Battery Bonus Q&A

Updated: 8/26/2022

GENERAL

Q. What is Battery Bonus?
A. It is a new program that will pay a monthly and one-time cash incentive for residential and commercial customers on O’ahu and Maui to add energy storage to an existing or new rooftop solar system. The rules are described in Rule 31. https://www.hawaiianelectric.com/documents/billing_and_payment/rates/hawaiian_electric_rules/31.pdf

This program will help move Hawai‘i toward its goal of 100% clean energy for electricity by 2045 and help smooth the transition from fossil fuels to renewable-based generation.

Q. How much are the incentives?
A.
1. One-time check: $850 per kilowatt (kW) committed for those accepted for the first 15 megawatts (MW) on O‘ahu and Maui. (For example, a commitment of 5 kW would yield a $4,250 bonus.) Payment is made after the project is installed and in operation. Hawaiian Electric will confirm by checking battery data that the system is meeting its committed performance in the program for the customer to receive the full amount of incentive. The program is capped at 15 MW for Maui and 50 MW for O‘ahu. On O‘ahu the one-time payment drops to $750 per kW for the next 15 MW and $500 per kW for the last 20 MW. The one-time incentive checks will be reduced by any outstanding charges on the participant’s electric bill. Participant’s next bill will reflect the deduction of charges from the incentive check payment. The incentive check will be sent within 30 days from the date of the contract execution email.

2. Monthly capacity bill credit: $5 per kW per month of committed capacity. This credit is allowed to reduce minimum bill cost. This credit expires at the end of 10 years from the enrollment start date, shown as execution of contract date on the Scheduled Dispatch Program (SDP) agreement. Monthly bill credit commenced in June 2022 for all participants. Credits are not retroactive for energy storage systems in place before June 2022.

3. Monthly energy bill credit for non-Net Energy Metering (NEM) program customers: Credit is a fixed monthly export credit = (the sum of the non-fuel energy charges and all per-kWh charges, adjustments, and surcharges applicable to the customer’s rate schedule using February 2022 rates, adjustments, and surcharges ($/kWh) – non-NEM, Distributed Energy Resources (DER) tariff export rate ($/kWh)) x committed capacity (kW) x 70% x 2 hours x 30 days. This credit expires after three years from the enrollment start date. Export credits commenced in July 2022. Credits are not retroactive for energy storage systems that were in place before June 2022.
Example for 5kW committed capacity

1. One-time check = $850/kW x 5 kW = $4,250
2. Monthly capacity = $5/kW/month x 5 kW = $25/month
3. Non NEM customers only = ($0.32 - $0.10)/kWh x 5 kW x 70% x 2 hours x 30 days = $46.20/month

Note: $0.32 and $0.10 are approximate numbers only used for this example. This amount is additive to the credit participants receive from being on their respective DER program.

Q. How do I know if I am eligible?
A. Battery Bonus is available to new and existing residential and commercial customers with rooftop solar and a battery storage system charged from on-site solar generation under Hawaiian Electric’s NEM, Customer Self-Supply (CSS), Customer Grid-Supply (CGS), Customer Grid-Supply Plus (CGS+), Smart Export (SE) or Standard Interconnection Agreement (SIA) programs.

All projects with equipment installed prior to July 1, 2021 on O‘ahu and June 1, 2022, on Maui (indicated by date of “Permission to Operate” email date stamp) are not eligible for the program. If your application is pending, the process is to submit the amendment to connect@hawaiianelectric.com, indicate the application is pending, and describe how the battery will change to provide added committed capacity.

Q. What do I need to receive incentive?
A. Approval Checklist:
  ✓ Enrollment in an approved Hawaiian Electric renewable energy rate program on the islands of O‘ahu and Maui: NEM/+, CGS/+, SE, CSS, SIA (Feed-in Tariff does not qualify)
    ❖ Must install new battery
    ❖ Must use battery two hours each day between 6 p.m. and 8:30 p.m. Hawaiian Electric will provide exact start time.
  ✓ Proof of permit application with county permitting office.
  ✓ On Maui, a completed Hawaiian Electric Grant of Authority form may be submitted to the county permitting office to obtain a building permit number.
  ✓ Submission of a Battery Bonus amendment in the Customer Interconnection Tool
  ✓ Seven days of operational data, as required
    ❖ See Handbook for instructions on delivery of Verification data, and use this [excel file](#) to submit data.
  ✓ IRS W-9 Form for Owner Operator (required before issuance of check). Electronic signature is encouraged using DocuSign. W9 forms also can be printed out, signed and mailed to: Hawaiian Electric, P. O. Box 2750, Honolulu, HI 96840, Attn: AT10-SG

Q. How much do I need to deliver during an event?
A. The amendment form includes a field for “Committed Capacity.” You must deliver that amount every day for 10 years during the assigned two-hour block. You will receive an incentive for the committed capacity, so if you have a 13.5 kWh battery and you commit 5 kW for two hours (or 10 kWh), you will receive an incentive payment only for the 5 kW.
Q. What if there are cloudy days and my battery has not stored the full amount required to deliver the committed capacity?

