

Procurement Process and Competitive Bidding Framework

Competitive Procurement Working Group
November 12, 2020



Hawaiian Electric
Maui Electric
Hawai'i Electric Light

Agenda

- ◆ Welcome
 - Ground Rules
- ◆ CPWG Meeting #14 Objectives
- ◆ Review Final Sourcing Approach Diagram
- ◆ Discuss Final draft of Competitive Bidding Framework (CBF)
 - Discussion of outstanding issues
- ◆ Next Steps & 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

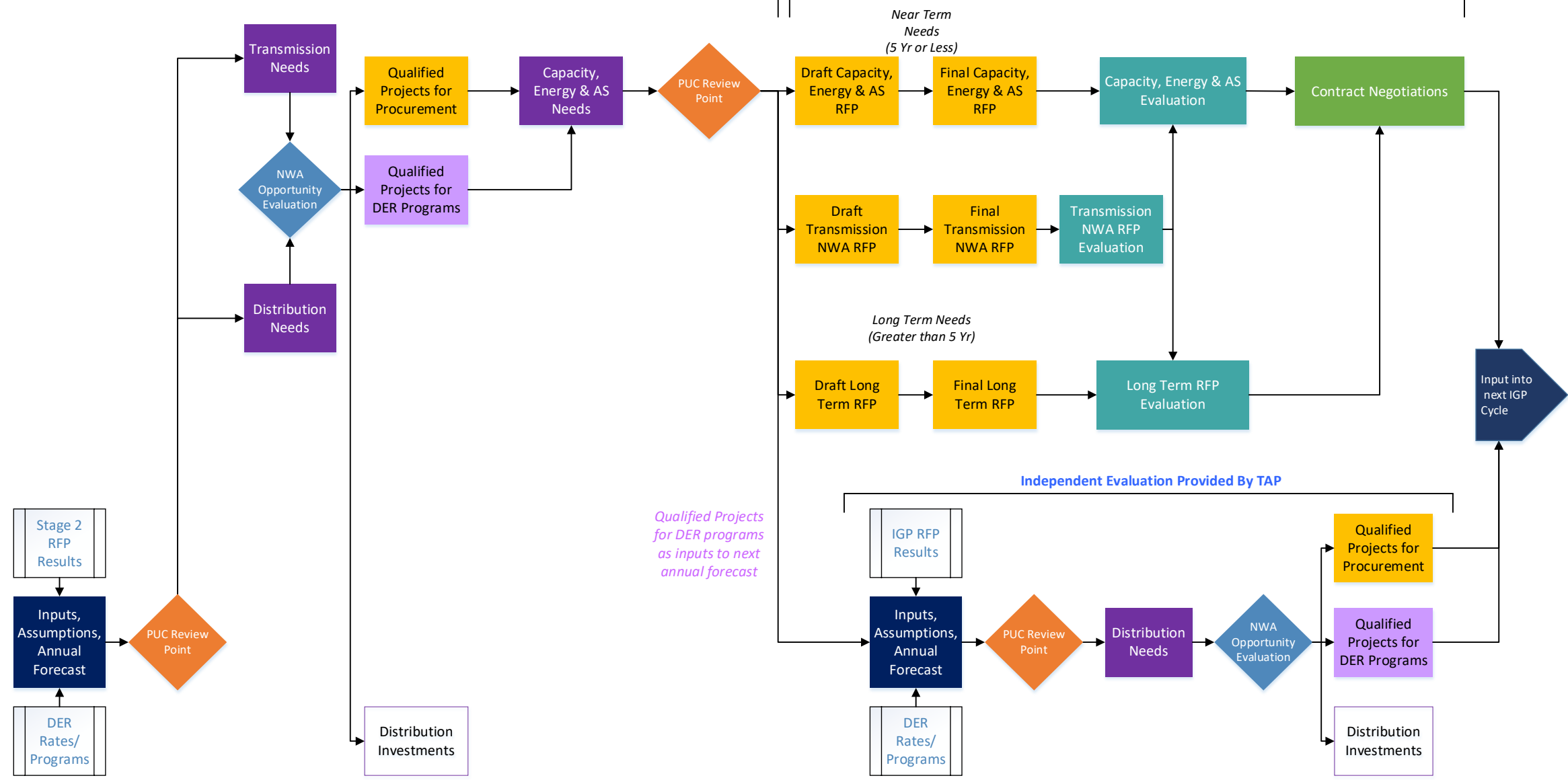
- ◆ Review of the IGP Sourcing Process
 - ◆ Procurement specific blocks
- ◆ Review and discussion session of new changes
- ◆ Discuss next steps
 - ◆ Wrapping up CPWG
 - ◆ Final deliverables and timeline





Independent Evaluation Provided By TAP

Independent Observer



Final Draft of CBF

- ◆ Modifications since CPWG Meeting #13 draft
 - ◆ Minor, clarifying changes
 - ◆ Contingency Plan applicability
 - ◆ Independent Observer cost recovery
 - ◆ Contingency Plan cost recovery
 - ◆ No Capital Cost recovery in excess of bid amount
- ◆ Summary of recommended changes compared with current CBF



Next Steps and Schedule

- ◆ Wrapping up CPWG
 - ◆ Final deliverables
 - ◆ Future engagement
- ◆ Final CBF schedule
 - ◆ CPWG comments on new modifications by November 19, 2020
 - ◆ Company review of final draft
 - ◆ A clean final draft will be circulated concurrent with filing
 - ◆ Filing target date: Tentatively set for December 2020



We would like to thank all CPWG participants. We appreciate everyone's time and feedback during this process.

Please send any additional comments regarding CPWG to:

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