



**HAWAIIAN ELECTRIC**

# Shared solar program guide

**For small projects (<250kW)**



**Hawaiian  
Electric**



**Community-Based  
Renewable Energy**





HAWAIIAN ELECTRIC

# Shared solar program guide

**A great way for  
small organizations  
and businesses to  
get the benefits  
of solar and help  
individual electric  
customers do  
the same**

Shared solar, a new phase of Hawaiian Electric's community-based renewable energy (CBRE) program, aims to provide the economic and environmental benefits of solar energy to individuals and groups — especially those who have been unable to obtain those benefits until now.

Many large organizations, businesses and individuals own a building or a home where they can install a private rooftop solar system. Many renters, apartment dwellers, small organizations and businesses do not. Shared solar is designed to extend the chance to save money and be part of the Hawai'i solar movement to the latter group, especially those with low/moderate incomes.

**You can help make shared solar happen.** Hawaiian Electric is seeking small businesses and groups of all kinds — clubs, community, neighborhood and homeowner associations, churches, labor unions, charitable, civic and social societies, and environmental organizations — to broaden the reach and impact of these benefits.

Your group could become a **Subscriber Organization**, working with companies that build solar projects and Hawaiian Electric to enable others, including your members, to participate in shared solar as individual subscribers.



**Shared solar is a great opportunity to add renewable energy and provide the benefits to a wider range of people. Our shared solar project on Maui is one of the first in Hawai'i. It's been a valuable experience for us and Hawaiian Electric to get this project online and I look forward to launching a project open to more subscribers on O'ahu in the new phase of shared solar.**

**-MARK RODDEN, ROIZ**

## Consider the many benefits to a Subscriber Organization:

### Financial benefits from your project

- Potential tax deductions and credits\*
- New revenue from signing up customer subscriptions for the energy output
- Savings on your organization's monthly electricity costs if you choose to subscribe to a portion of the project's energy output\*\*
- Added value (such as lease income) from underutilized (e.g., parking structures) or unused vacant land, especially property that may not be feasible for other uses

### Positive visibility and support for your organization's mission

- Extend energy and cost savings to the entire community, especially those who wouldn't otherwise have access to the benefits of renewable energy
- Provide added value for your members (your tenants, your organization's members)
- Support our state's environment and economy by helping Hawai'i use more clean renewable energy



**\*Act now before Federal energy tax credits end! Install a solar system before the end of 2022 and save 26% off the cost of the system with a generous tax credit. This drops to 22% in 2023 and 10% in 2024.**

## What is a Subscriber Organization?

A company, organization or any organized group of people who own, develop and/or operate a shared solar project. A Subscriber Organization can also subscribe to a portion of the energy produced by a shared solar project.\*\*



Community, Neighborhood,  
Homeowner Association



Labor Union



Church or Nonprofit Organization



Business

**\*\*Electricity account must be under a different name than the Subscriber Organization.**



28 kW ROIZ CBRE Maui project

## Big picture benefits of shared solar:

- **Helping recharge the Hawai'i economy** as we move through and beyond the COVID-19 pandemic, creating projects, jobs and tax revenues
- **Providing more ways to meet our state's 100 percent renewable energy target** through a wide variety of project sizes and business models
- **Supporting access to renewable energy for all customers**, including those with low/moderate incomes
- **Building interest in future innovations** such as grid services and “non-wires alternatives” (e.g., distributed energy resources that can reduce the need to build power lines) to meet energy needs

The Governor and Hawai'i Legislature, the Public Utilities Commission (PUC) and many environmental organizations join Hawaiian Electric in supporting these important goals for shared solar.

