



## Battery Bonus Q&A

### **MOST RECENT QUESTIONS (as of Aug. 4, 2021)**

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

**A.** Yes customer may withdraw from NEM+ and use that solar system (generation) for SDP generation but it is capped at 5kW. The battery must be new and not from existing system, and Volt watt must be enabled on the NEM system.

#### **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 combine 8kW (new plus old) will not qualify for the Quick Connect and must be evaluated to see if the increased solar plus storage system is okay to be installed.

#### **Q. What do I need to receive incentive?**

##### **A.** Application Checklist:

- ✓ Enrollment in approved Hawaiian Electric renewable energy rate program on island of O'ahu: NEM/+, CGS/+, SE, CSS, SIA
  - o Must install new battery
  - o Must use battery two hours each day between 6 and 8:30 p.m. Hawaiian Electric will provide exact start time.
- ✓ Proof of permit application with City & County Department of Planning & Permitting
- ✓ Signed Emergency Demand Response Amendment to Existing Agreement
- ✓ Signed Scheduled Dispatch Program (SDP) Agreement
- ✓ 7 days of operational data, as required (sent after validation of installation)
- ✓ IRS W-9 Form (required before issuance of check) 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.** On the amendment form is 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 10kWh), you will receive an incentive payment only for the 5kW.



**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 be delivered on all days, no matter the weather. The only out is **force majeure** (French for “a superior force”) that relieves the parties from liability under a contract because a force beyond either party’s control prevents fulfillment of the parties’ obligations.

**Q. How do I calculate my incentive?**

**A.** Batteries come in different kilowatt and kilowatt-hour sizes. If a battery has 10kWh of storage, then it can be used for two hours exporting 5kW per hour. Every battery is different, so these specs are only for this example.

The battery bonus incentive would be 5kW times \$850/kW = \$4,250. The battery would also receive 10kWh of energy cost reduction, and if you are on NEM, you would receive about 30 cents/kWh x 10kwh = \$3.00 per/day for 10 years = \$10,950 assuming a PV system is installed to create at least 10kWh every day. The math here is dependent on the kWh cost of energy and could change monthly and if customer wants to reduce kwh of export, therefore, reducing incentive.

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

**A.** A number of factors must be considered. For some, the motivation may be to reduce their current electric billing. 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 our reliance on fossil fuels.

**Q. I got my system installed early 2021, can I get the incentive?**

**A.** Customers can apply for Battery Bonus if they are installing a new battery or have recently been approved after 7/1/2021, indicated by date of Permission to Operate email date stamp. All projects with equipment installed prior to 7/1/2021 will not receive incentive. If your application is pending, the process is to submit the amendment to [connect@hawaiianelectric.com](mailto:connect@hawaiianelectric.com), indicate application is pending, and describe how battery will change to provide added committed capacity.

**Q. Do FIT projects qualify?**

**A.** No



## **OLDER QUESTIONS**

### **Q. What is Battery Bonus?**

**A.** It is a new program that will pay a cash incentive for residential and commercial customers on O'ahu to add energy storage to an existing or new rooftop solar system.

This one-time incentive will help move Hawai'i toward its goal of 100% clean energy for electricity by 2045 and help smooth the transition when the AES coal-fired plant is retired in September 2022.

### **Q. How much is the incentive?**

**A.** Payment is:

- \$850 per kilowatt (kW) for those accepted for the first 15 megawatts (MW). (For example, 5kW would yield a \$4,250 bonus.) Payment is made after 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.
- \$750 per kW for those accepted for the next 15MW.
- \$500 per kW or those accepted for the last 20MW.

The program is capped at 50MW for all customers.

### **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 the Hawaiian Electric's Net Energy Metering, Customer Self-Supply, Customer Grid-Supply, Customer Grid-Supply Plus, Smart Export or Standard Interconnection Agreement programs.

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

**A.** Yes.

### **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 5kW or less, assuming no other battery exists, including restricted (less than 30% available hosting capacity) circuits, projects will be automatically approved. All other projects above 5kW will be subject to distribution planning 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](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 holiday) 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 rep to determine which systems have the capabilities and how to set them up to perform to the program requirements.

**Q. Is there a minimum or maximum battery power (kW) or capacity size (kWh)?**

**A.** No, but it is important to have a panel-to-battery ratio that allows the battery to perform its intended function. For example, you need enough onsite solar generation to fill the committed battery capacity amount each day or you may face penalties.

**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. Battery Bonus is open and will be available until total enrolled capacity reaches 50 megawatts or until June 20, 2023, 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 system is installed and in operation. The company will be using digital amendment PDF forms until CIT is available. PDF forms will be available here: [Private Rooftop Solar](#) Contractors will email the completed document to [connect@HawaiianElectric.com](mailto:connect@HawaiianElectric.com).

For existing or new Standard Interconnection Agreements also interested in applying to the Battery Bonus program, please email forms to [siainfo@hawaiianelectric.com](mailto:siainfo@hawaiianelectric.com).

### Q. How long am I committed?

A. Enrollment is a 10-year commitment with an initial phase ending December 31, 2023, and a final phase continuing for the rest of the 10 years. In the second phase you will have the option to: (1) continue operating their battery system under the same terms or (2b) 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 contractors 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. Within 30 days of the enrollment start date, 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. The rate within the tariff (e.g. NEM, NEM+, CGS, CGS+, CSS, Smart Export, SIA, etc.) determines the hourly rate.

**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.** One-time payment made after 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 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 on which discharge of the committed capacity for the discharge period is demonstrated. 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.** If the customer does not operationalize its conditionally approved battery storage system is not in operation by December 31, 2023, 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 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 perform properly, Hawaiian Electric will provide a written notice explaining the problem. With your contractor you will have 30 days to solve the problem. If the problem persists beyond 30 days, the recipient of the one-time payment (not the contractor) may be charged up to \$100 a month until the problem is resolved 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.