

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

In the Matter of the Application of)
)
HAWAIIAN ELECTRIC COMPANY, INC.)
HAWAII ELECTRIC LIGHT COMPANY, INC.)
AND MAUI ELECTRIC COMPANY, LIMITED)
)
To Institute a Proceeding)
Relating To Competitive)
Procurement Of Dispatchable)
and Renewable Generation.)
_____)

DOCKET NO. 2017-0352

ORDER NO. **38838**

ADDRESSING TAWHIRI POWER LLC'S REQUEST FOR
CORRECTIONS TO THE HAWAIIAN ELECTRIC COMPANIES'
STAGE 3 REQUEST FOR PROPOSALS FOR HAWAII ISLAND

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ADDRESSING TAWHIRI POWER LLC'S REQUEST FOR
CORRECTIONS TO THE HAWAIIAN ELECTRIC COMPANIES'
STAGE 3 REQUEST FOR PROPOSALS FOR HAWAII ISLAND

By this Order,¹ the Public Utilities Commission ("Commission"), addresses TAWHIRI POWER LLC's ("Tawhiri") request that the Companies make corrections to their Stage 3 Request for Proposal ("RFP") for Hawaii Island² by ordering the Companies to

¹The Parties to this docket are HAWAIIAN ELECTRIC COMPANY, INC., HAWAII ELECTRIC LIGHT COMPANY, INC., AND MAUI ELECTRIC COMPANY, LIMITED (collectively referred to as "Hawaiian Electric" or "the Companies") and the DIVISION OF CONSUMER ADVOCACY ("Consumer Advocate"), an ex officio party, pursuant to Hawaii Revised Statutes § 269-51 and Hawaii Administrative Rules ("HAR") § 16-601-62(a).

²Letter From: S. Wong To: Commission Re: Docket No. 2017-0352: To Institute a Proceeding Relating to a Competitive Bidding Process to Acquire Dispatchable and Renewable Generation, filed on January 24, 2023 ("Tawhiri's Request").

resubmit the Final Hawaii Island Stage 3 RFP and the Letter Opening the Stage 3 RFP for Hawaii Island³ with clarified and/or revised language when referring to Pakini Nui Wind Farm ("Pakini Nui") and other existing facilities on the east side of Hawaii Island. Such revisions and/or corrections shall be made to any and all references to such units with regard to the Hawaii Island Stage 3 RFP.

I.

RELEVANT PROCEDURAL BACKGROUND

On October 6, 2017, the Commission opened the subject docket to receive filings, review approval requests, and resolve disputes, if necessary, related to the Companies' plan to acquire dispatchable firm generation and new renewable energy generation.⁴

On May 31, 2022, Hawaiian Electric filed its Third Draft of Stage 3 RFP for Hawaii Island, in connection with the

³"Hawaiian Electric Companies' Proposed Final Stage 3 Request for Proposals for Hawaii Island; Books 1 through 4; Filed on November 7, 2022," filed on November 7, 2022 ("Hawaii Island Stage 3 RFP"); and Letter From: R. Matsushima To: Commission Re: Docket No. 2017-0352 - To Institute a Proceeding Relating to a Competitive Bidding Process to Acquire Dispatchable and Renewable Generation; "Opening of Stage 3 RFP for Hawaii Island," filed on December 2, 2022 ("Letter Opening Stage 3 RFP for Hawaii Island").

⁴Order No. 34856, "Opening the Docket," filed on October 6, 2017 ("Order No. 34856"). The Companies' letters dated June 6, 2016, and January 6, 2017, requesting that the Commission open the docket, were included as attachments to Order No. 34856.

procurement process to acquire new renewable energy and grid services for Hawaii Island.⁵ On June 30, 2022, the Commission issued Order No. 38479, which approved the Hawaii Island Stage 3 RFP, with modifications.⁶

On July 11, 2022, the Companies filed a Motion, requesting partial reconsideration and/or clarification of various aspects of Order No. 38479.⁷ Subsequently, Hawaiian Electric filed its request for an extension of time to file its Final Hawaii Island Stage 3 RFP until 15 business days from the date of the Commission's decision on the Companies' Motion,⁸ which the Commission granted on July 28, 2022.⁹

⁵Hawaiian Electric Companies' Third Draft of Stage 3 Request for Proposals for Hawaii Island; Books 1 through 4; Filed May 31, 2022," filed on May 31, 2022.