### EXAMPLE 1

#### Providing savings and value to attract commercial tenants

A shopping center owner installs a solar electric system on the center's roof. By signing up tenants to subscribe to the energy output from the system, the owner can recoup the project cost, gain tax benefits and offer an attractive advantage to participating tenants via savings on their electric bills. If the shopping center chooses to subscribe to a portion of the energy from its own project, it can also save on its own electric bill.\*

### EXAMPLE 2

#### Providing savings to support a church's mission while sharing those savings with church members

A church partners with a developer to install a solar energy system on its roof, parking area or open land. By subscribing to a share of the energy produced it saves on its electricity costs and frees up more resources for its mission. And by signing up congregation members and others as subscribers for the remaining share of the system's energy output, the church can provide savings to those who might not otherwise have access to the benefits of solar energy.\*

### EXAMPLE 3

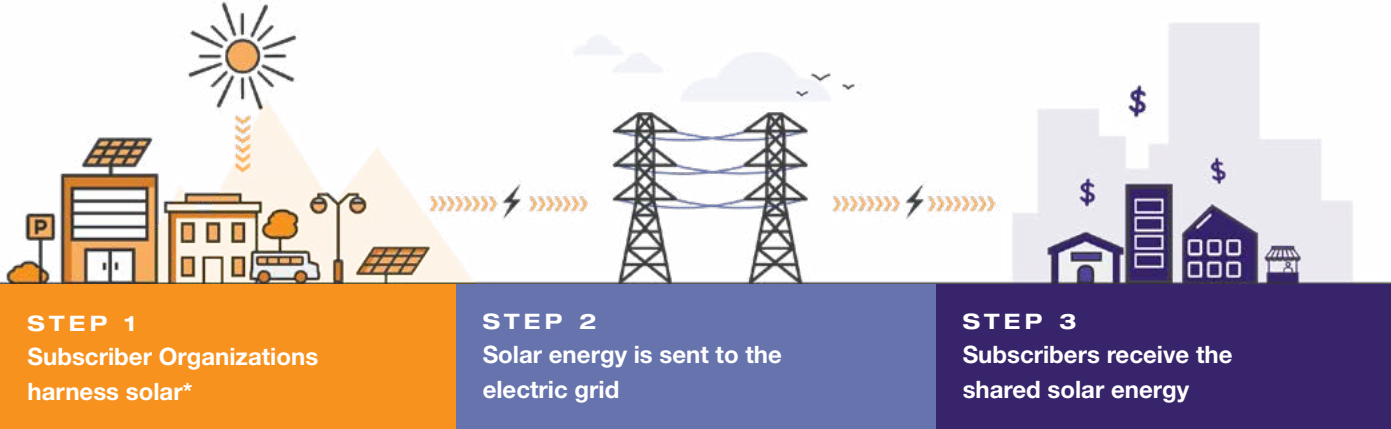
#### Helping low/moderate income families save money as part of a nonprofit's mission

A nonprofit organization serving a low/moderate income community initiates a shared solar project, working with a solar developer to identify a site and install a project, and facilitating subscriber sign-ups by reaching out to families it serves and its partner organizations.

\*Electricity account must be under a different name than the Subscriber Organization.




# How does shared solar work?



A **Subscriber Organization** locates, finances, develops and operates a **shared solar project** — for example, a project on a business, school, shopping center, warehouse, parking structure, church or vacant land. For this specific program, the **project must be less than 250 kilowatts (kW) AC** in size.

Electric customers subscribe to energy from the shared solar project and receive a **credit on their monthly electric bill** for the electricity from their portion of the project.

 \*Battery storage highly recommended

**Subscriber Organization**  
A company, organization or any organized group of people who own, develop and/or operate a shared solar project.

**Subscribers**  
Residential or commercial utility customers who participate in a shared solar project on their island and get monthly bill credits to offset their electricity use.

**Independent Observer**  
As outlined in the Hawai'i Public Utilities Commission's CBRE Framework, a third party who reports to the Commission to ensure the program is administered and operated fairly and consistently with the Commission's rules, which are formalized in a tariff for the program called Rule 29.

**Administrator**  
Hawaiian Electric administers the program by interconnecting new projects to the utility grid, providing an online program portal and administering bill credits to subscribers.

## What's a small (<250 kW) system?

**1 panel**

≈ 5x3 feet or 15 sq. ft.

**1 kW**

≈ 4 panels

**250 kW**

≈ 1,000 panels or 15,000 sq. ft.

