From:
To:
Renewable Acquisition
Cc:
Subject:
Date:
Thursday, March 28, 2024 6:06:09 AM
Attachments:

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Aloha,

On behalf of please find attached our comments to the draft IGP RFP. We appreciate your consideration of our comments.

Mahalo,





March 28, 2024

#### SUBMITTAL VIA EMAIL

# Subject: Comments to IGP RFP Draft

On March 5, 2024 the Hawaiian Electric Companies (Company) posted the Draft IGP RFP to its competitive procurement website and is seeking comments by March 29, 2024. Company will then file the draft IGP RFP with the PUC in April 2024.

On behalf of the draft IGP RFP for Company consideration:

#### **Rolling and Consistent Renewable Energy Procurements**

Sections 1.2.1 and 1.2.2 of the RFP

strongly supports Company's proposal for rolling procurements. Knowing there will be consistent and future procurements will provide developers like the comfort to commit to proactive and continued project development. By knowing that there will be consistent procurements over a multi-year time horizon, developers can develop projects at the pace needed to be successful rather than rushing to meet a near term bid deadline. It will give developers the comfort to continue investing development capital, as we will know there are continued and consistent opportunities to commercialize projects. Rolling procurements will give developers the comfort to NOT bid a project if it is NOT ready. This will increase overall project success rate in the long run.

That said, suggests that the sooner Company provides information as to how much energy/storage will be procured by when and where on each island, the better as we will have more time to properly develop sites to meet the Company's needs. Without this information, developers are flying blind.

#### **Pre-Bid Meeting to Discuss Interconnection**

Sections 1.6; 2.4.7; 3.3; 3.13.1; 4.2 (item 12). See also Preliminary Interconnection Report & Pre-Bid Meeting Request Form

supports the idea of a pre-bid meeting to discuss interconnection matters. That said, we take issue with the limitation on the number of pre-bid meetings each developer can have. Limiting to 3 meetings per bidder means we can only realistically evaluate and bid 3 projects. To be successful at development, you need a lot of irons in the fire given the complexity and challenges. These meetings could provide very valuable feedback, but if the feedback is that "interconnection at site A will be very challenging", then a good developer will pivot its time, effort and resources to a different site with better feasibility. Being limited to only 3 meetings does not provide us with this opportunity and will reduce the number and quality of bids received.

also notes that this meeting, and the report produced, is only as good as the information received and how timely it is received. suggests a certain minimum level of information we will receive for

each POI and also a set turnaround time to schedule the meeting and receive the report. If the report is delayed and received too close to the due date, we likely cannot reap its benefits or pivot to alternate configurations if the results are unfavorable.

Lastly, would suggest that this type of meeting be able to be conducted at ANY time, not just during the few months before an RFP is due. This type of meeting provides invaluable information for quality proactive development.

### **Pre-Selection Required Public Meeting**

Section 3.15 and 4.4.2 of the RFP; Section 1.1.k of Appendix N (Community Engagement)

has concerns with a pre-selection required public meeting. strongly opposes the concept of a mandatory public meeting within 30 days of submitting a bid. Rather, suggests that if a pre-selection public meeting is required, that it be AFTER shortlist. Hosting a meeting after shortlist makes more sense, because then at least the projects hosting public meetings have met the threshold requirements and there is an indication of interest in the project by Company. Prior to shortlist, developers do not know if their project is competitive enough or if Company is even interested in the project. Doing these meetings after shortlist would also alleviate meeting fatigue. As proposed by the Company, the public would be inundated with meetings and would not know which projects are realistic and which are not. Also, sometimes landowners provide sites on a non-exclusive basis, so there could be multiple developers hosting public meetings for the same parcel, which would be very confusing to the community.

## **Pre-determined or Preferred Interconnection Points**

feels that interconnection points should not be "pre-determined" and that information on the potential capacity to interconnect projects should be available for the entirety of the island grid (excluding obviously distribution level). Development and land acquisition for renewable sites in Hawai'i is hard enough, and with the lofty goals for renewable procurement and state mandate of 100% renewable by 2045, all options should be on the table.

Additionally, has specific questions/comments on certain interconnection points outlined in the draft IGP RFP:

- 1) Why is no capacity offered at AES substation on Oahu? Previously there was 90 MW.
- 2) If Kahe, CEIP and Hoohana substations have capacity, why not the 138 kV lines that connect them?
- 3) Why are there no pre-screened interconnection lines or substations in REZ areas if the RFP is seeking to incentivize projects in those areas?
- 4) The pre-screened lines on Oahu run primarily through heavily developed areas of central Oahu and/or through steep 20% 45% + slope, conservation districts, heavily vegetated mountainous areas not conducive to renewable energy/solar siting.



## **Availability of Interconnection/Capacity Information**

notes that it would be extremely helpful if interconnection and hosting capacity information was available PRIOR to RFPs being released. This information is invaluable to help developers find the best sites to develop and know how big of a system can be installed in which locations. This informs land acquisition needs and also general project feasibility, which will in turn result in higher project success.

# Preference for Projects Sited in Renewable Energy Zone "REZ"

Section 4.4.3.3 of the RFP; Evaluation Protocol

is struggling to understand why bonus points should be awarded for siting in a REZ; rather a project in a REZ should in theory score high because it is sited in what has been determined as an optimal area of the island with good site conditions, land use zoning, and community support to name a few.

#### **Previous Performance Evaluation**

Section 4.4.3.3 of the RFP

takes some exception with the concept of score reductions for past performance. To the extent Company is concerned that previous performance on a prior project may be indicative of future performance of a new unrelated project, any scoring deduction should be limited to severe infractions that materially and significantly impact ratepayers, such as declaring PPAs null and void prior to achieving Guaranteed Project Milestones as defined in a PUC approved PPA, and not be used against developers who successfully complete and bring projects online. Developers who have never worked in Hawai'i face no risk of losing points, which seems like a flawed concept.

#### Long-Term RFP:

supports the concept of a long-term RFP and is interested in how Company and the commission will view these emerging technologies. In notes that these types of projects will likely require strong collaboration and partnership in the early development stages between developers and Company to be successful. Imposing strict deadlines and milestones for long term RFP projects would likely render these projects not feasible.

thanks the Company for reviewing and considering our comments on the proposed IGP RFP and looks forward to the continuous improvement of the procurement processes to help the Company achieve their ambitious renewable goals.



From:

To:

Renewable Acquisition

**Subject:** Marine Corps Base Hawaii (MCBH)- Kaneohe Bay Energy Resilience Questions

**Date:** Friday, April 5, 2024 6:42:21 AM

[This email is coming from an EXTERNAL source. Please use caution when opening attachments or links in suspicious email.]

# Good Morning!

I am contacting you to find out additional information about the "Marine Corps Base Hawaii (MCBH)- Kaneohe Bay Energy Resilience" opportunity that was issued on October 25, 2023.

For background, the Marine Corps issued a "Request for Information (RFI) for Marine Corps Base Hawaii - Kaneohe Bay Energy Resilience" via the SAM.gov Federal Government procurement website

(https://sam.gov/opp/69ffe278c4914a538cb80db733f8eeef/view) and then held a joint industry day with HECO on 16 November 2023 at MCBH Kaneohe Bay to discuss this opportunity in more detail. Our company responded to the RFI and attended the Industry Day for this opportunity. We are trying to gain a better understanding of how this requirement will be procured and the corresponding procurement schedule.

We reviewed Integrated Grid Planning (IGP) documentation and the draft solicitation information for the HECO Integrated Grid Planning (IGP) procurement that is currently available on the HECO Solicitations website (https://www.hawaiianelectric.com/clean-energy-hawaii/selling-power-to-the-utility/competitive-bidding-for-system-resources). After reviewing the draft Request for Proposal (RFP) information we discovered that there does not seem to be very much detailed information in the draft materials provided on the MCBH Kaneohe Bay Energy Resilience project, with the possible exception of the following reference:

"2.5.2 Federal Site Marine Corps Base Hawai'i (MCBH) has expressed a willingness to support a renewable energy project at a pre-determined project site referred to herein as the Federal Site. Proposers proposing to use the Federal Site shall be required to execute a lease/license for the Federal Site coterminous with the term of the applicable IGP Contract with the landowner. Additional information will be provided." (Source: IGP\_RFP\_body\_DRAFT\_3-5-24, page 29, Section 2.5.2)

The Draft IGP RFP information provided seems to be more focused on the process of the procurement and does not seem to provide very much information about the scale, scope and details of the individual project(s) that will be included in the HECO IGP procurement.

