

Microgrid Services Tariff (MST) Phase 2: Working Group Meeting #2

Docket 2018-0163

May 17, 2022



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

Agenda

2:00-2:10	Attendance/Review of Objectives & Ground Rules
2:10-2:30	Developer Presentations
2:30-3:00	Q&A/Discussion
3:00-3:05	BREAK
3:05-3:15	Review of Related Dockets/Initiatives Table
3:15-3:30	Feedback on High Level Work Plan (order of remaining issues)
3:30-3:50	Open Discussion: What does success look like?
3:50-4:00	Wrap Up/Next Steps

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

Ground Rules

- ◆ Members will maintain an open mind and be respectful of all views
- ◆ Members will review meeting agenda in advance and complete any pre-reads prior to the meeting
- ◆ Discussion will be kept on agenda topic

Coordination with Related Dockets/Initiatives

Docket/Project	Docket #	Hawaiian Electric POC	Next Step	Timing
DER Docket: Smart DER Tariff	2019-0323	Kaiulani Shinsato	Smart DER Tariff to replace SIA, CGS+, CSS programs	July 2023
DER Docket: Advanced Rate Design (ADR) & Time-of-Use (TOU)	2019-0323	Peter Young	Pending PUC ruling on ADR	Awaiting PUC D&O
DER Docket: BYOD with Compensation	2019-0323	Yoh Kawanami	BYOD proposal submitted to Commission on April 19, 2022	Awaiting PUC D&O, program launch July 2023
RFP for Grid Services (Hawaii)	2017-0352	Yoh Kawanami	Grid Services component separated from Stage 3 all resource procurement for Hawaii island. GS RFP will follow after Stage 3.	2024?
RFP for Grid Services (Maui)	TBD	Yoh Kawanami	Draft RFP for Grid Services to be filed to Commission 6/30/22	Q3 2022
Integrated Grid Planning Resilience Working Group (IGP RWG)	2018-0165	Marc Asano	Oahu Grid Needs Assessment	Awaiting PUC D&O
Climate Adaptation Transmission and Distribution Resilience Program Application	N/A	Riley Ceria Kahikina Burgess	Application filing	July 2022
Energy Transitions Initiative Partnership Project (ETIPP)	N/A	Ken Aramaki Marc Asano	National Labs drafting map of potential hybrid microgrid sites	July 2022

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.)

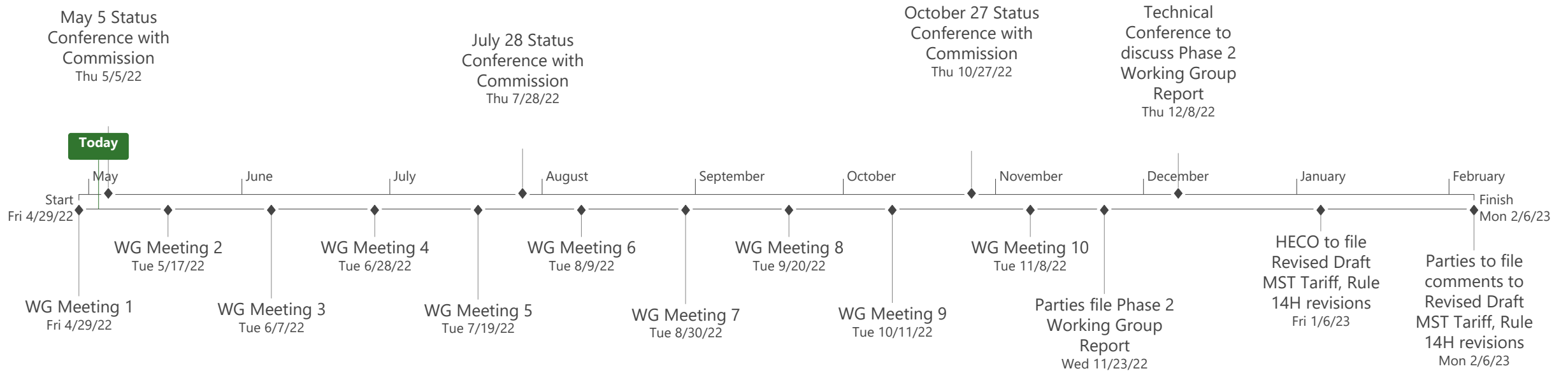
Meeting / Deadline	Date	Priority Issues
WG Mtg #6	Tuesday, August 9, 2022	<ul style="list-style-type: none"> • <i>Harmonization with other programs' grid services mechanisms</i> • <i>Customers with existing DER/DR grid service agreements</i> • <i>Customer Protection and Related Considerations</i> • <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>
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	

Mahalo



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Timeline



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