**15k sq. ft.**

≈ 1/3 acre

**1/3 acre**

≈ about 50 parking spaces



270 kW Mililani Tech Solar 1 project

## What types of renewable energy projects are eligible for this small project program?

- Solar electric generation projects **greater than 4 kW AC and less than 250 kW AC** are eligible. To get the most benefit from the project, **battery storage is strongly recommended**.
- Projects must be new and not already under a purchase power contract with Hawaiian Electric.

### Other options:

- Hawaiian Electric also administers programs for mid-size projects 250 kW up to 5 MW (2.5 MW for Hawai'i Island and Maui) and large projects 5 MW and greater (2.5 MW and greater for Hawai'i Island and Maui), with different requirements including a more detailed Request for Proposals process.
- Projects for Moloka'i and Lāna'i are covered under a separate process. Subscriber Organizations can propose projects up to 2.75 MW for Moloka'i and 3 MW for Lāna'i, subject to a competitive bidding process.
- There is also a separate program for projects dedicated to offering subscriptions only to low/moderate income customers.
- More information on these options can be found at [www.hawaiianelectric.com/sharedsolar](http://www.hawaiianelectric.com/sharedsolar)



### Have shared solar programs been successful elsewhere?

Yes! About 40 states have shared solar programs. Hawaiian Electric has long included shared solar in our long-term energy plans and the Hawai'i Public Utilities Commission and state legislature have called for such a program here.

# Our business/organization is interested. What are the next steps?

**Interested in learning more?**

**Contact:**

[sharesolar@hawaiianelectric.com](mailto:sharesolar@hawaiianelectric.com)

**1**

## **Consider whether shared solar is right for you.**

In addition to the details of building the solar project, evaluate other considerations such as the resources your organization has to help (e.g., perhaps your membership includes attorneys, accountants or even an experienced solar contractor). Is your organization's membership or extended stakeholder list large enough to provide subscribers for your project or will additional subscribers be needed? Who will be the "champion" to manage the details of your group's participation in the program? What internal or external approvals are needed (e.g., a board of directors or a national organization)?

**2**

## **Determine siting.**

Identify a location for installing a solar electric system. If you don't have a site, identify solar developers or landowners as potential partners.

**3**

## **Secure project developer.**

Contact solar developers for an assessment including sizing, permitting and cost estimates.

**4**

## **Identify other project partners, as needed.**

For example, identify whether there is a company that may handle the process for signing up subscribers for the energy output or whether you prefer to handle that internally.

**5**

## **Evaluate and secure financing.**

**6**

## **Submit project proposal.**

Work with your solar developer on your proposal.  
Visit [www.hawaiianelectric.com/sharesolar](http://www.hawaiianelectric.com/sharesolar) for proposal information.



# We're ready to submit a proposal. What now?



## STEP 1

### Visit the CBRE portal

Be sure to submit your application during the open window following the Hawai'i PUC's approved program rules.



## STEP 2

### Finalize project details

Here are examples of some details to provide:

- Name of Subscriber Organization and all parties collaborating to own, develop and/or operate the project
- kW size
- Energy storage details (if applicable)
- Location
- Estimated completion date
- Explanation of project viability
- Financing
- Marketing plans to sign up subscribers and other details.\*



### To access the CBRE portal, visit:

[www.communityenergyhawaii.com](http://www.communityenergyhawaii.com)



## STEP 3

### Review the preapproved, standard Subscriber Organization Agreement

Since the standard agreement is used, once a project is approved by Hawaiian Electric, it does not require additional approval by the Hawai'i PUC.



## STEP 4

### Submit \$250 application fee and refundable deposit (\$75/kW AC proposed for project)

The Independent Observer may consider a lower refundable deposit for small or nonprofit projects.

*\*To ensure transparency and your project's success, projects between 100 kW to 250 kW should include plans for communicating with nearby community members (one-mile radius) about the proposed project.*

*(See Rule No. 29 "Subscriber Organization Participation for CBRE Small Projects" section for more specific details on information required for an application).*



# How are projects chosen?

- Applications deemed complete during the **project acceptance window** will be added to the queue of available projects on a first-come, first-served basis.
- Maximum amount of small project (less than 250 kW) generation allowed by the PUC is:
  - O'ahu: 30 MW
  - Hawai'i Island: 7.5 MW
  - Maui: 8.475 MW
- After completing a competitive credit rate procurement from March 10, 2022 to July 11, 2022, Hawaiian Electric continues accepting applications at a fixed credit rate (\$0.15/kWh for O'ahu and Hawai'i Island, and \$0.165 for Maui Island) up to the program capacity for each island or otherwise directed by the Public Utilities Commission.

