

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

-----In the Matter of -----)
)
PUBLIC UTILITIES COMMISSION)
)
Instituting a Proceeding to)
Investigate Establishment of a)
Microgrid Services Tariff.)
_____)

DOCKET NO. 2018-0163

ORDER NO. 35884

- (1) GRANTING MOTIONS TO INTERVENE;
- (2) SCHEDULING TECHNICAL CONFERENCE; AND (3) SETTING DEADLINES
FOR OPENING BRIEFS AND REPLY BRIEFS

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PUBLIC UTILITIES
COMMISSION

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- (2) SCHEDULING TECHNICAL CONFERENCE; AND (3) SETTING DEADLINES
FOR OPENING BRIEFS AND REPLY BRIEFS

By this Order, the Public Utilities Commission ("commission"): (1) grants the motions to intervene filed by RENEWABLE ENERGY ACTION COALITION OF HAWAII, INC. ("REACH"); DISTRIBUTED ENERGY RESOURCES COUNCIL OF HAWAII ("DERC HAWAII"); LIFE OF THE LAND ("LOL"); PUNA PONO ALLIANCE ("PUNA PONO"); the MICROGRID RESOURCES COALITION ("MRC"); ENERGY ISLAND; ENERGY FREEDOM COALITION OF AMERICA, LLC ("EFCA"); and ULUPONO INITIATIVE LLC ("ULUPONO") (collectively, "Movants" or "Intervenors"), subject to conditions described herein; (2) schedules a Technical Conference for Wednesday, January 9, 2019, in Honolulu, Hawaii; and (3) sets forth deadlines for the Opening Briefs and Reply Briefs.

I.

BACKGROUND

A.

The Initiating Order

On July 10, 2018, the commission issued Order No. 35566, "Opening the Docket."¹ This docket was opened in order "to investigate establishment of a microgrid services tariff for HAWAIIAN ELECTRIC COMPANY, INC. ('HECO'), HAWAII ELECTRIC LIGHT COMPANY, INC. ('HELCO'), and MAUI ELECTRIC COMPANY, LIMITED ('MECO') (collectively, the 'HECO Companies'), pursuant to Act 200[.]"²

As the Opening Order acknowledged, "Act 200 seeks to establish greater structure around microgrid 'interconnection and the value of microgrid services' through a microgrid services tariff."³ Likewise, the stated purpose of Act 200 "is to encourage and facilitate the development and use of microgrids through the establishment of a standard microgrid services tariff."⁴

¹Docket No. 2018-0163, Order No. 35566, "Opening the Docket," filed on July 10, 2018 ("Order No. 35566").

²Order No. 35566 at 1 (citing Act 200 (July 10, 2018) (to be codified at Hawaii Revised Statutes ("HRS") § 269-XX) ("Act 200")).

³Order No. 35566 at 4-5.

⁴Act 200, Section 1.

Act 200 defines a microgrid services tariff as

a tariff approved by the public utilities commission that:

- (1) Is designed to provide fair compensation for electricity, electric grid services, and other benefits provided to, or by, the electric utility, the person or entity operating the microgrid, and other ratepayers;
- (2) To the extent possible, standardizes and streamlines the related interconnection processes for microgrid projects; and
- (3) Does not apply to a municipal utility cooperative.⁵

Specifically, a "microgrid project" is defined by

Act 200 to be

a group of interconnected loads and distributed energy resources within clearly defined electrical boundaries that acts as a single controllable entity with respect to the utility's electrical grid and can connect to a public utility's electrical grid to operate in grid-connected mode and can disconnect from the grid to operate in island mode, and that:

- (1) Is subject to a microgrid services tariff; and
- (2) Generates or produces energy.⁶

In particular, Act 200 referenced Puerto Rico and its efforts to develop regulations addressing microgrid development in the aftermath of Hurricane Maria in 2017.⁷ Act 200 further directed

⁵Act 200, Section 2.

⁶Act 200, Section 2.

⁷Act 200, Section 1, and In re: Puerto Rico Energy Comm'n, Case No. CEPR-MI-2018-0008, Order, filed on May 16, 2018, available at: <http://energia.pr.gov/wp-content/uploads/2018/05/Order-Regulation-on-Interconnection-CEPR-MI-2018-0008-1.pdf>.

that "[i]n establishing a microgrid services tariff, the [commission] shall consider the actions taken to establish and deploy microgrids in other jurisdictions, including the actions taken by Puerto Rico following the 2017 Atlantic hurricane season, and the prescriptive steps the State can take to address potential similar local disasters in the future."⁸

B.

