



January 13, 2023

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. 2022-0012
Competitive Bidding Process to Acquire Energy Storage
Development of North Kohala Energy Storage RFP
Revised North Kohala Energy Storage RFP and Updated Cost Estimate

The Hawaiian Electric Companies¹ respectfully submit a revised draft of the North Kohala Energy Storage Request for Proposals for Hawai'i Island ("North Kohala Energy Storage RFP") and an updated cost estimate, pursuant to Order 38699² and as described in the Companies' letter filed with the Public Utilities Commission ("Commission") on December 30, 2022.³

The Companies submit the following exhibits with this transmittal:

- Exhibit 1: Proposed changes to the draft North Kohala Energy Storage RFP;
- Exhibit 2: Proposed Timelines for the North Kohala Energy Storage RFP;
- Exhibit 3: Hawaiian Electric Companies' Code of Conduct Pertaining to the Implementation of a Competitive Bidding Process for the North Kohala Energy Storage RFP ("Competitive Bidding Code of Conduct");
- Exhibit 4: Proposed draft North Kohala Energy Storage RFP (see Exhibit 4A for a redline version);
- Exhibit 5: Draft Model Energy Storage Services Agreement ("ESSA") (see Exhibit 4A for a redline version);
- Exhibit 6: Confidentiality Table

¹ 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."

² Order No. 38699, *Suspending the Docket*, issued on November 10, 2022 in the subject proceeding ("Order 38699").

³ See Docket No. 2022-0012, Letter re: *Updated Re-study Results to the North Kohala Microgrid + BESS Project*, filed on December 30, 2022.

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The proposed drafts of the North Kohala Energy Storage RFP and model ESSA will be made available to the public on Hawaiian Electric's website at <https://www.hawaiianelectric.com/NorthKohalaEnergyStorageRFP> no later than Friday, January 20, 2023.

In addition to the RFP submittal, the Companies are providing an updated estimate for the Microgrid + BESS project, which is [REDACTED].⁴ Generally, the current estimate reflects the following updates:

- Updated BESS cost based on the resource cost developed in the Integrated Grid Planning process⁵ in combination with the updated sizing, 5MW/22MWh to 5MW/30MWh
- Reduction of communication infrastructure cost due to completion of system projects since previous cost estimate
- Refinement of protection scheme
 - Change in protective relaying device which reduced need for integrated communications optical network devices
- Change from circuit breakers to reclosers
 - Reduction of need of additional infrastructure

The Companies look forward to working with the Commission, the Independent Observer, and stakeholders to finalize the RFP and launching a competitive and successful procurement.

Sincerely,

/s/ Rebecca Dayhuff Matsushima

Rebecca Dayhuff Matsushima
Vice President
Renewable Acquisition

Attachments

cc: Division of Consumer Advocacy

⁴ The updated cost estimate for the Microgrid + BESS project is being submitted pursuant to the terms of Protective Order No. 38604, issued on September 13, 2022 in the above-referenced docket. Exhibit 6 to this letter provides the detailed justification for the confidential treatment of the information.

⁵ See https://www.hawaiianelectric.com/documents/clean_energy_hawaii/integrated_grid_planning/20220331_final_oahu_inputs_workbook_3_revised.xlsx