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COMMISSION

The Honorable Chair and Members
of the Hawai'i Public Utilities Commission
Kekuanao'a Building, First Floor
465 South King Street
Honolulu, Hawai'i 96813

Subject: Docket No. 2018-0165
Instituting a Proceeding to Investigate Integrated Grid Planning
Companies' Proposal for Review Points

Dear Commissioners:

This letter is being submitted by the Hawaiian Electric Companies¹ in response to Order No. 36218, *Accepting the IGP Workplan and Providing Guidance* issued on March 14, 2019 in Docket No. 2018-0165 ("Order No. 36218"), to provide additional details of the nature and scope of the review points that were identified in the IGP Workplan.

Background

On March 14, 2019, the Commission issued Order No. 36218 accepting the Hawaiian Electric Companies' Integrated Grid Planning ("IGP") Workplan,² providing initial guidance on the Workplan implementation, and requesting that the Companies file a brief explanation of the envisioned review for the identified review points no later than July 31, 2019. The Commission further directed that this brief explanation should also "consider whether independent evaluation of these Review Points will aid the IGP process."³

The Stakeholder Engagement Model is Fair and Effective

The IGP process utilizes an inclusive and transparent Stakeholder Engagement model (see Figure 1, below) to provide an avenue for interested parties to engage with the Companies and contribute meaningful input throughout the process. Working groups have been established for stakeholders to provide feedback on specific issues and process steps in the IGP.

¹ The "Hawaiian Electric Companies" or "Companies" are Hawaiian Electric Company, Inc. ("Hawaiian Electric"), Hawai'i Electric Light Company, Inc. ("Hawai'i Electric Light"), and Maui Electric Company, Limited ("Maui Electric").

² See Docket No. 2018-0165 Hawaiian Electric Companies' Integrated Grid Planning Workplan filed on December 14, 2018.

³ Order No. 36218 at 8.

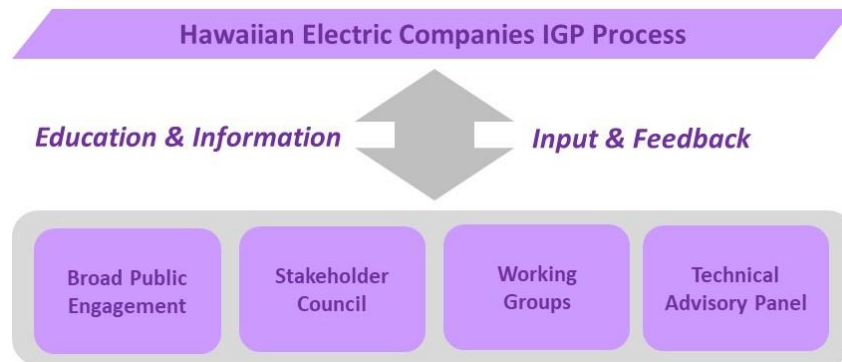


Figure 1: Stakeholder Engagement Model

The working groups meet periodically and incorporate a broad range of stakeholders and perspectives. In Order No. 36218, the Commission stated that “to foster an IGP process that is transparent and inclusive, . . . the commission directs the Companies to provide all Parties to this docket reasonable notice of, and the opportunity to attend each Working Group and Stakeholder Council meeting.”⁴ The Companies have invited the Parties, subject matter experts, community and industry professionals and independent facilitators, to participate with the Companies in working group and Stakeholder Council meetings.

Working group participants and the public have access to the working group schedule and all meeting materials, including working group presentations and summary meeting notes, which are documented and posted on the IGP website.⁵ Meeting notifications are provided to participants through email.

Through the working groups, the Companies actively engage stakeholders through facilitated discussions around utility planning methods, including: (1) forecasting and other planning inputs; (2) assessments of resource, transmission, and distribution needs; (3) solution sourcing through competitive procurements; and (4) evaluation of proposals to meet the identified needs. Discussions are intended to provide transparency into the Companies’ planning assumptions and approaches for the IGP, while taking into consideration stakeholder questions and suggestions, with the ultimate goal of improving the overall planning processes prior to implementation. This approach allows stakeholders the opportunity to provide feedback to shape the planning inputs and methodology. Table 1, below, describes how the major process steps in the IGP are aligned with the various working groups.

⁴ Order No. 36218 at 6 (footnote omitted).

⁵ Available at <https://www.hawaiianelectric.com/clean-energy-hawaii/integrated-grid-planning/stakeholder-engagement/working-groups>

Table 1: Major IGP Process Step Alignment with Working Groups

Major IGP Process Step	Working Group
1. Forecast & Other Planning Inputs	Forecast Assumptions Working Group (FAWG)
2. Resource Needs Planning	Solution Evaluation and Optimization Working Group (SEOWG)
3. T&D Needs (Resource)	Distribution Planning Working Group (DPWG) Resilience Working Group (RWG)
4. T&D Needs (Non-Resource)	Distribution Planning Working Group (DPWG) Resilience Working Group (RWG)
5. 5-year Resource Solution Sourcing	Competitive Procurement Working Group (CPWG)
6. T&D Solution Sourcing	Competitive Procurement Working Group (CPWG)

In summary, the Companies are implementing the Stakeholder Engagement model described in the IGP Workplan to obtain meaningful feedback from stakeholders, including the Commission and Consumer Advocate. This model was designed to solicit iterative and ongoing feedback from the Commission, Consumer Advocate, Stakeholder Council, Technical Advisory Panel (TAP), and working groups. The stakeholders that participate in the Stakeholder Engagement model provide a diverse range of input on the IGP process that is effectively equivalent to a continuous independent evaluation. Therefore, any incremental independent evaluation is redundant with the IGP process design and would delay both the IGP process and the related benefits to customers.

