

**Hawaiian
Electric**

REQUEST FOR PROPOSALS

FOR

COMMUNITY-BASED RENEWABLE ENERGY TRANCHE 1

O‘AHU, MAUI AND HAWAI‘I ISLAND

April 14, 2022

Docket No. 2015-0389

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Chapter 1: Introduction and General Information

Hawaiian Electric Company, Inc. (“Hawaiian Electric”), Maui Electric Company, Limited (“Maui Electric”), and Hawai‘i Electric Light Company, Inc. (“Hawai‘i Electric Light”) (each a “Company” and collectively, the “Companies”) seek proposals for Community-Based Renewable Energy (“CBRE”) projects, also referred to as shared solar,¹ in this Tranche 1 for the Hawaiian Electric System, Maui Electric System, and Hawai‘i Electric Light System, on the islands of O‘ahu, Maui, and Hawai‘i, respectively (each a “System”), in accordance with this Request for Proposals (“RFP”).

The Company or its Affiliates may submit a Proposal in response to this RFP subject to the requirements of this RFP. Proposers may submit separate Proposals for any single island or any combination thereof.

In this RFP, the Company seeks new dispatchable photovoltaic (“PV”) generation projects (with or without a Battery Energy Storage System (“BESS”)) of at least 250 kW as shown in [Table 1](#) below. Mid-Tier Projects will utilize a pre-approved standard form contract in the form of [Appendix K](#) (“Mid-Tier SFC”). Each Mid-Tier Project will be limited to a maximum of 5 MW on **O‘ahu** and 2.5 MW on **Maui** and **Hawai‘i Island**.

Large Projects, which include any Project exceeding 5 MW (no maximum), will only be considered on **O‘ahu** and will utilize the Company’s Model Renewable Dispatchable Generation Power Purchase Agreement (“RDG PPA”) which can be found in [Appendix L](#).

**Table 1
Project Size and Contract Options by Island**

	Large Projects / Contract	Mid-Tier Projects / Contract
Oahu	>5 MW / RDG PPA	250 kW – 5 MW / Mid-Tier SFC
Maui & Hawai‘i Island	n/a	250 kW – 2.5 MW / Mid-Tier SFC

Each successful Proposer will provide dispatchable PV generation and optionally a BESS to the Company pursuant to the terms of an RDG PPA or Mid-Tier SFC. RDG PPAs for Large Projects will be subject to review and approval by the State of Hawai‘i Public Utilities

¹ In response to some confusion in the community over the acronym “CBRE” that the Companies have experienced during their latest efforts to publicize the CBRE Program, the Companies are introducing the more descriptive term “shared solar” for the CBRE Program in an effort to alleviate any further confusion in the community. The Companies intent is to use both terms, “CBRE” in regulatory filings and “shared solar” in marketing and other Company literature to refer to the Community-Based Renewable Energy Program first introduced by the CBRE Framework. The term “shared solar” will be used even though the CBRE Program is not necessarily limited to PV projects only.

Commission (“PUC”), while the Mid-Tier Projects selected in this RFP will not be subject to further PUC review and approval.

The Company’s RDG PPA and Mid-Tier SFC employ an innovative contracting mechanism which is very different than traditional PPA structures. Proposers are instructed to thoroughly review the RDG PPA attached as Appendix L and the Mid-Tier SFC attached as Appendix K based on the size of their project. The structure of the RDG PPA and Mid-Tier SFC intends to provide payments to the Proposer by the Company on a monthly lump sum basis, based upon the energy potential of the Facility, regardless of the actual energy dispatched. In exchange, the utility maintains full dispatch control of the Facility as needed. Under the RDG PPA and Mid-Tier SFC, each Facility must meet certain requirements to receive the full lump sum payment each month. These requirements ensure that each plant is available to the Company for dispatch to meet system needs.

The Company will evaluate Proposals using the evaluation and selection process described in Chapter 4. The Company will evaluate and select Proposals based on both price and non-price factors that impact the Company, its customers, and communities affected by the proposed Projects. The number of Projects that the Company may acquire from this RFP depends on, among other things, the quality and cost-effectiveness of bids received in response to this RFP; economic comparison to other RFP responses; updates to the Company’s forecasts; distribution availability; and changes to regulatory or legal requirements. If attractive Proposals are received that will provide energy and energy storage in excess of the targeted amounts, the Company will consider selecting such Proposal(s) if benefits to customers are demonstrated.

All requirements necessary to submit a Proposal(s) are stated in this RFP. A description of the technical requirements for Proposers is included in the body of this RFP, Appendix B, in the RDG PPA and Mid-Tier SFC attached as Appendix L, and K, respectively, and if applicable, the DC Coupled Term Sheet, attached as Appendix M.

All capitalized terms used in this RFP shall have the meaning set forth in the glossary of defined terms attached as Appendix A. Capitalized terms that are not included in Appendix A shall have the meaning ascribed in this RFP.

Unless identified for a specific island, the requirements in this RFP apply to all projects proposed for the islands of O‘ahu, Maui, and Hawai‘i.

1.1 Authority and Purpose of the Request for Proposals

- 1.1.1 This RFP is issued in response to Order No. 37070 issued on April 9, 2020, Order No. 37139 issued on May 14, 2020, and Order No. 37879 issued on July 27, 2021 in Docket No. 2015-0389 as part of a procurement process established by the PUC.
- 1.1.2 This RFP is subject to Decision and Order (“D&O”) No. 23121 in Docket No. 03-0372 (To Investigate Competitive Bidding for New Generating Capacity in Hawai‘i), which sets forth the PUC’s Framework for Competitive Bidding (“Framework” or “Competitive Bidding Framework”).

1.2 Scope of the RFP

- 1.2.1 Proposals submitted in response to this RFP shall meet the requirements identified in Part II and III of Tariff Rule No. 29, Community-Based Renewable Energy Program Phase 2, attached as Appendix J.
- 1.2.2 The Company will only accept Proposals that utilize PV technology as the source energy, which may be paired with storage. No other generation technologies may be proposed. Proposals may be submitted as: (1) Generation only Projects; or (2) Generation paired with a BESS Projects (“Paired Projects”).
- 1.2.3 At least 40% of the Project’s capacity must be reserved for residential Subscribers with unsubscribed RDG compensation subject to the requirements in Article 2 of the RDG PPA or Attachment C of the Mid-Tier SFC. The capacity allocations (%) identified in the Proposal submission will be used in the RFP evaluation process and therefore Proposers will be held to their provided value.
- 1.2.4 Preference will be given to Projects whose Subscriber portion reserves an amount greater than 40% of Project capacity for residential customers and/or any additional amount of Project capacity dedicated to Low- and Moderate-Income Customers (“LMI Customers”), as defined in Tariff Rule No. 29 in Appendix J.
- 1.2.5 Each Proposal submitted in response to this RFP must represent a Project that is capable of meeting the requirements of this RFP without having to rely on the completion or implementation of any other Project, or without having to rely on a proposed change in law, rule, or regulation.
- 1.2.6 Proposals that will require system upgrades and the construction of which, in the reasonable judgment of the Company (in consultation with the Independent Observer), creates a significant risk that their Project’s Guaranteed Commercial Operations Date (“GCOD”) will not be met will not be considered in this RFP.
- 1.2.7 Projects submitted in response to this RFP must be located on O‘ahu, Maui, or Hawai‘i Island.
- 1.2.8 Proposers will determine their Project Site. Proposers have the option of submitting a Proposal using potential Sites offered and described in Section 3.11. Proposers must locate all Project infrastructure within areas of their Site that are outside the 3.2 feet sea level rise exposure area (SLR-XA) as described in the Hawai‘i Sea Level Rise Vulnerability and Adaptation Report (2017)², are not located within a Tsunami

² Hawai‘i Climate Change Mitigation and Adaptation Commission. 2017. Hawai‘i Sea Level Rise Vulnerability and Adaptation Report. Prepared by Tetra Tech, Inc. and the State of Hawai‘i Department of Land and Natural Resources, Office of Conservation and Coastal Lands, under the State of Hawai‘i Department of Land and Natural Resources Contract No: 64064. This report is available at: https://climateadaptation.hawaii.gov/wp-content/uploads/2017/12/SLR-Report_Dec2017.pdf

Evacuation Zone³, and are not located within the Hawaii Department of Land and Natural Resources flood map's flood zones A, AE, AEF, AH, AO, VE based on the Federal Emergency Management Agency's Digital Flood Insurance Rate Maps.⁴ All equipment required for a Proposer's project must be sited within the Proposer's project site with no assumptions that any equipment will be sited on Company property unless specified by the Company.

- 1.2.9 Projects on **Maui** and **Hawai'i Island** must interconnect to the Company's System at the distribution level (12 kV or lower) and must not exceed 2.5 MW. Projects on **O'ahu** must interconnect to the Company's System at the sub-transmission (46 kV) or distribution level (12 kV or lower). Projects on **O'ahu** interconnecting at the distribution level (12 kV or lower) must not exceed 3 MW.
- 1.2.10 Projects submitted in response to this RFP must be 250 kW or larger. Proposers for CBRE projects smaller than 250 kW should refer to the Company's CBRE website for instructions on how to submit proposals at www.hawaiianelectric.com/sharedsolar.
- 1.2.11 Contracts for Projects selected through this RFP must use the RDG PPA or Mid-Tier SFC, as described in Section 3.8. Under the RDG PPA and Mid-Tier SFC, the Company shall maintain exclusive rights to fully direct dispatch of the Facility, subject to availability of the resource and Section 1.2.12 below. The term of the RDG PPA or Mid-Tier SFC will be 20 years.
- 1.2.12 The BESS component of a Paired Project will be charged during periods when full potential export of the generation component is not being dispatched by the Company. Stored energy in the BESS may be used to export energy to the Company subject to Company Dispatch. The BESS component of a Paired Project must be sized to support the Facility's Allowed Capacity (in MW) for a minimum of four (4) continuous hours throughout the term of the RDG PPA or Mid-Tier SFC.

For example, for a 2 MW facility, the BESS component must be able to store and discharge at least 8 MWh of energy at 2 MW maximum export in a single charging/discharging cycle throughout the term of the Mid-Tier SFC.
- 1.2.13 Grid-charging is not required for Paired Projects. However, if grid-charging capability is included, the Paired Project must be able to be charged from the grid at the direction of the Company after the 5-year Investment Tax Credit ("ITC") recapture period has lapsed. Paired Projects electing to include grid-charging capability that are incapable of claiming the ITC must be capable of being 100% charged from the grid from the GCOD.

³ See Hawai'i Sea Level Rise Viewer at <https://www.pacioos.hawaii.edu/shoreline/slr-hawaii/>, and National Oceanic and Atmospheric Administration (NOAA) interactive map in partnership with the State of Hawai'i at <https://tsunami.coast.noaa.gov/#/>. Projects infrastructure must be outside the "Tsunami Evacuation Zone" (but not necessary to be outside the "Extreme Tsunami Evacuation Zone").

⁴ See Hawaii Department of Land and Natural Resources Flood Hazard Assessment Tool at <http://gis.hawaiiinfip.org/FHAT/>.

- 1.2.14 The amount of energy discharged from a BESS component in a year will be limited to the energy storage contract capacity (in MWh) multiplied by the number of Days in that year. A BESS component may be dispatched more than once per Day, subject to such discharge energy limitations.
- 1.2.15 Proposals must specify a GCOD no later than May 31, 2027. Preference will be given to Proposals that specify an earlier GCOD in both the price and non-price evaluation. A Proposer's GCOD set forth in its Proposal will be the GCOD in any resulting RDG PPA or Mid-Tier SFC if such Proposal is selected to the Final Award Group. Proposers will not be able to request a change in the GCOD set forth in their Proposals. Proposals that propose an earlier GCOD will be scored higher during the Initial Evaluation phase (see Chapter 4).
- 1.2.16 If selected, Proposers will be responsible for all costs throughout the term of the RDG PPA or Mid-Tier SFC, including but not limited to Project development, completion of an Interconnection Requirements Study ("IRS"), the cost of conducting a greenhouse gas analysis, land acquisition, permitting, financing, construction of the Facility and all Interconnection Facilities, and the operation and maintenance ("O&M") of the Facility.
- 1.2.17 If selected, Proposers will be solely responsible for the decommissioning of the Project and the restoration of the Site upon the expiration of the PPA, as described in Attachment G, Section 7 of the RDG PPA or the Mid-Tier SFC.
- 1.2.18 If selected, Proposers shall pursue all available applicable federal and state tax credits. Proposal pricing must be set to incorporate the benefit of such available federal tax credits. However, to mitigate the risk on Proposers due solely to potential changes to the state's tax credit law before a selected project reaches commercial operations, Proposal pricing shall be set without including any state tax credits. If a Proposal is selected, the PPA for the project will require the Proposer to pursue the maximum available state tax credit and remit tax credit proceeds to the Company for customers' benefit as described in Attachment J of the RDG PPA or the Mid-Tier SFC. The applicable PPA will also provide that the Proposer will be responsible for payment of liquidated damages for failure to pursue the state tax credit.

1.3 Competitive Bidding Framework

Consistent with the Framework, this RFP outlines the Company's requirements in relation to the resources being solicited and the procedures for conducting the RFP process. It also includes information and instructions to prospective Proposers participating in and responding to this RFP.

1.4 Role of the Independent Observer

- 1.4.1 Part III.C.1 of the Framework sets forth the circumstances under which an Independent Observer is required in a competitive bidding process. The Independent Observer will advise and monitor all phases of the RFP process and will coordinate with PUC staff throughout the RFP process to ensure that the RFP is undertaken in a fair and unbiased

manner. In particular, the Company will review and discuss with the Independent Observer decisions regarding the evaluation, disqualification, non-selection, and selection of Proposals.

- 1.4.2 The role of the Independent Observer, as described in the Framework, will include, but is not limited to:
- Monitor all steps in the competitive bidding process
 - Monitor communications (and communications protocols) with Proposers
 - Monitor adherence to the Company’s Code of Conduct
 - Submit comments and recommendations, if any, to the PUC concerning the RFP
 - Review the Company’s Proposal evaluation methodology, models, criteria, and assumptions
 - Review the Company’s evaluation of Proposals
 - Advise the Company on its decision-making
 - Participate in dispute resolution as set forth in Section 1.10
 - Monitor contract negotiations with Proposers
 - Report to the PUC on monitoring results during each stage of the competitive bidding process
 - Provide an overall assessment of whether the goals of the RFP were achieved
- 1.4.3 The Independent Observer for this RFP is: **Arroyo Seco Consulting**.

