

**DRAFT**  
**REQUEST FOR PROPOSALS**  
**FOR**  
**RENEWABLE DISPATCHABLE GENERATION**  
**AND**  
**ENERGY STORAGE**

June 27, 2025

*Appendix P – IGP RFP Contingency Plan*



**Hawaiian  
Electric**

## IGP RFP Contingency Plan

This Appendix is the initial Contingency Plan<sup>1</sup> for the first round of the Integrated Grid Plan (“IGP”) Request for Proposals (“RFP”). As described further below, the Company intends to periodically update this plan as appropriate.

### I. Background

#### A. Applicable Version of the Competitive Bidding Framework

On February 25, 2025, the State of Hawai‘i Public Utilities Commission (“Commission”) adopted its final modifications to the IGP Revised Competitive Bidding Framework (“Framework”) through Order No. 41568, issued in Docket No. 2018-0165 (“Order 41568”). In Order 41568, the Commission ordered that the Framework “shall govern the IGP RFPs.”<sup>2</sup>

#### B. Situations Requiring a Contingency Plan

The Framework defines a Contingency Plan as addressing “**a reliability or statutory need** (including, for example, the need to comply with reliability standards as discussed in Hawai‘i Revised Statutes (“HRS”) §§ 260-0141 through 260-0144 and with the State of Hawai‘i’s Renewable Portfolio Standards law, as codified in HRS §§ 269-91 through 269-95) as may result from a potential failure of an RFP process to produce a project selected in an RFP or a viable project proposal (including any project not completed or delayed)”.<sup>3</sup>

The Proposed Framework requires “a Contingency Plan section in the [IGP] RFP that addresses a near-term reliability or statutory need in case an RFP does not adequately address that need.”<sup>4</sup>

#### C. The Company’s Approach to Contingency Plan Development

Consistent with the Framework, the Company hereby submits this Contingency Plan, which “explain[s] the different options the utility could pursue if the RFP does not meet the identified need.”<sup>5</sup>

This Contingency Plan is a high-level plan that provides potential options for addressing a near-term system reliability need and does not include the details of a specific contingency project.<sup>6</sup> The Company will evaluate the appropriate options set forth in the Contingency Plan, through the RFP process. As more information is known about the proposals received and projects selected in response to the RFP, the Company will develop a more concrete Contingency Plan as necessary. The Company anticipates taking an iterative approach wherein the

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<sup>1</sup> Capitalized terms not defined herein shall have the meaning given to them in the IGP RFP and Appendix A thereto.

<sup>2</sup> Order 41568 at 8.

<sup>3</sup> Framework at Part II.D.2 (emphasis added).

<sup>4</sup> Id.; see also Section 2.1.25 of the IGP RFP.

<sup>5</sup> Id.

<sup>6</sup> System reliability needs can include, for example, energy, capacity, system stability, and grid-forming capability.

Contingency Plan evolves in response to the Company’s needs and the projects that are expected to result from the RFP.

## II. Process Overview

At present, the Company respectfully submits that there is insufficient information to develop a definitive plan for addressing the risk that a procurement may fail, or that selected projects may be delayed or not completed. Proposals have not yet been received and so the Company does not know how much of its needs, as described in Chapter 2 of the IGP RFP, will be met. Accordingly, the purpose of this initial Contingency Plan is to provide a general overview of the Company’s contingency planning process and explain to the Commission the various back-up options that the Company is considering. After proposals are received, and at various subsequent checkpoints described below, the Company will compare its needs against the anticipated projects and add further definition to this Contingency Plan.

### A. During the Procurement Process

Proposals received in response to the IGP RFP will be compared against the needs sought by the Company, stated in Chapter 2 of the IGP RFP. If a shortfall is anticipated, then the Company will determine the appropriate option(s) for fulfilling its needs. This assessment will be coordinated by the Company RFP Team, as that term is used in the Code of Conduct Procedures Manual included as Appendix C to the draft IGP RFP filed on August 26, 2024 (“Code of Conduct”).

This process will be repeated during the procurement process as circumstances change. For example, the Company may reassess its needs again at the Best and Final Offer (“BAFO”) stage and after selection of the Final Award Group. Each time, as the anticipated projects become more certain and the Company’s potential needs become clearer, the Contingency Plan will be refined and resubmitted as appropriate. After the selection of the Final Award Group, the Company anticipates that the Contingency Plan can include a specific preferred plan with tentative cost and schedule estimates.

