid operations
4. Keep costs to all customers in mind (cost equity)
 - ❖ Compensation (e.g., rates, standby rates, exit fees, etc.)
5. Encourage development of grid services

Meeting Schedule and Format



- ◆ Two-hour meetings every three weeks
 - ◆ Adjust as necessary
- ◆ Hawaiian Electric will manage meeting invites, agendas, and minutes
 - ◆ Meeting minutes to be posted on Hawaiian Electric MST website
- ◆ Utilize Parking Lot to keep discussions on schedule

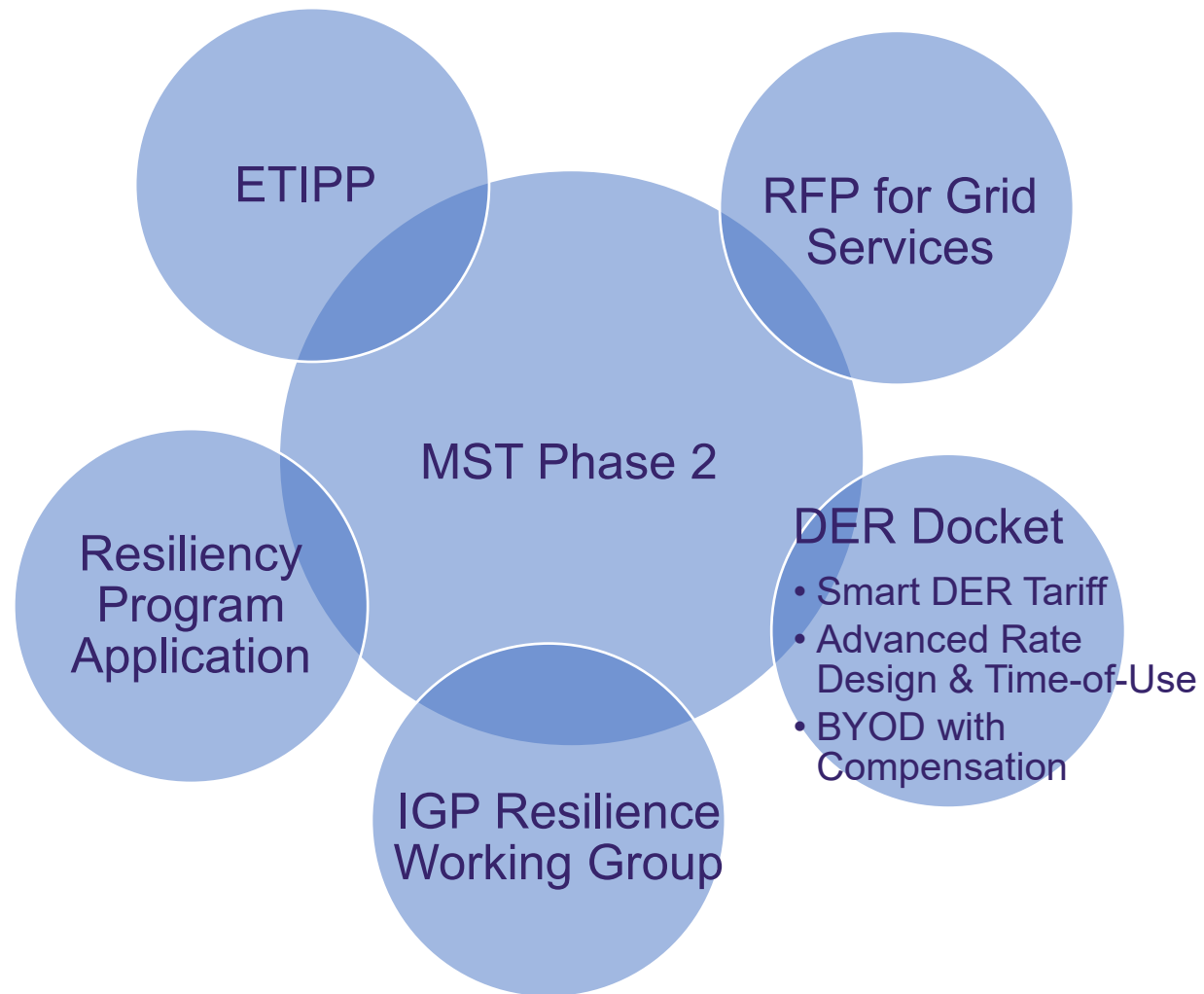
High Level Work Plan to Address Priority Issues