The Companies’ Vision for the Review Points

The purpose of the review point is to ensure that the process is aligned with the intent of the IGP Workplan. The Companies’ vision for achieving this is to summarize and document the work completed at each major process step, solicit feedback from stakeholders, and file with the Commission for review.

The Companies will begin each review point by documenting the assumptions, methodology, and results of each major process step (see Figure 2, below).⁶ For example, the documentation for the Forecast and Other Planning Inputs step will consolidate the sales forecast assumptions, describe the methodology used to develop the forecast including the underlying layers for energy efficiency, electric vehicles and distributed energy resources, and provide the forecast values for review. The document will then be shared with the Technical Advisory Panel, Stakeholder Council, and Forecast Assumptions Working Group to solicit their feedback. Next, the Companies will incorporate any comments received as an appendix, file the documentation in the IGP docket, and post it to the IGP website. Similar steps to collect and document work to date, solicit and share stakeholder input on the submission, and provide it to the Commission and Consumer Advocate will be performed for other review points.

The Companies respectfully request that the Commission and Consumer Advocate provide comments within 30 days of the process step documentation filing for each review point. The Companies will await the Commission’s and Consumer Advocate’s acceptance of the review point prior to commencing the proceeding process steps.

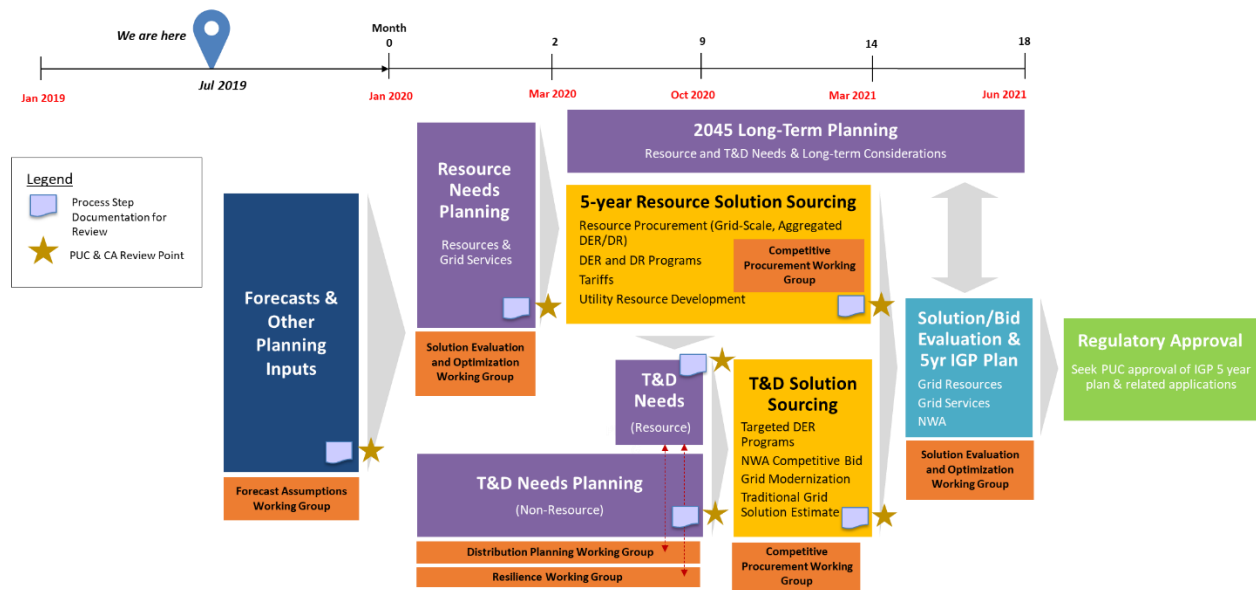


Figure 2: Updated IGP Process Diagram with Review Points and Working Groups

⁶ Please note that the timing of the Review Points and Process Step Documentation for Review depicted in Figure 2 are current estimates and subject to change based on a variety of factors, including the timing of the Stage 2 RFPs as discussed herein.

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Alignment of IGP to Stage 2 RFP

In addition to the review point process described above, the Companies intend to begin the system needs assessment phase of the IGP upon determining the final award group in the Stage 2 Request for Proposals for Variable Renewable Dispatchable Generation and Energy Storage for O'ahu, Maui and Hawai'i Island. This is due to the importance of the final award group as an input assumption into the modeling required to determine system needs. Work will continue as scheduled on the development of assumptions and forecasts that will be needed to conduct the modeling in the system needs assessment.

Conclusion

The Companies appreciate the Commission's active participation in the IGP process as a stakeholder and welcome the Commission's feedback during the process. The Companies respectfully request that feedback from the Commission and Consumer Advocate – especially input which may require course correction – be provided through the working groups. Providing input at these forums will allow stakeholders to hear policy insights and other perspectives first hand. Timely feedback will allow the Companies to revise their approach earlier in the process when course correction is easier to implement. Waiting to provide feedback at a review point will cause delays while the Companies work through the issues and incorporate feedback before moving to the next process step.

If the Commission has any questions regarding the IGP process, please feel free to contact the undersigned.

Sincerely,



for Kevin M. Katsura
Director

Regulatory Non-Rate Proceedings

c: Service List

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(Docket No. 2018-0165)

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