1.5 Communications Between the Company and Proposers – Code of Conduct Procedures Manual

- 1.5.1 Communications and other procedures under this RFP are governed by the “Code of Conduct Procedures Manual,” (also referred to as the “Procedures Manual”) developed by the Company as required by the Framework, and attached as Appendix C.
- 1.5.2 All pre-Proposal communication with prospective Proposers will be conducted via the Company’s RFP website, Electronic Procurement Platform, and/or electronic mail (“Email”) through the address specified in Section 1.6 (the “RFP Email Address”). Phone communication or face-to-face meetings will not be supported. Frequently asked questions submitted by prospective Proposers and the answers to those questions may be posted on the Company’s RFP website. The Company reserves the right to respond only to comments and questions it deems are appropriate and relevant to the RFP. Proposers shall submit questions no later than fifteen Days before the Proposal Due Date (RFP Schedule in Section 3.1, Table 2). The Company will endeavor to respond to all questions no later than five Days before the Proposal Due Date.
- 1.5.3 After Proposals have been submitted, the Company may contact individual Proposers for purposes of clarifying their Proposal(s).
- 1.5.4 Any confidential information deemed by the Company, in its sole discretion, to be appropriate to share, will only be transmitted to the requesting party after receipt of a fully executed CBRE Mutual Confidentiality and Non-Disclosure Agreement (“CBRE NDA”) (see Appendix E).

1.5.5 Except as expressly permitted and in the manner prescribed in the Procedures Manual, any unsolicited contact by a Proposer or prospective Proposer with personnel of the Company pertaining to this RFP is prohibited.

1.6 Company Contact for Proposals

The primary contacts for this RFP are:

For O‘ahu	For Maui	For Hawai‘i Island
Shawn Uehira Energy Contract Manager Hawaiian Electric Company, Inc.	Isaac Kawahara Energy Contract Manager Hawaiian Electric Company, Inc.	Michael Ito Energy Contract Manager Hawaiian Electric Company, Inc.

RFP Email Address: cbrerfp@hawaiianelectric.com

1.7 Proposal Submission Requirements

- 1.7.1 All Proposals must be prepared and submitted in accordance with the procedures and format specified in the RFP. Proposers are required to respond to all questions and provide all information requested in the RFP, as applicable, and only via the communication methods specified in the RFP.
- 1.7.2 Detailed requirements regarding the form, submission, organization and information for the Proposal are set forth in Chapter 3 and Appendix B.
- 1.7.3 Proposals must not rely on any information that is not contained within the Proposal itself in demonstrating compliance for any requirement in this RFP.
- 1.7.4 In submitting a Proposal in response to this RFP, each Proposer certifies that the Proposal has been submitted in good faith and without fraud or collusion with any other unaffiliated person or entity. The Proposer shall acknowledge this in the Response Package submitted with its Proposal. Furthermore, in executing the CBRE NDA provided as Appendix E, the Proposer agrees on behalf of its Representatives (as defined in the CBRE NDA) that the Company’s negotiating positions will not be shared with other Proposers or their respective Representatives.

In addition, in submitting a Proposal, a Proposer will be required to provide Company with its legal counsel’s written certification in the form attached as Appendix B Attachment 1 certifying in relevant part that irrespective of any Proposer’s direction, waiver, or request to the contrary, that the attorney will not share a Proposer’s confidential information associated with such Proposer with others, including, but not limited to, such information such as a Proposer’s or Company’s negotiating positions. If legal counsel represents multiple unaffiliated Proposers whose Proposals are selected for the Final Award Group, such counsel will also be required to submit a similar certification at the conclusion of power purchase agreement negotiations that he or she

has not shared a Proposer’s confidential information or the Company’s confidential information associated with such Proposer with others, including but not limited to, such information as a Proposer’s or Company’s negotiating positions.

- 1.7.5 All Proposals must be submitted via the Electronic Procurement Platform by 2:00 pm Hawai‘i Standard Time (“HST”) on the Proposal Due Date shown in the RFP Schedule in Section 3.1, Table 2. No hard copies of these Proposals will be accepted by the Company.

It is the Proposer’s sole responsibility to ensure that complete and accurate information has been submitted on time and consistent with the instructions of this RFP. With this assurance, Company shall be entitled to rely upon the completeness and accuracy of every Proposal. Any errors identified by the Proposer or Company after the Proposal Due Date has passed may jeopardize further consideration and success of the Proposal. If an error or errors are later identified, Company, in consultation with the Independent Observer, may permit the error(s) to be corrected without further revision to the Proposal, or may require Proposer to adhere to terms of the Proposal as submitted without correction. Additionally, and in Company’s sole discretion, if such error(s) would materially affect the Priority List or Final Award Group, Company reserves the right, in consultation with the Independent Observer, to remove or disqualify a Proposal upon discovery of the material error(s). The Proposer of such Proposal shall bear the full responsibility for such error(s) and shall have no recourse against Company’s decision to address Proposal error(s), including removal or disqualification. Each Energy Contract Manager, in consultation with the Independent Observer, will confirm that the Self-Build Proposals were submitted by the Self-Build Proposal Due Date shown in Section 3.1, Table 2, and IPP and Affiliate Proposals were submitted by the IPP and Affiliate Proposal Due Date shown in Section 3.1, Table 2. The Electronic Procurement Platform automatically closes to further submissions after the IPP and Affiliate Proposal Due Date shown in Section 3.1, Table 2.

1.8 Proposal Fee

- 1.8.1 IPP and Affiliate proposers are required to tender a non-refundable Proposal Fee, based on the size of the proposed Project, for each Proposal submitted.

Project Size	Proposal Fee
250 kW and larger, up to and including 2.5 MW	\$2,000
Larger than 2.5 MW, up to and including 10 MW (O‘ahu only)	\$5,000
Larger than 10 MW (O‘ahu only)	\$10,000

- 1.8.2 Proposers may submit up to two (2) variations of their Proposal, one of which is the base variation of the Proposal, under a single Proposal Fee.
- 1.8.3 Variations of pricing terms, Facility size or with/without storage can be offered. Variations which propose a different Site will not be considered and will be deemed a separate Proposal, and a separate Proposal Fee must be paid for each such Proposal. All unique information for each variation of a Proposal, no matter how minor such variation is, must be clearly identified and separated by following the instructions in Appendix B Section 4.
- 1.8.4 The Proposal Fee must be in the form of a cashier’s check from a U.S.-chartered bank and must be delivered and received by the Company by 2:00 pm (HST) on the Proposal Due Date shown in the RFP Schedule in Section 3.1, Table 2. The cashier’s check should include a reference to the Proposal(s) for which the Proposal Fee is being provided. Proposers must identify in the Proposal Response Package (instructions in Appendix B Section 1.3.1) the delivery information for its Proposal Fee. Proposers are strongly encouraged to utilize a delivery service method that provides proof of delivery to validate delivery date and time.

If the Proposal Fee is delivered by U.S. Postal Service (with registered, certified, receipt verification), the Proposer shall address it to:

For O‘ahu	For Maui	For Hawai‘i Island
Payable to: Hawaiian Electric Company, Inc.	Payable to: Maui Electric Company, Ltd.	Payable to: Hawai‘i Electric Light Company, Inc.
Shawn Uehira Energy Contract Manager Hawaiian Electric Company, Inc. Mail Code AL12-IU PO Box 2750 Honolulu, Hawai‘i 96840	Isaac Kawahara Energy Contract Manager Hawaiian Electric Company, Inc. Mail Code AL12-IU PO Box 2750 Honolulu, Hawai‘i 96840	Michael Ito Energy Contract Manager Hawaiian Electric Company, Inc. Mail Code AL12-IU PO Box 2750 Honolulu, Hawai‘i 96840

If the Proposal Fee is delivered by other courier services, the Proposer shall address it to:

For O‘ahu	For Maui	For Hawai‘i Island
Hawaiian Electric Company, Inc. Ward Receiving Attention: Shawn Uehira, Energy Contract Manager Mail Code AL12-IU 799 S. King St. Honolulu, Hawai‘i 96813	Hawaiian Electric Company, Inc. Ward Receiving Attention: Isaac Kawahara, Energy Contract Manager Mail Code AL12-IU 799 S. King St. Honolulu, Hawai‘i 96813	Hawaiian Electric Company, Inc. Ward Receiving Attention: Michael Ito, Energy Contract Manager Mail Code AL12-IU 799 S. King St. Honolulu, Hawai‘i 96813

Due to COVID-19 disease prevention measures, Proposal Fees cannot be delivered in person.

1.9 Procedures for the Self-Build or Affiliate Proposals

- 1.9.1 Order No. 37070 states that the CBRE RFPs will be open to all bidders, including the Company. The Competitive Bidding Framework allows the Company the option to offer a Proposal(s) in response to this RFP (“Self-Build Option” or “SBO”). Accordingly, the Company must follow certain requirements and procedures designed to safeguard against and address concerns associated with: (1) preferential treatment of the SBO or members, agents, or consultants of the Company formulating the SBO (the “Self-Build Team”); and (2) preferential access to proprietary information by the Self-Build Team. These requirements are specified in the Code of Conduct (“CBRE Code of Conduct”) required under the Framework and implemented by certain rules and procedures found in the Procedures Manual submitted to the PUC in Docket No. 2015-0389 on October 9, 2020. The CBRE Code of Conduct will apply to all CBRE Phase 2 RFPs, regardless of whether the Company submits an SBO Proposal. A copy of the Procedures Manual is attached as Appendix C.

The Competitive Bidding Framework also allows Affiliates of the Company to submit Proposals⁵ to RFPs issued by the Company. All Self-Build and Affiliate Proposals are subject to the Company’s Code of Conduct and the Procedures Manual. Affiliate Proposals are also subject to any applicable Affiliate Transaction Requirements issued by the PUC in Decision and Order No. 35962 on December 19, 2018, and subsequently modified by Order No. 36112, issued on January 24, 2019, in Docket No. 2018-0065. However, for Affiliate Proposals for Mid-Tier Projects, the PUC will not require an additional review pursuant to the Affiliate Transaction Requirements, but will hold Affiliate Proposals to the terms of their Proposals. Affiliate Proposals will be treated identically to IPP Proposals and must be submitted electronically through the Electronic Procurement Platform by the IPP and Affiliate Proposal Due Date in RFP Section 3.1, Table 2.

- 1.9.2 The Company will require that the Proposal for the SBO(s) and Affiliate Proposals be submitted electronically through the Electronic Procurement Platform. The Company will allow the Self-Build Team to submit one Proposal for each of O‘ahu, Maui and Hawai‘i Island. The Self-Build Team may submit up to two (2) variations in their Proposal, one of which is the base variation of the Proposal as described in Section 1.8.3. SBO Proposals will be due a minimum of one (1) Day before other Proposals are due. A Proposal for the SBO will be uploaded into the Electronic Procurement Platform in the same manner Proposals from other Proposers are uploaded. The Energy Contract Manager, in consultation with the Independent Observer, will confirm that the Self-Build Proposals are timestamped by the Self-Build Proposal Due Date found in RFP Section 3.1, Table 2, Item 9.

⁵ A Proposal will also be treated as an Affiliate Proposal if the Affiliate is a partner for the Proposal.

1.9.3 Detailed requirements for an SBO Proposal can be found in Appendix G. These requirements are intended to provide a level playing field between SBO Proposals and third-party Proposals. Except where specifically noted, an SBO Proposal must adhere to the same price and non-price Proposal requirements as required of all Proposers, as well as certain RDG PPA or Mid-Tier SFC requirements, such as milestones and liquidated damages, as described in Appendix G. The non-negotiability of the Performance Standards shall apply to any SBO to the same extent it would for any other Proposal. Notwithstanding the fact that it will not be required to enter into an RDG PPA or Mid-Tier SFC with the Company, a Self-Build Proposer will be required to note its exceptions, if any, to the RDG PPA for Large Projects in the same manner required of other Proposers, and will be held to such modified parameters if selected. In addition to its Proposal, the Self-Build Team will be required to submit Appendix G Attachment 1, Self-Build Option Team Certification Form, acknowledging it has followed the rules and requirements of the RFP to the best of its ability and has not engaged in any collusive actions or received any preferential treatment or information providing an impermissible competitive advantage to the Self-Build Team over other Proposers responding to this RFP, as well as adherence to RDG PPA or Mid-Tier SFC terms and milestones required of all Proposers and the SBO's proposed cost protection measures.

The cost recovery methods between a regulated utility SBO Proposal and IPP Proposals are fundamentally different due to the business environments they operate in. As a result, the Company has instituted a process to compare the two types of proposals for the initial evaluation of the price related criteria on a 'like' basis through comparative analysis.

At the core of an SBO Proposal are its total project capital cost and any associated annual operations and maintenance ("O&M") costs. During the RFP's initial pricing evaluation step, these capital costs⁶ and O&M costs will be used in a revenue requirement calculation to determine the estimated revenues needed from customers which would allow the Company to recover the total cost of the project. The SBO revenue requirements are then used to calculate a Levelized Program Capacity Price (\$/MW) for comparison to IPP and any Affiliate Proposals.

The Company, in conjunction with the Independent Observer, may also conduct a risk assessment of the SBO Proposal to ensure an appropriate level of customer cost protection measures are included in such Proposal.

If the SBO is not included in any shared savings mechanism for this RFP pre-approved by the Commission, the SBO will be permitted to submit a shared savings mechanism with its Proposal to share in any cost savings between the amount of cost bid in the SBO Proposal and the actual cost to construct the Project. If the SBO Proposal is selected to the Final Award Group, the proposed shared savings mechanism will need to be approved by the PUC. Submission of a shared savings mechanism is not required and will not be considered in the evaluation of the SBO Proposal.

⁶ SBO Proposals will be required to provide a table identifying project costs by year. These capital costs should be all inclusive, including but not limited to costs associated with equipment, Engineering, Procurement, and Construction ("EPC"), interconnection, overhead, and Allowance for Funds Used During Construction ("AFUDC").

1.10 Dispute Resolution Process

- 1.10.1 If disputes arise under the RFP, the provisions of Section 1.10 and the dispute resolution process established in the Framework will control (see Part V of the Framework).
- 1.10.2 Proposers who challenge or contest any aspect of the RFP process must first attempt to resolve their concerns with the Company and the Independent Observer (“Initial Meeting”). The Independent Observer will seek to work cooperatively with the parties to resolve any disputes or pending issues and may offer to mediate the Initial Meeting to resolve disputes prior to such issues being presented to the PUC.
- 1.10.3 Any and all disputes arising out of or relating to the RFP which remain unresolved for a period of twenty (20) Days after the Initial Meeting takes place may, upon the agreement of the Proposer and the Company, be submitted to confidential Mediation in Honolulu, Hawai‘i, pursuant to and in accordance with the Mediation Rules, Procedures, and Protocols of Dispute Prevention Resolution, Inc. (“DPR”) (or its successor) or, in its absence, the American Arbitration Association then in effect (“Mediation”). The Mediation will be administered by DPR. If the parties agree to submit the dispute to Mediation, the Proposer and the Company shall each pay fifty percent (50%) of the cost of the Mediation (i.e., the fees and expenses charged by the mediator and DPR) and shall otherwise each bear their own Mediation costs and attorney’s fees.
- 1.10.4 If settlement of the dispute is not reached within sixty (60) Days after commencement of the Mediation, or if after the Initial Meeting, the parties do not agree to submit any unresolved disputes to Mediation, then as provided in the Framework, the Proposer may submit the dispute to the PUC in accordance with the Framework.
- 1.10.5 In accordance with the Framework, the PUC will serve as the arbiter of last resort for any disputes relating to this RFP involving Proposers. The PUC will use an informal expedited dispute resolution process to resolve the dispute within thirty (30) Days, as described in Parts III.B.8 and V of the Framework.⁷ There will be no right to hearing or appeal from this informal expedited dispute resolution process.
- 1.10.6 If any Proposer initiates a dispute resolution process for any dispute or claim arising under or relating to this RFP, other than that permitted by the Framework and Section 1.10 of this RFP (e.g., a court proceeding), then such Proposer shall be responsible for any and all attorneys’ fees and costs that may be incurred by the Company or the PUC in order to resolve such claim.