⁶Order No. 38479, "Approving the Hawaiian Electric Companies' Final Stage 3 Request for Proposals for Hawaii Island with Modifications and Issuing Guidance on the Proposed Stage 3 Requests for Proposals for Oahu and Maui," filed on June 30, 2022 ("Order No. 38479"). Additional procedural history of this docket prior to the filing of Order No. 38479 is set forth in that Order.

⁷Hawaiian Electric Companies' Motion for Partial Reconsideration And/Or Clarification of Order No. 38479; Memorandum in Support of Motion; and Certificate of Service," filed on July 11, 2022 ("Motion" and "Memorandum in Support of Motion," respectively).

⁸Memorandum in Support of Motion at 1.

⁹Order No. 38531, "Granting the Hawaiian Electric Companies' Motion for Enlargement of Time to File the Final Stage 3 Request for Proposals for Hawaii Island," filed on July 28, 2022.

On October 17, 2022, the Commission issued Order No. 38653, which granted, in part, Hawaiian Electric's requests for reconsideration and clarification.¹⁰ Order No. 38653 directed Hawaiian Electric to file its Final Hawaii Island Stage 3 RFP within a specified time period, after which such filing would be automatically approved, unless otherwise ordered by the Commission.¹¹ Hawaiian Electric filed its Proposed Final Hawaii Island Stage 3 RFP on November 7, 2022,¹² and notified the Commission that the Hawaii Island Stage 3 RFP was issued on November 21, 2022.¹³

On January 24, 2023, Tawhiri filed a request that corrections be made to the Companies' Hawaii Island Stage 3 RFP to address what it deemed to be a mischaracterization of Tawhiri's facility, Pakini Nui, as an "aging unit" that is facing impending

¹⁰Order No. 38653, "Addressing the Hawaiian Electric Companies' Motion for Partial Reconsideration and/or Clarification of Order No. 38479," filed on October 17, 2022 ("Order No. 38653").

¹¹See Order No. 38653 at 30.

¹²See Hawaii Island Stage 3 RFP. On November 17, 2022, the Commission issued a letter asking for additional clarification, but not impacting the RFP's automatic approval. See Letter From: Commission To: R. Matsushima Re: Docket No. 2017-0352, "Competitive Bidding Process to Acquire Dispatchable and Renewable Generation," filed on November 17, 2022.

¹³See Letter From: R. Matsushima To: Commission Re: Docket No. 2017-0352 - To Institute a Proceeding Relating to a Competitive Bidding Process to Acquire Dispatchable and Renewable Generation; "Opening of Stage 3 RFP for Hawaii Island," filed on November 21, 2022.

deactivation, and to reduce the Hawaii Island Stage 3 RFP's target capacity by 20.5 megawatts ("MW"), to reflect that currently provided by Pakini Nui.¹⁴

II.

DISCUSSION

Tawhiri requests that the Companies make corrections to the Hawaii Island Stage 3 RFP and related filings to specific language included by the Companies when characterizing the impending deactivation of Pakini Nui as an aging unit.¹⁵ The Hawaii Island Stage 3 RFP, specifically provides the following: "[t]he Company set a target of 60 MW based on the impending de-activations of aging units such as Hill 5 (13.7 MW) & 6 (20.5 MW), Puna Steam (15.5 MW), and Pakini Nui Wind (20.5 MW)."¹⁶ Tawhiri states that the characterization provided by Hawaiian Electric is incorrect and that "Tawhiri, as the owner and operator of Pakini Nui Wind Farm, has no plans to de-activate

¹⁴Letter From: S. Wong To: Commission Re: Docket No. 2017-0352: To Institute a Proceeding Relating to a Competitive Bidding Process to Acquire Dispatchable and Renewable Generation, filed on January 24, 2023 ("Tawhiri's Request"), at 1.

¹⁵Tawhiri's Request at 1.

¹⁶Hawaii Island Stage 3 RFP, Exhibit 1 at 7 (emphasis added).

the Wind Farm and takes issue with having it described as an 'aging unit.'¹⁷

The Commission agrees that, while these may be older units, it is not clear whether these units are facing impending deactivation or that any or all of these units are unable to continue to provide service to the island, as Tawhiri claims is not the case with Pakini Nui.¹⁸ In fact, while such agreements may be expiring, it is possible that these contracts may be renegotiated and/or continued service could potentially be provided by these same units as procured under the Stage 3 RFP. Although Tawhiri only objects to Hawaiian Electric's characterization of Pakini Nui as an aging unit under impending deactivation, the Commission finds that that the language should be clarified and appropriately revised with regard to all of the facilities that were specifically mentioned above.

