



January 11, 2022

The Honorable Chair and Members
of the Hawai'i Public Utilities Commission
Kekuanao'a Building, First Floor
465 South King Street
Honolulu, Hawai'i 96813

Dear Commissioners:

Subject: Docket No. 2015-0389 – Community-Based Renewable Energy Program
Hawaiian Electric's Proposed Actions to Address Community Concerns from
Community Meetings Held on October 13 and 27, 2021

In accordance with Ordering Paragraph No. 4¹ of Order No. 37954 (“Order No. 37954”), issued on September 3, 2021 in the subject proceeding, the Commission held a community meeting on October 13, 2021 to address concerns with the O‘ahu Community Based Renewable Energy (“CBRE”) RFPs. In addition, the Commission held a community meeting on October 27, 2021 in response to the Sierra Club’s request, filed on October 4, 2021, to discuss the Hawai‘i Island CBRE RFPs. The Hawaiian Electric Companies² appreciate the opportunity to listen to the community’s concerns and collaborate with stakeholders on potential solutions. The Companies value all of the feedback provided, and have taken time to further explore the ideas and solutions raised by the community to address environmental justice concerns. While the Companies have not addressed every idea raised, the Companies have taken the proactive step to identify proposed modifications to the CBRE RFPs in response to many of the comments that were received. The Companies are providing these proposed modifications to the Commission for consideration in the Commission’s own review of the community concerns, and also welcome further community input on these ideas. The Companies are committed to conducting RFPs that will result in the successful implementation of the CBRE program with viable operational projects, and believe that the following proposed updates to the CBRE RFPs help to achieve this goal.

The proposed actions are summarized as follows:

1. Change the price and non-price Criteria weighting to 51/49% for LMI and Tranche 1 RFPs on O‘ahu, Maui, and Hawai‘i Island. The community has expressed that although price is an important factor in determining whether to select a renewable energy project, other non-price criteria should be added and hold weights that will have

¹ Ordering Paragraph No. 4 states that “Within the next 45 days, the Commission will schedule and hold a community meeting to address potential concerns with the Oahu CBRE RFP.”

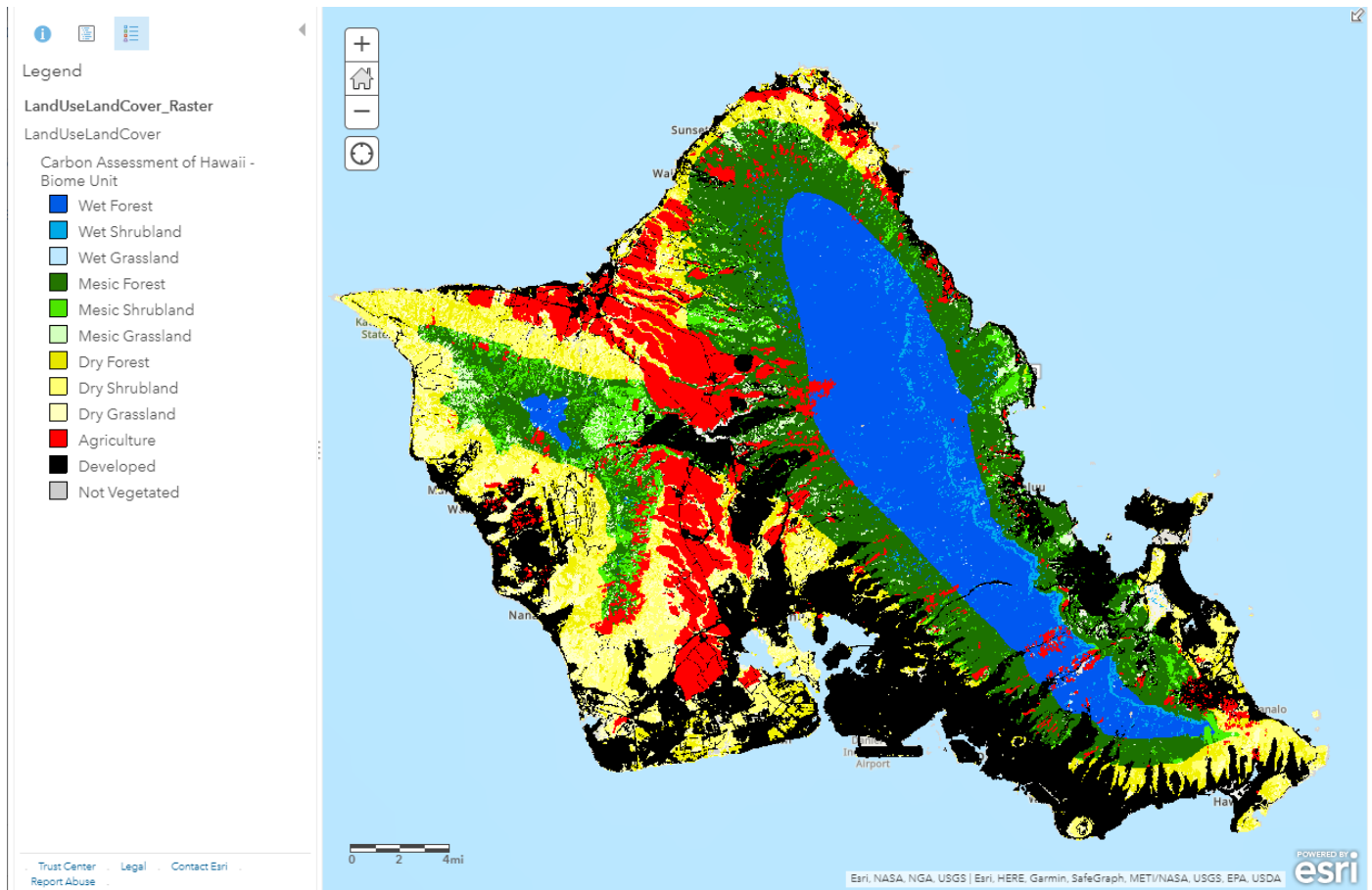
² Hawaiian Electric Company, Inc. (“Hawaiian Electric”), Hawai‘i Electric Light Company, Inc. (“Hawai‘i Electric Light”), and Maui Electric Company, Limited (“Maui Electric”) are collectively referred to as the “Hawaiian Electric Companies” or “Companies”.