### B. After Proposal Selection and Beyond

After the Final Award Group is selected, the Company will continue to compare the awarded capacity against the required capacity to determine if there is an anticipated shortfall if an awarded project drops out or is delayed. If so, the Company will develop one or more contingency options to address the anticipated shortfall.

## III. Contingency Options

General options that the Company would consider for fulfilling its generation needs in the event of a contingency include the following:

- Develop the self-build project: The Framework provides that, “[t]he utility’s Contingency Plan may but is not required to include the utility’s bid or bids.”<sup>7</sup> If the Company submits a project proposal in response to this RFP and it is not selected, the Company may opt to pursue development of that project as part of the Contingency Plan.
- Develop a different Company project: In accordance with the Framework, the Commission “may waive this Framework or any part thereof upon a showing that the waiver will likely result in the acquisition of a System Resource that ... increases the reliability or resilience of a utility’s system.”<sup>8</sup> Additionally, the Company may request a waiver from competitive bidding when “competitive bidding will unduly hinder the ability to add needed System Resources in a timely fashion” so that it can develop Company-owned projects that may differ from the project(s) advanced by the utility in the RFP process.<sup>9</sup> If appropriate, the Company may also seek a waiver from the competitive bidding process under the other provisions of Part II.B. of the Framework to pursue these project(s).
- Select a project that was proposed but not selected for the Final Award Group: If a proposal is removed from the Final Award Group, the Company may review the Priority List to determine if another proposal should be added to the Final Award Group.<sup>10</sup>
- Increase targets in the next RFP: This RFP is the first in a series of rolling procurements (“Round 1”). Procurement targets for the next round, for projects to be in service by 2033, can also be increased to cover any remaining Round 1 needs depending on the need by date of such remaining needs.
- Issue more rolling RFPs: Subsequent iterations of this RFP may be issued to cover any remaining Round 1 needs. The Company intends to issue subsequent iterations of this RFP approximately fourteen (14) months after the issuance of the prior RFP.
- Increase distributed energy resources (“DER”) / smart renewable energy programs: The Company may explore methods for incentivizing customer participation in these programs. As referenced in the Commission’s 2024 Inclinations on the Future of Energy in Hawai‘i,<sup>11</sup> the Company plans to explore ways to increase access to DER by revamping the Community Based Renewable Energy program. In addition, as part of the Commission’s intragovernmental wheeling investigatory docket,<sup>12</sup> the Company plans to evaluate options to increase DER through an intragovernmental wheeling program approved by the Commission. The Company has also been evaluating the implementation of a utility-owned asset program to increase DERs on the Company’s grids.

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<sup>7</sup> Framework at Part I.

<sup>8</sup> Framework at Part II.B.2.d.

<sup>9</sup> Framework at Part II.A.2.b.

<sup>10</sup> IGP RFP at Section 4.8.

<sup>11</sup> See Commission’s 2024 Inclinations on the Future of Energy in Hawai‘i, dated December 31, 2024 at 11-12.

<sup>12</sup> See generally, Docket No. 2024-0200, *Instituting a Proceeding to Investigate Establishment of Electricity Wheeling*.

- Provide grid services: The Company may consider obtaining grid services to mitigate shortfalls, similar to previous grid services procurements. To incentivize customers to provide grid services, the Company recently filed its proposal for an updated Bring Your Own Device program focused on emergency scenarios.<sup>13</sup> In addition, the Company is also evaluating the implementation of a utility-owned asset grid services program.
- Install temporary generation: To fulfill short-term needs, the Company may opt to procure temporary generation, such as via generator rental.
- Optimize maintenance schedules: Generator maintenance schedules may be optimized as appropriate to meet short-term shortfalls.
- Extend the life of existing generating units: If the Company's resource demands are driven by the retirement of existing generation units, the Company may consider extending planned retirement dates, and making capital improvements as needed, until additional resources can be procured.

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<sup>13</sup> See Exhibit 1 to Letter from K. Katsura to Commissioners re: Hawaiian Electric Companies' Responses to Commission's Questions, filed in Docket No. 2019-0323 on January 27, 2025 at 9-10.