

**Hawaiian Electric Companies'  
Request for Proposals  
Grid Services from Customer-Sited  
Distributed Energy Resources**

**RFP No. 101321-01  
Proposer's Conference**



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

# Agenda

- ◆ Need for Grid Services
- ◆ Aggregator Model
- ◆ RFP Overview
- ◆ RFP Process
- ◆ Next Steps



# O'ahu Potential Capacity Shortfall

- ◆ AES coal powerplant retires in September 2022
- ◆ Potential risk of capacity reserve shortfall due to delays with renewable energy projects
- ◆ Capacity Reduction Grid Service can be used to mitigate risk for event shortfalls
- ◆ HNEI analysis shows that 50-60 MW would be sufficient to mitigate a large percentage of potential shortfall events in 2022 and 2023.



# Aggregator Model

- ◆ Proposer shall have a direct contractual relationship with customers to engage the customer for the use of customer-sited resources.
- ◆ Proposer will also have a direct contractual relationship with the Companies to deliver the grid services in the quantities and requirements agreed upon.
- ◆ The Companies will directly deliver incentives to participants via their utility bills.



# RFP Overview

- ◆ Oahu Grid Services
  - Capacity Reduction Required
  - Bundled and Unbundled Prices
  - Proposals may layer in FFR-2 and Capacity Build Grid Services
- ◆ Commercial Operations Date (COD) – September 1, 2022
- ◆ Priority Evaluation for the most Contract Capability delivered by COD
- ◆ 10-year Term



# Grid Service Target

Hawaiian Electric's Grid Services Needs for O'ahu (MW)

Year	FFR-2	Capacity (Load Build & Load Reduction)
2022	12.0	60.0
2023	12.0	60.0
2024	12.0	60.0
2025	12.0	60.0
2026	12.0	60.0
2027	12.0	60.0
2028	12.0	60.0
2029	12.0	60.0
2030	12.0	60.0
2031	12.0	60.0



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# Proposed RFP Schedule

Milestone	Schedule Dates
RFP issued	August, 16, 2021
Intent to Bid due from Bidders	August 30, 2021
Questions due from Bidders	September 7, 2021
Response to Questions issued	September 14, 2021
Proposals Due	October 13, 2021 at 5:00 pm HST
Selection of Short List	October 20, 2021
Best and Final Offer Due	November 3, 2021 at 5:00 pm HST
Selection of Final Award Group	November 10, 2021
Contract Negotiations Start	November 11, 2021
Contract Executed and Filed (estimated)	December 2021
PUC Approval (estimated)	January 2022
Grid Services Enablement Target Date	September 1, 2022



# Grid Service Purchase Agreement ("GSPA")

- ◆ Schedule prioritized in evaluation process due to AES Retirement
- ◆ The Company does not have a predetermined preference for a particular technology for the delivery of grid services.
- ◆ See section 3.8.4 of RFP for proposed modifications to the GSPA.





# Evaluation of Proposals

- ◆ Eligibility Requirements
- ◆ Threshold Requirements
- ◆ Initial Evaluation
- ◆ Short List Selection
- ◆ Best and Final Offer
- ◆ Final Evaluation



# Eligibility Requirements

- ◆ Timely and Complete Submission
- ◆ Includes Federal and State tax clearance certificates
- ◆ Bid is for the Island of O‘ahu
- ◆ Specifies Contract Capability by COD
- ◆ Affirms non-negotiable status of GSPA sections



# Threshold Requirements

- ◆ Performance Standards
- ◆ Proven Technology
- ◆ Experience of the Proposer
- ◆ Credit/Collateral Requirements
- ◆ Viability of Proposer's Financial Plan



# Pricing Evaluation (50% of total Preliminary Score)

- ◆ Projects evaluated using Levelized Grid Service Price (LGSP) for each grid service
- ◆ LGSP is calculated based on;
  - ◆ Management Fee (\$/kW)
  - ◆ Enablement Fee (\$/kW)
  - ◆ Incentives (\$/kW) as applicable
  - ◆ Enablement Schedule



# Non-Price Criteria (50% of total Preliminary Score)

- ◆ Experience and Qualifications
- ◆ Financial Strength and Financing Plan
- ◆ Model GSPA Contract Exceptions\*
- ◆ Contract Capability Bid
- ◆ Participant Acquisition Timing & Strategy\*
- ◆ Participant Service Agreement
- ◆ Conformance with Companies' Code of Conduct
- ◆ Conformance with Information Assurance Policies

# Final Evaluation

- ◆ Short List
- ◆ Best and Final Offer (“BAFO”)
  - Opportunity to update pricing elements of proposal
- ◆ If necessary, BAFOs on the Short List will be further analyzed
  - Proposed relative costs of the grid service
  - Examining target customer segments
  - Examining the underlying technology diversity
  - Assess risk associated with the proposed grid service delivery
- ◆ Final Award Group



# Electronic Procurement Platform

The screenshot shows the PowerAdvocate website interface. At the top, there is a navigation bar with links for Dashboard, Profile, Company, Help, and Logout. Below this is a secondary navigation bar with tabs for Events, Portals, and Opportunities. The main content area is titled "Event Dashboard" and features a "Company Filter" dropdown set to "All Companies". To the right of the filter is a "Fill-In Data Sheets" button. Below these are several columns: "Event", "Msg", "Open", "Close", "Download Documents", "Upload Documents", "Commercial", "Technical", and "Pricing". A table row is visible with the following data: "77654 : Sample HECO RFP Event" (with a sub-link "Hawaiian Electric Companies"), "1/1", "02/27/18 04:00 PM (HST)", "04/30/18 02:00 PM (HST)", a red square with "1", a blue square with "2", a blue square with "3", a grey square with "4", and a green square with "5".

Event	Msg	Open	Close	Download Documents	Upload Documents	Commercial	Technical	Pricing
77654 : Sample HECO RFP Event Hawaiian Electric Companies	1/1	02/27/18 04:00 PM (HST)	04/30/18 02:00 PM (HST)	1	2	3	4	5

poweradvocate.com

- ◆ RFP Appendix D contains general instructions for using the PowerAdvocate platform
- ◆ Proposers will need to request access to the Bid Event (RFP) by sending an email to the RFP email address (response@hawaiianelectric.com)
- ◆ Bid Submission forms will be acquired only within Power Advocate
- ◆ All Communication regarding the RFP will be through PowerAdvocate



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# Next Steps

- ◆ RFP (excluding bid submission forms) is available on the website.

<https://www.hawaiianelectric.com/products-and-services/demand-response>

- ◆ Interested Proposers

1. Register for Power Advocate

2. Intent to Bid

- Submitted through PowerAdvocate by 8/30

3. Send questions to through PowerAdvocate

- Questions due by 9/7

- Answers for questions posted on 9/13

Proposals due October 13, 2021 @ 5pm HST



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