

IGP Stakeholder Council Meeting

Monday, March 29, 2021

10:00am - 12:00pm

WebEx

Attendees

WebEx

Murray Clay, Ulupono Initiative

Colton Ching, HE

Marc Asano, HE

Alex de Roode, Maui County Energy

Commissioner

Audrey Newman

Barry Usugawa, Board of Water Supply

Christopher DeBone, DERC

David Parsons, HPUC

Dean Nishina, DCA

Donalyn Dela Cruz, S360

Gerald Sumida, Carlsmith Ball

Henry Curtis, Life of the Land

Jeremy Laundergan, EnerNex

Kylie Wager Cruz, Earthjustice

Melissa Miyashiro, DCA

Noelani Kalipi, Progression HI Offshore

Wind

Paul De Martini, Newport Consulting

Richard Rocheleau, HNEI

Robert Harris, Sunrun

Robin Kaye

Rocky Mould, HSEA

Scott Glenn, HSEO

Yvette Maskrey, Honeywell

Shelee Kimura, HE

Ken Aramaki, HE

Earlynne Maile, HE

Robert Uyeunten, HE

Christopher Lau, HE

Christopher Kinoshita, HE

Collin Au, HE

Amanda Yano, HE

Sorapong Khongnawang, HE

Brian Lam, HE

Isaac Kawahara, HE

Yoh Kawanami, HE

Rick Pinkerton, HE

Riley Ceria, HE

Mahina Martin, HE

Jennifer Zelko-Schlueter, HE

Kurt Tsue, HE

Discussion

- I. Community Based Renewable Energy
 - a. HE: We're assuming a placeholder planned resource for CBRE that is online in 2025. It's not required to have storage but assuming that these projects do. These would be RDG projects.
 - b. Stakeholder: Does this account for the small projects as well or just the large RFP?
 - i. HE: Need to double check but the small projects can be similarly accounted for using a planned assumption.
 - ii. HE: There's no specific assumption for LMI CBRE projects but they can be incorporated once we have more specific information.
- II. Distributed Energy Resources
 - a. HE: New programs become sensitivities to the load forecast.
 - b. Stakeholder: Programs can also affect the optimization model and adoption forecast. This makes it complicated. Thoughts on the interplay between DER adoption and load forecast?
 - i. Stakeholder: Define DER. It's broader than PV and batteries, can include programs that provide services. The DER docket is looking at dynamic rates, multiple parties proposals on rate design are being considered.
 - c. Stakeholder: The original DER adoption forecast was an assumption that there wasn't paid export. If there is paid export, then DER adoption would increase.
 - i. HE: We can model additional DER over and above the forecast. A best guess on TOU adoption can be made. TOU load shapes will be included in the high/low bookend case.
 - d. Stakeholder: Are the TOU rates just for consumption or for export?
 - i. HE: No final decision yet. We could consider an assumption for compensated export.
 - ii. HE: TOU affects a customer's individual rate. TOU also changes customer behavior and shifts demand. This affects the cost to serve the system on an aggregated basis, and design of DER programs, TOU rates. We need to look at how TOU rate design can affect the system level and decisions on DER. Customers can still do CSS but may install a larger system if there is compensated export.
 - e. HE: Should we wait for that analysis to be updated before starting the resource plan development?
 - i. Stakeholder: Can we survey the dockets in question to see if there is information worth waiting for? How open is the Commission to further IGP postponement?

- ii. Stakeholder: Don't know if we need to wait for a specific outcome. Probably won't have a big swing in behavior. High and low forecasts may be able to capture the change.
- f. Stakeholder: Process comment and question. I recall how IGP was a change in planning. Break down the silos and have an iterative planning process. Not clear on the cost of waiting. Iterative process will keep the optimal solution evolving with each cycle. What is the timeline and what will we lose by waiting?
 - i. HE: One is a timing and sequencing issue. Using the tools developed for IGP in order to inform other dockets. The question about timing (e.g. export rate assumption for DER) has a timing issue for grid needs work in IGP but also additional analysis for the potential benefit and role which can inform the DER docket. Timing works both ways. Delay will reduce opportunity to use IGP inputs in other dockets. How do we have the best transfer of information between dockets for both coordination and for one docket to inform the other?
 - ii. HE: IGP is trying to take on shorter and longer term planning development. Other dockets are happening today focusing on the near term. How can IGP be dynamic to address both short and long term? This is the seminal question. Other dockets impact the foundation of IGP. Should IGP focus on the long term? Incorporating the short term will help alignment with the long term and build toward long term objectives. We've mentioned pathways which is a good term for describing the transition from short to long term so that short term decisions can support long term objectives.
 - iii. Stakeholder: Is IGP designed to iterate and what is the timeframe?
 - 1. HE: Iteration occurs on multiple levels, within individual steps and totality of the process.
 - 2. HE: The process was meant to be cyclical, a living planning process.
 - a. HE: We could look at this question on an island by island basis. For example, on Maui we may be looking at 80-90% renewable (or over 100% on an RPS basis). Therefore, what other projects should be considered? Oahu is looking at 50% with more headroom to incorporate these other initiatives.
 - iv. Stakeholder: Tension at the planning level is that new info comes in all the time. Decide how long to wait for new info versus finishing the plan