Procedural History

Order No. 35566 named the HECO Companies and the Consumer Advocate as Parties to the proceeding, pursuant to HRS § 269-51 and Hawaii Administrative Rules ("HAR") § 6-61-62(a).⁹ Also by Order No. 35566, the commission "invite[d] any interested individual or organization to timely file a motion to intervene or participate in this proceeding within twenty (20) days from the filing of this Order, in accordance with HAR Chapter 6-61."¹⁰ The requirements for intervention are set forth in HAR § 6-61-55.

⁸Act 200, Section 3.

⁹Order No. 35566 at 6; the Consumer Advocate is an ex officio party to this proceeding pursuant to HRS § 269-51 and HAR § 6-61-62(a).

¹⁰Order No. 35566 at 7.

Eight motions to intervene were filed: REACH filed its Motion on July 19, 2018;¹¹ DERC Hawaii filed its Motion to Intervene on July 27, 2018;¹² and EFCA, Energy Island, LOL, MRC, Puna Pono Alliance, and Ulupono filed their Motions on July 30, 2018.¹³

¹¹"Motion for Intervention of Renewable Energy Action Coalition of Hawaii, Inc.; and Certificate of Service," filed July 19, 2018 ("REACH's Motion to Intervene").

¹²"Distributed Energy Resources Council of Hawaii's Motion to Intervene in Proceedings; and Certificate of Service," filed July 27, 2018 ("DERC Hawaii's Motion to Intervene").

¹³"Energy Freedom Coalition of America, LLC's Motion to Intervene; Affidavit of Andrew Schwartz; and Certificate of Service," filed July 30, 2018 ("EFCA's Motion to Intervene"); "Energy Island's Motion to Intervene; and Certificate of Service," filed July 30, 2018 ("Energy Island's Motion to Intervene"); "Life of the Land's Motion to Intervene; Affidavit of Henry Curtis; and Certificate of Service," filed July 30, 2018 ("LOL's Motion to Intervene"); "Motion for Intervention of The Microgrid Resources Coalition; and Certificate of Service," filed July 30, 2018 ("MRC's Motion to Intervene"); "Puna Pono Alliance's Motion to Intervene; Affidavit of Henry Q Curtis; and Certificate of Service," filed July 30, 2018 ("Puna Pono's Motion to Intervene"); and "Motion to Intervene by Ulupono Initiative LLC; Affidavit of E. Kyle Datta; and Certificate of Service," filed July 30, 2018 ("Ulupono's Motion to Intervene").

C.

Responses to the Motions to Intervene

1.

Consumer Advocate's Responses

The Consumer Advocate responded that it was not taking a position on any of the Motions to Intervene.¹⁴

However, in the Consumer Advocate's Response to Puna Pono Alliance's Motion to Intervene, the Consumer Advocate:

"notes that Puna Pono Alliance originally served its Motion For Intervention upon the Consumer Advocate on July 30, 2018. However, the Consumer Advocate was subsequently notified, by the Commission, that Puna Pono Alliance inadvertently identified the docket pleading as Docket No. 2018-0165. On August 3, 2018, the Consumer Advocate withdrew its Response To Puna Pono

¹⁴"Division of Consumer Advocacy's Response to Motion for Intervention of Renewable Energy Action Coalition of Hawaii, Inc.," filed July 23, 2018, at 1; "Division of Consumer Advocacy's Response to Distributed Energy Resources Council of Hawaii's Motion to Intervene in Proceedings," filed August 1, 2018, at 1; "Division of Consumer Advocacy's Response to Distributed Energy Resources Council of Hawaii's Motion to Intervene in Proceedings," filed August 1, 2018, at 1; "Division of Consumer Advocacy's Response to Energy Island's Motion to Intervene," filed August 1, 2018, at 1; "Division of Consumer Advocacy's Response to Energy Freedom Coalition of America, LLC's Motion to Intervene," filed August 1, 2018, at 1; "Division of Consumer Advocacy's Response to Motion to Intervene by Ulupono Initiative LLC," filed August 1, 2018, at 1; "Division of Consumer Advocacy's Response to Life of the Land's Motion to Intervene," filed August 1, 2018, at 1; "Division of Consumer Advocacy's Response to Motion for Intervention of The Microgrid Resources Coalition," filed August 3, 2018, at 1; "Division of Consumer Advocacy's Response to Puna Pono Alliance's Motion to Intervene," filed August 22, 2018, at 1.

