

# Procurement Process and Competitive Bidding Framework

Competitive Procurement Working Group  
February 12, 2020



**Hawaiian  
Electric**

# Agenda

- ◆ Welcome
  - Ground Rules
- ◆ CPWG Meeting Objectives for Today
- ◆ Review and discuss the updated IGP Sourcing Approach
- ◆ Discuss the redlines made to Competitive Bidding Framework (CBF)
- ◆ Next Steps, Proposed Meeting Schedule & Deliverables



# Welcome and Objectives



Hawaiian  
Electric

# Ground Rules

- ◆ 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.

# CPWG Purpose & Objectives

## 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.

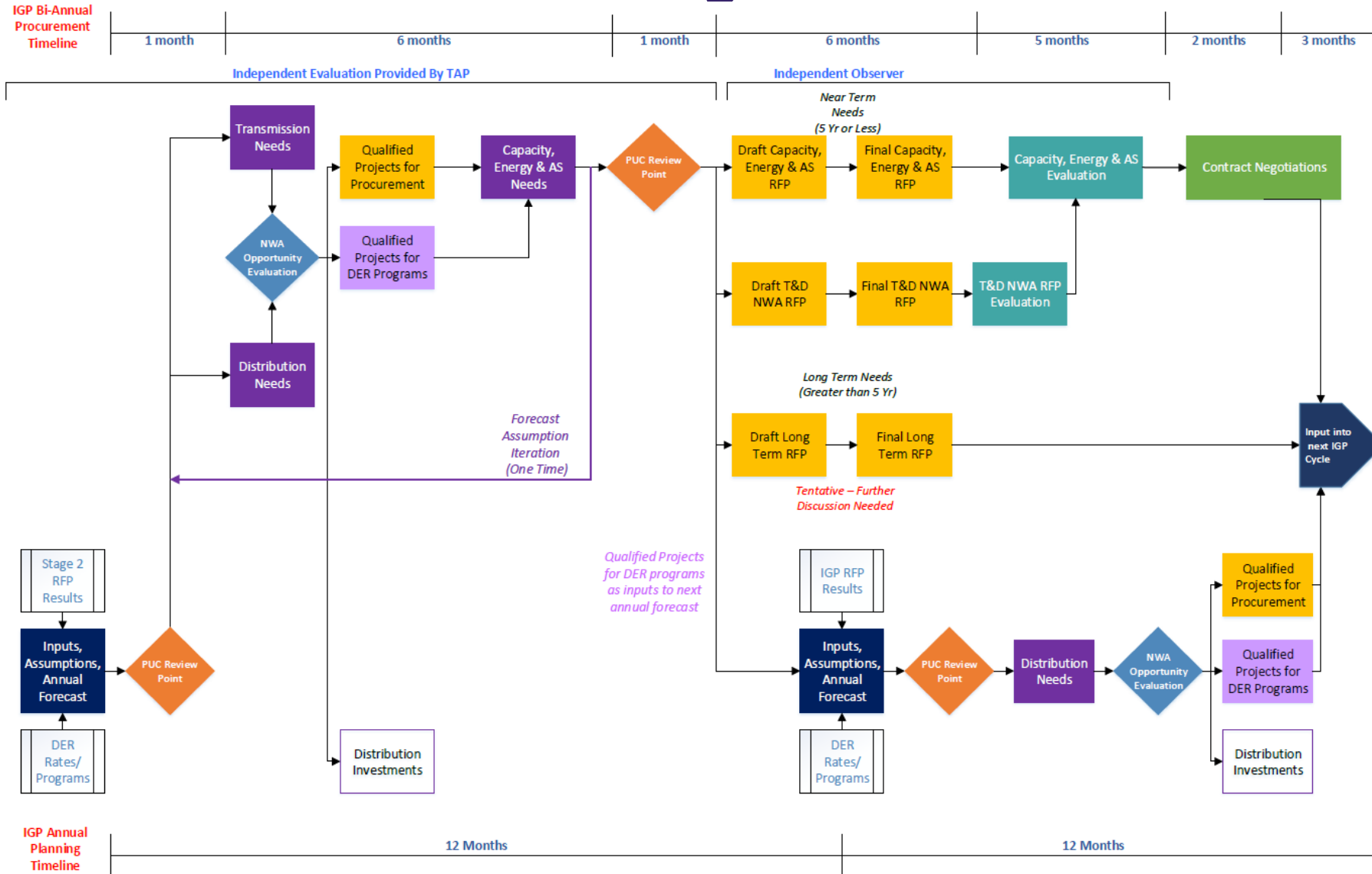
## Objectives:

- 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.