Accordingly, Hawaiian Electric is directed to revise the language in the Hawaii Island Stage 3 RFP and the Letter Opening Stage 3 RFP for Hawaii Island to clarify whether such units are facing impending deactivation due to their expiring contracts or some other reason and, as appropriate, remove the term "aging" from Exhibit 1, Section G - Grid Needs Assessment of

¹⁷Tawhiri's Request at 1.

¹⁸See Tawhiri's Request at 1.

the Hawaii Island Stage 3 RFP and Attachment A and B, Section G - Grid Needs Assessment, of the Letter Opening Stage 3 RFP for Hawaii Island, with respect to the references to these units, unless it is clear and documented that age is the cause for any impending deactivation.

With regard to Tawhiri's request to modify the targeted capacity being sought under the Hawaii Island Stage 3 RFP from 60 MW to 39.5 MW, the Commission denies this request. As explained in Docket No. 2023-0002, Order No. 38800, Tawhiri indicated that it is currently operating under a Restated and Amended Power Purchase Agreement ("RAC") with Hawaiian Electric, with a term ending April 2, 2027.¹⁹ Under the Hawaii Island Stage 3 RFP, the Companies are seeking to procure needed capacity with guaranteed commercial operation dates of no later than December 30, 2030.²⁰ While Hawaiian Electric may be obligated to purchase energy from Tawhiri, due to its status as a qualifying

¹⁹Docket No. 2023-0002, Order No. 38800, "(1) Opening a Docket to Review and Adjudicate Tawhiri Power LLC's Request for Determination Regarding Renegotiation of Agreements in Anticipation of Their Expiration, Filed in Docket No. 2017-0352 on December 6, 2022; (2) Addressing Tawhiri Power LLC's Request for Determination Regarding Renegotiation of Agreements filed in Anticipation of Their Expiration, Filed in Docket No. 2017-0352 on December 6, 2022; (3) Granting Tawhiri Power LLC's Motion for Leave to File a Reply to the Hawaiian Electric Companies' Response to Order No. 38771; and (4) Closing Docket No. 2023-0002," filed on January 6, 2023, at 2.

²⁰Hawaii Island Stage 3 RFP, Exhibit 1 at 12.

facility under the Public Utilities Regulatory Policies Act, 18 Code of Federal Regulations Part 292 and HAR Chapter 6-74, Tawhiri would not be similarly obligated to sell energy to the utility. In the absence of an agreement to extend the RAC or a new agreement to provide such capacity, it is prudent for the Companies to seek to procure needed capacity either through competitive bidding, in which the Companies have encouraged Tawhiri's participation, or other means. Therefore, the Commission determines that there is no need to modify the capacity being sought under the Hawaii Island Stage 3 RFP at this time.

III.

ORDERS

THE COMMISSION ORDERS:

1. Hawaiian Electric shall clarify and/or revise the language referring to the targeted capacity being based on the impending deactivation of the Hill 5 and 6, Puna Steam, and Pakini Nui facilities as "aging units" in the Hawaii Island Stage 3 RFP and Letter Opening Stage 3 RFP for Hawaii Island, and refile such in this docket no later than February 7, 2023.

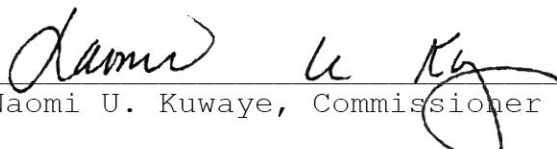
2. Hawaiian Electric shall also update the Stage 3 RFP website, as necessary, with the specific language revisions and note where the relevant changes were made. Additionally, the Companies shall upload redlined versions of the Hawaii Island Stage 3 RFP materials highlighting these changes.

DONE at Honolulu, Hawaii January 31, 2023.

PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

By 

Leodoloff R. Asuncion, Jr., Chair


By 

Naomi U. Kuwaye, Commissioner

By 

Colin A. Yost, Commissioner

APPROVED AS TO FORM:



Keira Y. Kamiya
Commission Counsel

2017-0352.ljk

CERTIFICATE OF SERVICE

The foregoing Order was served on the date it was uploaded to the Public Utilities Commission's Document Management System and served through the Document Management System's electronic Distribution List.

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