Alliance's Motion for Intervention in Docket No. 2018-0165.

Thereafter, Puna Pono Alliance served its Motion To Intervene in the instant proceeding upon the Consumer Advocate on August 15, 2018. Currently, the Commission's Document Management System does not reflect Puna Pono Alliance's subsequent service upon the Consumer Advocate."¹⁵

The Consumer Advocate further noted that, although it construes Puna Pono's service as untimely, "the Consumer Advocate will not raise a procedural objection regarding Puna Pono Alliance's service."¹⁶ Furthermore, the Consumer Advocate asserts that its response, filed August 22, 2018, was thus timely, based on Puna Pono having served its Motion to Intervene in the instant docket upon the Consumer Advocate on August 15, 2018.¹⁷

2.

HECO Companies' Responses

By letters dated July 25, 2018, and August 2, 2018, the HECO Companies notified the commission that they do not oppose the Motions to Intervene filed by REACH, DERC Hawaii, LOL,

¹⁵"Division of Consumer Advocacy's Response to Puna Pono Alliance's Motion to Intervene," filed on August 22, 2018, ("Consumer Advocate's Response to Puna Pono's Motion to Intervene"), at 1-2 (citation omitted).

¹⁶Consumer Advocate's Response to Puna Pono's Motion to Intervene at 2 n.1.

¹⁷Consumer Advocate's Response to Puna Pono's Motion to Intervene at 2 n.1.

Puna Pono, Energy Island, MRC, Ulupono, and EFCA, provided that movants do not broaden the issues or delay the proceeding and furthermore comply with the applicable rules regarding intervention and participation.¹⁸

However, in their August 2, 2018, letter, the HECO Companies "note that counsel for the Microgrid Resources Coalition does not appear to be in compliance with Rule 1.9 of the Rules of the Supreme Court of the State of Hawaii pertaining to the requirements for *pro hac vice* appearance of counsel."¹⁹ The commission addresses the HECO Companies' concern below in Section II.A.

II.

DISCUSSION

A.

Pro Hac Vice Appearance of Counsel

As a preliminary matter, the commission addresses the HECO Companies' statement that MRC's counsel, who is based in Washington, DC,²⁰ "does not appear to be in compliance with Rule 1.9

¹⁸July 25, 2018, letter from the HECO Companies and August 2, 2018, letter from the HECO Companies.

¹⁹August 2, 2018, letter from the HECO Companies at 1 n.2.

²⁰See MRC's Motion to Intervene.

of the Rules of the Supreme Court of the State of Hawaii pertaining to the requirements for *pro hac vice* appearance of counsel[.]”²¹ The commission notes that a party’s appearance before the commission is governed by HAR § 6-61-12; however, in this proceeding, subsection (b), which pertains to “proceedings wherein . . . a formal hearing is held involving the taking of testimony and formulation of a record, subject to review by the courts,”²² is inapplicable.

The commission has previously ruled that “given the applicable language of HAR § 6-61-12 . . . an attorney who is not authorized to practice law in the State is only required to associate with local counsel when the matter in question is a contested case proceeding.”²³ In that proceeding, the commission ruled that since that proceeding was an investigative proceeding, counsel for the movant “need not adhere to the requirements for *pro hac vice* appearance of counsel, unless otherwise ordered by the commission.”²⁴ Because the commission does not anticipate holding a formal hearing in this instant proceeding, MRC’s counsel

²¹August 2, 2018, letter from HECO Companies at 1 n.2.

²²HAR § 6-61-12(b).

²³In re Public Util. Comm’n, Docket No. 2018-0088, Order No. 35542, “Admitting Intervenors and Participant and Establishing A Schedule of Proceedings,” filed on June 20, 2018 (“Order No. 35542”) at 20 n.54.

²⁴Order No. 35542 at 20 n.54.

likewise need not adhere to the requirements for *pro hac vice* appearance of counsel, unless otherwise ordered by the commission.

B.