Can you please assist us in better understanding HECO's procurement process by answering the following questions about the status of the MCBH Kaneohe Bay Energy Resilience project, or provide me with a point of contact that might be able to help us to better understand HECO's procurement process? The following are some of the high-level questions we are looking for assistance with:

- Will the MCBH Kaneohe Bay Energy Resilience project requirement be part of the HECO Integrated Grid Planning (IGP) procurement?
  - If yes, will additional details about this project be provided in the draft RFP release that appears to be currently targeted for release on (or about) April 30, 20204 (according to the 'Overall Proposed RFP Process Schedule' briefed at the Developer Meeting on March 20, 2024)?
  - If no, how will the requirements of the MCBH Kaneohe Bay Energy Resilience project be procured? Will it be a stand-alone procurement?
- Please clarify whether or not there will be a complete IGP draft RFP issued for review on (or about) April 30, 2024, as listed on the 'Overall Proposed RFP Process Schedule' slide briefed at the Developer Meeting that was held on March 20, 2024, and what additional documentation will be released with that Draft RFP? Or, is the "IGP RFP Draft for Public Comment" that was released on February 29, 2024, the only Draft RFP that will be issued for the IGP procurement?
- Will the IGP procurement include multiple projects to be bid in the final RFP / Solicitation and can developers choose which projects they bid?
  - Or must developers bid all projects included in the procurement?
- How will HECO define the detailed scope and requirements for each project that will be included in the IGP procurement?

Thank you very much for your time and assistance!



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From:
To: renewableacquistion@hawaiianelectric.com

Cc: Subject: Comments on Draft IGP RFP

Date: Friday, March 29, 2024 3:16:11 PM

[This email is coming from an EXTERNAL source. Please use caution when opening attachments or links in suspicious email.]

Dear Hawaiian Electric Renewable Acquisitions Team,

I am writing to you as
focuses on community-owned and community-designed energy projects, including the
. I respectfully
request that Hawaiian Electric consider the integration of multiple projects as one aggregate
project in the upcoming IGP RFP.

Siting sufficiently-large projects can be difficult, especially on the island of Oʻahu, where land is relatively scarce. Combining multiple solar projects into a single RFP response can allow for smaller community-based organizations to compete with "mainland" and international developers. Energy-burdened communities often request "right-sized" projects; multiple smaller projects aggregated together in one application would allow this to take place. The result is a more equitable energy system, with smaller community-based projects online along with larger, less community-based projects.

Furthermore, allowing aggregation of smaller projects will enable proposers to better meet the additional criteria 4.4.3.3.2 Land Use and Impervious Cover by proposing multiple projects on parking lots and rooftops. It would be nearly impossible for a proposer to find a singular predeveloped site capable of hosting a 5 MW project as the area required would be over 15 acres for a solar project, for example.

We need to underscore, however, that small projects should be subject to the same scrutiny as larger projects. I echo the sentiments of Cynthia Rezentes, writing for West Oʻahu/Kalaeloa Clean Energy 'Ohana in regards to Docket # 2015-0389:

Additionally, we understand that smaller projects proposed on O'ahu, 250 kW – 5 mW, have a separate evaluation process that doesn't require PUC approval. In West O'ahu/Kalaeloa, with larger parcels of property, that could potentially result in multiple individual owners proposing small projects in the RFP to establish solar farms on their property and if, coincidentally numerous nearby owners decide to do that, could have the unintended consequence of appearing to be a single large solar farm within the community that circumvented community input and involvement.

We noticed that projects will not be solicited on Maui until subsequent RFPs, which appear to be approximately 4 years after the initial RFP. We understand that the Lāhainā fires require additional consideration for grid planning, not to mention the additional time for Maui residents to be ready to engage in any public processes around new development. However, we are also concerned that 4 years is a long time to pause our energy transition. Therefore we'd suggest that Hawaiian Electric be open to issuing an RFP sooner than 4 years if

community leaders advocate for community-led energy planning and a readiness to engage in energy development on Maui.

Thank you for considering these requests. We are eager to support Hawaiian Electric's efforts to transition Hawaiii to a more-sustainable energy future and are available to discuss these suggestions in further detail.

# Sincerely,



From:
To:
Subject:
Date:
Friday, March 29, 2024 11:11:12 PM

Attachments:

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Aloha IGP RFP Team,

greatly appreciates this opportunity to comment on the IGP RFP draft in advance of its formal release and public comment periods.

# RFP Process/Timeline:

- Inotes that given the Company's current credit situation, it may be prudent to delay the IGP RFP to the extent possible to ensure Company receives the most competitive projects in Round 1 of the IGP RFP. Large capital investments in project development over the course of the coming year may be more challenging until the Company's credit recovers.
- Section 1.6.4 appears to limit the number of Proposals to three per bidder. Additionally, to the extent one or more of a Proposer's projects are unable to continue in the RFP process due to issues with interconnection, the bidder would be limited to submitting less than three projects. Given the challenges with interconnection and getting adequate generation online in a timely manner, we strongly suggest removing this limitation on meetings and Proposals (not variations; three is sufficient). Better visibility into interconnection will result in more feasible and lower priced projects. More Proposals will result in more competition and lower pricing for ratepayers.
- In addition to Pre-Bid Meeting Fees and Proposal Fees, bidders selected to the Priority List are required to submit a payment of \$12k for each variation to commence a Generation Facility Technical Model Requirements and Review Process. The limit on Proposals and the additional Pre-Bid fees for model review fees discourages bidders from submitting a menu of viable proposals or bid iterations. Such costs and limits on Proposals will likely reduce the overall number of Proposals available for consideration by Company in the competitive bidding process, which is not advantageous for ratepayers.
- Section 5.5 of the RFP requires that all Projects selected to the Final Award Group will be required to perform Early Engineering. The initial payment for Early Engineering of \$500,000 required per awarded project is burdensome and should be at the election of the bidder if demonstrated that this is not necessary to keep the project on schedule for its GCOD. In some cases, there are valid reasons for developers to hold off on Early

Engineering and in other cases it's prudent to commence Early Engineering to maintain the project's schedule.

- The RFP contemplates a Round 1 and Subsequent rounds which may be advantageous for timely and efficient procurements, however, we would suggest that the RFPs include some degree of flexibility to the extent material issues are identified in a prior round of procurement and need to be addressed in subsequent RFPs. Typically, these type of material issues come up in Q&A or during the bid process. The process should ensure that such clarifications or modifications are accounted for in subsequent RFP rounds, potentially by an RFP amendment. Perhaps the IO/IE could summarize and recommend changes to address lessons learned from both Company and bidders as well as public comments (rather than another round of stakeholder input that slows the issuance of the subsequent round).
- Appendices A-M are omitted making it hard for developers to weigh in on important aspects of the RFP, and further the Technical/ Operational Requirements are deemed non-negotiable, yet there are no details provided so bidders are unable to weigh in on these in advance of the RFP. Late breaking changes to technical requirements can have significant cost and operational implications, and such changes can take time to accurately incorporate into project design. Recommend providing these asap for comment.
- Section 3.3 of the RFP allows Proposer to submit written questions as Q&A regarding the RFP, and states that Company "does not guarantee that it will be able to answer all questions submitted." Since questions submitted are often critical to bid pricing, we request that Company be required to respond to all questions promptly, and in no event later than 1 week.

#### PPA-Related Matters:

- Consistent calculation of the NEP by all bidders ensures a more equitable procurement, and a detailed explanation of exclusions/inclusions in the NEP would be helpful to the RFP process for all, as there continues to be inconsistent interpretations. Section 2.1.18 states that the NEP should "not be influenced or affected by" the BESS component of the Facility. Q&A in the Stage 3 RFP confirmed the same. The same section notes that "the NEP RFP Projection must reflect any anticipated maintenance and losses such as System degradation and balance of plant losses." Since "balance of plant losses" could potentially be deemed to include auxiliary losses, can Hawaiian Electric confirm that "balance of plant losses" do not include the auxiliary power required for cooling and operating the BESS? Should such losses affect the NEP calculation or not? Will such auxiliary losses be captured exclusively by the RTE metric and not in addition to the NEP making them 'double counted'?
- Expected dispatch profiles for each island/circuit should be provided to all Proposers that may affect assumptions about the amount of auxiliary power required for cooling and operating the BESS, as well as degradation and maintenance requirements of the

BESS.

• Contract form documents should be entirely negotiable. Proposers who accept the IGP form PPA without revision can receive the highest score, however, this effectively rewards only the most inexperienced bidders and does not allow for the negotiation of key provisions required to ensure the PPA is financeable.