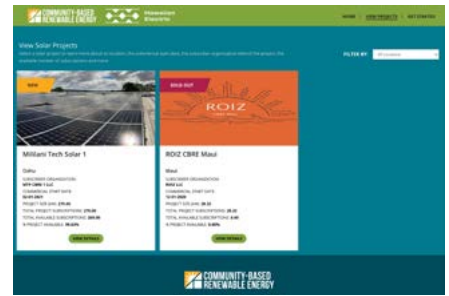
**An Independent Observer ("IO") chosen by the PUC will oversee the process to ensure fairness in all aspects of the program and compliance with the program rules.** If there are questions or concerns, inquiries for the IO can be emailed to [sharesolar@hawaiianelectric.com](mailto:sharesolar@hawaiianelectric.com) and will be forwarded to the IO.



## How long will it take before a project will be operational?

Shared solar projects will receive expedited review. Depending on whether any technical studies\* for safe interconnection to the utility grid are required, utility review and contract execution could take up to six months. After that, under the PUC's rules, the maximum time for project completion, including building and inspection, is 18 months.

*\*For this small projects program, a full Interconnection Requirement Study (IRS) is not required. After an initial technical review, if further review is needed, the project will undergo a simplified IRS that should take no more than 90 days.*



## Hawaiian Electric online portal: A convenient way to manage subscribers

- Market your project to subscribers
- Potential subscribers can check their eligibility and sign up for a project
- Conveniently manage subscriber base, including submitting bill credits
- Create reports

# What are the responsibilities of a Subscriber Organization?

**A Subscriber Organization, which can consist of multiple partners who handle different aspects of the responsibilities, will:**

- Develop, construct, own, operate and maintain the solar facility participating in the shared solar program
- Solicit, validate and enroll customers to subscribe to the energy output of the solar project (see How does a Subscriber Organization sign up subscribers?)
- Be the point of contact for the subscriber and provide ongoing customer service
- Review the Subscriber Bill of Rights and a disclosure checklist (see Appendix/Other Resources) with subscribers to ensure they are informed about program details
- Use the convenient online Community-Based Renewable Energy portal to automate management of your subscriber roster and submit monthly invoicing, including subscriber electric bill credits (see How does a Subscriber Organization sign up subscribers?)
- Submit the annual program administration fee (\$5/kW installed project capacity)

**See Part I, Section E of Rule 29 “Subscriber Organization Participation for CBRE Small Projects” for a more detailed list of responsibilities.**



*28 kW ROIZ CBRE Maui project*

## How does a Subscriber Organization sign up subscribers?

- You may already have access to a ready pool of potential subscribers, for example, condo tenants, labor union or church members. And a project owner could partner with other entities with experience and capabilities to manage subscriber enrollment and related ongoing tasks.
- Hawaiian Electric's online portal provides a convenient way to market your project to subscribers and to manage the entire sign-up process and administration of your subscriber base.
- Potential subscribers can use the portal to check their eligibility and subscribe to a portion (minimum of 1 kW, or 0.5 kW for low/moderate income customers) of an available solar project. In exchange, subscribers receive a credit on their electric bill at a specified rate per kWh based on their share of the energy generated by the project.
- The Subscriber Organization can set the amount of the initial enrollment fee. It can be paid upfront or, to help attract customers, Subscriber Organizations can offer a pay-as-you-go option. A pay-as-you-go option would allow subscribers to pay the fee over time, perhaps allowing them to use the savings on their electric bill to help make those payments.





## Which electric customers can sign up for a Subscriber Organization's project?

While your tenants, members and other affiliates may provide a convenient base of subscribers, you can offer subscriptions to all electric customers who receive a bill from Hawaiian Electric on the island where project is located and who are not already a shared solar subscriber or enrolled in another utility renewable energy program.