Meeting / Deadline	Date	Priority Issues
WG Mtg #1	Friday, April 29, 2022	<ul style="list-style-type: none"> • Confirm WG Objectives, Schedule, & Participants • Discuss High Level Work Plan
Status Conference	Thursday, May 5, 2022	
WG Mtg #2	Tuesday, May 17, 2022	<ul style="list-style-type: none"> • Discuss Ground Rules and WG Participant Responsibilities • <i>Working group coordination with related microgrid and resilience initiatives at Hawaiian Electric and government agencies (Hawaiian Electric to provide list for ongoing reference)</i> • <i>Better understanding barriers to microgrid development and what would make the microgrid tariff more attractive for developers (Invite developer(s) to present)</i> • Discuss how to prioritize issues
WG Mtg #3	Tuesday, June 7, 2022	<ul style="list-style-type: none"> • <i>Identifying critical facilities</i> • <i>Identifying community needs</i>
WG Mtg #4	Tuesday, June 28, 2022	<ul style="list-style-type: none"> • <i>MG Compensation and Grid Services</i> • <i>Utility Compensation/Standby charges, exit fees, and/or other charges</i>
WG Mtg #5	Tuesday, July 19, 2022	<ul style="list-style-type: none"> • <i>Resilience services and compensation, including societal and environmental value, to inform development of a resilience tariff</i> • Discuss how to prioritize remaining issues • Discuss how to organize report
Status Conference	Thursday, July 28, 2022	

High Level Work Plan to Address Priority Issues (cont.)

Meeting / Deadline	Date	Priority Issues	
WG Mtg #6	Tuesday, August 9, 2022	<ul style="list-style-type: none"> • <i>Harmonization with other programs' grid services mechanisms</i> • <i>Customers with existing DER/DR grid service agreements</i> • <i>Customer Protection and Related Considerations</i> • <i>Interconnection</i> • <i>Identifying a variety of funding mechanisms for microgrid development. Including possible state and federal funds that can be leveraged to support pilots and/or demonstration projects</i> • <i>Customer education and outreach</i> • <i>Discuss how to organize report</i> • <i>Discuss tariff revisions</i> 	
WG Mtg #7	Tuesday, August 30, 2022		
WG Mtg #8	Tuesday, September 20, 2022		
WG Mtg #9	Tuesday, October 11, 2022		
Status Conference	Thursday, October 27, 2022		
WG Mtg #10	Tuesday, November 8, 2022		<ul style="list-style-type: none"> • Discuss how to finalize report and tariff revisions
Parties to file Phase 2 WG Report	Wednesday, November 23, 2022		
Technical Conference	Thursday, December 8, 2022		
HECO to file Revised Draft MST Tariff, Rule 14H revisions	January 6, 2023		
Parties to file comments to Revised Draft MST Tariff, Rule 14H revisions	February 6, 2023		

Coordination with Other Dockets



Detailed list with Docket #s with related microgrid topics and timelines to be provided at next Working Group meeting

Energy Transitions Initiative Partnership Project Update

Objective: Develop a map identifying potential locations to site hybrid microgrids. Map will consider technical, social, and resilience-related criteria to find highest potential for hybrid microgrid development. Map will be published publicly to raise awareness to customers and developers.

Completed

- ✓ **Feb 2021** – Application for technical assistance submitted to USDOE
- ✓ **April 2021** – Project 1 of 11 selected nationally by ETIPP team
- ✓ **May 2021** – Project Kickoff with ETIPP team - National Renewable Energy Lab (NREL), Sandia National Labs (SNL), Hawaii Natural Energy Institute (HNEI), Hawaiian Electric
- ✓ **May-Sept 2021** – Project Scoping
- ✓ **Sept 2021-Jan 2022** – Data Transfer Phase Completed