#### Interconnection:

- N-1 requirements should be clearly communicated in the Pre-Bid Meetings and specifically called out as a detail that is shared with developers prior to bid.
- Section 3.4.2 of the RFP says bidders should rely only on official information provided in writing by the Company, and Section 1.6 requires Proposers to request a Preliminary Interconnection Report and participate in a Pre-Bid Meeting for any Proposal it submits. However, the IGP RFP expressly disclaims Proposer's reliance on the Preliminary Interconnection Report or the written summary of the Pre-Bid Meeting. Company also relieves itself of any obligation to update incorrect information provided to bidders. Please clarify what bidders are to rely on in terms of supporting information regarding the scope and design of interconnection facilities to ensure the RFP is equitable and clear.
- Section 2.4.1.3 of the RFP requires interconnection facilities and COIF to conform to Company's Standards. Section 2.4.1.4 says Proposer cannot rely on the EPC Standards provided by Company and indicates that such Standards may change after bid submission. As a result, the bidder bears the risk of changes to these standards from the time of bid through PPA execution and start of construction. In the event such information provided by Company is incomplete or inaccurate resulting in a substantial increase in the costs to construct a Project there should be a mechanism to adjust the Unit Price to account for such changes.

#### Community Engagement:

- Section 1.1.k.i and Section 4 of Appendix N require Proposers to host a public meeting within thirty (30) days after the Proposal Due Date. In experience this is too early in the process to go out to community members with information about prospective projects with prospective bid iterations. The more logical time to host such a public meeting is upon Priority List notification. Holding a meeting any earlier requires developer to release proprietary development information to the public prior to a BAFO pricing round, including competitors. If a Proposal is not selected to the Final Award Group, such proprietary information could disadvantage bidders in a subsequent procurement. Frequently there is more than one developer bidding on the same piece of land, which could be confusing to the Host Community.
- Section 5.3 of the RFP and Section 5 of Appendix N require Proposers to provide

Company with a complete website, updated Community Engagement Plan, and Community Benefits Plan within two (2) Business Days of selection to the Final Award Group. This is an extremely short turnaround time, particularly given the widely cast net for Priority List awards (such as all three variations of a project being shortlisted), and the potential uncertainty regarding the timing of Final Award Group notifications. In the past has created websites for shortlisted projects only to not be awarded. Websites should be launched within 2 weeks of Final Award, allowing enough time for final modifications and revisions to such websites with Company input.

- Regarding archeological and cultural requirements following Final Award, through the community engagement process, Company should take into consideration the duration of SHPD review and response timelines for meeting such requirements.
- The REZ zones were proposed by Hawaiian Electric during the IGP planning process, but it is our understanding that IGP docket participants have not had an opportunity to fully weigh-in on this concept (as voiced in Equity docket). Since the REZ proposal is still somewhat conceptual, awarding additional points to projects in REZ zones does not seem appropriate.

Mahalo for the opportunity to weigh in,



From:

To: Renewable Acquisition

Cc: Subject: Comments for IGP RFP-

**Date:** Thursday, March 28, 2024 11:50:02 AM

Attachments:

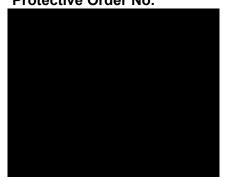
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HECO RFP Team,

Please see attached for initial feedback to the IGP RFP and Appendix N.



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March 27, 2024

# Sent via email: renewableacquisition@hawaiianelectric.com

Hawaiian Electric Company, Inc. Renewable Acquisitions Division P.O. Box 2750 Honolulu, HI 96740

Re: Comments on IGP RFP

Financing Plan.

Dear Hawaiian Electric:
is pleased to provide Hawaiian Electric Company, Inc. ("Hawaiian Electric") with comments on Hawaiian Electric's Draft Request for Proposals for Renewable Dispatchable Generation and Energy Storage, dated March 5, 2024 (the "IGP RFP").
As Hawaiian Electric is aware, and operator throughout the United States. Here in Hawaiii, is currently completing development of the of development of the as well as the project on is a leading cleantech integrator and renewable is a leading cleantech integrator and renewable is a leading cleantech integrator and renewable project at the United States. Here in Hawaiii, project at the is also beginning as well as the project on
is strongly supportive of Hawaiian Electric's efforts to procure additional renewable resources through the IGP RFP. In response to HECO's request for comments to the draft IGP RFP, provides the following comments.
1. Pre-Bid Meetings.  supports the new pre-bid meeting requirements detailed in Section 1.6 of the RFP.  Hawaiian Electric will better help developers submit proposals aligned with Hawaiian Electric's needs and provide Hawaiian Electric with a stronger set of proposals for evaluation.
2. New Threshold Requirements. Hawaiian Electric has proposed moving two of the former non-price criteria to threshold requirements under Section 4.3 of the RFP,



namely Environmental Compliance and Permitting Plan and Financial Strength and

compliance portion of the Environmental Compliance and Permitting Plan rubric to be a

threshold requirement rather than a non-price evaluation criterion. However,

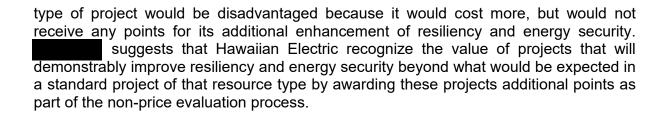
agrees that it is appropriate for the environmental

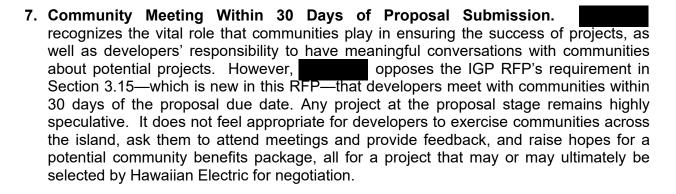
Hawaiian Electric Company, Inc. March 27, 2024 Page 2

- 3. believes that the permitting plan portion of that rubric as well as the Financial Strength and Financing plan rubric are not susceptible to binary determination but are rather gradated in nature with some permitting plans and financing plans being weaker and some stronger. Accordingly, does not support making either the Financial Strength and Financing Plan or the permitting portion of the Environmental Compliance and Permitting Plan rubric threshold requirements and instead recommends that these should remain as non-price criteria for which developers may be awarded greater or fewer points based on the strength of their respective plans for these items. In addition to not being susceptible to binary determination, these are important criteria by which the quality of a project should be judged. By removing these items as non-price criteria, Hawaiian Electric risks selecting projects which may meet a minimum threshold in these areas, but which might have less robust permitting and financing plans and will therefore be less likely to ultimately succeed.
- 4. Updated Weighting of Price and Non-Price Criteria. recognizes the important role played by many of the non-price factors in determining whether a project is actually in the broader public's interest, and whether a project is ultimately likely to succeed. Accordingly, supports the increased weighting of non-price criteria in this IGP RFP.
- supports Section 4.4.3.3 of the RFP, which awards additional points for appropriately sited projects, including those projects on land which is "zoned industrial or industrial mixed use, commercial or business mixed use, or apartment or apartment mixed use, based on county zoning designations, with a preference in that order." However, to the extent that developers may wish to propose projects on federal land, the federal land is not zoned by the counties in the same way, with most federal land having a county zoning designation of "federal." In short, it is the federal government, not the counties, which determine how federal land should be use used.

  The recommends that Hawaiian Electric clarify that projects sited on land that is zoned "federal" but designated by the federal government for industrial or renewable energy use be given the same priority as projects that are sited on land that is zoned "industrial" or "industrial mixed use."
- 6. Resiliency and Energy Security. One area in which Hawaiian Electric may wish to consider awarding additional points, either through adding an additional non-price criterion, incorporating the concept into one or more of the existing non-price criteria, or by providing "bonus points," is for projects that will demonstrably improve resiliency and energy security beyond what would be expected in a standard project of that resource type. For example, a developer may wish to propose a project that has significant ancillary benefits, such as a higher level of paired storage, enhanced black start capabilities, or other characteristics that may slightly increase the cost of the project, but which make the project particularly valuable to Hawai'i's island grids. At present this

Hawaiian Electric Company, Inc. March 27, 2024 Page 3





- 8. Renewable Portfolio Standard. Hawaiian Electric has made some changes in the language in Section 2.1.3 regarding the Renewable Portfolio Standard ("RPS") requirements for projects. requests additional clarifications on these changes. If Hawaiian Electric's intent with these revisions to Section 2.1.3 is to require developers to commit to ongoing compliance with the RPS standards, even if those standards are changed in unknown ways in the future, then opposes this revised language in the IGP RFP. Because it is impossible to know how the legislature might alter these standards in the future, developers would be required to take on—and therefore price into their proposals—a substantial amount of risk. From a policy perspective, it is more appropriate for this risk, and the cost of any required facility changes to bring a facility in to compliance with a changed RPS standard, to be borne by the public at large, since that is whom, legislators would presumably be acting on behalf of in making changes to the RPS.
- 9. Rolling Procurement. is supportive of the "rolling procurement" concept of subsequent IGP RFPs following this initial IGP RFP outlined in Section 1.2 of this IGP RFP. However, Section 1.2 states that there will be just a 30-day notice period prior to any subsequent procurement. The respectfully requests a 90 days' notice period to allow developers adequate time to finalize site control and develop proposals for subsequent rounds of the IGP RFP.