However, this program was designed specifically to make the benefits of renewable energy available to those who might not otherwise be able to install a solar electric system, including renters, condo dwellers or low/moderate income families. **With this in mind, at least 40% of a project's generation must be provided to residential customers and there must be a minimum of four subscribers.**

**To provide flexibility, the shared solar program also allows subscriptions to be transferred to others,** for example, when a commercial tenant is replaced by a new one. Also, if a subscriber moves to a new address on the same island, the shared solar participation also moves as long as the customer still gets a bill from Hawaiian Electric. If a participant leaves the island, is no longer eligible or wishes to end participation, the program also provides for buyback of the share at a set prorated rate.



### Interested in learning more?

For more information, contact Hawaiian Electric via email at [sharesolar@hawaiianelectric.com](mailto:sharesolar@hawaiianelectric.com).

## How much is the credit customers get on their electric bill?

The rates vary by island:



**15¢** / kWh

O'ahu, Hawai'i Island customers



**16.5¢** / kWh

Maui County customers

For example, a participating residential customer on O'ahu who signs up a 2 kW share of a project could potentially see an estimated monthly bill credit of \$37.50. Actual savings will depend on the performance of the solar system.

*Note: if the capacity of projects proposed during the four-month project proposal period exceeds the limits set by the Hawai'i PUC, the credit will be based on the alternative "Discounted Credit Rate" for the specific project.*

# Appendix / Other Resources:

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## Definition of Terms

### Bill Credit Rate

The rate used to calculate a subscriber's monthly electric bill credit. The rate could be the standard rate set by the PUC for the island on which the subscriber resides (15 cents/kWh for O'ahu, Hawai'i Island customers; 16.5 cents/kWh for Maui County customers). Or if the capacity of projects proposed exceeds the limits set by the Hawai'i PUC, the credit will be based on the alternative "Discounted Credit Rate" for the specific project the customer subscribed to.

### Discounted Credit Rate

The alternative bill credit rate for subscribers specified by each solar project. The Discounted Credit Rate is used to calculate electric bill credits only if the amount of solar proposed exceeds the capacity limits set by the Hawai'i PUC. In that case, the shared solar projects will be chosen based on the Discounted Credit Rate included in the project's proposal. Projects with lower Discounted Credit Rates will have priority over those with higher rates.

### Subscriber Organization

A company, organization or group of people who own, develop and/or operate a shared solar project. A Subscriber Organization can also subscribe to a portion of the energy produced by a shared solar project. The electricity account must be under a different entity name than that of the Subscriber Organization.

### Subscribers

Residential or commercial utility customers who participate in a shared solar project on their island and get monthly bill credits to offset their electricity use.

### Independent Observer

As outlined in the Hawai'i Public Utilities Commission's CBRE Framework, a third party who reports to the Commission to ensure the program is administered and operated fairly and consistently with the Commission's rules which are formalized in a program tariff called Rule 29.

### Administrator

Hawaiian Electric administers the program by interconnecting new projects to the utility grid, providing an online program portal, and administering bill credits to subscribers.

### Enrollment Fee

An amount paid by a Subscriber to the Subscriber Organization in exchange for subscribing to a portion of the energy output of a solar project. A Subscriber Organization could elect to use a pay-up-front or pay-as-you-go model.

### Refundable Deposit

A deposit to be paid to Hawaiian Electric for each proposed solar project, calculated at \$75/kW AC based on the project's proposed capacity. The deposit will be refunded within 30 days of the project either not being selected or achieving commercial operations. The Independent Observer may consider a lower refundable deposit for small or nonprofit projects.

### Rule 29

The official tariff approved by the Hawai'i Public Utilities Commission that specifies the rules, rates and responsibilities for phase two of Hawaiian Electric's Community-Based Renewable Energy ("shared solar") programs.



