

An aerial photograph of a tropical resort at sunset. The scene features several high-rise buildings with illuminated windows, a sandy beach, a swimming pool with lounge chairs, and palm trees. The ocean is visible in the background, with a mountain range in the distance. The sky is a mix of orange, yellow, and blue.

# Integrated Grid Planning

CPWG Meeting

March 5, 2019

# Agenda

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- ◆ Welcome & Introductions
  - Competitive Procurement Working Group (CPWG) composition
  - Ground Rules
  - Overview of Integrated Grid Planning and Process
  - Stakeholder Engagement Model
- ◆ Overview of CPWG Charter
  - WG Objectives
  - Overview of Initial CPWG Meetings
  - Scopes & Schedules
  - Proposed topics for CPWG
- ◆ Next Steps and Schedule



# Composition of the CPWG

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Goal: A transparent, inclusive process that is fair to all stakeholders and future bidders

- Initial Group Members
  - Members of The Companies, including, but not limited to: technical planning services, system operations, renewable acquisition, legal
  - Public Utilities Commission Staff
  - Division of Consumer Advocacy
  - Department of Business, Economic Development & Tourism
  - Representative of the IPP Developer Community
  - Representative from each County
  - Hawaii Energy
  - Life of the Land
- Other Stakeholders?

The Companies or working group participants should not share non-public information as part of the CPWG activities

# Ground Rules

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- ◆ Chatham House Rule will apply – no personal or organizational attribution will be made to any comments/feedback provided during the meeting by any participant nor in written documentation.
- ◆ Working group meetings, and other information exchanges are intended solely to provide an open forum or means for the expression of various points of view in compliance with antitrust laws.
- ◆ Under no circumstances shall engagement activities be used as a means for competing companies to reach any understanding, expressed or implied, which tends to restrict competition, or in any way, to impair the ability of participating organizations to exercise independent business judgment regarding matters affecting competition or regulatory positions.
- ◆ Proprietary information shall not be disclosed by any participant during any industry engagement meeting or information exchange. In addition, no information of a secret or proprietary nature shall be made available to industry engagement participants.
- ◆ All proprietary information which may nonetheless be publicly disclosed by any participant during any industry engagement meeting or information exchange shall be deemed to have been disclosed on a non-confidential basis, without any restrictions on use by anyone, except that no valid copyright or patent right shall be deemed to have been waived by such disclosure.



# IGP – Integrated Grid Planning

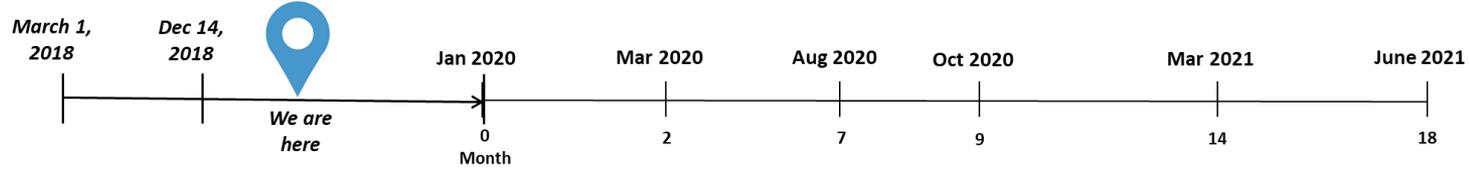
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## IGP is a planning process that will:

- ✓ appraise the total needs of the system
- ✓ consider all alternatives from customers, independent providers and the utility
- ✓ integrate market-based solutions
- ✓ determine the best resource and grid options for customers
- ✓ be inclusive through stakeholder review and input
- ✓ synchronize and unify resource, transmission, and distribution planning processes
- ✓ streamline processes that will optimize energy portfolio



# IGP – Integrated Grid Planning



Stakeholder Engagement



# IGP Stakeholder Engagement

Hawaiian Electric Companies  
**Integrated Grid Planning Process**



Input & Feedback  
Education & Information



Working Groups:

- Standardized Contracts
- Distribution Planning
- Grid Services
- Forecast Assumptions
- **Competitive Procurement**
- Resilience
- Solution Evaluation & Optimization