a meaningful effect on project selection. If approved, the proposed shift in weight between the price and non-price criteria would create a more balanced approach by allowing the non-price criteria to have a slightly greater impact on the overall project selection. This becomes even more important as the number of non-price criteria increases.

2. Add a new non-price criteria for land use and land cover to the LMI and Tranche 1 RFPs on O‘ahu, Maui, and Hawai‘i Island. The community expressed concern with using land that may otherwise be valuable for agriculture or housing uses for renewable energy projects. If approved, this new non-price criteria would give higher scoring to projects that are proposed on land zoned commercial or industrial. Projects that are proposed on land that has greater impervious cover³ or reclaimed land would also be scored higher. This would incentivize developers to utilize constructed buildings, parking lots, and brownfield sites, and assist with the preservation of open spaces and agricultural lands. Proposers would be required to include with their proposals, a site map that indicates the current state of the land use and land cover of the area to be utilized for the project. In addition, proposers must provide with their proposals an estimate of the current percentage of impervious cover of the utilized area for the proposed project.

An alternative approach is to use a land cover map such as the one shown below (Carbon Assessment of Hawaii Land Cover Map 2015). Developed land (black) would be given a high score and Agricultural land (red) would be given the lowest score.

³ 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.”



3. Provide priority to residential subscribers on a proximity-basis for LMI and Tranche 1 RFPs on O‘ahu, Maui, and Hawai‘i Island. The community stated that residents living within a certain radius of projects should be given an opportunity to subscribe before residents living further away from projects. The Companies propose that Tariff Rule No. 29 (“Rule 29”) could be modified to require Subscriber Organizations to first offer 100% of the minimum residential subscriptions directly to residential customers located within the same zip code as the project or within a determined radius (e.g., two (2) mile radius) of the project for a limited amount of time (e.g., first three (3) months) prior to the Commercial Operations Date (“COD”) of the project, but after community outreach for the project has begun, and prior to opening up the subscriptions to the entire island on which the project is sited. Subscriber Organizations may offer residential subscriptions prior to COD and begin adding residential subscribers to a queue. However, they would not be able to subscribe residential customers outside of the

designated radius until after the designated timeframe. In addition, Subscriber Organizations would be required to conduct marketing and outreach, such as mailers, advertisements, and community meetings with residents within the determined priority area for the project. Using the zip code rather than a radius may be less administratively burdensome. The grace period for meeting the minimum requirements of Rule 29 would be extended by the designated timeframe (e.g, from six (6) months to nine (9) months). These requirements include unsubscribed energy, a minimum number of residential subscribers, a residential customer requirement, and an LMI customer requirement, if applicable. However, in order to ensure that developers do not unnecessarily delay subscribing customers with the extended grace period, the Companies recommend that developers be required to make subscriptions effective by COD for subscriptions committed to pre-COD and within 30 days for subscriptions committed to post-COD. Small projects and projects that are located on previously developed land, such as rooftops and parking lots, would be exempt from this requirement. This would allow smaller organization and businesses, such as churches, which are using only their own already developed sites, to develop projects and offer the subscriptions to a more targeted subscription base, such as their congregation or employees. This is offered as a suggestion, and the Companies are willing to consider the zip code/radius limitations and the amount of time subscriptions would be limited, based on input from the commission, community, developers, and other stakeholders.