so you can execute the plan. There's a tradeoff between taking another look and getting things done.

1. Stakeholder: Fuel price changes happen all the time. We should know the big levers. What we do in the next several years could affect whether a long term procurement needs to happen or not. Sensitivities can be useful to understand possible outcomes.
2. Stakeholder: For the survey, what do stakeholders think the big levers are?
3. Stakeholder: Long term and short term planning is a messy process and it changes. Have to realize that at different levels, there is a strategic goal and objective to identify and move forward. A lot of the procurement will themselves have intermediate and long term time ranges. Identify what things can be adjusted quickly. Can't wait too long and needs to be iterative.

III. Electrification of Transportation

- a. HE: Will incorporate high and low EV adoptions as part of the sensitivity cases.
- b. Stakeholder: Is there agreement with the EV baseline as stated in the slide?
- c. Stakeholder: How about potential impacts of hydrogen vehicle adoption? Is this modeled in the assumptions?
 - i. HE: This is mostly an electric vehicle assumption.
 - ii. Stakeholder: Could incorporate into future cycles if hydrogen vehicles take off.
- d. Stakeholder: And biodiesel?
 - i. HE: Same approach where it could be incorporated into future cycles if we start to see a trend.
 - ii. Stakeholder: Could be included in future cycles.

IV. Ongoing and Future Procurements

- a. HE: Stage 1 and 2 projects are assumed to be built by 2025.
- b. Stakeholder: Is Kapolei Energy Storage assumed to be built?
 - i. HE: Yes, assuming KES is built. Will adjust if not approved or built.
 - ii. HE: Assuming that projects that have a PPA negotiated and submitted to the Commission will be approved. If KES doesn't happen, then it will impact IGP beyond 2022-23 because storage and dispatchable capacity will be affected. This also affects retirements and post 2025 resource additions and what features those future procurements will need.
- c. HE: We also filed a letter with the Commission on updated needs assessments to help scope out the Stage 3 RFP for Hawai'i Island. Do not yet have a placeholder

in the IGP plans. Once we complete those initial runs, will try to have Stage 3 align with IGP assumptions and sensitivities.

- d. HE: The recent 50 MW emergency DR does not currently have an IGP placeholder. Further discussion on whether to include these assumptions as planned resources in IGP.
- e. Stakeholder: Does the PUC's recent call for ideas on delivering 50 MW within 2022/2023 represent something that may be certain enough to be considered in the current IGP instead of waiting?
- f. Stakeholder: What about Moloka'i and Lāna'i?
 - i. HE: Once the RFP is approved, we can add a placeholder. We would need certainty on an RFP target.
 - ii. HE: For Lāna'i, proposed a large procurement as part of CBRE. For Moloka'i, the RFP is changing. Need to wait for RFP approval with the Commission asking for a larger block.
 - iii. HE: CBRE is more certain and has been included. Need clarity on non-CBRE procurements.

V. Microgrid Services Tariff

- a. Stakeholder: Believe microgrids will be a bigger part of the future but unknown to what extent.
- b. Stakeholder: When do you anticipate resilience to be incorporated into IGP?
 - i. HE: Looking at the critical customer aspect from RWG. Areas with more vulnerability.
 - ii. HE: Microgrids are a good solution for resilience and reliability as an NWA for a certain area. The identified need for microgrids can come from a reliability/resilience need but also from individual/cluster of customers to achieve higher reliability/resilience.
 - iii. Stakeholder: The optimizer will never tell you where to put a microgrid. Instead it's a utility, Commission, or customer priority.