Hawaiian Electric Company, Inc. March 27, 2024 Page 4

appreciates the opportunity to provide these comments to Hawaiian Electric and would be happy to discuss these comments in more detail with Hawaiian Electric if that would be helpful.

Sincerely,





From: To:

Renewable Acquisition

**Subject:** Comments on Appendix N of IGP RFP **Date:** Friday, March 29, 2024 4:30:50 PM

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#### Aloha,

The community outreach is quite an undertaking and requires dedicating lots of time and financial resources. Therefore, we oppose the new mandatory community engagement in the new IGP RFP. This would add a huge burden to the developers especially if they are submitting several projects. We think giving the current approach of allocating higher scores to the proposals that conduct the community outreach prior to getting awarded provides sufficient incentives. I appreciate your consideration.

#### Mahalo,



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From:
To:
Renewable Acquisition

Cc:
Subject:
Comments on Draft IGP RFP
Date:
Thursday, March 28, 2024 7:21:01 AM
Attachments:

[This email is coming from an EXTERNAL source. Please use caution when opening attachments or links in suspicious email.]

Attached, please find comments on Hawaiian Electric's Draft Integrated Grid Planning Request for Proposals for Renewable Dispatchable Generation and Energy Storage. Thank you for the opportunity to submit these, and please let us know if we can do anything more to engage on these comments, or if we should take any other steps to have them considered.

Best regards,





March 28, 2024

Re: Comments of - Hawaiian Electric DRAFT Integrated Grid Planning Request for Proposals

Thank you for the opportunity to submit comments on Hawaiian Electric's **DRAFT Integrated Grid Planning Request for Proposals for Renewable Dispatchable Generation and Energy Storage (RFP).**recommends that this RFP incorporate specific opportunities for the submission and evaluation of long-duration energy storage (LDES) resources discharging >8 hours, including energy storage projects that are able to dispatch at rated capacity for >24 hours or periods of multiple consecutive days without needing to recharge ("multi-day storage" or MDS). Such changes will benefit customers of Hawaiian Electric Company (HECO) by ensuring that the durations of energy storage projects acquired by HECO will help optimize its total resource portfolio, ensuring that future reliability is achieved at least-cost to utility customers, especially as HECO acquires additional intermittent renewable energy resources.

# The Inclusion of Long-Duration and Multi-Day Storage Aligns with State Policy and Generation Security Needs

The goal of the Hawai'i Clean Energy Initiative is to achieve 100% clean energy by 2045. Achieving these levels of deeper decarbonization while maintaining grid reliability will almost surely require new forms of clean, firm technologies to replace dispatchable fossil assets. As the state relies more and more on renewable intermittent resources, such as wind and solar, it will benefit greatly from the ability to capture that energy and store it for later delivery to loads, including peak loads that may not align with the generation from these resources. Although short-duration energy storage is part of the solution, the ability to dispatch stored energy for multiple days at a time, without recharge, will unlock reliability and cost benefits for the state and the company as Hawaii seeks to meet its aggressive decarbonization goals.

#### Recommended RFP Changes to Capture the Value of Long-Duration and Multi-Day Storage

#### **Evaluation Mechanisms**

In Section 4.4.1, HECO describes its initial price analysis that uses a levelized price calculation to compare Project bids. does not recommend the use of levelized calculations to compare storage technologies with different durations, as these calculations typically rely on the number of cycles a storage asset completes in a year, with shorter duration storage completing a greater number of cycles given the much shorter cycle duration.

Levelized cost calculations for energy and storage are not useful tools for comparing resources that provide very different services, and thus are not recommended for evaluating RFP bids unless the LCOE / LCOS values are compared among technologies providing a near-identical service (e.g. all zero-carbon firm capacity is compared across a multi-day grid stress event).<sup>1</sup>

recommends, when evaluating energy storage bids, to evaluate the costs on both a \$/MW (capacity cost) basis and a \$/MW-hour (energy) basis. Such an analysis would highlight the cost differences between short-duration and LDES/MDS resources. This analysis can help utilities identify resources capable of cost-effectively delivering capacity across multi-day periods of grid stress or across consecutive, shorter-duration grid stress events. It is important, however, not to confuse evaluating resources on an energy and capacity basis with doing a levelized-cost analysis.

Project bids could also be evaluated based on a predetermined set of system reliability and energy needs. For example, a utility might target the lowest-cost zero-carbon resources that can dispatch through an X-hour period of grid stress when called upon. Such an RFP can be technology neutral by allowing generating resources to bid alongside storage, portfolios of renewables and storage, and de-rated short duration storage.<sup>2</sup> In Section 4.7, HECO discusses its process for Detailed Evaluation, in which it will utilize the RESOLVE model to produce an optimal, least-cost resource portfolio. There are specific modeling methodologies and input assumptions that are critical for accurately capturing the dynamics of multi-day energy storage technologies as they operate in utility electric systems, particularly as they move toward higher penetrations of renewable energy.

- Use a chronology that includes all 8,760 hours of the year;
- Include scenarios that capture periods of real grid stress, such as multi-day lulls in renewable energy generation or periods of high commodity prices;
- Develop weather-correlated load and renewable generation profiles; and
- Model multiple weather years covering a diversity of weather conditions, including periods of extreme weather.

recommends that HECO adopt as many of these modeling recommendations in its Detailed Evaluation as possible.

<sup>1</sup> For example, the levelized cost of energy from a gas peaker may be much higher than the levelized cost of energy from a gas combined cycle plant. However, both are present on our grid as they provide complementary functions. Comparing only on LCOE would lead to a less cost effective grid.

<sup>&</sup>lt;sup>2</sup> For example, an 8-hour technology would have a derate of 33% for addressing 24-hour disruptions, whereas a 24-hour technology would have a derate of 0%. The cost on a \$/MW basis for the 8-hour technology would be increased by 1/0.33 to account for this derate, while the cost of the 24-hour technology would not.

# **Eligibility & Threshold Requirements**

Energy also recommends that the RFP language not disqualify storage technologies that differ in function and operation from lithium-ion batteries. Doing so would prevent the consideration of technologies that could supplement HECO's storage portfolio in important ways, and unlock benefits to customers that can come from emerging technologies.

Because firm zero-carbon resources like long-duration and multi-day energy storage systems are an emerging class of resources, expressly stating an interest in receiving such bids, at a minimum, gives developers clear signals that putting the time and effort into creating proposals that utilize these technologies could be worthwhile. This increases the likelihood of receiving bids that could unlock a variety of potential system and customer benefits.

Specifically, we encourage HECO to consider the following in crafting RFP technology eligibility requirements:

- Bankability: Because many LDES and MDS technologies are emerging, the RFP should not require that technologies have reached commercial operations at the scale being proposed by the time of bidding. This is especially important in the case of HECO's RFP, given that the target date of deployment for the RFP may go out as far as December 1, 2029. This is several years out (Section 4.3.3), and it would be appropriate to consider that technologies that may not be deployed broadly in commercial settings today could be deployed broadly, or otherwise be able to demonstrate solid commercial readiness status, by that time. Bidders should be allowed to show through a variety of methods any required validation that they are able to deliver the product that they bid, such as whether technologies are supported by a warranty, whether bidders carry credit support, and the track record of the bidding team across resource types. Without this type of flexibility, emerging resources can be excluded even when there is a clear benefit to their deployment.
- Cycling: The RFP should allow resources that cycle on a different basis from lithium-ion batteries, due to their length of energy dispatch and the various types of system needs that they may meet. The RFP should not require minimum daily (Section 2.2.14: storage must support a minimum 365 full charging/discharging cycles per year) or annual cycling requirements. MDS technologies, for example, are not able to be fully dispatched and fully recharged within one day yet can provide extensive value for that very reason.
- Other Performance Standards: Because long-duration storage and multi-day energy storage perform different functions on the grid than 4-8 hour lithium-ion storage, performance standards should differ across types of BESS rather than treating storage technologies as a single class. For example, while self-energization, grid forming, and grid-stabilization are critical functions for the grid, these functions are better met by short-duration storage assets and are less relevant to a capacity asset like multi-day energy storage. Different performance standards should be considered for clean, firm

dispatchable assets with significant duration to highlight and evaluate the reliability value rather than instant response functionality needed to meet other grid needs.

appreciates the opportunity to comment on HECO's draft RFP. We would be happy to meet with you to discuss any of the options above in more detail. We hope that you will seriously consider the benefits to HECO and its customers that will come from acting now to acquire LDES and MDS resources that can help HECO prepare for the future in the most optimal way.