⁷ The informal expedited dispute resolution process does not apply to PUC review of contracts that result from the RFP. See Decision and Order No. 23121 at 34-35. Further, the informal expedited dispute resolution process does not apply to the Framework’s process relating to issuance of a draft and final RFP, and/or to the PUC approval of the RFP because: (1) the Framework (and the RFP) set forth specific processes whereby interested parties may provide input through the submission of comments; and (2) the Framework’s dispute resolution process applies to “Bidders” and there are no “Bidders” at this stage in the RFP process.

1.11 No Protest or Appeal

Subject to Section 1.10, no Proposer or other person will have the right to protest or appeal any award or disqualification of a Project made by the Company.

By submitting a Proposal in response to the RFP, the Proposer expressly agrees to the terms and conditions set forth in this RFP.

1.12 Modification or Cancellation of the Solicitation Process

- 1.12.1 Unless otherwise expressly prohibited, the Company may, at any time up to the final execution of an RDG PPA or Mid-Tier SFC, as may be applicable, in consultation with the Independent Observer, postpone, withdraw, and/or cancel any requirement, term, or condition of this RFP, including deferral of the award or negotiation of any contract, and/or cancellation of the award all together, all of which will be without any liability to the Company.
- 1.12.2 The Company may modify this RFP subject to requirements of the Framework, whereby the modified RFP will be reviewed by the Independent Observer and submitted to the PUC thirty (30) Days prior to its issuance, unless the PUC directs otherwise (see Framework Part IV.B.10). The Company will follow the same procedure with regard to any potential postponement, withdrawal, or cancellation of the RFP or any portion thereof.

Chapter 2: Resource Needs and Requirements

2.1 Performance Standards

Proposals must meet the attributes set forth in this RFP, and either the requirements of the RDG PPA or Mid-Tier SFC. This RFP and either the RDG PPA or Mid-Tier SFC set forth the minimum requirements that all Proposals must satisfy to be eligible for consideration in this RFP. Additional Performance Standards may be required based on the results of the IRS.

- 2.1.1 For Paired Projects, the functionality and characteristics of the BESS must be maintained throughout the term of the RDG PPA or Mid-Tier SFC. To be clear, Proposers may not propose any degradation for either capacity or efficiency in their Proposals.
- 2.1.2 Grid forming and black start capability⁸ are preferred but not required. These capabilities are given preference as part of the non-price criteria, Locational Value: Non-Wires Alternative and Community Resilience, in Section 4.4.2 in this RFP.

⁸ The ability to start itself and provide power to a designated set of loads within an established microgrid area without relying on any services or energy from the Company's grid in order to provide backup power to the established microgrid area if the grid connection is deenergized. This is a Facility and site specific design requiring Company review and depending on the design may be required to apply in the appropriate Microgrid Services Tariff accordingly.

2.2 System Information

- 2.2.1 For Projects intending to interconnect to the Company System at the distribution level (12 kV or lower on **O‘ahu, Maui and Hawai‘i Island**), Proposers are encouraged to use the Locational Value Maps located at <https://www.hawaiianelectric.com/clean-energy-hawaii/integration-tools-and-resources/locational-value-maps> to determine circuit capacity. However, while the Locational Value Map provides information regarding an initial assessment of the potential MW hosting capacity for distribution level circuits, these numbers should only be used as a screening tool to select a circuit that will provide a higher likelihood of interconnection. This is because the methodology used to develop these hosting capacity numbers is geared towards smaller distributed energy resources (“DER”) and does not include the scenario of a larger DER interconnecting at one point. As a result, load flow analyses are required to confirm the impact to line capacities and voltage limits. Detailed load flow analyses will be performed as part of the project selection process. Prior to submitting a proposal, Proposers are encouraged to inquire about available circuit capacity for a Project at a specific location. Direct questions to the RFP Email Address in Section 1.6.
- 2.2.2 For Projects on **O‘ahu** interconnecting to 46 kV circuits, Company information regarding an initial assessment of potential MW capacity of 46 kV circuits will be made available to Proposers only after execution of the CBRE NDA.⁹ Proposers should perform their own evaluation of project locations, and the Company does not guarantee any project output or ability to connect based on such information. Prior to submitting a proposal, Proposers are encouraged to inquire about the available MW capacity for a Project at a specific location. Direct questions to the RFP Email Address in Section 1.6.
- 2.2.3 For Projects on **O‘ahu** interconnecting to 46 kV circuits, the proposed Project output cannot exceed the available hosting capacity limit during the daytime hours of 8am to 5pm.¹⁰ The proposed Project output at all other hours (5pm to 8am) cannot exceed the identified conductor limit (less any existing or expected generation sources available during those hours prior to the GCOD). For example, a solar resource paired with a BESS may interconnect to a circuit with a stated hosting capacity of zero provided that no energy is exported during the hours of 8am and 5pm and the export of power does not exceed the conductor limit after 5pm. Specifically, as it pertains to interconnection to the O‘ahu 46 kV system, Proposers may inquire regarding the viability of upgrading 46 kV conductors to increase available capacity based on a specific location (direct questions to the RFP Email Address in Section 1.6). Prior to the RFP, developers may inquire as to viability of proposed real project locations for interconnection.
- 2.2.4 A detailed IRS, when performed, may reveal other adverse system impacts that may further limit a Project’s ability to interconnect and/or further limit the net output of the Facility without upgrades.

⁹ Appendix E contains the Mutual Confidentiality and Non-Disclosure Agreement for this RFP.

¹⁰ The available hosting capacity is not a final determination whether it is feasible to interconnect a Proposed Facility. The available hosting capacity provided in response to inquiries to the Company represents the power system’s conditions at the time the analysis is conducted. This analysis will examine steady-state thermal capacity and voltage issues during daytime minimum loading conditions only.

2.3 Interconnection to the Company System

The Proposer must provide information pertaining to the design, development, and construction of the Interconnection Facilities. Interconnection Facilities includes both: (1) Seller-Owned Interconnection Facilities; and (2) Company-Owned Interconnection Facilities.

- 2.3.1 All Proposals must include a description and conceptual or schematic diagrams of the Proposer's plan to transmit power from the Facility to the Company System. The proposed Interconnection Facilities must be compatible with the Company System. In the design, Projects must adequately consider Company requirements to address impacts on the performance and reliability of the Company System.

For Projects starting from 250 kW and less than 1 MW in size, Project single line and three line diagrams, and an equipment list shall be submitted with the Proposal. For Projects greater than or equal to 1 MW in size, a completed Project Interconnection Requirement Study Data Request worksheet, which can be found in Appendix B, Attachment 2, all project diagram(s), models for equipment and controls (see Appendix B, Attachments 3 and 6), list(s) identifying components and respective files (for inverters and power plant controller), and complete documentation with instructions must be submitted with their Proposal submission.

- 2.3.1.1 The Company will also make available typical drawings to Proposers to familiarize you with the Company's engineering expectations for the Proposer's interconnection facilities. The drawings may not reflect the exact requirements of your project but should provide useful guidance to assist with your Proposal. The most updated Engineering Standards will be provided to Projects who are selected to the final award group and continue through negotiations. To request the typical drawings, submit a request via the communication methods identified in Section 1.5 upon the execution of a NDA as specified in Section 3.12.1.

- 2.3.1.2 Interconnection Facilities must be designed such that it meets or exceeds the applicable single line diagram in Appendix H.

- 2.3.2 Each Company's Tariff Rule No. 19 establishes provisions for Interconnection and Transmission Upgrades and can be found at <https://www.hawaiianelectric.com/billing-and-payment/rates-and-regulations/>. The tariff provisions are intended to simplify the rules regarding who pays for, installs, owns, and operates interconnection facilities in the context of competitive bidding. For Projects interconnecting to distribution circuits (12 kV or lower on **O'ahu, Maui and Hawai'i Island**), the Company will be responsible for building all Company-Owned Interconnection Facilities. For Projects on **O'ahu** interconnecting to sub-transmission circuits (46 kV) Proposers will be responsible for building the Company-Owned Interconnection Facilities, including the switching station and line work, except for any work in the Company's existing energized facilities and the final tap. Construction of Company-Owned Interconnection Facilities by the Proposer must comply with industry standards, laws, rules, and licensing requirements, as well as

the Company's specific construction standards and procedures that the Company will provide upon request (see Section 2.3.1).

- 2.3.3 The Proposer shall be responsible for all costs required to interconnect a Project to the Company System, including all Seller-Owned Interconnection Facilities and Company-Owned Interconnection Facilities, regardless of who is responsible for building such facilities.
- 2.3.4 Proposers are required to include in their pricing proposal all costs for interconnection and equipment expected to be required to interconnect their Facility to the grid. Appendix H includes information related to Company-Owned Interconnection Facilities and costs that may be helpful to Proposers. Selected Proposers shall be responsible for the actual final costs of all Seller-Owned Interconnection Facilities and Company-Owned Interconnection Facilities, including certain interconnection costs associated with system upgrades (see Appendix H), whether or not such costs exceed the costs set forth in a Proposer's Proposal. No adjustments will be allowed to the proposed price in a Proposal if actual costs for Interconnection Facilities exceed the amounts proposed.
- 2.3.5 Proposers are required to account for all costs for distribution-level service connection for station power in their pricing proposal.
- 2.3.6 All Projects will be screened for general readiness to comply with the requirements for interconnection. Proposals selected to the Final Award Group will be subject to Section 5.1.1. Proposals selected to the Final Award Group may be subject to further study in the form of an IRS. The IRS process is further described in Section 5.1.2. The results of the completed IRS or as identified through the Detailed Evaluation process, as well as any mitigation measures identified, will be incorporated into the terms and conditions of a final executed RDG PPA or Mid-Tier SFC.

Chapter 3: Instructions to Proposers

3.1 Schedule for the Proposal Process

Table 2 sets forth the proposed schedule for the proposal process (the "RFP Schedule"). The RFP Schedule is subject to PUC approval. The Company reserves the right to revise the RFP Schedule as necessary. Changes to the RFP Schedule prior to the RFP Proposal Due Date will be posted to the RFP website. Changes to the RFP Schedule after the Proposal Due Date will be communicated via Email to the Proposers and posted on the RFP Website.

**Table 2
Proposed RFP Schedule**

Milestone	Schedule Dates
(1) Draft RFP filed	October 9, 2020
(2) Technical Status Conference	October 28, 2020
(3) Parties and Participants file Comments by	November 13, 2020
(4) Proposed Final RFP filed	December 1, 2020
(5) Updated RFP Draft filed per Order 37592	March 30, 2021
(6) Parties and Participants file Comments by	April 14, 2021
(7) Proposed Final RFP filed per Order 37879	August 25, 2021
(8) Proposed Final RFP filed per Order 38217	February 23, 2022 ¹¹
(9) Final RFP is Issued	April 14, 2022 ¹²
(10) Self-Build Proposal Due Date	August 16, 2022 at 2:00 pm HST
(11) IPP and Affiliate Proposal Due Date	August 17, 2022 at 2:00 pm HST
(12) Selection of Priority List	October 25, 2022
(13) BAFOs Due	November 1, 2022
(14) Selection of Final Award Group	February 22, 2023
(15) Contract Negotiations Start	March 1, 2023

3.2 Company RFP Website/Electronic Procurement Platform

3.2.1 The Company has established a website for general information to share with potential Proposers. The RFP website is located at the following link:

www.hawaiianelectric.com/Tranche1CBRERFP

The Company will provide general notices, updates, schedules and other information on the RFP website throughout the process. Proposers should check the website frequently to stay abreast of any new developments. This website will also contain the link to the Electronic Procurement Platform employed by the Company for the receipt of Proposals.

“Sourcing Intelligence” developed by Power Advocate is the Electronic Procurement Platform that the Company has licensed and will utilize for the receipt of Proposals in this RFP. Proposers who do not already have an existing account with PowerAdvocate and who intend to submit a Proposal for this RFP will need to register as a “Supplier” with PowerAdvocate.

¹¹ All subsequent dates in the proposed schedule may be modified based on further guidance provided by the PUC.

¹² Per Order 38217, page 17-18, “Hawaiian Electric’s final CBRE Phase 2 Tranche 1 and LMI RFPs and Rule 29 tariffs for Hawaii Island, Maui, and Oahu shall be approved automatically 15 days after they are filed, unless the Commission orders otherwise.” The dedicated LMI RFP will be issued one week after its anticipated approval date. The Tranche 1 RFP timing has been staggered, and as a result will be open 28 days after the LMI RFP.

- 3.2.2 There are no license fees, costs, or usage fees to Proposers for the use of the Electronic Procurement Platform.

See [Appendix D](#) for user information on and screenshots of PowerAdvocate's Sourcing Intelligence procurement platform.

3.3 Information Exchange

The PUC conducted a Technical Status Conference on October 28, 2020 to discuss the draft RFP. Parties and Participants had the opportunity to submit comments on the draft RFP. The Company then revised the RFP after considering the comments received and filed a final RFP for PUC review and approval. Subsequently, the PUC issued Order No. 37592 which among other things, directed the Companies to further collaborate with the Parties and Participants. As a result, the Company held several meetings with the Parties and Participants, which helped inform further updates to the RFP that were reflected in the Company's submittal of an updated RFP to the PUC.

Additionally, the Company will hold a prerecorded webinar for CBRE Tranche 1 in accordance with the Competitive Bidding Framework for prospective Proposers to learn about the provisions and requirements of this RFP. This prerecorded webinar will be posted to the Company's website within one week of the issuance of the final RFP.

Prospective Proposers may also submit written questions regarding the RFP to the RFP Email Address set forth in [Section 1.6](#). The Company will endeavor to address all questions that will be helpful to prospective Proposers via a Q&A section on the RFP website.

Prospective Proposers should review the RFP Website's Q&A section prior to submission of their Proposal. Duplicate questions will not be answered.