Standard for Intervention

The standard for granting intervention is set forth in HAR § 6-61-55, which requires the movant to state the facts and reasons for the proposed intervention, and its position and interest thereto. HAR § 6-61-55 provides:

§6-61-55 Intervention. (a) A person may make an application to intervene and become a party by filing a timely written motion in accordance with sections 6-61-15 to 6-61-24, section 6-61-41, and section 6-61-57, stating the facts and reasons for the proposed intervention and the position and interest of the applicant.

- (b) The motion shall make reference to:
 - (1) The nature of the applicant's statutory or other right to participate in the hearing;
 - (2) The nature and extent of the applicant's property, financial, and other interest in the pending matter;
 - (3) The effect of the pending order as to the applicant's interest;
 - (4) The other means available whereby the applicant's interest may be protected;
 - (5) The extent to which the applicant's interest will not be represented by existing parties;
 - (6) The extent to which the applicant's participation can assist in the development of a sound record;
 - (7) The extent to which the applicant's participation will broaden the issues or delay the proceeding;

- (8) The extent to which the applicant's interest in the proceeding differs from that of the general public; and
- (9) Whether the applicant's position is in support of or in opposition to the relief sought.

(c) The motion shall be filed and served by the applicant in accordance with sections 6-61-21 and 6-61-57.

(d) Intervention shall not be granted except on allegations which are reasonably pertinent to and do not unreasonably broaden the issues already presented.²⁵

According to the Hawaii Supreme Court:

Intervention as a party in a proceeding before the [commission] is not a matter of right but is a matter resting within the sound discretion of the commission. This is generally true in proceedings before administrative agencies. This rule, however, is always subject to the essential qualification that this discretion is not to be arbitrarily and capriciously exercised.²⁶

The commission has, in the past, granted intervention to a variety of potential intervenors in investigative and policy proceedings.²⁷ Because this docket is an investigative and policy

²⁵HAR § 6-61-55.

²⁶In re Hawaiian Elec. Co., Inc., 56 Haw. 260, 262-63, 535 P.2d 1102, 1104 (1975) (citations therein omitted).

²⁷See, e.g., In re Public Util. Comm'n, Docket No. 2018-0088, Order No. 35542, "Admitting Intervenors and Participant and Establishing a Schedule of Proceedings," filed on June 20, 2018, at 19 (citing In re Public Util. Comm'n, Docket No. 2014-0192, Order No. 32737, "Granting Motions to Intervene, Consolidating and Incorporating Related Dockets, and Establishing Statement of Issues and Procedural Schedule," filed on March 31, 2015, at 23, 46).

proceeding, the commission finds it appropriate to adopt such an approach in this docket as well.

Each potential intervenor has addressed the requirements of HAR § 6-61-55, and has stated that it and/or its members has experience and/or expertise with respect to microgrids, renewable energy resources, distributed energy resources, resilience issues, and/or other specific issues and directives outlined in Act 200.²⁸ In particular, the Movants state as follows:

1.

REACH

REACH "is a Hawaii not-for-profit trade association whose members include businesses engaged in the production, manufacture, development, installation, integration, construction, marketing, sale and/or distribution of renewable energy and/or renewable energy systems in the state of Hawaii, on islands served by the HECO Companies."²⁹

Furthermore, REACH represents that "[its] officers and directors are themselves officers of their own renewable energy

²⁸See Docket No. 2014-0192, Order No. 32737, "Granting Motions to Intervene, Consolidating and Incorporating Related Dockets, and Establishing Statement of Issues and Procedural Schedule," filed on March 31, 2015, at 22-23 (citation omitted).

²⁹REACH's Motion to Intervene at 3-4.

project development companies and are experienced in all phases of renewable energy project development, including development and installation of renewable energy systems, and delivery of energy from such systems to the HECO Companies."³⁰

REACH also represents that its officers and members have participated in past commission dockets and have learned much from their participation about various topics, and that REACH "is committed to using the specific technical expertise, knowledge, and experience of its officers and directors to assist the Commission in the development of a sound record in this proceeding."³¹

2.

DERC Hawaii³²

DERC Hawaii is an organization that focuses "on the full landscape of emerging DERs," rather than on single technology or class of technologies,³³ and "incorporates the full range

³⁰REACH's Motion to Intervene at 6.

³¹REACH's Motion to Intervene at 6-7.