From:
To: Renewable Acquisition

Cc:

Subject:

Hawaiian Electric IGP RFP Draft Comment:

**Date:** Thursday, March 28, 2024 1:00:08 PM

[This email is coming from an EXTERNAL source. Please use caution when opening attachments or links in suspicious email.]

To whom it may concern,

It does not appear that the military bases are included in the Renewable Energy Zones. The military has selected appropriate on-base sites for renewable energy. These sites do not have any significant risk factors associated with them from a project development perspective, and provide important ancillary resiliency and energy security benefits to the military. By not including the military bases in the Renewable Energy Zones, it will be less likely that on-base projects will be selected by Hawaiian Electric because they will not receive the additional bonus points for Renewable Energy Zone siting. We suggest that the bases be included in the Renewable Energy Zones be afforded the same level of bonus points in the RFP as projects sited in Renewable Energy Zones.

v/r,



From:

To:

Renewable Acquisition

**Subject:** March 2024 Draft IGP RFP - Firm dispatchable generation clarification

**Date:** Monday, April 1, 2024 6:50:15 AM

[This email is coming from an EXTERNAL source. Please use caution when opening attachments or links in suspicious email.]

Hello,

Per the Hawaiian Electric's March 2024 <u>Draft RFP for Renewable Dispatchable Generation</u> and Energy Storage, the document mentions that O'ahu island is seeking 270 MW of grid forming resource which may be met by

On the other hand, the RFP document also mentions that Hawaiian Electric intends to contract, among others, any firm dispatchable generation projects using its Model Renewable Dispatchable Generation Power Purchase Agreement.

The Draft RFP limits the grid forming resources to Standalone Storage Projects or Paired Projects with Paired Projects having both a variable renewable generation (e.g., solar and wind) component and an energy storage component.

Thank you in advance!

Best,

From:
To: Renewable Acquisition
Subject: Oahu Draft RFP Process

**Date:** Thursday, March 28, 2024 8:24:36 AM

[This email is coming from an EXTERNAL source. Please use caution when opening attachments or links in suspicious email.]

#### RE: Oahu Draft RFP Process

I am submitting the following questions related to the Oahu Draft RFP submission to PUC based on information presented by HECO and as per the HECO instructions given on March 11, 2024 web-cast. As I understand the process to be used by HECO, these questions will be included in the submission package to the PUC. And, when information becomes available, HECO would respond to these questions.

- 1. Will a proposed project(s) resulting from the Oahu RFP process meet EPA Maximum Achievable Control Technologies emission guidelines? . . . if Yes, what specific MACT technologies were identified in the previous Maui RFP selection?
- 2. Have you studied the toxic and particulate emissions output from bio-diesel? Will HECO require that proposed plant emissions comply with EPA requirements and also meet State of Hawaii emissions goals for 2035?
- 3. For the proposed and previously announced project(s), will there be a minimum percent of bio-diesel incorporated in the input fuel? And if so, has HECO performed a cost analysis of the bio-diesel price for use in power generation and the anticipated cost escalation in your cost projections?
- 4. Do you have an existing operating bio-diesel power plant example on which you are basing your RFP Bidder submissions review and project expectations? if so, which plant is it?
- 5. Assuming HECO selects a Bidder that proposes to use bio-diesel fuel in a combustion power plant, what minimum percentage of bio-diesel does HECO expect the Bidder plant to use in order to satisfy HECO stationary source emissions targets?
- 6. What are the maximum GHG stationary source emissions levels being used to evaluate acceptable proposed Bidder projects?



From:

To: Renewable Acquisition

Cc:

Pre-draft IGP RFP comments

Subject: Date:

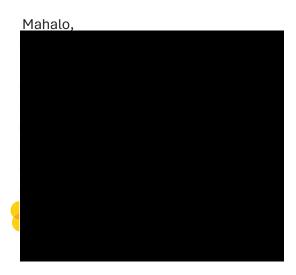
Friday, March 29, 2024 4:52:34 PM

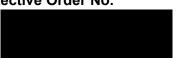
Attachments:

[This email is coming from an EXTERNAL source. Please use caution when opening attachments or links in suspicious email.]

Aloha Becca, Greg and team

Thanks so much for reaching out early for comments on the draft IGP RFP. Please see attached comments, and I hope these ideas are helpful.





June 28, 2023

#### Via Electronic Mail

Hawaiian Electric Company Kekuanao'a Building, First Floor 465 South King Street Honolulu, Hawai'i 96813

Re: Comments on the Draft IGP RFP

Dear Hawaiian Electric:

appreciates the efforts by Hawaiian Electric to reach out to IPPs and stakeholders for initial feedback on the Integrated Grid Plan Request for Proposals (RFP). Early consultation with developers can truly benefit the process and the quality of proposals submitted to the RFP. The team has been actively developing renewable projects for Hawaiian Electric since 2005 and has learned many lessons about ways to help Hawaii acquire new energy resources more affordably and more expediently.

Please consider the following suggestions to improve the RFP and model power purchase agreements ("PPA"):

- 1. Include All Appendices in Pre-Draft RFP. We appreciate this opportunity to review and provide comments on the main body of the RFP prior to the official Draft being completed. It would be helpful to also review the remaining appendices and technical requirements. Independent Power Producers (IPPs) are in a unique position to provide useful feedback on these appendices, including knowledge gained from experience working on other projects, as well as information regarding industry practices, supply chain conditions, and equipment operating parameters which would be helpful in shaping the Draft RFP.
- 2. Share Interconnection Costs and Risks. Uncertainty about interconnection costs remains one of the largest risks to utility scale projects in Hawaii. Before the IRS is completed, there is no way for IPPs to correctly estimate the cost of interconnecting their projects and yet the RFP process puts all that risk on developers. IPPs are forced to either intentionally over-estimate their price to accommodate possible high costs or to estimate such costs accurately based on information provided at the time of bidding and hope that higher actual interconnection costs won't ultimately bankrupt their projects. This allocation of risk unnecessarily puts all projects at risk, when a solution is relatively simple. We recommend that during the RFP process, Hawaiian Electric provide each bidder with an estimated cost for all Company-Owned Interconnection Costs (COIF) for each project, which the IPP must include in their proposal. After a project is selected to the Final Award Group and its PPA approved by the Commission, if the actual cost of building the COIF is higher or lower than estimated, then the approved Lump Sum Payment will increase or decrease according to the

actual cost. This way, the only risk is that the price may change slightly to match the actual construction costs, not that an entire project may fail.

Additionally, the RFP contains confusing language about Proposers relying – and not relying – on written information from Hawaiian Electric, which puts additional risk on IPPs. For example, Section 3.4.2 of the RFP provides that Proposers shall rely only on official information provided in writing by the Company, as described in the RFP. However, as described in the RFP, Proposers are unable to rely on written information provided by Hawaiian Electric, particularly with respect to interconnection facilities and costs. For example, Section 1.6 requires Proposers to request a Preliminary Interconnection Report and participate in a Pre-Bid Meeting for any Proposal it submits. However, the IGP RFP expressly disclaims Proposer's reliance on the Preliminary Interconnection Report or the written summary of the Pre-Bid Meeting and any obligation for Hawaiian Electric to update incorrect information provided to Proposers. Similarly, although Section 2.4.1.3 requires interconnection facilities to conform to Company's Standards, Section 2.4.1.4 disclaims Proposer's reliance on the EPC Standards and indicates that they may change after Proposal submission. This puts all the risk on IPP's because the Proposer bears the risk of changes within Company's control. In the event such information is changed resulting in a substantial increase in the costs to construct a Project, there should be a mechanism to adjust the Unit Price equitably to account for these changes.