# Appendix / Other Resources:

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## Low/Moderate Income Customer

An electric utility customer who meets one of the following criteria:

1. A member of a household with an income equal to or less than the limit established by the U.S. Department of Housing and Urban Development ("HUD") for a low/moderate Income ("LMI") household. Refer to the HUD website to obtain the income limits; or
2. A participant in one or more of the following programs:
  - Child Care Connection Hawai'i
  - Children's Health Insurance Program (CHIP)
  - Community Eligibility Provision (CEP) of the NSLP
  - Early Head Start
  - Hawai'i Energy Affordability and Accessibility Program
  - Hawai'i Head Start
  - Hawai'i MedQuest Program
  - Hawaiian Telcom Internet Kokua Program
  - Housing Choice Voucher Program (Section 8)
  - Lifeline Support for Affordable Communications (Federal or State)
  - Low Income Home Energy Assistance Program (LIHEAP)
  - National School Lunch Program (NSLP)
  - Preschool Open Doors
  - Spectrum Internet Assist Program
  - Supplemental Nutrition Assistance Program (SNAP)
  - Supplemental Security Income (SSI)
  - Temporary Assistance for Needy Families (TANF)
  - Temporary Assistance for Other Needy Families (TAONF)
  - Weatherization Assistance Program (WAP)
  - Women, Infants and Children (WIC)
  - Any verified government (Hawai'i State or Federal) program providing services for LMI persons or households
  - Any verified government (Hawai'i State or Federal) or Hawai'i non-profit program serving Asset Limited Income Constrained Employed (ALICE) persons or households; or
3. A person residing in any ZIP code identified by Hawai'i Energy as qualifying for LMI status

## Low/Moderate Income Anchor Tenant

Any organization that meets at least one of the following criteria:

1. A city, county, state or federal government agency
2. An IRC Section 501(c)(3) organization
3. A participant in the Energy Advantage program within the Affordability and Accessibility program established by Hawai'i Energy reserved for certain small businesses and restaurants

## Low/Moderate Income Subscriber

A low/moderate income subscriber in the shared solar program is either (1) a low/moderate income customer or (2) an LMI anchor tenant. (See definitions above).

No more than 40% of the available subscriber allocations in any shared solar LMI project shall be allocated to LMI anchor tenants. The remaining subscriber allocations shall go to LMI customers.

## Appendix / Other Resources:

### Community-Based Renewable Energy Background

To help reach Hawai'i's critical goal of achieving 100 percent renewable energy by 2045, the Hawai'i legislature passed Act 100, signed into law on June 8, 2015, to lay the foundation for a Community-Based Renewable Energy Program (now referred to as "shared solar") that would make the benefits of renewable energy more accessible to a greater number of Hawai'i residents. This legislation was codified in HRS § 269-27. After much input and review, the Hawai'i Public Utilities Commission issued a detailed framework for developing Community-Based Renewable Energy in December 2017 (PUC Order No. 35137)). Following an initial Phase One program, in April 2020 the PUC issued another decision (Order No. 37070) providing the details for Phase Two of Community-Based Renewable Energy for Hawai'i and in July 2021, the PUC issued Order No. 37879 approving the final rules for Phase Two. Phase Two includes several increments, with varying project size and customer participation requirements. The following chart provides an overview of the various increments ("tranches"), including the "small projects" phase which is the focus of this guide.

	Tranche 1 (MW)		Tranche 2 (MW)		Total (MW)	LMI
	RFP	Small Projects	RFP	Small Projects	All Projects	
O'ahu	75	30	75	N/A	180	Minimum of 1 uncapped project
Hawai'i	12.5	7.5	12.5	N/A	32.5	Minimum of 1 uncapped project
Maui	12.5	7.5 + 975 kW transferred from Phase 1	12.5	N/A	33.475	Minimum of 1 uncapped project
Moloka'i	2.5 + 250 kW transferred from Phase 1				2.75	
Lāna'i	2.5 + 500 kW transferred from Phase 1				3	

### Other Resources

- Part 1, Section E of Rule 29 "Subscriber Organization Participation for CBRE Small Projects"
- Standard Subscriber Organization Agreement
- Community-Based Renewable Energy Subscriber Bill of Rights
- Community-Based Renewable Energy Subscriber Disclosure Checklist

Contact [sharedsolar@hawaiianelectric.com](mailto:sharedsolar@hawaiianelectric.com) for a copy of any of the above resources.