³²By letter dated September 5, 2018, Leslie Cole-Brooks notified the commission that she would no longer be representing DERC Hawaii in this docket and that Chris DeBone, President of DERC Hawaii, would be its representative instead.

³³DERC Hawaii's Motion to Intervene at 2.

of DER development, from technology designers, manufacturers and deployment, to owners and operators of DER systems."³⁴ DERC Hawaii's members have "unique knowledge of the interaction of DERs with the Hawaii electrical systems, the potential of DERs to contribute to those systems, and the nature and qualities of the Hawaii electrical systems themselves, from [sic] ground-up perspective unique to DERs."³⁵

DERC Hawaii represents that "DERC Hawaii members have also developed, installed, and currently operate microgrids in Hawaii[.]"³⁶ DERC Hawaii asserts that "DERC Hawaii and its members have significant experience with all aspects of microgrid development, design, and operation and their interconnection with Hawaii's energy system."³⁷

3.

LOL

LOL is a non-profit public interest organization³⁸ "concerned with overall justice, equality, externalities,

³⁴DERC Hawaii's Motion to Intervene at 3.

³⁵DERC Hawaii's Motion to Intervene at 3.

³⁶DERC Hawaii's Motion to Intervene at 3.

³⁷DERC Hawaii's Motion to Intervene at 6.

³⁸LOL's Motion to Intervene at 3.

environmental justice, climate justice, social, environmental, climatic and greenhouse gas impacts associated with energy policy."³⁹ LOL also "focuses on transdisciplinary issues that touch upon environmental, cultural, climate and externalities."⁴⁰

LOL asserts that it "can significantly assist the Commission with the development of a sound record . . . based upon LOL's significant involvement the development of Hawai'i energy policy and plans; extensive prior and ongoing relevant participation in energy matters (including Commission dockets); and the experience of staff and consultants who can assist in providing supportive information and analyses on regulatory, technical, and policy matters, as needed."⁴¹

4.

Puna Pono

Puna Pono is a Hawaii nonprofit association of members who "have investments, businesses, 'ohana, children attending schools, pets and other immediate concerns in the Puna area"⁴² and is concerned with various issues including "alternative

³⁹LOL's Motion to Intervene at 5.

⁴⁰LOL's Motion to Intervene at 4.

⁴¹LOL's Motion to Intervene at 4.

⁴²Puna Pono's Motion to Intervene at 3.

energy resources, smart grids, intra-island transmission, on-site decentralized generation, and alternative fuels."⁴³ Puna Pono "believes that nongeothermal renewable energy resources, DER and micro-grids hold the key to the future."⁴⁴ Puna Pono also states that, in contrast to the HECO Companies and the Consumer Advocate, it "supports a transition towards greater decentralization, the greater use of non-geothermal DER, economical grid investments, transparency, accountability, accessibility, fairness, community renewables, the promotion of community microgrids, and transition away from one-size-fits all mentality."⁴⁵

Puna Pono asserts that it "has first-hand experience with the impact of Tropical Storm Iselle striking Puna on August 7, 2014, and its impact on centralized and distributed generation, interconnection and islanding"⁴⁶ and that "[its] members have studied the economics of alternative sources of electric power production, including independent sources."⁴⁷

⁴³Puna Pono's Motion to Intervene at 2.

⁴⁴Puna Pono's Motion to Intervene at 5.

⁴⁵Puna Pono's Motion to Intervene at 5.

⁴⁶Puna Pono's Motion to Intervene at 4.

⁴⁷Puna Pono's Motion to Intervene at 5.

The Microgrid Resources Coalition

MRC "is a not-for-profit microgrid industry association"⁴⁸ and represents that it "is a consortium of leading microgrid owners, operators, developers, suppliers, and investors formed to advance microgrids through advocacy for laws, regulations and tariffs that support their access to markets, compensate them for their services, and provide a level playing field for their deployment and operations."⁴⁹ MRC represents that MRC members operate some of the most advanced microgrids in the world and have developed microgrids under many different tariff frameworks in both regulated and deregulated jurisdictions⁵⁰ and that it "will, through its provision of microgrid-specific facts and experiences from veteran microgrid practitioners, contribute to the creation of a sound and practicable record."⁵¹

⁴⁸MRC's Motion to Intervene at 4.