3.4 Preparation of Proposals

- 3.4.1 Each Proposer shall be solely responsible for reviewing the RFP (including all attachments and links) and for thoroughly investigating and informing itself with respect to all matters pertinent to this RFP, the Proposer's Proposal, and the Proposer's anticipated performance under the RDG PPA or Mid-Tier SFC. It is the Proposer's responsibility to ensure it understands all requirements of the RFP, to seek clarification if the RFP's requirements or Company's request is not clear, and to ask for any confirmation of receipt of submission of information. Under [Section 1.7.5](#), the Proposer is solely responsible for all errors in its Proposal(s). The Company will not accept any explanation by a Proposer that it was incumbent on the Company to catch any error.
- 3.4.2 Proposers shall rely only on official information provided by the Company in this RFP when preparing their Proposal. The Company will rely only on the information included in the Proposals, and additional information solicited by the Company to Proposers in the format requested, to evaluate the Proposals received. Evaluation will be based on the stated information in this RFP and on information submitted by Proposers in response to this RFP. Proposals must clearly state all capabilities, functionality and characteristics of

the Project; must clearly detail plans to be performed; must explain applicability of information; and must provide all referenced material if it is to be considered during the Proposal evaluation. Referencing previous RFP submissions or projects for support will not be considered. Proposers should not assume that any previous RFP decisions or preferences will also apply to this RFP.

- 3.4.3 Each Proposer shall be solely responsible for, and shall bear all of its costs incurred in the preparation of its Proposal and/or its participation in this RFP, including, but not limited to, all costs incurred with respect to the following: (1) review of the RFP documents; (2) status conference participation; (3) site visits; (4) third-party consultant consultation; and (5) investigation and research relating to its Proposal and this RFP. The Company will not reimburse any Proposer for any such costs, including the selected Proposer(s).
- 3.4.4 Each Proposal must contain the full name and business address of the Proposer and must be signed by an authorized officer or agent¹³ of the Proposer.

3.5 Organization of the Proposal

The Proposal must be organized as specified in Appendix B. It is the Proposer's responsibility to ensure the information requested in this RFP is submitted and contained within the defined proposal sections as specified in Appendix B.

3.6 Proposal Limitations

Proposers expressly acknowledge that Proposals are submitted subject to the following limitations:

The RFP does not commit or require the Company to award a contract, pay any costs incurred by a Proposer in the preparation of a Proposal, or procure or contract for products or services of any kind whatsoever. The Company reserves the right, in consultation with the Independent Observer, to accept or reject, in whole or in part, any or all Proposals submitted in response to this RFP, to negotiate with any or all Proposers eligible to be selected for award, or to withdraw or modify this RFP in whole or in part at any time.

- The Company reserves the right, in consultation with the Independent Observer, to request additional information from any or all Proposers relating to their Proposals or to request that Proposers clarify the contents of their Proposals. Proposers who are not responsive to such information requests may be eliminated from further consideration upon consultation with the Independent Observer.
- The Company reserves the right, in consultation with the Independent Observer, to solicit additional Proposals from Proposers after reviewing the initial Proposals.

¹³ Proposer's officer or agent must be authorized to sign the Proposal. Such authorization must be in writing and may be granted via Proposer's organizational documents (i.e., Articles of Incorporation, Articles of Organization, By-laws, etc.), resolution, or similar documentation.

Other than as provided in this RFP, no Proposer will be allowed to alter its Proposal or add new information to a Proposal after the Proposal Due Date.

- All material submitted in response to this RFP will become the sole property of the Company, subject to the terms of the CBRE NDA.

3.7 Proposal Compliance and Bases for Disqualification

Proposers may be deemed non-responsive and/or Proposals may not be considered for reasons including, but not limited to, the following:

- Any unsolicited contact by a Proposer or prospective Proposer with personnel of the Company pertaining to this RFP as described in Section 1.5.5.
- Any illegal or undue attempts by or on behalf of the Proposer or others to influence the Proposal Review process.
- The Proposal does not meet one or more of the Eligibility Requirements specified in Section 4.2.
- The Proposal does not meet one or more of the Threshold Requirements specified in Section 4.3.
- The Proposal is deemed to be unacceptable through a fatal flaws analysis as described in Section 4.4.2.
- The Proposer does not respond to a Company request for additional information to clarify the contents of its Proposal within the timelines specified by the Company.
- The Proposal contains misrepresentations or errors.

3.8 Power Purchase Agreement

3.8.1 (O‘ahu only) The Power Purchase Agreement for proposals selected under this RFP for Large Projects will be in the form of the RDG PPA, attached as Appendix L. Appendix L-1 is a Project Specific Addendum for Large Projects located on O‘ahu. In addition, Appendix L-4 is provided for use if the Project is designed with a single inverter system such that the PV System and BESS are “DC Coupled.”

3.8.2 The Power Purchase Agreement for proposals selected under this RFP for Mid-Tier Projects will be in the form of a pre-approved Mid-Tier SFC, attached as Appendix K. The Mid-Tier SFC will be reviewed and pre-approved by the PUC and as a result, will not be negotiable. Appendix K-1 and Appendix K-2 are Project Specific Addenda for Mid-Tier Projects located on O‘ahu or Maui/Hawai‘i Island, respectively. In addition, Appendix K-4 (Maui Only) is provided for use if the Project is on a Company-owned Site and Appendix K-5 is provided for use if the Project is designed with a single inverter system such that the PV System and BESS are “DC Coupled.”

- 3.8.3 If selected, any Affiliate Proposers will be required to enter into an RDG PPA or Mid-Tier SFC with the Company.
- 3.8.4 If selected, a Self-Build Proposer will not be required to enter into an RDG PPA or Mid-Tier SFC with the Company. However, the Self-Build Proposer will be held to the proposed modifications to the RDG PPA, if any, it submits as part of the SBO in accordance with Section 3.8.6. Moreover, the SBO will be held to the same performance metrics and milestones set forth in the RDG PPA or Mid-Tier SFC to the same extent as all Proposers, as attested to in the SBO's Appendix G Attachment 1, Self-Build Option Certification submittal. If liquidated damages are assessed, they will be paid from shareholder funds and returned to customers through the Purchased Power Adjustment Clause ("PPAC") or other appropriate rate adjustment mechanisms.

To retain the benefits of operational flexibility for a Company-owned facility, the SBO Proposal will be permitted to adjust operational requirements and performance metrics with the approval of the PUC. The process for adjustment would be similar to a negotiated amendment to a PPA with PUC approval.

- 3.8.5 In general, under the RDG PPA and Mid-Tier SFC, payment to the Seller consists of a Lump Sum Payment component to cover the costs of the Project. In return for the Lump Sum Payment component, the Seller shall guarantee minimum performance and availability metrics to ensure that the Facility is maintained and available for energy storage (if applicable) and dispatch, as well as provide an indication of the available energy in near real-time for the Company's dispatch. Company shall not be obligated to accept, nor shall it be required to pay for, test energy generated by the Facility during acceptance testing or other test conditions.
- 3.8.6 The Performance Standards identified in Section 2.1 establish the minimum requirements a Proposal must satisfy to be eligible for consideration in this RFP. A proposed Facility's ability to meet these Performance Standards is both a Threshold Requirement and a Non-Price Related Criteria under Sections 4.3 and 4.4.2, respectively. As such, these Performance Standards are non-negotiable by a Self-Build Proposer or any other Proposer. Proposers may propose modifications to other sections of the RDG PPA but are encouraged to accept such terms as written in order to expedite the overall RFP process and potential contract negotiations. As a component of their respective Proposals, a Self-Build Proposer or any other Proposer who elects to propose modifications shall provide a Microsoft Word red-line version of the relevant document identifying specific proposed modifications to the model language that the Proposer is agreeable to, as well as a detailed explanation and supporting rationale for each modification.
- 3.8.6.1 (**O'ahu** only) General comments, drafting notes and footnotes such as "parties to discuss," and reservation of rights to propose modifications at a later time, are unacceptable and will be considered non-responsive. Proposed modifications to the RDG PPA shall be limited to targeted revisions to, and not deletions or waivers of, the agreement's terms, conditions, covenants, requirements or representations. Proposed modifications will also be evaluated as a non-price evaluation criterion as further

described in Section 4.4.2. In order to facilitate this process, the Company will make available electronic versions of the model agreements on the RFP website and through the Electronic Procurement Platform for the RFP. Any proposed modifications to the RDG PPA will be subject to negotiation between the Company and the Final Award Group and should not be assumed to have been accepted either as a result of being selected to the Final Award Group or based on any previously executed PPA. As stated above, since general comments, drafting notes, and footnotes without accompanying specific proposed language modifications are unacceptable and non-responsive, the Company will not negotiate provisions simply marked by such general comments, drafting notes, and footnotes.

3.8.6.2 (O‘ahu only) The Company has an interest in maintaining consistency for certain provisions of the RDG PPAs, such as the calculation of availability and payment terms. Therefore, for such provisions, the Company will endeavor to negotiate similar and consistent language across PPAs for the Final Award Group.

3.8.7 (O‘ahu only) Proposals that do not include specific proposed modifications to the attached RDG PPAs will be deemed to have accepted the RDG PPA in its entirety.

3.9 Pricing Requirements

3.9.1 Proposers must submit pricing for each of their variations associated with each Proposal (if variations as described in Section 1.8.2 and 1.8.3 are submitted). Proposers are responsible for understanding the terms of the RDG PPA or Mid-Tier SFC. Pricing cannot be specified as contingent upon other factors (e.g., changes to federal tax policy or receiving all Investment Tax Credits assumed).

3.9.2 Escalation in pricing over the term of the RDG PPA or the term of the Mid-Tier SFC is prohibited.

3.9.3 Pricing information must only be identified within specified sections of the Proposal as instructed by this RFP’s Appendix B Proposer’s Response Package (i.e., Proposal pricing information must be contained within defined Proposal sections of the Proposal submission). Pricing information contained anywhere else in a Proposal will not be considered during the evaluation process.

3.9.4 The Proposer’s Response Package must include the following for each Proposal (and variation):

For IPP or Affiliate proposals:

- **Lump Sum Payment (\$/year):** Payment amount for full dispatchability of the Facility. Payment will be made in monthly increments.

For Self-Build Proposals:

- **Total Project Capital Costs (\$/year):** Total capital costs for the project (identified by year).

- **Annual O&M Costs (\$/year):** Initial year operations and maintenance costs, annual escalation rate.
- **Annual Revenue Requirement (\$/year):** Annual revenue requirements (ARR) calculated for each year.

See [Appendix G](#) for descriptions and detail on the Total Project Capital Costs, Annual O&M Costs, and Annual Revenue Requirement for the Self-Build Proposals.

- 3.9.5 As identified in the Schedule of Defined Terms in the PPA under “BESS Allocated Portion of the Lump Sum Payment”, the allocated portion of the Lump Sum Payment specified for energy storage for the Facility for determining liquidated damages is 50% and shall be a non-negotiable percentage in the PPA.

3.10 Project Description

- 3.10.1 Proposals are required to provide a Net Energy Potential (“NEP”) RFP Projection for the Project. The NEP RFP Projection associated with the proposed Project represents the estimated annual net energy (in MWh) that could be produced by the Facility and delivered to the Point of Interconnection over a ten-year period with a probability of exceedance of 95%. For Paired Projects, the energy generated by the Facility in excess of Company dispatch but below the Facility’s Allowed Capacity that is stored in the Facility’s BESS component and can later be discharged to the POI considering the BESS Contract Capacity and Maximum Rated Output should be included in the NEP RFP Projection. Any energy in excess of what is allowed to be delivered to the POI and would exceed the BESS Contract Capacity shall be excluded from the Net Energy Potential. To achieve this objective, the BESS Contract Capacity (MWh) must be at least four times the MW Capacity of the installed PV Capacity. Any energy generated outside of the proposed Facility that is used to charge the BESS component should not be factored into the NEP RFP Projection. Any losses that may be incurred from energy being stored and then discharged from the BESS (round trip efficiency losses) should be excluded from the NEP RFP Projection, but the NEP should consider auxiliary loads in developing the value relative to the POI. The NEP RFP Projection will be used in the RFP evaluation process and therefore Proposers will be held to their provided value.¹⁴

- 3.10.2 Paired Project Proposals are required to provide a single value Round Trip Efficiency (“RTE”), measured at the Point of Interconnection, that the Facility’s BESS component is

¹⁴ If a Proposal is selected to the Final Award Group and an RDG PPA or Mid-Tier SFC is executed between the Company and the Proposer, the NEP RFP Projection will be further evaluated at several steps throughout the process as set forth in the RDG PPA or Mid-Tier SFC, and adjustments to the Lump Sum Payment will be made accordingly. Additionally, because the Company will rely on an accurate representation of the NEP RFP Projection in the RFP evaluation, a one-time liquidated damage as described in the RDG PPA or Mid-Tier SFC will be assessed if the First NEP benchmark is less than the Proposer’s NEP RFP Projection. After the Facility has achieved commercial operations, the performance of the Facility will be assessed on a continuing basis against key metrics identified in the RDG PPA or Mid-Tier SFC. See [Article 2](#) and [Attachment U](#) of the RDG PPA or the Mid-Tier SFC.

required to maintain throughout the term of the RDG PPA or Mid-Tier SFC. This RTE value will be used in the RFP evaluation process and therefore Proposers will be held to this provided value as it will become the RTE Performance Metric in Section 2.10 of the RDG PPA or Mid-Tier SFC. Please review the model PPA for potential liquidated damages assessed against Seller if the BESS does not maintain the required RTE. The RTE is further specified in Appendix B Section 2.

- 3.10.3 Each Proposer must also agree to provide Project financial information, including proposed Project finance structure information specified in Appendix B. Such information will be used to evaluate Threshold Requirements and non-price criteria (e.g., Financial Viability of Proposer, Financial Strength and Financing Plan, State of Project Development and Schedule) set forth in Sections 4.3 and 4.4.2. Upon selection, the Final Award Group may be requested to provide further detailed cost information if requested by the PUC or the Consumer Advocate as part of the PPA approval process. If requested, such information would be provided to the PUC, Consumer Advocate, and Company pursuant to a protective order in the docket.
- 3.10.4 The Proposer agrees that no material changes or additions to the Facility from what is submitted in its Proposal will be made without the Proposer first having obtained prior written consent from the Company. Evaluation of all Proposals in this RFP is based on the information submitted in each Proposal at the Proposal Due Date. If any Proposer requests any Proposal information to be changed after that date, the Company, in consultation with the Independent Observer, and in consideration of whether the evaluation is affected, will determine whether the change is permitted.

3.11 Sites Identified by the Company

- 3.11.1 As an alternative to a Site identified by the Proposer, the Company has identified potential Sites where landowners have expressed a willingness to negotiate a lease or purchase of the land to support a renewable energy project. These Sites were identified through a Land RFI. Proposers will be responsible for working directly with the landowner and must secure Site Control with such landowner prior to submitting a Proposal. Land RFI information is available to interested parties who sign the CBRE NDA. The Land RFI is further described in Appendix F.