- 3. Avoid Limiting the Number of Proposals; Allow Changes After Pre-Bid Meeting. Section 1.6.4 constrains the number of Preliminary Interconnection Report & Pre-Bid Meeting Requests ("Pre-Bid Request") for this RFP to a maximum of three (3), and since a Pre-Bid Meeting is mandatory for each Proposal, this necessarily constrains the number of Proposals to three (3), with up to three (3) variations each. Further, if one or more Projects are determined to be infeasible following the deadline for Pre-Bid Requests then the bidder could be limited to submitting only those remaining Projects, if any, for which they already submitted a Pre-Bid Request. Under prior RFPs, Proposals could be adjusted up until the Proposal Due Date, but in the IGP RFP, Proposers may not make revisions to their Proposals following the Pre-Bid Meeting. Any changes to a proposed Project's characteristics that are inconsistent with the proposed project described in the Pre-Bid Request (to be provided prior to the Pre-Bid Meeting) and not identified at the Pre-Bid Meeting will result in a disqualification of the Project from the RFP process. It makes sense to limit the number of pre-bid meetings for each project, but it is not clear why Hawaiian Electric would want to limit the number of projects that each developer proposes, since a larger pool of projects will result in a better chance of acquiring the desired resources. Additionally, it should be possible for Proposers to make changes to their project design after the Pre-Bid Meeting, since information obtained at such meeting could enable changes to make the project more compatible with the Company's system and achieve a lower power price.
- 4. **Separate PPA Price into Two Components: Energy and Interconnection.** As noted above, one of the most significant and least predictable costs in energy project development is interconnection to the Company system. For the past 20 years, renewable energy projects have been required to incorporate the cost of any new company owned transmission or interconnection facilities into their energy price. While this has been common practice in Hawaii, the result has been to artificially inflate the cost of clean energy being produced. Transmission and interconnection costs are driven

by variables on the utility's system, which may include location, existing infrastructure, the latest company design standards, recent operating decisions, and other factors that are unrelated to, and often unknown by, the IPPs. These costs are traditionally the responsibility of utility and are often under their control. Whether these costs are considered "Company-owned Interconnection Facilities" or "System Upgrades," they are being paid by ratepayers, and such amounts should be clearly understood by customers and regulators. To enable the Commission, Company and ratepayers to compare projects on an apples-to-apples basis, we recommend separating each project's PPA price into two components: (1) the price for energy from the facility, and (2) the price for all required Company-owned interconnection facilities, transmission, system upgrades, engineering and related costs.

- 5. Provide System Model to IPPs to Identify POI Locations. As identified in the Grid Needs Assessment, the Company's Transmission system is nearing capacity in many locations, and upgraded and expanded transmission will be needed in the coming years to facilitate more renewable generation. We should look for all opportunities to utilize existing transmission capacity wherever possible, so high-cost transmission investments can be made only when and where they are necessary. For example, if an IPP can find a location where 25 or 50 megawatts could be added to existing lines without major upgrades, this would make the best use of existing facilities and reduce the cost of that energy. However, to identify these opportunities across the grid, developers need access to the Company's System model. Utilities in other parts of the United States routinely provide system models to developers under non-disclosure agreements (NDAs), so they can work with third-party engineers to identify possible locations to connect projects. We recommend that the Company's System Model for each island be provided to IPPs under an NDA to help find more cost-effective interconnection locations.
- 6. Remove Schedule Penalties from the PPA. We note that the prior forms of RFP PPAs included project milestones with associated penalties including liquidated damages and termination rights in the event such milestones were not achieved. Assuming the form of RFP PPA will be substantively similar to prior forms, we would recommend removing such penalties throughout the PPAs. These penalties do not motivate the developer to complete projects any faster, because developers are already highly incentivized to achieve COD in a timely manner so they can start earning a return on their investment. Additionally, since most of the delays are outside of the developer's control, such penalties have little, if any, effect on the timing of the developer's achievement of such milestones, including COD. Ultimately, the risk of failing to meet such milestones results in higher energy prices, because IPPs will typically build in some liquidated damages to their PPA price. Including several milestones with Company termination rights throughout the PPA increases the risk profile of the PPAs which may result in higher financing costs, and ultimately, higher PPA prices.
- 7. Add a Regulatory Cost Adjustment Mechanism to Future PPAs. Recently the Power Purchase Agreements have been seen as a long-term fixed-priced contract. However, from time to time, changes in tax law or regulations have imposed certain fees on projects, which IPPs have had to bear. For example, changes in county property tax policy in Hawaii have dramatically increased taxes on local wind and solar projects, and state and federal renewable energy taxes have also changed multiple times in recent years. These changes are imposed by government agencies, but without any mechanism to increase energy rates in the PPA, IPPs could be forced to pay higher taxes and receive

lower returns on completed project or cancel projects prior to construction. Since regulatory and tax uncertainty can increase the cost of financing a project, it also results in increased energy prices. Conversely, without a mechanism to lower the energy rate in the PPA in cases where taxes are reduced, the IPP could receive higher returns with no benefit to the ratepayer. To avoid these scenarios, we recommend adding a regulatory cost mechanism to future PPAs, such that if government-imposed costs (taxes, fees, etc.) change after the PPA price has been accepted, then the lump sum payment is adjusted up or down accordingly to compensate. This could be tracked in a designated line item on invoices to the Company and passed through as regulatory costs in the utility's reporting as well.

- 8. Offset Station Service Power Charges Against PPA Payments. Electric bills paid by renewable energy projects are high because station service power purchased from Hawaiian Electric for solar inverter and BESS system operations invoke high demand charges. For example, a 40 MW solar-plus-storage project could pay more than \$1 million per year to the utility for station service power at the retail rate, which may be 2-3 times higher than the "wholesale" rate the Company pays for energy produced by the project. Since developers incorporate their costs into PPA rates, Hawaiian Electric and by extension their customers are unnecessarily paying a much higher retail rate for station service power. By contrast, many utilities in the Continental US allow IPP projects to offset their monthly station service power load against their monthly bill to the utility, so that the utility is only charged for the net power they receive, and the project essentially pays the wholesale PPA rate for the energy it uses. Using the previous example 40 MW project, this could save \$500,000 or more in annual operation costs, and the result would be lower PPA prices across the state. We recommend that future projects be allowed to either (A) offset their anticipated lifetime station service load against their calculated Net Energy Potential (NEP), or (B) deduct their actual monthly load from their monthly lump-sum billing to the Company, at the PPA rate per kWh.
- 9. Require Public Meeting After Final Selection. The RFP already requires significant community outreach and feedback prior to bid submission, but requiring Proposers to publicize and hold a public meeting for each project would be problematic. Section 3.15 of the RFP and Section 1.1.k.i and Section 4 of Appendix N require Proposers to issue a media advisory and host a public meeting within thirty (30) days after the Proposal Due Date. This exposes an IPP's proprietary development information to the public, including the Proposer's competitors, before the BAFO response and before selection to the Final Award Group. In some cases, multiple projects could be competing for a project on the same property. For these reasons, we would suggest holding off on requiring the initial community meeting at least until a reasonable time period following the announcement of the Final Award Group, after which it is appropriate to share project information with the broader public.
- 10. Allow More Time for Project Website After Final Selection. Section 5.3 of the RFP and Section 5 of Appendix N require Proposers to provide Hawaiian Electric with its website, including an updated Community Engagement Plan, Community Benefits Plan, and URL within two (2) Business Days of selection to the Final Award Group. This is an extremely short turnaround time, particularly given the potential uncertainty regarding the timing of Final Award Group notifications. It is important to privately notify key stakeholders such as landowners, government officials, consultants, project partners and community members BEFORE the awards are publicized. Proposers should be given at

least two weeks or 10 business days, to provide Hawaiian Electric with the information and go live with its website.

11. Additional Points for Siting Projects in Preferred Renewable Energy Zones (REZs). The REZ concept is promising, but incorporating it into RFP scoring seems premature before adequate community input. Section 4.4.3.3 of the RFP provides that additional points will be awarded to Projects that are sited in Renewable Energy Zones. The REZs were proposed by Hawaiian Electric during the IGP planning process, but the concept was not vetted or discussed or in detail by IGP Stakeholder Council or docket participants. From the community comments posted on the Hawaiian Electric website, it is not clear if the proposed REZs are supported by nearby communities. Until the REZ concept is more fleshed out and tested with communities and reviewed with industry stakeholders and regulators, it seems premature to award additional points to projects in REZs.

As we look toward the upcoming IGP RFP, these recommended changes will help to create better projects, reduce the cost of clean energy for local ratepayers and improve the chances that more projects will succeed and move Hawaii toward our state's shared RPS goals.

Mahalo,



From: Renewable Acquisition
To:

Cc: Response

Subject: RE: Bidding on HECO CBRE and Utility RFPs Date: Tuesday, March 19, 2024 7:20:00 AM

Attachments: <u>image001.png</u>

image002.png image003.png image004.png

Good morning,

A company may subcontract out its construction activities to a company with a valid contractors' license.

A draft copy of the next utility scale Integrated Grid Planning (IGP) Request for Proposal (RFP) is available on our <u>Competitive Bidding for System Resources</u>.

We will be hosting a virtual Developer Meeting tomorrow on Microsoft Teams. Please see our <u>Community Meetings</u> page for the latest information.

Thank you,

**IGP RFP Team** 

From:

Sent: Monday, March 18, 2024 9:04 AM

**To:** Renewable Acquisition < renewableacquisition@hawaiianelectric.com >

Subject: Fw: Bidding on HECO CBRE and Utility RFPs

Hi

Can you help them with their questions?