A. The committed capacity must attempt to be delivered on all days. However, there will be some days where delivery of committed capacity may be difficult due to weather. To avoid any penalties, the battery must be paired with PV at a ratio of at least 1 kW of generation for every 2 kWh of committed capacity.

Q. Can existing NEM+ solar panels be transferred over to NEM to participate in NEM?

A. Yes, a customer may withdraw from NEM+ and use that solar system (generation) for SDP generation. However, the battery must be new and not from the existing NEM+ system, and volt watt must be enabled to participate in Battery Bonus.

Q. If I have NEM and add more panels that will use a battery-backup, do I need a second meter? If not, will I receive my standard retail $/kWh on the power I provide during that two-hour period?

A. A second meter is not required. Battery Bonus is not a separate program, but an amendment to the existing agreement. You can stay on NEM, but if your added system will export more in the middle of the day, then a technical review will be needed. There are conditions that grant automatic approval where exports only occur at peak. Anything above a combined 8 kW (new plus old) will not qualify for the Quick Connect (QCT) process and must be reviewed and approved prior to installation.

Q. Can I just add a battery to my existing solar system to participate?

A. Yes.

Q. How do I know if this program is right for me?

A. A number of factors should be considered. For some, the motivation may be to reduce their current electric bill. So, factors to consider will be the period it will take to offset the costs associated with adding capacity and/or battery from the energy cost savings of the added generating capacity. For others, the motivation may be the intrinsic value of contributing firm, clean energy to help reduce reliance on fossil fuels.

Q. I am on Appendix II-B system, can I get the incentive?

A. No, the program requires an existing interconnection agreement with Hawaiian Electric. Customers under this rule would have to sign up for a program such as the Standard Interconnection Agreement to be eligible. See above regarding systems installed prior to July 1, 2021.

Q. Can I just add more solar panels to my system to participate?

A. No. The system must include a new eligible battery system.
Q. Can I add more solar panels if I also install an eligible battery?
A. Yes. For existing customers, new panels may be added with the new battery installation by submitting an SDP amendment to your existing interconnection agreement. For batteries delivering committed capacity of 5 kW or less, assuming no other battery exists, including restricted (less than 30% available hosting capacity) circuits, projects will be automatically approved. All projects with added PV greater than 5 kVA, such PV must be limited to no more than twice the capacity of the battery. For example, a 10 kVA PV system must use a committed capacity of 20 kWh. All other projects above 5kW will be subject to review. The contractor reference manual outlining how to submit a QCT is located here: https://www.hawaiianelectric.com/documents/products_and_services/customer_renewable_programs/quick_connect_contractor_reference_manual.pdf

Q. Can I get the incentive payment for having a battery used for emergency backup only?
A. No. The incentive is for a new battery available between 6 p.m. and 8:30 p.m. daily (including weekends and holidays) at an exact time set by Hawaiian Electric. If there is an outage, you can use the battery to power your own home or business, but if electricity from the grid is available, the battery is expected to be used or energy exported between 6 p.m. and 8:30 p.m.

Q. How do I know if my new battery system is eligible?
A. Ask your solar contractor to be sure your new battery has capabilities to participate.

Q. I have a battery system; how do I know if it has the capabilities to participate?
A. A number of systems already have the capabilities and controls for this program. Check with your supplier or directly with a manufacturing representative to determine which systems have the capabilities and how to set them up to perform to the program requirements.

Q. Would a new battery and solar panels be eligible for federal and state tax incentives?
A. Perhaps, check with your tax adviser.

Q. What if I already signed up or am planning on adding a battery system?
A. Participation in Battery Bonus does not prevent participation in other solar programs.

ENROLLMENT

Q. When does the program run?
A. On O‘ahu, Battery Bonus will be available until total enrolled capacity reaches 50 megawatts or until June 20, 2023, whichever comes first. On Maui, the program will be available until enrolled capacity reaches 15 megawatts or until June 30, 2024, whichever comes first.
Q. How do I sign up and lock in my incentive?
A. Work with your contractor to apply. The application submission must show a building permit was submitted to determine and lock in your incentive payment, which will be paid after the system is installed and in operation. Applications can be submitted via the Customer Interconnection Tool accessible on the Hawaiian Electric’s website.