⁴⁹MRC's Motion to Intervene at 3.

⁵⁰MRC's Motion to Intervene at 6.

⁵¹MRC's Motion to Intervene at 6.

Energy Island

Energy Island "is an energy consulting business"⁵² whose clients include "businesses engaged in the production, manufacture, development, installation, integration, construction, marketing, sale and/or distribution of renewable energy and/or renewable energy systems in the state of Hawaii, on islands served by the HECO Companies."⁵³

Energy Island specifically asserts that its director "has specific technical expertise, knowledge and experience to assist in the development of a sound record"⁵⁴ and represents that its director has intervened or participated in several past proceedings before the commission.⁵⁵ Energy Island also represents that its director previously served as Renewable Projects Manager at the Natural Energy Laboratory of Hawaii Authority.⁵⁶

⁵²Energy Island's Motion to Intervene at 2.

⁵³Energy Island's Motion to Intervene at 5.

⁵⁴Energy Island's Motion to Intervene at 5.

⁵⁵Energy Island's Motion to Intervene at 5 (also listing past dockets in which Energy Island's Director has intervened or participated).

⁵⁶Energy Island's Motion to Intervene at 6.

7.

EFCA

EFCA is a Delaware limited liability company⁵⁷ whose members "are engaged in research, development, and deployment of solar energy generation products and services, energy storage, and other related products and services"⁵⁸ and who "employ a number of former utility grid engineers and economists who can offer an informed and unique perspective on grid modernization and integrated distribution planning."⁵⁹

In addition, "Tesla, one of EFCA's members, has been directly involved in Puerto Rico's recovery efforts by using distributed technologies in microgrid applications."⁶⁰

8.

Ulupono

Ulupono "is a Hawaii-based, Hawaii-led and Hawaii-focused social impact investment firm"⁶¹ that has invested "approximately \$37.8 million in a number of Hawaii projects focused

⁵⁷EFCA's Motion to Intervene at 1.

⁵⁸EFCA's Motion to Intervene at 2.

⁵⁹EFCA's Motion to Intervene at 2.

⁶⁰EFCA's Motion to Intervene at 3.

⁶¹Ulupono's Motion to Intervene at 2.

on renewable energy generation, district cooling, and EV infrastructure."⁶² Ulupono "has evaluated several microgrid projects as an investor in due diligence."⁶³

Ulupono represents that it "recently collaborated with the State Department of Defense ('DOD'), including the Hawaii Emergency Management Agency and the Office of Homeland Security, the HECO Companies, and the Sensemaking-PACOM Fellowship to study the potential enhancement of the security, reliability, and dependability of the electric grid on Oahu."⁶⁴

Ulupono also represents that "its General Partner, E. Kyle Datta, was a member of the Transformation Advisory Council ('TAC') of the Puerto Rico Electric Power Authority ('PREPA')."⁶⁵ Ulupono represents that TAC advised PREPA "on how to re-establish Puerto Rico's power and grid system"⁶⁶ and also "assisted PREPA in developing its Vision for the Future of Puerto Rico, which was adopted by PREPA's Governing Board on January 31, 2018."⁶⁷ Ulupono represents that "[it] will provide Mr. Datta,

⁶²Ulupono's Motion to Intervene at 6.

⁶³Ulupono's Motion to Intervene at 11.

⁶⁴Ulupono's Motion to Intervene at 4 (citation omitted).

⁶⁵Ulupono's Motion to Intervene at 1.

⁶⁶Ulupono's Motion to Intervene at 1-2.

⁶⁷Ulupono's Motion to Intervene at 2.

Ulupono's General Partner, former head of Booz Allen's Electric Utility Practice and Managing Director of the Rocky Mountain Institute and co-author of two books on renewable energy, as a nationally recognized expert on integrating renewable energy into electric utility generation systems."⁶⁸

C.

Commission's Ruling on Motions to Intervene

The commission intends to continue its practice of permitting and encouraging participation by a broad spectrum of stakeholders to best fulfill the intent of Act 200.⁶⁹ The commission finds that a broad spectrum of perspectives may assist in the development of a sound record and that the Movants may contribute their "expertise, knowledge or experience" and thereby assist in the development of an appropriate microgrid services tariff.

Based on each Movant's assertions in their respective motion to intervene and on a review of the record, taking into

⁶⁸Ulupono's Motion to Intervene at 16.