4. Revise the non-price criteria for Cultural Resource Impacts and require additional post selection activities for cultural resource impacts and Community Outreach and Engagement for LMI and Tranche 1 RFPs on O'ahu, Maui, and Hawai'i Island. The community expressed concern about development of culturally recognized lands and stated that such lands should be excluded for project development. To address this concern, the Companies propose that, the non-price criteria for Cultural Resource Impacts would be revised to be double weighted. In addition, the RFPs would be revised to require proposers to conduct and provide an Archaeological Literature Review of existing cultural documentation filed with the State Historic Preservation Division and Field Inspection Report for projects five (5) months after they are selected to the final award group. The Archaeological Literature Review and Field Inspection Report would be used to identify any known archaeological and/or historical sites within the project area. If sites are found, the proposer would be required to provide a plan for mitigation from an archaeologist licensed in the State of Hawai'i. Furthermore, the post-selection Community Outreach and Engagement requirements would be updated

to specifically require an update regarding their cultural impact plan, and any findings made to-date at the community meeting that is already required prior to the execution of the PPA. A new requirement would also be added to require a community meeting devoted to a review of the findings and mitigations measures related to the cultural resources impacts of the project.

5. Provide the Subscriber Organization Community Representative's contact information for small projects and each project selected for LMI and Tranche 1 RFPs on O'ahu, Maui, and Hawai'i Island. The community requested that more information be provided regarding each developer. The Companies propose that this could be addressed by having the Subscriber Organization Community Representative's contact information, including name, phone number, and email, identified for each selected project, and posted to the Companies' websites.⁴
6. Revise the Community Outreach Plan requirements for LMI and Tranche 1 RFPs on O'ahu, Maui, and Hawai'i Island. The community requested that a requirement be made for developers to work with them to address construction related concerns, such as traffic, noise, and dust impacts and their mitigations, and provide the community with regular status updates throughout the project. The Companies propose to update the Community Outreach Plan requirements identified in Appendix B, Section 2.8.1 of the RFPs to include such a requirement to communicate construction schedules and activities, as well as resulting impacts and mitigation plans at least one month prior to the start of scheduled work. Proposers shall also be required to be responsive to community concerns by providing monthly or bi-monthly project status updates (written, virtual, or in-person) throughout the construction and development of the project..
7. Revise the non-price criteria for Community Outreach to encourage the use of local labor and payment of prevailing wage. Comments were received requesting that the RFPs include requirements for local labor and prevailing wages. The Companies propose to revise the RFPs so that Proposers would be highly encouraged to make a commitment that eighty percent (80%) of non-supervisory construction and operations workers' hours associated with the construction or repowering of a project will be paid

⁴ For projects less than 250 kW see <https://www.hawaiianelectric.com/products-and-services/customer-renewable-programs/shared-solar>. For projects 250 kW or larger see <https://www.hawaiianelectric.com/clean-energy-hawaii/our-clean-energy-portfolio/renewable-project-status-board>.

at the prevailing wage equivalent under Hawai'i Revised Statutes chapter 104 during all periods of construction . In addition, the Proposer would be encouraged to give preference to hiring qualified construction and operations/maintenance workers from the County in which the project is being constructed, and the State of Hawai'i, in that order, before hiring non-resident laborers. Project contractors must also comply with all applicable state and federal employment laws. Proposers that agree to such commitments would be given a higher non-price score in the Community Outreach category.

The Companies appreciate the communities' support of the State's 100% Renewable Portfolio Standard. The Companies are committed to creating sustainable communities and strengthening community engagement by empowering communities to provide their input to create a more inclusive and equitable process. Although the Companies were not able to incorporate all community suggestions into proposed modifications to the CBRE RFPs, the Companies believe the proposed revisions will help to incorporate environmental justice concerns from already overburdened communities and move Hawai'i one step further towards a more equitable renewable energy future. The Companies hereby respectfully submit the proposed actions to address community concerns and look forward to continuing Phase 2 of the CBRE program.

Sincerely,

/s/ Rebecca Dayhuff Matsushima

Rebecca Dayhuff Matsushima
Vice President, Resource Procurement

c: Service List

SERVICE LIST
(Docket No. 2015-0389)

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