For existing or new Standard Interconnection Agreement customers also interested in applying to the Battery Bonus program, please email forms to siainfo@hawaiianelectric.com.

Q. How long am I committed?
A. Enrollment is a 10-year commitment with an initial phase ending December 31, 2023, on O‘ahu and December 31, 2024, on Maui. In a final phase continuing for the rest of the 10 years customers will have the option to: (1) continue operating their battery system under the same terms or (2) transition to an alternative program to be set by the Public Utilities Commission.

Q. How do I set my program commitment level?
A. With your contractor’s help, you can specify in the agreement the capacity level (kW) to commit to maintain the discharge level from your battery storage system. The dispatch period will be specified by Hawaiian Electric at the time of enrollment and may be revised with reasonable notice.

Q. How do I know that my system is operating properly?
A. Your contractor will help you provide seven consecutive days of operational performance data so Hawaiian Electric can verify compliance. Hawaiian Electric must complete such verification within 10 business days of the receipt of receiving correct performance data.

Q. How do I set my program kW commitment level?
A. With your solar contractor, you can specify committed capacity level (kW) to maintain the ability to use the battery system for two consecutive hours each day.

Q. How is my battery system programed to meet the requirements?
A. Energy discharged during the dispatch period from the battery storage system may either serve onsite load or be exported to the grid. With your contractor’s help, you will be required to manage the battery storage system to automatically prioritize battery charging during periods of substantial solar panel insolation.

Q. How long until I know that my application has been approved?
A. Hawaiian Electric must complete review of your application within 30 calendar days of receiving your correctly completed amendment request.
OPERATION

Q. How will my battery system work?
A. Electricity stored in your battery system may either serve your onsite needs or be exported to the grid. The volt-watt function on the inverter must be enabled to prevent energy export during times when there may be problems on the circuit. With your contractor, you will manage the battery system to automatically prioritize charging during times of peak solar insolation, generally mid-day.

Q. Would my battery export power to the grid during a system outage?
A. No. During a system outage, you can use all stored electricity for your own needs.

Q. Can I add additional battery capacity and reserve it for emergency backup?
A. Yes. Any additional battery capacity can be reserved for emergency backup reserves.

PAYMENT

Q. How do I get compensated for enrolling?
A. The one-time payment made after the system is installed and in operation will be based on the committed kW capacity of your battery system.

Q. Is the upfront payment considered income?
A. Yes. Hawaiian Electric will send participants the correct tax forms and report income to the IRS and the State Department of Taxation. You will need to provide your TIN (SSN) to Hawaiian Electric.

Q. Is the upfront payment a rebate off the cost of my battery?
A. No. The upfront payment is made by Hawaiian Electric to the system owner and is not a rebate.

Q. When can I expect to get the incentive payment?
A. It will be paid in full within 30 days of the date from which Hawaiian Electric has executed contracts (signed by both parties). Payment will go directly to the owner of the battery system, either the home or business owner or the company that leases the solar-plus-battery system to the home or business owner.

Q. What is the deadline for my system to be in operation?
A. Customers must operationalize their conditionally approved battery storage systems by December 31, 2023; otherwise, the conditional approval is void and no payment will be made.
PROBLEMS

Q. What happens if my battery system does not perform as expected?
A. If there is an issue with your system, you should verify you have a warranty or maintenance contract with your installer. If Hawaiian Electric identifies problems with the battery system’s performance, the company may conduct a performance audit to monitor and document conditions with written or digital notice at least seven days in advance.

Your contractor will help gather the required information and confirm proper system operation.

If the battery storage system fails to properly perform, Hawaiian Electric will provide written notice explaining the issue. You will have 30 days to work with your contractor to resolve the issue. If the non-compliance persists beyond 30 days, the recipient of the one-time payment (not the contractor) may be charged up to $100 a month until the system is brought into compliance or Hawaiian Electric has recovered a prorated payment amount.

TERMINATION

Q. Can I get out of the program?
A. Yes, with 60 days’ notice to Hawaiian Electric. You will have to return a prorated portion of the incentive payment, based on the remaining part of the 10-year commitment, paid in full or by arrangement with the company. Please fill out the Notice of Termination form and submit it to batterybonus@hawaiianelectric.com to terminate the contract.

Q. If I terminate my agreement within 60 days of enrollment, will I receive a portion of the incentive?
A. No. Customers must be on the Battery Bonus program for at least 61 days from the date of enrollment, as specified on page 1 of the SDP Agreement, to receive a portion of the incentive.