Thanks,

From:

**Sent:** Friday, March 15, 2024 12:58 PM

**To:** Response < response@hawaiianelectric.com> **Subject:** Bidding on HECO CBRE and Utility RFPs

[This email is coming from an EXTERNAL source. Please use caution when opening attachments or links in suspicious email.]

Aloha,

Do you have to have an active A or B license in Hawaii to bid on CBRE and Utility RFPs?



From:
To:
Renewable Acquisition
Subject:
RE: IGP RFP Draft Comments
Date:
Thursday, March 28, 2024 6:35:54 PM

Renewable Acquisition Team,

Additional comment...

Firm generation candidate for IGP RFP bid will require additional operational information, such as, capacity factor, expected daily hours of operation, operating characteristics, fuel storage requirements, etc.

Currently, the IGP RFP Draft only identifies energy (MWh, GWh) requirements. What is the expectation or criteria for "stability"?

Thanks,



From:

Sent: Thursday, March 28, 2024 8:56 AM

To: Renewable Acquisition <renewableacquisition@hawaiianelectric.com>

**Subject:** IGP RFP Draft Comments

Renewable Acquisition Team,

Submitting the following comments/questions for your review and consideration. Please let me know whether the items have or will be addressed.

Item	Question/Comment	Source	
		Document	
	Bidding Website (IGP RFP Draft, Appendix N, and Proposed Changes Summary), will all other sections remain identical to	General	
	the Stage 3 RFP documents?		

2	Please provide the amounts and calculation of each	IGP RFP Draft	
	generation type as described in footnote 3 "This RFP will also	footnote 3	
	seek to acquire any amounted targeted but not procured		
	from the Company's previous Stage 3 RFPs."		
3	What is the firm generation amount being requested in the	IGP RFP Draft	
	IGP RFP for each of the islands?	Section 1.2.1	
4	What is the firm generation amount being requested in the	IGP RFP Draft	T
	IGP RFP for each of the islands?	Section 2.1	
5	Please describe the generation type, capacity, annual energy,	IGP RFP Draft	T
	and date of PPA expiration for existing facilities on Hawaii	Section 1.2.5	
	Island.		
6	Please provide an example schedule/timeline or add to Table	IGP RFP Draft	+
	2 "Proposed RFP Schedule" to clearly map out subsequent	Section 1.2.1	
	RFP's per the following "The Company		
	intends to issue subsequent iterations of this RFP		
	approximately fourteen (14) months		
	after the issuance of the prior RFP, following a notification		
	filing and thirty (30) day		
	notice period."		
7	Please clarify or define what kind of resources are being	IGP RFP Draft	t
	identified in the Table of Section 1.2.1.	Section 1.2.1	
	What are the Energy resources?		
	What are the Stability resources?		
	What term would identify firm generating resources?		
	The RFP document identifies resources, but it is not clear		
	how this translates to the terms in the table of Section 1.2.1.		
	For example, the RFP states "new resource additions were		
	selected including variable renewables, firm renewables, and		
	storage to meet grid needs identified in future years and is		
	not focused on any particular technology." or "The Company		
	seeks five general types of projects in this RFP: 1) new		
	variable renewable		
	dispatchable generation projects (with or without energy		
	storage systems), 2) new standalone		
	energy storage projects, 3) new firm renewable dispatchable		
	generation projects, 4) Proposals		
	from existing renewable generation projects, or existing		
	fossil fuel projects that convert to a		
	renewable source, for new terms after the expiration of their		
	current agreements, and 5)		
	Proposals from existing renewable generation projects		
	adding energy storage systems."		
0	What are the project capacity constraints for each of the	ICD DED Death	$\vdash$
8	What are the project capacity constraints for each of the	IGP RFP Draft	
	identified Transmission System Interconnection Locations in	Section 2.3.1	

	Table 1 of Section 2.3.1? Are there any Stage 3 projects that		
	interconnected at the locations described that reduces the		
	"Stage 3 Injection Capacity (MW)?"		
9	During the March 20, 2024, IGP RFP meeting for Developers,	IGP RFP Draft	
	a presenter from HECO explained that the Proposed	Section 3.1	
	Schedule took into consideration the holiday season and how	Table 2	
	the holiday season normally affects work. With bids due in		
	January 2025, it does not appear that the schedule considers		
	the difficulty for Developers to obtain pricing and		
	information required for the bid proposal. Requesting for		
	the IGP RFP schedule to consider challenges of Developers		
	during the holiday period and extend the schedule by two		
	months.		
10	In the Stage 3 RFP, Performance Standards for inverter-based		
	technology and synchronous generators were identical.		
	These technologies are different and should not have the		
	same performance standards. Will the performance		
	standards be updated to better align with the capabilities of		
	the generation technology?		

Thanks,



From: Renewable Acquisition

To: Subject: Date:

RE: IGP RFP Draft for Public Comment Wednesday, March 6, 2024 7:45:00 AM

Good morning,



The following three links were included in an update to the IGP RFP Draft for Public Comment post:

- IGP RFP Draft (PDF)
- Appendix N Community Engagement (PDF)
- Proposed Changes Summary (PDF)

Thank you,



From:

Sent: Wednesday, March 6, 2024 7:08 AM

**To:** Renewable Acquisition <renewableacquisition@hawaiianelectric.com>

**Subject:** RE: IGP RFP Draft for Public Comment

The Competitive Bidding Website provides the documents below as of February 29, 2024. Is there an updated version of the documents that was planned to be released on March 5, 2024?

From: Renewable Acquisition < renewableacquisition@hawaiianelectric.com>

Sent: Thursday, February 29, 2024 3:44 PM

**To:** Renewable Acquisition < renewableacquisition@hawaiianelectric.com>

Subject: IGP RFP Draft for Public Comment

Hello,

You are receiving this email as you have either participated in a previous procurement with Hawaiian Electric, have expressed interest in receiving information on future requests for proposals, or are active in the renewable energy field.

Hawaiian Electric is planning to issue a Request for Proposal ("RFP") for its next round of procurements, the Integrated Grid Planning ("IGP") RFP, for Oahu and Hawaii island. The draft of the body of the IGP RFP and Appendix N to the RFP (Community Engagement), as well as a summary identifying the changes from our Stage 3 RFP, will be available for public review on March 5, 2024 on Hawaiian Electric's Competitive Bidding Website. Comments are requested by March 29, 2024. Document specific feedback should be submitted to renewableacquisition@hawaiianelectric.com.

For additional information, please see our recent News Release.

Hawaiian Electric will host a virtual public meeting to discuss the IGP RFP and solicit stakeholder feedback on March 11, 2024 at 5:00 pm HST. A second virtual meeting, aimed specifically toward developers of renewable energy projects, is scheduled for March 20, 2024 from 2:00 pm to 4:00 pm HST. For more information, visit <a href="https://hawaiianelectric.com/communitymeetings">https://hawaiianelectric.com/communitymeetings</a>.

General inquiries may also be sent to <a href="mailto:renewableacquisition@hawaiianelectric.com">renewableacquisition@hawaiianelectric.com</a>.

Thank you,

Hawaiian Electric

From: Renewable Acquisition

To:
Subject: RE: Public input

**Date:** Wednesday, March 6, 2024 10:41:00 AM

Good morning,

It looks like Big Island Now's link has a typo.

I will reach out to our Communications team to see if we can get that link fixed.

Please use the link below:

Competitive Bidding for System Resources | Hawaiian Electric

Thank you,

Hawaiian Electric

From:

Sent: Wednesday, March 6, 2024 9:46 AM

**To:** Renewable Acquisition < renewableacquisition@hawaiianelectric.com >

**Subject:** Re: Public input

[This email is coming from an EXTERNAL source. Please use caution when opening attachments or links in suspicious email.]

Aloha Kakou,

We read in Big Island Now that HE was seeking public input on renewables. The headline reads:

## Hawaiian Electric seeks public comment regarding next round of renewable energy procurements

However, the links to the HE web site appear to be incorrect. Big Island Now provided the link:

Competitive Bidding Website.

If HE is actually interested in public input, please provide instructions and correct links. As residents that are VERY INTERESTED in renewables, we would love to

read the plan and provide meaningful input.



## Confidential Information Deleted Pursuant To Protective Order No.

EXHIBIT 10 PAGE 42 OF 49

From: Renewable Acquisition

To:

Subject: RE: Questions re: IGP RFP Draft Comments

Date: Wednesday, March 13, 2024 3:49:00 PM

**Attachments:** 



Thank you for your questions.