⁶⁹See In re Hawaiian Elec. Co., Inc., et al., Docket No. 2015-0389, Order No. 33751, "Admitting Intervenors and Participants, Seeking Clarification Regarding the Stakeholders' Community-Based Renewable Energy Proposal, and Providing 'Draft Hawaii Public Utilities Commission Staff Proposal For Community-Based Renewable Energy Program' For Review And Comment," at 95.

consideration the Consumer Advocate and the HECO Companies' responses to the Movants' motions, the commission hereby grants intervention to all Movants, subject to the conditions set forth below.

D.

Conditions

1.

Regarding the Requirements of HAR §§ 6-61-41 and HAR § 6-61-55

Upon review, the commission notes that MRC and DERC Hawaii's respective Motions to Intervene did not include an affidavit. HAR § 6-61-41(b) requires: "If a motion requires the consideration of facts not appearing of record, it shall be supported by an affidavit or affidavits."⁷⁰

For this reason, the commission's ruling to allow MRC and DERC Hawaii to intervene is contingent upon their each filing an affidavit attesting to the facts represented in their respective Motions to Intervene. This affidavit must be filed within five (5) days of the filing of this Order. Upon filing of a satisfactory affidavit, MRC and DERC Hawaii will be considered intervenors in this docket.

⁷⁰See HAR § 6-61-41(b).

Further Conditions

The commission cautions the Intervenors permitted herein that their participation will be limited to the issues presented and that will be further established by the commission in a later order. Moreover, the commission reminds all Parties that it is imperative that participation in this docket reflect a high standard of quality, relevance, and timeliness. In addition, the commission will preclude any attempts to broaden the issues or to unduly delay the proceeding, and will reconsider any Intervenor's participation in this docket if, at any time during the course of this proceeding, the commission determines that any Intervenor is attempting to unreasonably broaden the pertinent issues established by the commission in this docket, is unduly delaying the proceeding, or is failing to meaningfully participate and assist the commission in the development of the record in this docket. Furthermore, the commission expects all Intervenors to comply with the commission's rules and with any further directives that the commission articulates in this proceeding.

III.

TECHNICAL CONFERENCE

To initiate its investigation into a microgrid services tariff, the commission hereby schedules a Technical Conference for all Parties on Wednesday, January 9, 2019. A representative for all Parties should attend. The commission also intends to invite microgrid project developers and other organizations and entities having experience in developing and/or planning microgrid projects in Hawaii to present on their experiences.

The Technical Conference agenda, copies of presentations, and other pre-conference materials will be filed electronically and available through the commission's Document Management System ("DMS") prior to the conference. The commission intends to allow for remote participation and will provide additional details in advance of the conference.

The Technical Conference will be comprised of two main components: (1) presentations and discussion about past and ongoing experiences regarding the development of microgrids in Hawaii and (2) presentations from the Parties specifically addressing the questions outlined in Section III.A. ("Preliminary Questions") below.

A.

Preliminary Questions

To assist the commission in its investigation, the Parties are directed to focus their presentations on answering the following questions:

- How should the term "microgrid" be defined for purposes of the microgrid services tariff?⁷¹
- What characteristics of a microgrid (e.g., islanding capability, generation resource types, size, etc.) should be included in the definition of a microgrid?
- What ownership structures should be included in the microgrid services tariff (e.g., customer-owned, cooperative, third-party, utility-owned, etc.)?
- What microgrid services or functions should be considered in developing a microgrid services tariff?
- Should a microgrid owner/operator be required to provide a minimum set of services to its customers/subscribers? If so, identify those services, including level of service, where applicable.

⁷¹ See Act 200, Section 2 ("As used in this section: 'Microgrid project' means a group of interconnected loads and distributed energy resources within clearly defined electrical boundaries that acts as a single controllable entity with respect to the utility's electrical grid and can connect to a public utility's electrical grid to operate in grid-connected mode and can disconnect from the grid to operate in island mode and that: (1) is subject to a microgrid services tariff; and (2) generates or produces energy.")

- How should existing tariffs/programs (e.g., Smart Export, Demand Response, CBRE, etc.) be coordinated and harmonized with the microgrid services tariff, if at all?
- How should interconnection standards and procedures be modified, if at all, to enable the safe and reliable integration of microgrids with Hawaii's electric grids (including development of new standards and procedures if necessary)?
- What other provisions, if any, should be considered in developing a microgrid services tariff?