Proposers are not required to select a Site identified in the Land RFI and as noted above may propose any Site for a Project.

3.12 Confidentiality

- 3.12.1 Each prospective Proposer must submit an executed CBRE NDA in the form attached as Appendix E by the applicable Proposal Due Date specified in the RFP Schedule in Section 3.1, Table 2. The form of the CBRE NDA is not negotiable and must be applicable to the Company whose System the Proposal is intended to connect to. Information designated as confidential by the Company will be provided on a limited basis, and only those prospective Proposers who have submitted an executed CBRE NDA will be considered. NDAs that were fully executed for prior non-CBRE RFPs will not be

accepted. Proposers must clearly identify all confidential information in their Proposals. However, Proposers should designate as confidential only those portions of their Proposals that genuinely warrant confidential treatment. The Company discourages the practice of marking every page of a Proposal as confidential. The Company will make reasonable efforts to protect any such information that is clearly marked as confidential. Consistent with the terms of the CBRE NDA, the Company reserves the right to share any information, even if marked confidential, to its agents, contractors, or the Independent Observer for the purpose of evaluating the Proposal and facilitating potential contract negotiations.

- 3.12.2 Proposers, in submitting any Proposal(s) to Company in response to this RFP, certify that such Proposer has not shared its Proposal(s), or any part thereof, with any other Proposer of a Proposal(s) responsive to this RFP.
- 3.12.3 The Company will request that the PUC issue a Protective Order to protect confidential information provided by Proposers to the Company and to be filed in a proceeding before the PUC. A copy of the Protective Order, once issued by the PUC, will be provided to Proposers. Proposers should be aware that the Company may be required to share certain confidential information contained in Proposals with the PUC, the State of Hawai'i Department of Commerce and Consumer Affairs, Division of Consumer Advocacy, and the parties to any docket instituted by the PUC, provided that recipients of confidential information have first agreed in writing to abide by the terms of the Protective Order. Notwithstanding the foregoing, no Proposer will be provided with Proposals from any other Proposer, nor will Proposers be provided with any other information contained in such Proposals or provided by or with respect to any other Proposer.

3.13 Credit Requirements

- 3.13.1 Proposers with whom the Company enters into an RDG PPA or Mid-Tier SFC must post Development Period Security and Operating Period Security in the form of an irrevocable standby letter of credit from a bank chartered in the United States as required and set forth in Article 14 of the RDG PPA or the Mid-Tier SFC. Cash, a parent guaranty, or other forms of security will not be accepted in lieu of the irrevocable standby letter of credit.
- 3.13.2 The Development Period Security and Operating Period Security identified in the RDG PPA or the Mid-Tier SFC are minimum requirements. Proposers shall not propose an amount lower than that set forth in the RDG PPA or the Mid-Tier SFC.
- 3.13.3 Each Proposer for a Large Project shall be required to provide a satisfactory irrevocable standby letter of credit in favor of the Company from a bank chartered in the United States to guarantee Proposer's payment of interconnection costs for all Company-Owned Interconnection Facilities in excess of the Total Estimated Interconnection Costs and/or all relocations costs in excess of Total Estimated Relocation Costs that are payable to Company as required and set forth in Attachment G to the RDG PPA.

- 3.13.4 Proposers may be required to provide an irrevocable standby letter of credit in favor of the Company from a bank chartered in the United States in lieu of the required Source Code Escrow in an amount and as required and set forth in Attachment B to the RDG PPA or Mid-Tier SFC.

Chapter 4: Evaluation Process and Evaluation Criteria

4.1 Proposal Evaluation and Selection Process

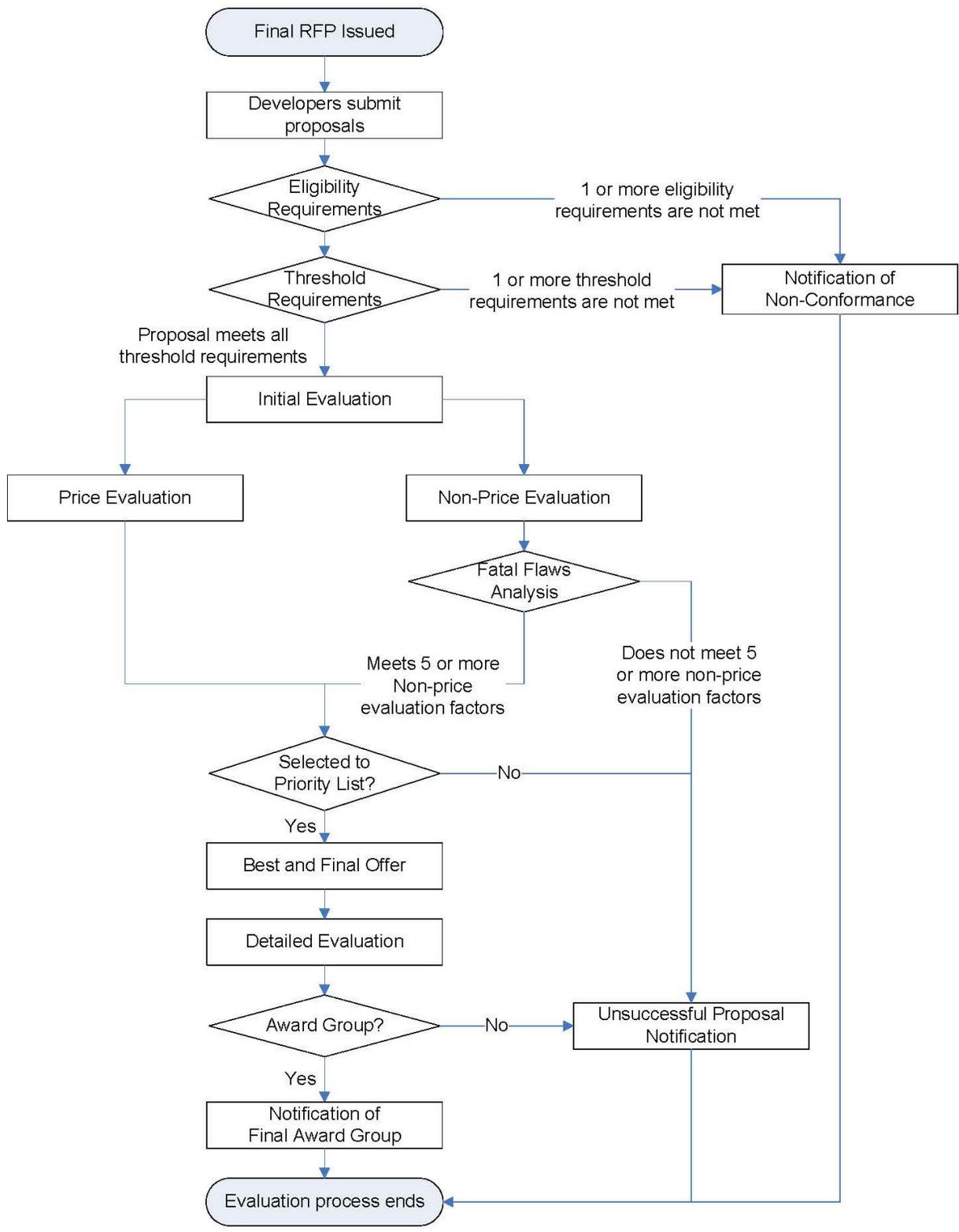
The Company will evaluate the Proposals of each island via separate island-specific evaluations. The Company will employ a multi-step evaluation process for each island. This Chapter provides a description of each step of the process, along with the requirements of Proposers at each step. Figure 1 sets forth the flowchart for the proposal evaluation and selection process for each island.

Upon receipt of the Proposals, the Company will review each Proposal submission to determine if it meets the Eligibility Requirements and the Threshold Requirements. The Company, in coordination with the Independent Observer will determine if a Proposer is allowed to cure any aspect of its Proposal or whether the Proposal would be eliminated based on failure to meet either Eligibility or Threshold Requirements.¹⁵ If a Proposer is provided the opportunity to cure any aspect of its Proposal, the Proposer shall be given three (3) business days to cure from the date of notification to cure.¹⁶ Proposals that have successfully met the Eligibility and Threshold Requirements will then enter a two-phase process for Proposal evaluation, which includes the Initial Evaluation resulting in the development of a Priority List, followed by the opportunity for Priority List Proposals to provide Best and Final Offers, and then a Detailed Evaluation process to arrive at a Final Award Group.

¹⁵ As a general rule, if a Proposer does not include a requested document, inadvertently excludes minor information or provides inconsistencies in its information, it may be given a chance to cure such deficiency. If a Proposer fails to provide material required information in its Proposal and providing the Proposer an opportunity to cure is deemed by the Company, in consultation with the Independent Observer, as an unfair advantage to such Proposer, the Proposal could be classified as non-conforming and eliminated for failure to meet the Eligibility Requirements.

¹⁶ The initial request will be offered three (3) business days to cure. Succeeding inquiries on the deficiencies will be offered cure periods deemed sufficient by the Company and Independent Observer.

Figure 1 – Evaluation Workflow



4.2 Eligibility Requirements Assessment

Upon receipt of the Proposals, each Proposal will be reviewed to ensure that it meets the following Eligibility Requirements.

- The Proposer is not eligible to participate in this RFP if the Proposer, its parent company, or an affiliate of the Proposer has:
 - defaulted on a current contract with the Company, or
 - had a contract terminated by the Company, or
 - any pending litigation in which the Proposer has made claims against the Company.
- The Proposal, including required uploaded files, must be received on time via the Electronic Procurement Platform.
- The Proposal Fee must be received on or before the Proposal Due Date.¹⁷
- The Proposal must not contain material omissions.
- The Proposal must be signed and certified by an officer or other authorized person of the Proposer.
- The Proposer must fully execute the CBRE NDA and any other document required pursuant to this RFP.
- The Proposer must provide a Certificate of Vendor Compliance from the Hawai‘i Compliance Express dated and issued within 60 days of the date of Proposal submission (a certificate of good standing from the State of Hawai‘i Department of Commerce and Consumer Affairs and also federal and Hawai‘i state tax clearance certificates for the Proposer may be substituted for the Certificate of Vendor Compliance).
- The Proposal must not be contingent upon changes to existing county, state, or federal laws or regulations.
- The proposed Project must be located on the island of O‘ahu, Maui, or Hawai‘i Island.
- The Proposal must be for a PV project.
- The proposed project must be 250 kW or larger.
- The proposed Projects PPA term length must be twenty (20) years.
- **(Maui or Hawai‘i Island)** Projects must interconnect to a distribution circuit (12 kV or lower) and must not exceed 2.5 MW.
- **(O‘ahu only)** Projects must interconnect to the Company’s System at the sub-transmission (46 kV) or distribution level (12 kV or lower). Projects interconnecting to a distribution circuit (12 kV or lower) must not exceed 3 MW.
- A minimum of 40% of the Subscriber portion of the Project must be dedicated to residential Subscribers as described in Section 1.2.3.
- Project infrastructure and point of interconnection must be located outside the 3.2 foot sea level rise exposure area (SLR-XA) as described in the Hawai‘i Sea Level Rise Vulnerability and Adaptation Report (2017), not located within a Tsunami Evacuation Zone, and not located within the Hawaii Department of Land and

¹⁷ Proposal Fees will not be required for SBO Proposals.

Natural Resources flood map's flood zones A, AE, AEF, AH, AO, VE based on the Federal Emergency Management Agency's Digital Flood Insurance Rate Maps.

- The Proposal must specify a GCOD no later than May 31, 2027.
- The Proposer shall agree to post Development Period Security and Operating Period Security as described in Section 3.13.

4.3 Threshold Requirement Assessment

Proposals that meet all the Eligibility Requirements will then be evaluated to determine compliance with the Threshold Requirements, which have been designed to screen out Proposals that are insufficiently developed, lack demonstrated technology, or will impose unacceptable execution risk for the Company.

Proposals must provide explanations and contain supporting information demonstrating how and why the Project proposed meets each of the Threshold Requirements. Proposals that fail to provide this information or meet a Threshold Requirement will be eliminated from further consideration upon concurrence with the Independent Observer.

The Threshold Requirements for this RFP are the following:

1. **Site Control:** The Proposal must demonstrate that the Proposer has Site Control for all real property required for the successful implementation of a specific Proposal at a Site not controlled by the Company, including any Interconnection Facilities, with the exception of rights-of-way or easements for the interconnection route, for which the Proposer is responsible. The need for a firm commitment is necessary to ensure that Proposals are indeed realistic and can be relied upon as the Company moves through the remainder of the RFP process. As noted in Appendix B, Section 2.5.4, while land rights are not required with the Proposal for the interconnection route, the Proposal should thoroughly describe the interconnection route and as set forth in Appendix B, Section 2.5.5, the Proposal should identify any rights-of-way or easements that are required for access to the Site or for the interconnection route and describe the plan for obtaining such rights-of-way or easement, including the proposed timeline. In addition, developmental requirements and restrictions such as zoning of the Site and the status of easements must be identified and will be considered in determining whether the Proposal meets the Site Control threshold.

To meet this Site Control requirement, Proposers must do one of the following:

- Provide documentation confirming (1) that the Proposer has an existing legally enforceable right to use and control the Site, either in fee simple or under leasehold for a term at least equal to the term of the RDG PPA or Mid-Tier SFC ("Site Control") as specified in the Proposer's Proposal (taking into account the timelines set forth in this RFP for selection, negotiation, and execution of an RDG PPA or Mid-Tier SFC and PUC approval as applicable), and (2) the applicable zoning for the Site and that such zoning does not prohibit the development of the Site consistent with the Proposal; or

- Provide documentation confirming, at a minimum, (1) that the Proposer has an executed binding letter of intent, memorandum of understanding, option agreement, or similar document with the land owner (a “binding commitment”) which sets forth the general terms of a transaction that would grant the Proposer the required Site Control, and (2) the applicable zoning for the Site and that such zoning does not prohibit the development of the Site consistent with the Proposal. The binding commitment does not need to be exclusive to the Proposer at the time the Proposal is submitted and may be contingent upon selection of the Proposal to the Final Award Group. If multiple Projects are provided a binding commitment for the same Site, the documents granting the binding commitments must not prevent the Company from choosing the Proposal that otherwise would have been selected.
 - **Government/Public Lands Only:** The above two bullet points may not be feasible where government or publicly-owned lands are part of the Site or are required for the successful implementation of the Proposal. In such a case, at a minimum the Proposer must provide a credible and viable plan, including evidence of any steps taken to date, to secure all necessary Site Control for the Proposal, including but not limited to evidence of sufficient progress toward approval by the government agency or other body vested with the authority to grant such approval (as demonstrated by records of the agency). The Proposer will still be required, however, to demonstrate Site Control as required in the RDG PPA or Mid-Tier SFC should the Proposal be selected to the Final Award Group.
2. **Performance Standards:** The proposed Facility must be able to meet the performance attributes identified in this RFP and the Performance Standards identified in Section 2.1 of this RFP. Proposals should include sufficient documentation to support the stated claim that the Facility will be able to meet the Performance Standards. The Proposal should include information required to make such a determination in an organized manner to ensure this evaluation can be completed within the evaluation review period.
 3. **Proven Technology:** This criterion is intended as a check to ensure that the technology proposed is viable and can reasonably be relied upon to meet the objectives of this RFP. The Company will only consider Proposals utilizing technologies that have successfully reached commercial operations in commercial applications (i.e., a PPA) at the scale being proposed. Proposals should include any supporting information for the Company to assess the commercial and financial maturity of the technology being proposed as noted in Attachment B, Section 2.12.
 4. **Experience of the Proposer:** The Proposer, its affiliated companies, partners, and/or contractors and consultants on the Proposer’s Project team must have experience in financing, designing, constructing, interconnecting, owning, operating, and maintaining at least one (1) electricity generation project, including all components of the project (i.e., BESS or other attributes), similar in size, scope, technology, and structure to the Project being proposed by Proposer. The Company

will consider a Proposer to have reasonably met this Threshold Requirement if the Proposer can provide sufficient information in its Proposal's RFP Appendix B, Section 2.13 tables demonstrating that at least one member of the Proposer's team (identified in the Proposal) has specific experience in each of the following categories: financing, designing, constructing, interconnecting, owning, operating, and maintaining projects similar to the Project being proposed.