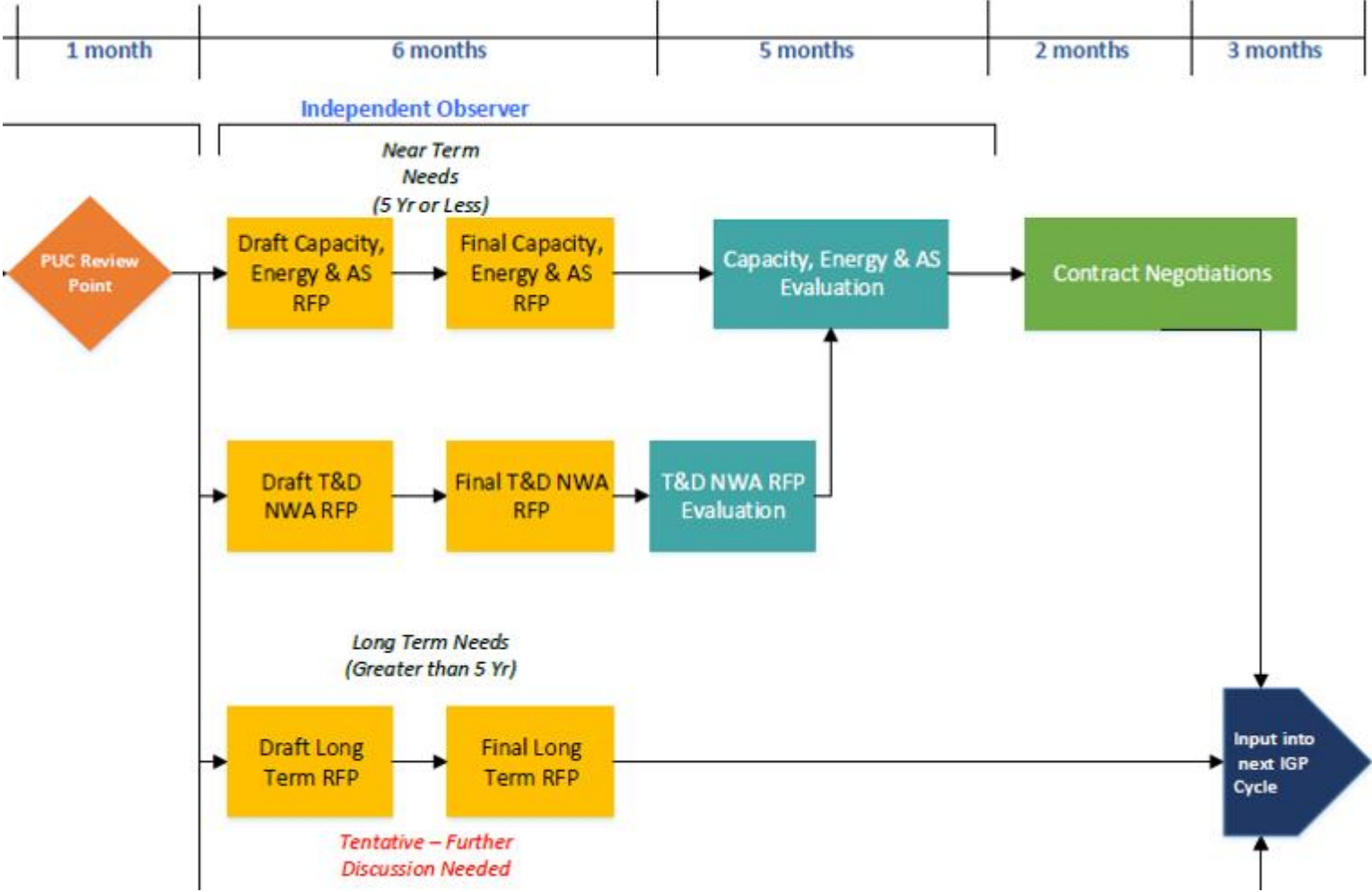
# Objectives for Today

- ◆ Develop a shared understanding of the revised IGP Sourcing Process
  - ◆ 2<sup>nd</sup> PUC Review Point
  - ◆ RFP related blocks (Capacity Energy & Ancillary Services; T&D NWA; Long Term)
  - ◆ Cyclical nature of the IGP Sourcing Process
    - ◆ Removal of Develop 5 Yr Plan block
- ◆ Review and discuss proposed modifications to the Competitive Bidding Framework (CBF)
  - ◆ Applicability of CBF
  - ◆ Section II as a starting point
- ◆ Discuss next steps and path forward for CPWG and CBF evolution

# IGP Sourcing Process



# Application of Competitive Bidding Framework





# Proposed modifications to the CBF - Initial Discussion

- Who is covered by the CBF?
  - Hawaiian Electric only?
- Context of Competitive Bidding
  - Definition of Integrated Grid Planning (IGP)
  - Definition of System Resource types, size, exceptions
    - No longer for generation only
    - Encompassing the yellow procurement boxes in the Sourcing Approach
  - Waivers
- Determination of Resource Need
  - IGP process determines need
- Scope of Competitive Bidding
- Procurement Risk Mitigation
  - Self build, parallel planning and contingency planning
- Other Issues for Discussion?

# Next Steps and Schedule

## Next Meeting:

- ◆ Date: March 18, 2020
- ◆ Time: TBD
- ◆ Location: American Savings Bank Building, Room ASB2
- ◆ Topics:
  - ◆ Continue discussion of additional proposed modifications to the CBF.
  - ◆ Please send any additional comments on today's discussion to:
    - ◆ [IGP@hawaiianelectric.com](mailto:IGP@hawaiianelectric.com) and Isaac Kawahara ([renewableacquisition@hawaiianelectric.com](mailto:renewableacquisition@hawaiianelectric.com))