Public  
Engagement

Stakeholder  
Council

**7**  
**Working Groups**

Technical Advisory  
Panel



Hawaiian Electric  
Maui Electric  
Hawai'i Electric Light

# About the IGP Working Groups

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## **Distribution Planning**

Technical knowledge of distribution systems, distribution planning, and technologies and capabilities of distributed energy resources to help identify distribution grid needs

## **Forecast Assumptions**

Strategic input on planning assumptions and methodologies used for developing forecasts on consumer energy use

## **Standardized Contracts**

Determine optimal approach for contracting energy, capacity and ancillary services sourced through competitive procurement

## **Grid Services**

Refine current and identify/define additional energy, capacity, ancillary and non-wire transmission and distribution alternative services, and create standard template for defining and quantifying these services

## **Solution Evaluation & Optimization**

Develop transparent evaluation method of assessing technical fit of proposed solutions

## **Competitive Procurement**

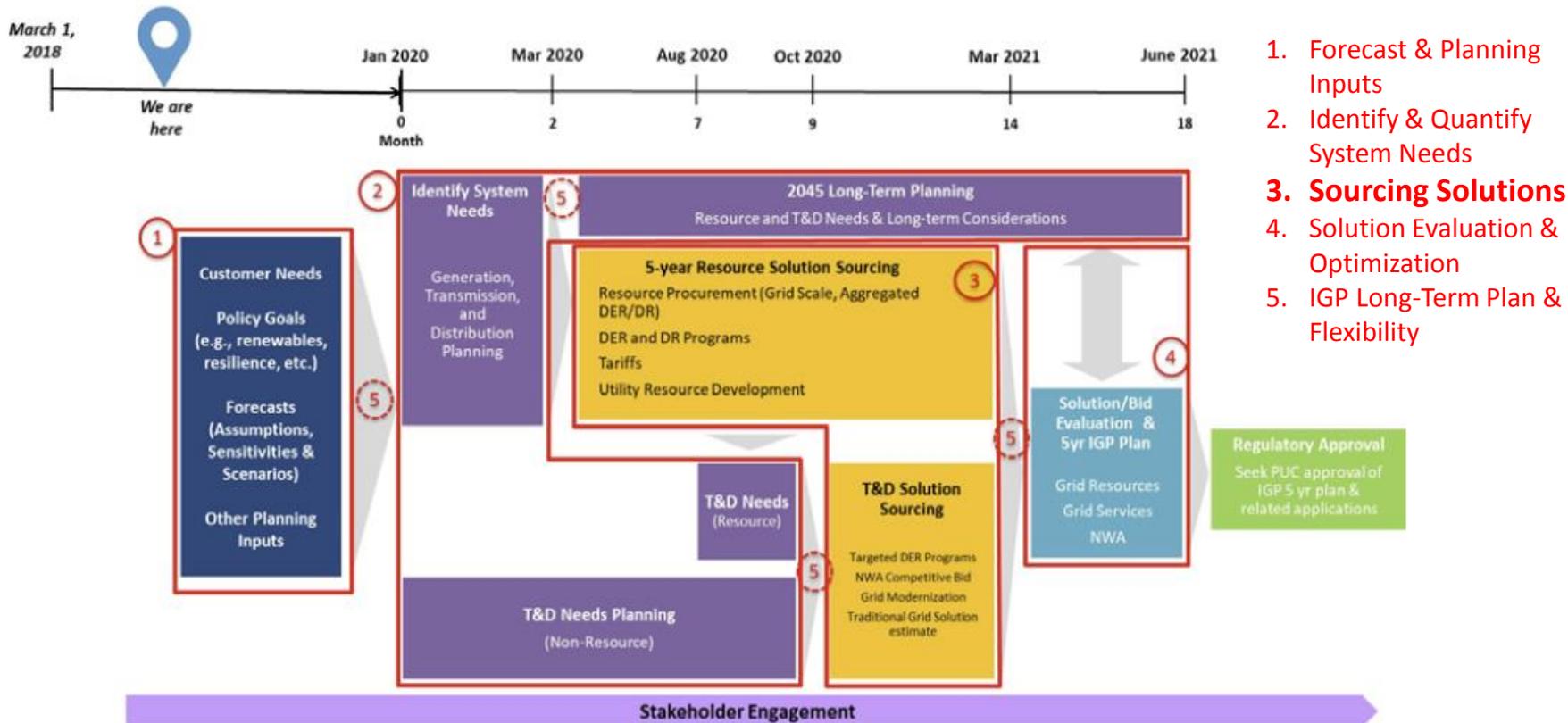
Establish a fair, efficient, streamlined procurement process for resources that align with grid plan developed through the IGP process