5. **Financial Compliance:** The proposed Project must not cause the Company to be subject to consolidation, as set forth in Financial Accounting Standards Board ("FASB") Accounting Standards Codification Topic 810, Consolidation ("ASC 810"), as issued and amended from time to time by FASB. Proposers are required to state to the best of their knowledge, with supporting information to allow the Company to verify such conclusion, that the Proposal will not result in the Seller under the PPA being a Variable Interest Entity ("VIE") and result in the Company being the primary beneficiary of the Seller that would trigger consolidation of the Seller's finances on to the Company's financial statements under FASB ASC 810. The Company will perform a preliminary consolidation assessment based on the Proposals received. The Company reserves the right to allow a Proposal to proceed through the evaluation process through selection of the Priority List and work with the Proposer on this issue prior to or during PPA negotiations. The Company has determined that for purposes of FASB ASC 842, a generation plus BESS facility will be treated as two separate measurements of account. For accounting purposes, the BESS portion (if applicable) will be treated as a lease, while the generation facility will not. As a result, no lease evaluation will be completed as part of the Proposal evaluation.

6. **Community Outreach:** Gaining community support is an important part of a Project's viability and success. A comprehensive community outreach and communications plan ("Community Outreach Plan") is an essential roadmap that guides a developer as they work with various communities and stakeholders to gain their support for a Project. Proposers must include a Community Outreach Plan that describes the Proposer's commitment to work with the neighboring community and stakeholders and to provide them timely Project information during all phases of the Project. The Community Outreach Plan shall include, but not be limited to, the following information: Project description, community scoping (including stakeholders and community concerns), Project benefits, government approvals, development process (including Project schedule), plan for reporting construction schedules and activities which include resulting impacts (ex. traffic, noise, and dust) and mitigation plans beginning at least one month prior to the start of scheduled work, and a comprehensive communications plan which factors in monthly Project status updates. Hawaiian Electric will carefully review the Community Outreach Plans to ensure that outreach to area elected officials and known community leaders and organizations is documented and that the plan is tailored by community and includes the outreach schedule, communication plans and required project information that will be shared in each engagement.

7. **Cultural Resource Impacts:** Proposers need to be mindful of the Project’s potential impacts to historical and cultural resources. Proposers must identify: (1) valued cultural, historical, or natural resources in the area in question, including the extent to which traditional and customary native Hawaiian rights are exercised in the area; (2) the extent to which those resources – including traditional and customary native Hawaiian rights – will be affected or impaired by the proposed action; and (3) the feasible action, if any, to be taken to reasonably protect any identified cultural, historical, or natural resources in the area in question, and the reasonable protection of traditional and customary native Hawaiian rights in the affected area. Also, Proposers must have already contracted with a consultant with expertise in this field to begin a cultural impact plan for the Project.
8. **Available Circuit Capacity** (This criterion will only be applied to proposed Projects that intend to interconnect to Company’s 46 kV system on **O‘ahu**): The output capacity of the proposed Project must not exceed the available capacity of the 46 kV circuit to which it will interconnect, except in cases where the Proposer will bear the cost of 46 kV transmission conductor upgrade as noted in Section 2.2.3.

4.4 Initial Evaluation – Price and Non-Price Analysis

Proposals that meet both the Eligibility and Threshold Requirements are Eligible Proposals which will then be subject to a price and non-price assessment. Two teams have been established to undertake the Proposal evaluation process: a Price Evaluation Team and Non-Price Evaluation Team. For each island, the results of the price and non-price analysis will be a relative ranking and scoring of all Eligible Proposals. Price-related criteria will account for sixty percent (60%) of the total score and non-price-related criteria will account for forty percent (40%) of the total score. The non-price criteria and methodology for applying the criteria are explained in Section 4.4.2.

The Company will employ a closed-bidding process for this solicitation in accordance with Part IV.H.3 of the Framework where the price and non-price evaluation models to be used will not be provided to Proposers. However, the Company will provide the Independent Observer with all necessary information to allow the Independent Observer to understand the evaluation models and to enable the Independent Observer to observe the entire analysis to ensure a fair process.

4.4.1 Initial Evaluation of the Price Related Criteria

For the initial price analysis, a total of 600 points will be awarded. Price-related criteria will be based on the GCOD and an equivalent levelized program capacity. An equivalent Levelized Program Capacity Price (\$/MW) will be calculated for each Proposal based on information provided in the Proposal including the Lump Sum Payment (\$/year) and the net nameplate capacity of the Facility (MW) defined in Section 3.9 of this RFP, and Section 2.0 of Appendix B of this RFP, respectively.

The eligible Proposal with the earliest GCOD will receive 50 points. All other eligible Proposals in that evaluation category will receive points of a proportionate reduction based on the difference between the earliest GCOD and latest acceptable GCOD (November 30, 2026), rounded by months. For example, if the earliest GCOD is March 1, 2024, that Proposal will receive 50 points. The total months between the earliest GCOD and latest acceptable GCOD then becomes 33 months. If another Proposal has a GCOD date of November 1, 2024, it is 9 months later than the earliest GCOD and will then receive $50 \times (1 - (9/33)) = 36$ points.

The eligible Proposal with the lowest Levelized Program Capacity Price will receive 550 points. All other eligible Proposals in that evaluation category will receive points based on a proportionate reduction using the percentage by which the Eligible Proposal's Levelized Program Capacity Price exceeds the lowest Levelized Program Capacity Price. For example, if a Proposal's Levelized Program Capacity Price is ten percent (10%) higher than the lowest Levelized Program Capacity Price, the Proposal will be awarded 495 points (that is, 550 points less 10%). The result of this assessment will be a ranking and scoring of each Proposal (including variations).

4.4.2 Initial Evaluation of the Non-Price Related Criteria

For the non-price analysis, each Proposal will be evaluated on each of the thirteen (13) non-price criteria categories set forth below:

1. Community Outreach
2. State of Project Development and Schedule
3. Performance Standards
4. Locational Value: Non-Wires Alternative (NWA) and Community Resilience
5. Commitment to Residential Subscriber Participation
6. CBRE Program
7. Environmental Compliance and Permitting Plan
8. Experience and Qualifications
9. Financial Strength and Financing Plan
10. RDG PPA Contract Proposed Modifications
11. Guaranteed Commercial Operations Date
12. Cultural Resource Impacts
13. Impacts Land Use and Impervious Cover

Each of the first six criteria – Community Outreach, State of Project Development and Schedule, Performance Standards, Locational Value: NWA and Community Resilience, Commitment to Residential Subscriber Participation, and CBRE Program – will be weighted twice as heavily as the others to reflect the impact these categories have to achieve a successful and timely procurement. The non-price criteria are generally scored on a scale of 1 (poor) to 5 (highly preferable). A score of 3 means that a Proposal meets the minimum standard for that criteria.

The total non-price score will be the sum of the scores for each of the individual non-price criteria. The Company will then award non-price evaluation points in accordance with the relative ranking of scores. The Proposal with the highest total non-price score

will receive 400 points, and all other Proposals will receive points equal to the Proposal's score divided by the top score, multiplied by 400.

During the non-price criteria evaluation, a fatal flaws analysis will also be conducted such that any Proposal that does not meet the minimum standards level of at least five (5) non-price criteria will be disqualified given that the Proposal has failed to meet the required number of non-price factors that are indicative as to the general feasibility and operational viability of a proposed Project. Non-price criteria numbers 4, 5, 11, and 13 above will be excluded from the fatal flaws analysis.

The Company's evaluation of the non-price criteria will be based on the materials provided by a Proposer in its Proposal. Acceptance of any Proposal into the Final Award Group shall not be assumed or construed to be an endorsement or approval that the materials provided by Proposer are complete, accurate or in compliance with applicable law. The Company assumes no obligation to correct, confirm, or further research any of the materials submitted by Proposers. Proposers retain sole responsibility to ensure their Proposals are accurate and in compliance with all laws.

The non-price criteria are:

1. **Community Outreach** – Gaining community support is an important part of a Project's viability and success. An effective Community Outreach Plan will call for early meaningful communications with stakeholders and will reflect a deep understanding and respect for the community's desire for information to enable them to make informed decisions about future projects in their communities. Therefore, Proposals will be evaluated on the quality of the Community Outreach Plan to inform the Project's impacted communities.

Proposals should include a Community Outreach Plan that describes the Proposer's commitment to work with the neighboring community and stakeholders and to provide timely Project information during Project development, construction and operation. The more robust and customized the stakeholder list, meeting frequency, and commitments are defined in the plan, the higher the rating the Proposer will receive as part of the scoring and evaluation process. The Community Outreach Plan shall include, but not be limited to the following:

- 1) Project description. A thorough description including a map of the location of the Project. This information will help the community understand the impact that the Project may have on the community.
- 2) Community scoping. Identify stakeholders (individuals, community leaders, organizations), community issues and concerns, and community sentiment.
- 3) Project benefits. An explanation of the need for the Project. This will help the community to understand how the Project might benefit their community.

- 4) Government approvals. Required government permits and approvals, public hearings and other opportunities for public comment. This information will help the community to understand the level of public scrutiny and participation that might occur for the Project and the opportunities to provide public comments.
- 5) Development process. A Project schedule that identifies key milestones will facilitate the community's understanding of the development process.
- 6) Local labor and prevailing wage commitment. Proposers will be scored more favorably if their plan commits to at least 80% of non-supervisory construction and operations workers' hours associated with the construction or repowering of a Project will be paid at the prevailing wage equivalent under HRS Chapter 104 during all periods of construction. Proposers are also highly encouraged to hire qualified construction, operations, and maintenance works who reside in the county where the Project is being constructed, and the State of Hawaii, in that order, before hiring non-resident labor.
- 7) Communications Plan. A communications plan including a detailed community outreach schedule that will keep the affected communities and stakeholders informed about the Project's outreach efforts during early Project development period through construction and operations, including monthly Project status updates.

Preference will be given to Proposers who have already identified established contacts to work with the local community, have used community input to incorporate changes to the final design of the Project and mitigate community concerns, have proposed a community benefits package (including details of the community recipients and benefits package), or have community consultants as part of the Project team doing business in Hawai'i that have successfully worked with communities in Hawai'i on the development of two or more energy projects or projects with similar community issues. These criteria are aligned with the Company's community engagement expectation whereby all developers will be required to engage in community outreach prior to signing a PPA with the Company. This process is also outlined in RFP Section 5.3. Further information and instructions regarding expectations for the Community Outreach Plan are included as Attachment 4 and 5 to Appendix B.

2. **State of Project Development and Schedule** – Projects that are further along in development generally have lower project execution risk and a greater probability of being able to be successfully placed into service prior to the GCOD (specifically identified in each Proposal). At a minimum, Projects should demonstrate how they plan to capture any ITC safe harbor and reach their GCOD specified, including identification of risks and schedule assumptions. (Schedules must identify the IRS completion date and PUC approval dates assumed.) Proposals should also demonstrate, via a detailed critical path schedule, that there is a high likelihood that the Project will be able to reach commercial operations as specified. Proposals shall include a Gantt chart that clearly illustrates the overall

schedule and demonstrates achievement of any ITC safe harbor, if applicable, and commercial operations by their specified GCOD. The Gantt chart shall include task durations and dependencies, identify tasks that will be fast tracked, and identifies slack time and contingencies. This criterion will also look at the high-level Project costs set forth in the Proposal including: costs for equipment, construction, engineering, Seller-Owned Interconnection Facilities, Company-Owned Interconnection Facilities, land, annual O&M, the reasonableness of such costs and the assumptions used for such costs. Project costs that do not appear reasonable for a project of the size proposed may result in a lower ranking for this criterion if the Company reasonably determines that the cost information is unrealistic based on prior experience in the market which may result in a risk that the Project can be built on time and for the price proposed by the Proposer. The Company reserves the right to discuss any cost and financial information with a Proposer to ensure the information provided is accurate and correct.