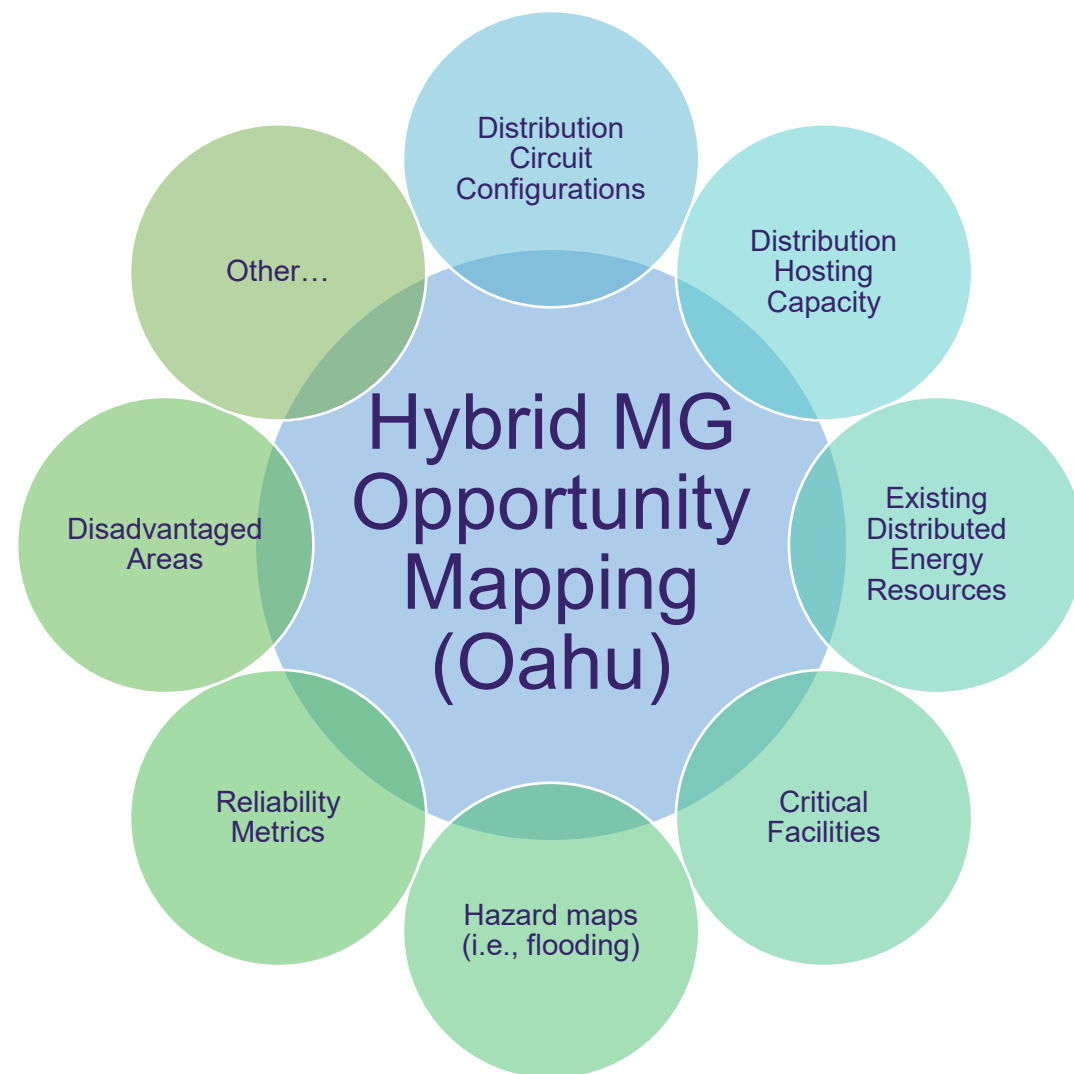
In Progress

- Feb-July 2022** – NREL and SNL drafting map

Next Steps

- July-Dec 2022** – Community Engagement
- Dec 2022** – Final Map and Report

Criteria and Characteristics Under Consideration



Mahalo



**Hawaiian Electric
Maui Electric
Hawai'i Electric Light**

Phase 2 Priority Issues

1. Microgrid Compensation and Grid Services

- a. Harmonization with other programs' grid services mechanisms
- b. Customers with existing DER/DR grid service agreements
- c. Resilience services and compensation, including societal and environmental value, to inform development of a resilience tariff

2. Utility Compensation

- a. Standby charges, exit fees, and/or other charges

3. Customer Protection and Related Considerations

4. Interconnection

5. Working group coordination with related microgrid and resilience initiatives at Hawaiian Electric and government agencies

- a. Identifying critical facilities
- b. Identifying a variety of funding mechanisms for microgrid development. Including possible state and federal funds that can be leveraged to support pilots and/or demonstration projects
- c. Identifying community needs
- d. Better understanding barriers to microgrid development (e.g., economic, project opportunities, technical expertise) and what would make the microgrid tariff more attractive for developers
- e. Customer education and outreach