B.

Opening Briefs and Reply Briefs

Following the Technical Conference, the Parties are instructed to file Opening Briefs by Friday, February 8, 2019. In their Opening Briefs, the Parties are expected to articulate and provide support for their answers to the Preliminary Questions set forth in Section III.A. above and, where appropriate, address matters and approaches raised by the other Parties and commission in the Technical Conference.

Following the filing of Opening Briefs, the Parties may file Reply Briefs by Friday, February 22, 2019. The Reply Briefs shall be limited to matters presented in the Opening Briefs.

C.

Additional Procedural Matters

A Statement of Issues and more extensive Procedural Schedule will be established by the commission in subsequent order(s), following the completion of the Technical Conference and the filing of the Parties' Opening and Reply Briefs.

D.

Public Comments

The commission is accepting and will continue to accept public comments from persons or entities that are not named as parties (including intervenors) or participants in this docket.

Public comments shall be addressed to the commission and reference Docket No. 2018-0163, and may be submitted using one of the following methods:

Via hand-delivery to:

Public Utilities Commission
465 South King Street, Room 103
Honolulu, Hawaii

Via postal mail, addressed to:

Public Utilities Commission
465 South King Street, Room 103
Honolulu, Hawaii 96813

Via electronic mail, addressed to:

puc.comments@hawaii.gov

The commission, at this time, does not establish a deadline date to submit public comments. Instead, once a proposed microgrid services tariff is established in this docket, the commission intends to set a deadline date for submitting any public comments.

IV.

ORDERS

THE COMMISSION ORDERS:

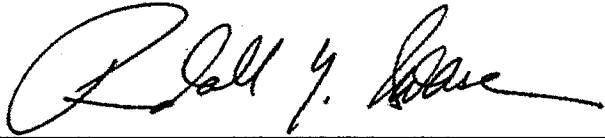
1. The motions to intervene of REACH, DERC HAWAII, LOL, PUNA PONO, MRC, ENERGY ISLAND, EFCA, and ULUPONO are granted, subject to the following condition: the commission's ruling to allow MRC and DERC Hawaii to intervene is contingent upon each Movant filing an affidavit attesting to the facts represented in their respective Motions to Intervene. This affidavit must be filed within five (5) days of the filing of this Order. Upon filing of a satisfactory affidavit, the commission will consider MRC and DERC Hawaii to be Intervenors in this docket.

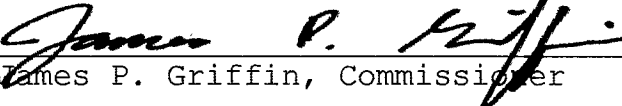
2. The Technical Conference is set for Wednesday, January 9, 2019, in the commission's Hearing Room A, located at the Public Utilities Commission, 465 South King Street, Honolulu, Hawaii, 96813.

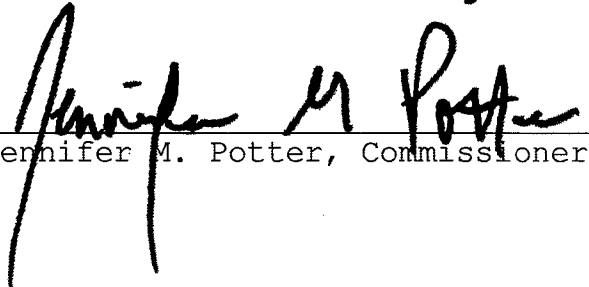
3. The Parties' Opening Briefs shall be filed by Friday, February 8, 2019, and the Parties' Reply Briefs shall be filed by Friday, February 22, 2019.

DONE at Honolulu, Hawaii NOV 21 2018.

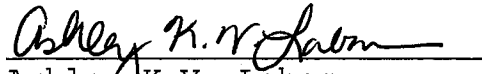
PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

By 
Randall Y. Iwase, Chair

By 
James P. Griffin, Commissioner

By 
Jennifer M. Potter, Commissioner

APPROVED AS TO FORM:


Ashley K.V. Labasan
Commission Counsel

2018-0163.kmc

CERTIFICATE OF SERVICE

The foregoing order was served on the date of filing by U.S. mail, postage prepaid, and properly addressed to the following parties:

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