3. **Performance Standards** – The proposed Facility must be able to meet the performance attributes identified in this RFP and the Performance Standards identified in the RDG PPA or Mid-Tier SFC. The Company will review the Proposal information received, including design documents and operating procedures materials provided in the Proposal, and evaluate whether the Project as designed is able to meet the Performance Standards identified in the RDG PPA or Mid-Tier SFC and in this RFP. At a minimum, in addition to meeting the Performance Standards, the Proposal should include sufficient documentation, provided in an organized manner, to support the stated claim that the Facility will be able to meet the Performance Standards. The Proposal should include information required to make such a determination in an organized manner to ensure this evaluation can be completed on a timely basis. Preference will be given to Proposals that provide detailed technical and design information showing how each standard can be met by the proposed Facility. Preference will also be provided on facilities that offer additional capabilities (e.g., Black-Start, Grid-Forming).
4. **Locational Value: Non-Wires Alternative and Community Resilience** – The Company has identified areas on the grid where the siting of a CBRE Project would support grid needs, non-wires alternatives and/or community resilience. Non-wires alternatives have been identified for areas with grid needs. For Projects that support non-wires alternatives, the capability to grid charge is needed to reliably meet distribution capacity needs. For Projects to support community resilience, a BESS with grid-forming and black start capability is needed for the purposes of being able to energize any proposed community or “island” as a microgrid from a de-energized state. The black start capability is not needed to energize the entire grid. Proposals should provide a description of the critical infrastructure or community resilience hubs in proximate location to the proposed Project site that could benefit from the islanding capabilities of the proposed Project. Proposers are encouraged to and will be scored more favorably for locating projects in the following:

- Areas with Distribution Grid Needs can be found in the the Company’s Locational Value Maps: <https://www.hawaiianelectric.com/clean-energy-hawaii/integration-tools-and-resources/locational-value-maps/>
 - Grid Service Definitions:
 - Distribution Capacity: A supply and/or a load modifying service that DERs provide as required via the dispatch of power output for generators and electric storage, and/or reduction in load that is capable of reliably and consistently reducing net loading on desired distribution infrastructure in response to Company Dispatch
 - Distribution Reliability: A load modifying or supply service capable of improving local distribution reliability under abnormal conditions in response to Company Dispatch
 - Areas with identified community resilience that are more vulnerable to extended outages are:
 - **Maui:** Hana
 - **O’ahu:** Ko’olaupoko moku
5. **Commitment to Residential Subscriber Participation** – Proposals will be evaluated on the stated commitments of the Project’s Subscriber Organization to residential Subscribers. At a minimum, Subscriber Organizations will be required to set aside 40% of the Project’s capacity for residential Subscribers. Proposers that commit to reserving a portion larger than 40% of their Project capacity for residential Subscribers will be given more favorable scoring. In addition, Proposals will also be evaluated on the stated commitments of the Project’s Subscriber Organization to LMI Customers. Proposers that commit to reserving a portion of the Project’s capacity for LMI Customers will be given more favorable scoring.
6. **CBRE Program** – Proposals will be evaluated on several facets of the CBRE program being proposed.
- 1) **Program Offering:** Proposals will be evaluated to give preference to program offerings that provide the most benefits to residential and LMI Customers, as applicable. Financing options, upfront fees, payment over time, public funding options, and other creative approaches will be preferred along with programs that offer higher expected customer level savings, favorable payback periods and mechanisms, and other customer benefits. In addition, Proposals shall describe the extent to which residential Subscribers will be financially responsible for the Facility’s underperformance.
 - 2) **Marketing and Outreach Plans:** Proposals will be evaluated on the proposed strategies and methods to educate, inform, and stimulate the market in order to achieve their target levels of participation.

3) **Program Experience:** Proposals will also be evaluated on Proposers documented success in reaching and retaining participation of residential and LMI Customers, as applicable, in other community-based renewable energy programs.

7. **Environmental Compliance and Permitting Plan** – This criterion relates to the potential (short- and long-term) environmental impacts associated with each project, the quality of the plan offered by the Proposer to mitigate and manage any environmental impacts (including any pre-existing environmental conditions), and the plan of Proposers to remain in environmental compliance over the term of the contract. These impacts are reflected on a technology-specific basis. Completing any necessary environmental review and obtaining the required permitting in a timely manner is also important and Proposals will be evaluated on their plan to identify, apply for, and secure the required permits for the Project, any permitting activity that has been completed to date, including having initial discussions with the applicable regulating agencies such as U.S. Fish and Wildlife and the State of Hawai‘i Department of Land and Natural Resources’ Division of Forestry and Wildlife, prior to submitting a Proposal, and the degree of certainty offered by the Proposer in securing the necessary permits.

At a minimum, proposed Projects should be expected to have minimal environmental impact for most areas and Proposals should provide a comprehensive plan to mitigate the identified potential or actual significant environmental impacts to remain in environmental compliance. The proposed mitigation plans should be included in the Project timeline. Preference will be given to Proposals that provide a more detailed plan as well as those that have proactively taken steps to mitigate potential environmental impacts.

Also, this criterion requires that, at a minimum, Proposers should have identified, and disclosed in their Proposal(s) all major permits, approvals, appurtenances and entitlements (including applicable access, rights of way and/or easements) (collectively, the “permits”) required and have a preliminary plan for securing such permits. Preference will be given to Proposals that are able to provide a greater degree of certainty that its plan to secure the required permits is realistic and achievable, or have already received all or a majority of the required permits. The Proposer should disclose all identified (a) discretionary permits required, i.e., those requiring public or contested case hearings and/or review and discretionary approval by an appropriate government agency and (b) ministerial conditions without discretionary approval conditions. In all cases, the Proposer must provide a credible and viable plan to secure all necessary and appropriate permits necessary for the project. For example, if the project is located within an agricultural district, the Proposer shall provide evidence of Proposer’s verification with the appropriate government agency that the project complies with HRS Section 205-2 and Section 205-4.5, relating to solar energy facilities placed on agricultural land, provided, however that where a special use permit (under

Section 205-6), exemption (under Section 205-6), or amendment to land use district boundary lines (under Section 205-4) is required to secure such compliance, Proposer shall identify the need for such permit, exemption or amendment and provide a list of required prerequisites and/or conditions and a realistic timeline necessary to obtain such permit, exemption or amendment satisfactory for Proposer to still meet its designated Guaranteed Commercial Operations Date.

8. **Experience and Qualifications** – Proposals will be evaluated based on the experience of the Proposer in financing, designing, constructing, interconnecting, owning, operating, and maintaining projects (including all components of the project) of similar size, scope and technology. At a minimum, Proposals must show via the table format specified in RFP Appendix B Section 2.13 that at least one (1) member must have specific experience in each of the following categories: financing, designing, constructing, interconnecting, owning, operating, and maintaining at least one electricity generation project including all components of the project similar to the Project being proposed. Preference will be given to Proposers with experience in successfully developing multiple projects that are similar to the one being proposed and/or that have prior experience successfully developing and interconnecting a utility scale project to the Company's System.
9. **Financial Strength and Financing Plan** – This criterion addresses the comprehensiveness and reasonableness of the financial plan for the Project as well as assesses the financial strength and capability of the Proposer to develop the Project. A complete financial plan addresses the following issues: Project ownership, capital cost and capital structure, sources of debt and equity, and evidence that credit-worthy entities are interested in financing the Project. The financial strength of Proposers or their credit support providers will be considered, including their credit ratings. The financing participants are expected to be reasonably strong financially. Developers and their sources of capital that have investment grade credit ratings from a reputable credit rating agency (S&P, Moody's, Fitch) will also be given preference, with those that have higher credit ratings ranked higher.
10. **(O'ahu only) RDG PPA Contract Proposed Modifications** – Proposers are encouraged to accept the contract terms identified in the RDG PPA in its entirety in order to expedite the overall RFP process and potential contract negotiations. Proposers who accept the RDG PPA without edits or utilize the Mid-Tier SFC, which is non-negotiable and cannot be marked up as part of their Proposal, will receive a higher score and will be the only proposals that can achieve the highest scoring for this non-price evaluation criterion. Technology-specific or operating characteristic-required modifications, with adequate explanation as to the necessity of such modifications, will not jeopardize a project's ability to achieve the highest score. Proposers who elect to propose modifications to the model agreements shall provide a Microsoft Word red-line version of the applicable

document identifying specific proposed modifications to the model agreement language, as well as a detailed explanation and supporting rationale for each modification. General comments without proposed alternate language, drafting notes without explanation or alternate language, footnotes such as “parties to discuss,” or a reservation of rights to make additional modifications to the model agreements at a later time are unacceptable, will be considered unresponsive, and will result in a lower score (see also Section 3.8). The Company and Independent Observer will evaluate the impact that the proposed modifications will have on the overall risk assessment associated with the evaluation of each Proposal.

11. **Guaranteed Commercial Operations Date** – Proposers that are able to design for and commit to an earlier GCOD will be given more favorable scoring. Proposers will be held to the GCOD identified in their Proposal. The GCOD will be a Guaranteed Milestone and will be inserted without amendment into the RDG PPA or Mid-Tier SFC, as applicable.
12. **Cultural Resource Impacts** – Proposers need to be mindful of the Project’s potential impacts to historical and cultural resources. Proposers should have identified (1) valued cultural, historical, or natural resources in the area in question, including the extent to which traditional and customary native Hawaiian rights are exercised in the area; (2) the extent to which those resources – including traditional and customary native Hawaiian rights – will be affected or impaired by the proposed action; and (3) the feasible action, if any, to be taken to reasonably protect any identified cultural, historical, or natural resources in the area in question, and the reasonable protection of traditional and customary native Hawaiian rights in the affected area.

Also, Proposers should have already contracted with a consultant with expertise in this field to begin a cultural impact plan for the Project. Proposals will be evaluated on the commitment to addressing cultural resource impacts on their Project, if any. Therefore, in order to be evaluated for this criterion, Proposers should, at least, provide the following documentation, as applicable: (1) Proposer’s or its consultant’s experience with cultural resource impacts on past projects; (2) the status of their cultural impact plan. Proposals will be evaluated on the extent to which their cultural impact plan has been developed, and preference will be given to Proposals that are further along in the process, including but not limited to, whether a mitigation/action plan has been provided that addresses any identified cultural resource issues, or a date for when such a plan will be available has been identified, or any portions of such plan have been completed.

13. **Land Use and Impervious Cover** - The Company encourages Proposers to site Projects on developed lands and to preserve open spaces and agricultural lands. Proposers will be scored more favorably for locating Projects on:

- Land with greater existing impervious cover;¹⁸
- Land zoned industrial or industrial mixed use, commercial or business mixed use or apartment mixed use under the State Land Use Classification with a preference in that order; or
- Land deemed as reclaimed, such as Brownfield.¹⁹

In addition, projects that minimize the net increase of impervious cover of a Project site will be scored more favorably.

4.5 Selection of a Priority List

At the conclusion of both the price and non-price analysis, a total score will be calculated for each Proposal using the 60% price-related criteria / 40% non-price-related criteria weighting outlined above. For each island, the price and non-price analysis, and the summation of both price and non-price scores described above, will result in a ranking of Proposals.

The Company will determine a Priority List for each island from the highest scoring Proposals. The Company will develop the Priority Lists in consultation with the Independent Observer. The Company reserves the right, in consultation with the Independent Observer, to limit the projects allowed for further consideration in the initial evaluation; for example, to projects that fall within 15% of the highest Levelized Project Capacity Price. Selection to a Priority List does not assure an eligible Project's inclusion in the selection of a Final Award Group.

4.6 Best and Final Offer (BAFO)

4.6.1 The Company will solicit a Best and Final Offer from Proposers selected to the Priority Lists. If the SBO is selected to the Priority Lists, the SBO will not be eligible to provide a Best and Final Offer and the original pricing submitted in its Self-Build Proposal will be used in the Detailed Evaluation. All other Proposers selected to the Priority List will have the opportunity to update (downward only)²⁰ the pricing elements in their Proposal in order to improve the competitiveness of their Proposal prior to being further assessed in the Detailed Evaluation phase. At this point in the process, updates may only be made to the following pricing element:

- Lump Sum Payment (\$/year) amount

¹⁸ As defined by the EPA ([8 Tools of Watershed Protection in Developing Areas | Watershed Academy Web | US EPA](#)), "the sum total of all hard surfaces within a watershed including rooftops, parking lots, streets, sidewalks, driveways, and surfaces that are impermeable to infiltration of rainfall into underlying soils/groundwater."

¹⁹ As defined by the EPA ([Overview of EPA's Brownfields Program | US EPA](#)), "a property, the expansion, redevelopment, or reuse of which may be complicated by the presence or potential presence of a hazardous substance, pollutant, or contaminant."

²⁰ Proposers will only be allowed to adjust pricing elements downward. No upward adjustment to the pricing elements will be permitted or considered. All other characteristics of the Proposal and Facility capabilities must remain valid and unchanged (e.g., NEP, GCOD, etc.).

Proposers will not be allowed to increase their price²¹ but may elect to maintain the same pricing submitted in their original Proposal. Proposers will not be allowed to make any other changes to their Proposal during the Best and Final Offer.

- 4.6.2 If a Proposer does not propose improvements to their pricing elements during the Best and Final Offer solicitation, the original Proposal pricing elements will be deemed its Best and Final Offer.²²

4.7 Detailed Evaluation

The Best and Final Offers of the Priority List Proposals as well as any original Self-Build Proposals, if advanced to the Priority List, will be further assessed in the Detailed Evaluation to identify the Proposals selected to the Final Award Group.

For each island, the detailed evaluation process will consist of an assessment of combinations of Proposals from the respective island's Priority List. Using the current forecast and planning assumptions developed for the Company's Integrated Grid Planning process in Docket No. 2018-0165, a capacity expansion model will be used to determine a simplified proxy of benefits and value of proposals of the CBRE portfolio based on the process utilized in the DER docket (Docket No. 2019-0323) (i.e., a resource plan with and without the CBRE portfolio). Proposals will be compared to this proxy value to determine if the proposed projects will provide cost effective value to customers.

Due to computational limitations, all Proposals from a Priority List may not be evaluated simultaneously. The ranking developed in the Initial Evaluation can be used to screen the Proposals in the Detailed Evaluation to those that provide the highest potential benefit to the system.

The proxy evaluation will evaluate the benefits and costs of integrating the CBRE portfolio onto the Company's System which includes:

1. The cost to dispatch the CBRE portfolio and the energy under the RDG PPA or Mid-Tier SFC;
2. The fuel cost savings (benefits) and any other direct savings (Subscriber Organization savings from dispatchable fossil fuel savings, where applicable) resulting from the displacement of generation, including consideration of round-trip efficiencies for facilities with a BESS; and
3. The estimated increase (or decrease) in operating cost, if any, incurred by the Company to maintain system reliability;

²¹ Proposers will not be allowed to increase the pricing in their Proposals to address interconnection and/or system upgrade costs or for any other reason.

²² The Company reserves the right, in consultation with the Independent Observer, to adjust the parameters of the BAFO, in the unlikely event that system needs have evolved in a way that the Proposals received do not fully address.

4. The cost of imputed debt, if applicable.

As noted, if applicable, the Company will take into account the cost of rebalancing its capital structure resulting from any debt or imputed debt impacts associated with each Proposal (including any costs to be incurred by the Company, as described above, that are necessary in implementing the Proposal). The Company proposes to use the imputed debt methodology published by S&P that is applicable to the Proposal being evaluated. S&P views long-term PPAs as creating fixed, debt-like financial obligations that represent substitutes for debt-financed capital investments in generation capacity. By adjusting financial measures to incorporate PPA-fixed obligations, greater comparability of utilities that finance and build generation capacity and those that purchase capacity to satisfy new load are achieved.

During the Detailed Evaluation and before the Proposals advance to the Final Award Group for each island, the Company will perform load flow analyses to determine if certain Projects or combinations of Projects introduce circuit constraints that will factor into the selection process. This is to address the possibility that even though sufficient line capacity was identified for an individual Project, Projects that are in close proximity with each other could introduce additional circuit constraints. The Projects selected must not have any additional constraints imposed based on the Load Flow Analysis to advance to a Final Award Group. However, the Company reserves the right, in consultation with the Independent Observer, to allow minor modifications (i.e., downsize project) to a Proposal to avoid such additional constraints. If such modification resulted in a reduced size of the Facility, the pricing proposed would also need to be revised. Under no circumstances would a Proposer be allowed to increase their price as a result of such minor modification.