## **Resilience**

Assess and identify electric system resiliency planning criteria for input into IGP



# Integrated Grid Planning Process



# Market Working Group: Competitive Procurement

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The IGP Competitive Procurement Working Group, in coordination with the Standardized Contract and Grid Services Working Groups, seeks to define the most fair, efficient and streamlined procurement process possible for the competitive procurement of resources in alignment with Hawaiian Electric's grid plans as identified through the IGP process.\*

The working group is a key element of and one of several stakeholder groups in the overall stakeholder engagement process essential for IGP success.

\*The CPWG is not a decision-making body; however, throughout this process, the aim is to foster collegial, balanced discussions to achieve shared understanding of issues to address in IGP and planning results, and to build common ground through iterative discussion and feedback.

# Purpose & Objectives

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## Purpose:

The Competitive Procurement Working Group will establish a fair, efficient, streamlined procurement process that will facilitate the procurement of resources in alignment with Hawaiian Electric's grid plans as identified through the IGP process.

## Objectives:

- Provide strategic input and feedback on competitive procurement process development, activities and results, and aspects for improvement.
- Review current procurement practices in Hawai'i and in other jurisdictions.
- Develop competitive procurement best practices for application in Hawai'i.
- Develop an improved process and accelerated timeframe for procurements that align with broader IGP objectives.
- Foster collegial, balanced discussion to achieve shared understanding of the competitive procurement process, and to build common ground through iterative discussion and feedback.



# Proposed CPWG Meeting Topics & Schedule

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## **Meeting 1 – March:**

Kick-off Meeting & Overview of Current procurement processes, challenges and issues

## **Meeting 2 – April:**

Deep Dive on Current Procurement Processes, examine examples of other utility competitive procurement processes; identify any “best practices” trends and learning

## **Meeting 3 – June:**

Examine and discuss relevant feedback and learnings from other Working Groups

## **Meeting 4 – August:**

Develop recommendations for Hawai'i competitive procurement best practices; develop first draft of recommendations

## **Meeting 5 – September:**

Review first draft of recommendations, discuss and capture feedback

## **Meeting 6 – November:**

Review second draft of recommendations, finalize



# Composition of the Working Group

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- ◆ Additional Stakeholders?
  - Pros/Cons of engaging a larger group
  - Recall Working Group objectives
- ◆ How to share information?
  - IGP website as the information hub
  - Meeting notices on IGP website
  - Emails to IPP contact list
  - News release?



# Overview of Current Procurement Process

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## Relevant Key Points:

- Description/overview of the different procurement modes
- Overview of existing Framework for Competitive Bidding
- Overview of recent utility-scale generation RFPs
- Discussion of Hawai'i Public Utilities Commission Order No. 36187 Providing Guidance on Phase 2 Draft RFPs
  - Issued February 27, 2019
  - Design / Execution of those RFPs out of scope of this WG



# Current Process: Challenges and Issues

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## Potential Issues To Address:

- Scope
  - “Technology agnostic” versus “technology prescriptive”
  - Procurement mechanisms (e.g. RFI/RFP, auctions, etc.)
  - Resource solution sourcing
  - T&D solution sourcing
  - Other procurement processes (non-RFP)
  - Other? What is out of scope?
- Timing
  - Potential impact due to scale of required solutions
    - Complexity
    - Risks
    - Duration
  - Procurement Sequencing & Dependencies with other IGP processes
- Framework for Competitive Bidding



# Next Steps

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## Next Meeting: April (Date TBD)

- Review challenges and issues identified today
- Deep Dive on Current Procurement Processes
- Examine examples of other utility competitive procurement processes
- Identify any “best practices” trends and learning that could be adopted in Hawaii





# Questions & Feedback



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