VI. Next Steps

- a. HE: Survey is a good idea.
- b. Stakeholder: List of the big levers as mentioned earlier and big things that could throw everything off.
- c. Stakeholder: It's unclear when to enter things into IGP without knowing the outcomes. At what point is it appropriate to incorporate into IGP? At some point, put out a survey or put together scenarios of likely outcomes?
 - i. Stakeholder: Agree, 100 things in motion but educated guesses can be made based on the current state of the docket. Suggest doing a survey to

- solicit this input. The dockets aren't on a coordinated timeframe so how can we incorporate into IGP?
- ii. Stakeholder: When in a docket is it appropriate to incorporate into IGP considering stakeholders have very different perspectives and proposals. Until there is a final outcome, there will be conflicting proposals and we keep going around and around. Maybe throw in some inclinations or directions? It will change.
 - iii. Stakeholder: Consider it a pathway before the docket outcome. What are the key things that should be considered in the planning? What things could swing the decisions? The analogy on levers is important. A survey would be helpful.
- d. Stakeholder: I heard urgency in the messaging from the PUC.
- i. HE: Commission is a major factor. We've been trying to incorporate their guidance and interface with the interdependent dockets. The biggest challenge is ensuring that the planning is getting done with all of the moving parts in the other dockets. In a perfect world, we would focus on planning and then the other dockets would follow.
 - ii. HE: There are Commission staff on the Stakeholder Council. Real time feedback is appreciated as we go through the process.
 - iii. HE: Message of urgency is well received. It's a good example of how we want to get feedback on how to best align ongoing dockets into IGP. Likewise, they can't wait for IGP in other dockets. It's dynamic as we go along. Rulings from the Commission will fundamentally change the assumptions. The Moloka'i RFP is an example where there was a plan and the selected resource withdrew. These changes happen right before our eyes and affect the IGP. How do we collectively ensure that IGP supports the other dockets, considering the timing aspect? Stakeholder input on how to best balance this is very much appreciated to make all of this work better.
 - iv. Stakeholder: Commission has been supportive of the stakeholder engagement. Regarding the PUC orders over the last couple of years, the Commission supports this process and wants it to be the best planning process and best plan. We should do what we can to put us on that trajectory. That doesn't mean we wait in other dockets for IGP to get it right. Recognize that is a big challenge and we want to avoid tripping over ourselves and not delaying.

- v. Stakeholder: Commission received feedback on forecast and assumptions. Need to incorporate the feedback on best path forward or the effort won't be worth it.
- vi. HE: The Company will be filing a letter today on the timing of the Moloka'i RFP and a letter on CBRE later this week.

VII. Community Outreach

- a. HE: How do we better connect with communities and listen? Ultimately want to get to a set of recommendations to incorporate into IGP for future procurements.
- b. HE: For the next meeting, we can provide an overview of the current community engagement process.
 - i. HE: A developer's perspective would be helpful to provide thoughts on the procurement process (not specific to any project or docket).
- c. Stakeholder: There was discussion on existing Commission requirements. Developer stories on what was successful for them and what future RFPs could build on would be helpful.
- d. HE: Feel free to reach out if you want to be on the agenda. We may need to do a doodle poll.

VIII. Next Topics to Discuss

- a. HE: As we wrap up #5 (Strategic Alignment) and #7 (Community Outreach), what are the next topics? Forthcoming guidance may focus on #1 (Assumptions and Inputs). Are there stakeholders interested in leading discussions on the next topic?
- b. Stakeholder: Bills at the legislature focusing on electrification.
 - i. HE: We can schedule after the legislative session closes.
- c. Stakeholder: Still working on resilience.
 - i. HE: Yes, we can discuss in a future meeting. We did propose a framework for resilience in the IGP review point filing.
- d. Stakeholder: If/When we get to items #1 (Assumptions and Inputs) and #2 (Modeling and Forecasting), we can share a few examples of different resource plans when you throw one or two of the levers in a different direction.
 - i. Stakeholder: HSEO would like to connect on #2 with HAVEN and ENGAGE as well.
- e. HE: We'll start to prioritize and schedule these topics. Will probably take 2-3 two hour sessions to get through. Will schedule as frequently as possible given schedules and prioritize the comments we received.

Stakeholder: Since financial incentives are important to customers, DER providers, and IPPs, we should consider what rates/credits will be enough to encourage participation.

Summary and Next Steps

- Stakeholders may provide feedback on today's discussion to IGP@hawaiianelectric.com