Also, in the Detailed Evaluation, other factors will be validated to ensure that the final combination of Projects provides the contemplated benefits that the Company seeks. The Company will consider the implementation of a combination of Projects, including consideration of the geographic diversity, program implementation, resource diversity, interconnection complexity, and flexibility and latitude of operation control of the Projects.

The Company may complete additional analyses of Projects, in consultation with the Independent Observer, if the time and capability exist to perform such analyses.

Projects interconnecting to distribution circuits may be subject to the Technical Review process of Rule 14H. The Company may consider a Project's performance through this process in the Detailed Evaluation.

4.8 Selection of the Final Award Group

Based on the results of the Detailed Evaluation and review of the results with the Independent Observer, the Company will select a Final Award Group for each island. Mid-Tier Projects selected to a Final Award Group will execute a Mid-Tier SFC with the

Company in the form of Appendix K. Large Projects selected to a Final Award Group will enter into RDG PPA (in the form of Appendix L) negotiations. All Proposers will be notified at this stage of the evaluation process whether their Proposal is included in a Final Award Group.

Selection to a Final Award Group and/or entering into contract negotiations does not guarantee execution of an RDG PPA or Mid-Tier SFC.

Further, if at any time during the evaluation process it is discovered that a Proposer's Proposal contains incorrect or misrepresented information that has a material effect on any of the evaluation processes, including selection of a Priority List or a Final Award Group, the Company reserves the right, at any time prior to submission of the PPA Application with the PUC, in consultation with the Independent Observer, to disqualify the Proposer from the RFP. If discovery of the incorrect or misrepresented information is made after the Company has filed its PUC application for approval of the PPA with the Proposer, the Company will disclose the incorrect or misrepresented information to the PUC for evaluation and decision as to whether such Proposer should be disqualified and the Company's application dismissed.

Following any removal of a proposal from a Final Award Group, either by disqualification noted immediately above, or via any other removal or withdrawal of a proposal, including failure to reach agreement to the PPA, the Company, taking into consideration the timing of such removal and the current status of the Company's needs under the RFP, in consultation with and concurrence from the Independent Observer, will review a Priority List to determine (1) if another proposal should be added to a Final Award Group; or (2) if the remaining proposals in a Final Award Group should remain unchanged.

Chapter 5: Post Evaluation Process

5.1 Project Interconnection Process

5.1.1 Interconnection Modeling Process

A summary of the model requirements and impact study scope can be found in Appendix B, Attachment 6.

For all projects starting from 250 kW and less than 1 MW in size, a completed Project Interconnection Requirement Study Data Request worksheet, which can be found in Appendix B, Attachment 2, all project diagram(s), models for equipment and controls (see Appendix B, Attachments 3 and 6), list(s) identifying components and respective files (for inverters and power plant controller), and complete documentation with instructions must be submitted within 30 days after selection to the Final Award Group.

For all Projects 1 MW or larger, within 30 days after selection to the Final Award Group, final submissions, to incorporate any updates to the information submitted in response to Section 2.3.1, shall be made, and shall be in compliance with the Project data and modeling requirements described below.

If required for the project (see Appendix B, Attachment 6), PSSE Generic models, PSSE User models, and ASPEN models shall be configured to represent all of the functional equipment with settings in place to comply with the Company's performance requirements. These must be checked for functionality by the Proposer or its vendors and consultants prior to submission to the Company. Similarly, fully accurate PSCAD models shall be submitted in a condition that complies with the PSCAD modeling guidelines provided by the Company. Overlaid validation plots of PSSE Generic models, PSSE User models, and PSCAD models shall be submitted as described in the Project Interconnection Data Request worksheets to ensure compatible responses from each model.

If the Company determines that an IRS is not required, the Company will provide an Interconnection Modeling Letter Agreement for each selected Project greater than or equal to 1 MW in size, with a statement of required deposit for individual work for: (a) a technical model checkout for each project, and (b) any considerations that are specific to a particular project and location. After proposals and models are submitted, the Company will inspect the data packages for general completeness. For any incomplete submissions, a list of missing or non-functional items will be provided. Proposers will be given 15 Days to resolve data and modeling deficiencies. The Company, in consultation with the Independent Observer, may remove Proposals if their submission requirements are deemed incomplete for the lack of requested models and validation plots.

The technical model checkouts will be conducted first. Upon identification of any functional problems or deficiencies, corrective action shall be taken immediately and on an interactive basis so that the problems or deficiencies can be resolved within 15 Days, including re-submission of data and updated models, or the Project shall be deemed withdrawn. At the discretion of the Company and provided that there is a demonstration of good faith action to minimize delay that would affect the schedule, a second round of model checkout and problem solving may proceed. Thereafter, any notice that a Project is deemed withdrawn for lack of completeness shall be final. Subject to consultation with the Independent Observer, failure to provide all requested material within the time(s) specified, or changes to the data provided after the due date(s), shall result in elimination from consideration.

5.1.2 Interconnection Requirements Study Process

The Detailed Evaluation process or Appendix III of Rule 14H shall determine the need for an IRS. Upon notification of selection to a Final Award Group, and subject to Rule 14H, the Company will provide an IRS Letter Agreement (in lieu of an Interconnection Modeling Letter Agreement) for each selected project that will require an IRS, with a statement of required deposit for individual and prorated work as part of an IRS Scope for: (1) a System Impact Study that will involve (a) technical model checkout for each project, (b) any considerations that are specific to a particular project and location, and (c) system impact analyses of the projects as a group; and (2) a Facility Study that includes the Interconnection cost and schedule, including cost of any required system upgrades. After proposals and models are submitted within 30 days after selection to a Final Award Group, the Company will inspect the data packages for general

completeness. For any incomplete submissions, a list of missing or non-functional items will be provided. Proposers will be given 15 Days to resolve data and modeling deficiencies. The Company, in consultation with the Independent Observer, may remove Proposals if their submission requirements are deemed incomplete for the lack of requested models and validation plots.

The technical model checkouts will be conducted first. Upon identification of any functional problems or deficiencies, corrective action shall be taken immediately and on an interactive basis so that the problems or deficiencies can be resolved within 15 Days, including re-submission of data and updated models, or the Project shall be deemed withdrawn. At the discretion of the Company and provided that there is a demonstration of good faith action to minimize delay that would affect the schedule, a second round of model checkout and problem solving may proceed. Thereafter, any notice that a Project is deemed withdrawn for lack of completeness shall be final. Subject to consultation with the Independent Observer, failure to provide all requested material within the time(s) specified, or changes to the data provided after the due date(s), shall result in elimination from consideration.

Proposers shall be responsible for the cost of the IRS, under separate agreements for the System Impact Study and the Facility Study. The overall IRS will provide information including, but not limited to, an estimated cost and schedule for the required Interconnection Facilities for a particular Project and any required mitigation measures. Proposers will be responsible for the actual final costs of all Seller-Owned Interconnection Facilities and Company-Owned Interconnection Facilities. Upon reviewing the results of the IRS, Detailed Evaluation or Technical Review process, if required, pursuant to Rule 14H, Appendix III, Proposers will have the opportunity to declare the RDG PPA (see RDG PPA Section 12.4) or Mid-Tier SFC null and void in the event that the estimated interconnection costs and schedule for the Project are higher than what was estimated in the Project Proposal.

5.2 Contract Negotiation Process

Within five (5) business days of being notified by the Company of its intent to enter into RDG PPA contract negotiations or execute a Mid-Tier SFC, Proposers selected for a Final Award Group will be required to indicate, in writing to the Company's primary contact for this RFP, whether they intend to proceed with their Proposals. Proposers who elect to remain in a Final Award Group will be required to keep their Proposal valid through the award period. RDG PPA contract negotiations will take place in parallel with the IRS process.

The Company intends to execute and file the RDG PPA with the PUC for approval and later amend the RDG PPA to include the results of the IRS.

5.3 Community Outreach and Engagement

The public meeting and comment solicitation process described in this section and Section 29.21 of the RDG PPA (Community Outreach Plan) and Section 28 of the Mid-

Tier SFC (Community Outreach) do not represent the only community outreach and engagement activities that can or should be performed by a Proposer.

The Company will publicly announce the Final Award Groups no more than five (5) business days after the notification is given to Proposers who are selected to a Final Award Group. Selected Proposers shall not disclose their selection to the public before the Company publicly announces the Final Award Group selections.

On the next business day after the Company notifies a Proposer they were selected, each Proposer shall provide the Company with links to their Project website, which the Company will post on the Company's website. Each Proposer will launch a Project website that will go-live on the day the Company publicly announces the Final Award Group selections. Information on what should be included on the Project website is identified in Appendix B.

Within five (5) business days of notification of selection to a Final Award Group, Proposers must provide the Company with an updated comprehensive Community Outreach Plan to work with and inform neighboring communities and stakeholders and to provide them timely information during all phases of the Project. The Community Outreach Plan shall include but not be limited to the following information: Project description, Project stakeholders, community concerns and Proposer's efforts to address such concerns, Project benefits, government approvals, Project schedule, plan for reporting construction related updates, labor and prevailing wage commitment, and a comprehensive communications plan which factors in monthly Project status updates. The Proposer's Community Outreach Plan shall be a public document identified on the Proposer's Project website for the term of the PPA and made available to the public upon request. As an option, Proposers may provide their updated Community Outreach Plan and website information to the Company for review and feedback. If provided at least 30 days prior to the dates required, the Company will endeavor to review such information and provide feedback on the information before it is made available to the public. Further information and instructions regarding expectations for on the Community Outreach Plan can be found in Appendix B, Attachments 4 and 5.

Prior to the execution date of the PPA, Proposers shall also host a public meeting in the community where the proposed Project is to be located for community and neighborhood groups in and around the vicinity of the Project Site that provided the neighboring community, stakeholders and the general public with: (i) a reasonable opportunity to learn about the proposed Project; (ii) an opportunity to engage in a dialogue about concerns, mitigation measures, and potential community benefits of the proposed Project; (iii) an update regarding the Proposer's cultural impact plan, including any findings made and mitigations identified to-date as part of the Archaeological Literature Review and Field Inspection Report discussed in Section 5.7; and (iv) for Large Projects, information concerning the process and/or intent for the public's input and engagement, including advising attendees that they will have thirty (30) calendar days from the date of said public meeting to submit written comments to Company and/or Proposer for inclusion in the Company's submission to the PUC of its application for a satisfactory PUC Approval Order and for inclusion on the Proposer's website. The Proposer shall collect all public

comments, and then provide the Company copies of all comments received in their original, unedited form. If an RDG PPA is executed by the Proposer and the Company, the Company may submit any and all public comments (presented in its original, unedited form) as part of its PUC application for this Project. Proposers shall notify the public at least three weeks in advance of the meeting. The Company shall be informed of the meeting. The Company has provided Proposers with detailed instructions regarding the community meeting requirement after the selection of the Final Award Groups (Attachment 4 to Appendix B). (For example, notice will be published in county and regional newspapers/media, as well as media with statewide distribution. The Proposer will be directed to notify certain individuals and organizations. The Proposer will be provided templates to use for the public meeting notices, agenda, and presentation.) Proposers must also comply with any other requirement set forth in the RDG PPA or Mid-Tier SFC relating to Community Outreach.

Following the submission of the PUC application for the Project, and prior to the date when the Parties' statements of position are to be filed in the docketed PUC proceeding for the Project, the Proposer shall provide another opportunity for the public to comment on the proposed Project.

The Proposer shall be responsible for community outreach and engagement for the Project, and that the public meeting and comment solicitation process described in this section do not represent the only community outreach and engagement activities that can or should be performed.

5.4 (O'ahu only) Greenhouse Gas Emissions Analysis

Proposers whose Proposal(s) for Large Projects are selected for a Final Award Group shall cooperate with and promptly provide to the Company and/or Company's consultant(s) upon request all information necessary, in the Company's sole and exclusive discretion, for such consultant to prepare a greenhouse gas ("GHG") emissions analysis and report in support of a PUC application for approval of the RDG PPA for the Project (the "GHG Review"). Proposers shall be responsible for the full cost of the GHG Review associated with their Project under a Greenhouse Gas Analysis Letter Agreement between the Proposer and the Company. The GHG Review is anticipated to address whether the GHG emissions that would result from approval of the RDG PPA and subsequent to addition of the Project to the Company's System are greater than the GHG emissions that would result from the operations of the Company's System without the addition of the Project, whether the cost for renewable, dispatchable generation, and/or energy storage services as applicable under the RDG PPA is reasonable in light of the potential for GHG emissions, and whether the terms of the RDG PPA are prudent and in the public interest in light of its potential hidden and long-term consequences.

5.5 PUC Approval

Any signed RDG PPA for Large Projects resulting from this RFP is subject to PUC approval as described in the RDG PPA, including Article 12 and Section 29.20 thereof. Selected Mid-Tier Projects will execute a Mid-Tier SFC with the Company which will

not be subject to further regulatory review and approval. Selected SBO Large Projects are required to file an application pursuant to General Order No. 7 if the requirements for such filing are met. However, selected SBO Mid-Tier Projects will also not be required to submit an additional application pursuant to General Order No. 7, but the Commission will hold the bidding utility to the terms of its bid, similar to an independent power producer.

5.6 Facility In-Service

In order to facilitate the timely commissioning of the projects selected through this RFP, the Company requires the following be included with the 60% design drawings: relay settings and protection coordination study, including fuse selection and ac/dc schematic trip scheme.

For the Company to test the Facility, coordination between the Company and Project is required. Drawings must be approved by the Company prior to testing. The entire Facility must be ready for testing to commence. Piecemeal testing will not be allowed. Communication infrastructure and equipment must be tested by the IPP and ready for operation prior to Company testing.

If approved drawings are not available, or if the Facility is otherwise not test ready as scheduled, the Project may lose its place in the queue, with the Company retaining the flexibility to adjust scheduling as it sees fit. If tests are not completed within the allotted scheduled testing time, the Project will be moved to the end of the Company's testing queue. The IPP will be allowed to cure if successful testing is completed within the allotted scheduled time. No adjustments will be made to RDG PPA or Mid-Tier SFC milestones if tests are not completed within the original allotted time. Liquidated damages for missed milestones will be assessed pursuant to the RDG PPA or Mid-Tier SFC.

5.7 Archaeological Literature Review and Field Inspection Report

All Projects selected to a Final Award Group must, within five (5) months of selection, complete and submit to the Company an Archaeological Literature Review of existing cultural documentation filed with the State Historic Preservation Division and a Field Inspection Report. For any archaeological and/or historical sites identified in the project area, the Proposer must provide a plan for mitigation from an archaeologist licensed in the State of Hawai'i. This mitigation plan must be posted on the Project website for transparency.

Any results available at the time of the Community Outreach meeting required prior to PPA execution discussed in Section 5.3, must be presented at that time, along with an update regarding the developer's cultural impact plan.