

# Procurement Process and Competitive Bidding Framework

Competitive Procurement Working Group

April 20, 2020



Hawaiian Electric  
Maui Electric  
Hawai'i Electric Light

# Agenda

- ◆ Welcome
  - Ground Rules
- ◆ CPWG Meeting #11 Objectives
- ◆ Review and discuss the updated IGP Sourcing Process diagram
- ◆ Long Term RFP Discussion – focusing on Procurement
- ◆ Discuss the redlines made to Competitive Bidding Framework (CBF)
  - Incorporation of feedback on Definitions, Section III, Contingency and Parallel Plans
  - Sections IV, V, VII and VIII
- ◆ Next Steps, Proposed Meeting Schedule & Deliverables



# Welcome and Objectives



Hawaiian Electric  
Maui Electric  
Hawai'i Electric Light

# 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

- ◆ Review the revised IGP Sourcing Process
- ◆ Long Term RFP
- ◆ Review and discussion session
  - ◆ Incorporation of feedback from Meeting #10
    - ◆ Definitions, Section III and Contingency & Parallel Plans
  - ◆ Additional proposed modifications to the CBF
    - ◆ Sections IV, V, VII and VIII
- ◆ Discuss next steps and path forward for CPWG and CBF evolution



1 month

6 months

1 month

6 months

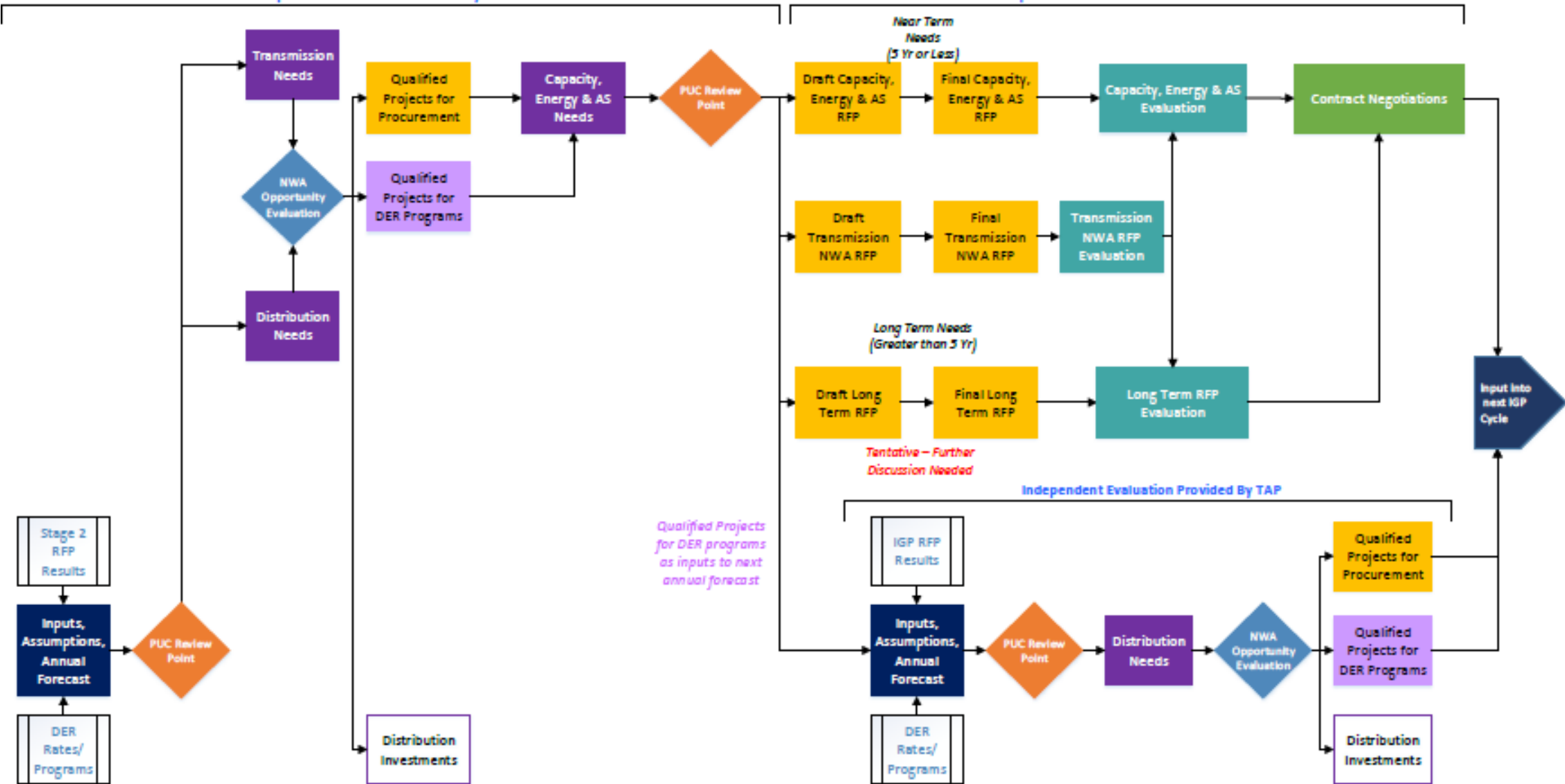
5 months

2 months

3 months

Independent Evaluation Provided By TAP

Independent Observer



12 Months

12 Months

# Long Term RFP – Procurement Process

## ➤ Outlook

- Very high probability
- RFP timing and target based on needs assessments identified in the Company's resource analyses

## ➤ RFP Issuance

### ➤ Similarities

- RFP format
- RFP development and final release process

### ➤ Differences

- Independent Observer oversight to being at Draft RFP step

## ➤ RFP Options

- Near or long term Commercial Operations Dates
- Differing site control and permitting options based on COD





# Proposed modifications to the CBF

- Definitions
  - Revisions made to better identify processes
  - Contingency and Parallel Planning
- Section III
  - Incorporation of feedback received from the prior meeting
- Section IV, V, VII and VIII
  - Section IV The Request for Proposals Process
    - Section IV.B.6.b Status Conference
    - Section IV.C.3 Proposed deletion (fuel conversion)
    - Section IV.E.4,5,6 Bid Evaluation and Selection Criteria
    - Section IV.H.9.b Self-build proposal submittal deadline
  - Section V Dispute Resolution – no changes
  - Section VII Ratemaking
    - Section VII.C.2 Contingency plan; capital cost amortization
  - Section VIII Qualifying Facilities – may not be needed; still under review



# Next Steps and Schedule

## Next Meeting:

- ◆ Date: May 22, 2020
- ◆ Time: TBD
- ◆ Location: Webex
- ◆ 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))