Please see our responses below:

- Where/how do we submit comments?
  - You may submit comments using the Community Input Survey <u>Hawai'i Powered</u> <u>Community Input Survey (jotform.com)</u>
  - o Comments may also be submitted via email to this address.
- Do we need to submit comments to the draft RFP to be invited to the actual RFP?
  - Submittal of feedback on the draft IGP RFP is not required for participation.
  - Please refer to the draft IGP RFP for additional requirements for Bidders.
- What is the deadline for clarification questions?
  - We are requesting feedback on the draft IGP RFP by March 29.
  - The deadline for clarification questions during the actual RFP process is dependent on PUC approval of the finalized IGP RFP.
- In what format do comments for all three documents need to be submitted?
  - There is no particular format requirement.
- When will the actual RFP be released?
  - The Company intends to file a finalized IGP RFP to the PUC by April 30.
  - The actual dates are subject to approval by the PUC, but the RFP release date is noted as August 19, 2024 in Table 2 – Proposed RFP Schedule of the draft IGP RFP.

Thank you,

**IGP RFP Team** 

From:

**Sent:** Friday, March 8, 2024 11:28 AM

**To:** Renewable Acquisition <renewableacquisition@hawaiianelectric.com>

Subject: Questions re: IGP RFP Draft Comments

[This email is coming from an EXTERNAL source. Please use caution when opening attachments or links in suspicious email.]

To whom it may concern:

We have the following questions regarding the IGP RFP draft request:

- Where/how do we submit comments?
- Do we need to submit comments to the draft RFP to be invited to the actual RFP?
- What is the deadline for clarification questions?
- In what format do comments for all three documents need to be submitted?
- When will the actual RFP be released?



From:
To:
Renewable Acquisition
Subject:
RE: RF -- Interconnect

**Date:** Tuesday, March 19, 2024 7:55:20 AM

Thank you very much!

We intend to attend the meeting tomorrow and on March 24.

Could tell me when the meeting will start tomorrow? Thank you

Kind Regards,



From: Renewable Acquisition < renewableacquisition@hawaiianelectric.com>

Sent: Tuesday, March 19, 2024 12:13 PM

Го:

**Subject:** RE: RF -- Interconnect

Good morning,

A draft copy of the next utility scale Integrated Grid Planning (IGP) Request for Proposal (RFP) is available on our <u>Competitive Bidding for System Resources</u>.

The procurement goals are currently defined as energy targets (GWh).

We will be hosting a virtual Developer Meeting tomorrow on Microsoft Teams.

Please see our **Community Meetings** page for the latest information.

Thank you,

**IGP RFP Team** 

From:

**Sent:** Tuesday, March 19, 2024 6:26 AM

**To:** Renewable Acquisition < renewableacquisition@hawaiianelectric.com >

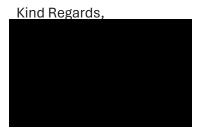
**Subject:** RF -- Interconnect

Importance: High

[This email is coming from an EXTERNAL source. Please use caution when opening attachments or links in suspicious email.]

We are interested in contributing Hawaii's renewable energy goals. Is there a maximum size for the project? We are hoping to propose a 250 MW in the Hawaii island.

"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."



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From:

Renewable Acquisition

Subject: Re: General Comment

Date: Thursday, July 18, 2024 8:39:28 AM

[This email is coming from an EXTERNAL source. Please use caution when opening attachments or links in suspicious email.]

I appreciate your response and effort to reach out.

Sadly, your written reply just repeats the public policy still held by HECO that you will continue to rely primarily on "renewable" and/or green energy production efforts. You further rely on (mainly) 'biofuel' projects that only shift the reliance on importation of energy from imported crude oil to imported biofuels. Environmentalists here in Hawaii continue to throw roadblocks up in front of HECO's efforts to diversify their energy portfolio.

This is the challenge that we all have here in this island state, the ever changing demands of NGO's that at once force us to make better energy choices while simultaneously arguing against some of the choices we make. Examples?

- 1. Forcing the purchase of more electric vehicles, but without a plan to provide for more power generation to create the higher energy needed to charge batteries.
- 2. Demanding more wind and solar farms, but participating against said facilities as part of a growing amount of NIMBY testimony that slow or stop these projects.
- 3. Pontificating about the use of wave energy, yet the only project that has yet to be realized has failed in spite of successful experimental trials. There is a wave energy machine that remains idle in Honolulu Harbor going on three years now, yet to be established off Kaneohe Bay. I look at it everyday.

Telling the public about future projects you "hope and pray" will be online in the years ahead to make up for the growing deficit of reliable 24 hour/365 day power generation, despite whatever the weather may be ... is NOT a fulfilling prophecy that Hawaii residents can rely on. HECO needs to examine the harsh reality of being more honest and transparent of what you can't do in the timeline you wish. That, in the face of those who oppose your every effort, slowing you down, if not outright stopping your future projects.

Please reconsider your public statements, your public proposals, and the specific projects you see yourself becoming involved in. Being in the local maritime industry for almost 40 years, I have watched from afar, how HECO manages "energy" in our island state and the reality of how we bring it all in. From the Liquid Propane Tankers, the smaller refined fuel tankers, and all the large crude oil tankers; I go aboard all these ships routinely

, I know the places they are bringing in fuel from and the challenges involved.

The greater public in Hawaii do not know, much less appreciate, what's involved in this "energy importation" effort. HECO needs to articulate a more realistic sense of what's involved to both the public at large (and their politicians) as well as the PUC. I, for one, consider the members of the PUC "slightly" more informed than the public about the challenges I've stated here. But that's not saying much about the PUC.

Thank you for your time and consideration.



On Tue, Jul 16, 2024 at 4:02 PM Renewable Acquisition < renewableacquisition@hawaiianelectric.com > wrote:

Mahalo for your recent comment and our apologies for the delay in responding.

Regarding your concerns about the reliability of variable renewable sources of power generation, we want to share that Hawaiian Electric is aggressively pursuing more firm renewable generation that can produce clean electricity when the sun isn't shining or the wind isn't blowing. We are currently in contract negotiations with developers of 15 renewable energy projects on Oʻahu, Hawaiʻi Island and Maui that will further reduce Hawaiʻi's dependence on imported oil for power generation. Several of the projects on Oʻahu, Hawaiʻi Island and Maui utilize firm renewable generation.

As part of Hawaiian Electric's latest phase of renewable energy procurements, the projects selected include four firm (biofuel) projects on Oʻahu, a firm (biofuel) project on Hawaiʻi Island and a firm (biofuel) project on Maui. On Oʻahu, the Waiau Repower project (253 MW) and the Kalaeloa Partners project (208 MW) aim to transform existing facilities that use imported fossil fuels into facilities that run on biofuels. The Waiau project, proposed by Hawaiian Electric at the site of its existing 85-year-old facility in Pearl City, could potentially use renewable gas or hydrogen when it becomes commercially available. The construction of a new project by Par Hawaii will add an additional 33.9 MW on Oʻahu. On Hawaiʻi Island, the Hamakua Firm Renewable project (60 MW) would also transition the existing dual-fuel plant to 100% biofuel. On Maui, we selected Ameresco to develop a proposed 40-megawatt biofuel-powered generator on property owned by Hawaiian Electric at Waena.

Adding energy storage and generation from firm renewables to our portfolio will make it easier for Hawaiian Electric to retire older, less flexible fossil fuel-fired plants.

In addition, we are currently awaiting PUC approval of our fourth round of clean energy procurements aimed at stabilizing rates and advancing energy equity,

growing the marketplace for large-scale renewables, creating a modern and resilient grid and security reliability as existing fossil fuel generators reach the end of their useful lives.

Thank you,

Hawaiian Electric

## **Original Comment:**

I'm very concerned that HECO is NOT being honest with the public about the reality of future reliable power generation. While pushing hard for "renewable" sources for energy supply on every island, this will not guarantee reliable 24/7 power supply. We are already seeing these challenges today. The further we go into the future and using solar and wind as a primary power source (from batteries?), we will start seeing more rolling black outs and/or brown outs as a routine consequence of NOT having energy generation from oil based, LPG / LNG, or any other "on demand" fueled power supply. This isn't an opinion. We can readily learn from other states and nations that are already experiencing these challenges. This issue should be incorporated more thoroughly in future discussions about AL:L power generation within this State.

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From:

To:

Renewable Acquisition

**Subject:** Questions for Todays Technical Conference **Date:** Tuesday, July 16, 2024 8:20:33 AM

[This email is coming from an EXTERNAL source. Please use caution when opening attachments or links in suspicious email.]

- 1. Use of biodiesel, how many gallons of biodiesel will be needed to produce required "firm power" on Oahu, on Maui?
- 2. How many acres of Hawaiian cropland will be needed? What is the feedstock?
- 3. If Hawaii needs more biodiesel than it can produce, where will it be sourced from and what is the feedstock?
- 4. Does biodiesel use have any adverse air quality issues?
- 5. What is the price per gallon anticipated for biodiesel?
- 6. What is the carbon intensity score for the proposed biodiesel?