

Customer-Based Solutions for the Hawai`i Electric System

Empowering consumers to solve technical and policy challenges without undermining one of the State's strongest new industries.

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The Alliance for Solar Choice

- Member Companies

- SolarCity Corporation
- Sunrun Inc.
- Solar Universe Inc.
- Verengo Inc.
- Demeter Power Group

- Investment in Hawai`i

- Over 10,000 residential, school, government and commercial installations in the State, representing over a quarter of a billion dollars in investment in the State
- Collectively employ hundreds of Hawai`i residents

Hawai`i Solar Integration

- Hawai`i leads the nation in the integration of residential and commercial PV systems.
- Policy innovation from Hawai`i being considered throughout the country.
 - California – Distribution Resource Planning
 - New York – Reforming the Energy Vision
 - Massachusetts – Grid Modernization
 - Minnesota – E21 Initiative

Hawai`i's Solar Integration (cont'd)

The State's solar success story is in danger despite strong consumer interest in solar.

Further adoption hampered by **uncertainty** and **inability to interconnect** to Hawaiian Electric Company grid.

The Public Interest

- Electric utilities have a long history of evolving to meet changing consumer needs.
- The consumer interest and public interest in electric energy are one and the same.
 - Consumer interest is manifest in personal choices regarding energy supply.
 - Consumer interest is also expressed through decisions of elected and appointed officials.

Customer Focus

- Grid modernization legislation – HB 1943
- Numerous PUC dockets
- PUC: *Commission's Inclinations on the Future of Hawaii's Electric Utilities*

HECO's Plan

- Distributed Generation Interconnection Plan (“DGIP”)
- Comments on DGIP:
 - Lack of actionable strategy
 - Unsupported conclusions
 - Elimination of net metering, the cornerstone of Hawaii’s solar success story

HECO's Plan (cont'd)

- Proposal anticipated soon that will create false choice between raising interconnection limits and undermining net metering.
 - Interconnection is a technical question.
 - Net metering is a policy question.
- The solution to interconnection challenges is not to undermine the economics of solar.

Simple, Low Cost, Near Term Solutions

Customer-Based Solutions for the Hawaii Electric System

- Concrete, low cost, easy to understand solutions that can be implemented immediately
- Working within *existing* policies, electric rates and utility rules to reduce disruption to State's solar industry

Customer-Based Solutions

Maintain successful **net metering** policy that made Hawai`i a national leader.

Ensure **fairness** by modifying existing policies to make sure everyone pays their fair share.

- Consider increase in minimum bill amount.

Expedite interconnection of systems that do not impact safety, reliability or power quality.

- Raise limits based on technical analysis.

Customer-Based Solutions (cont'd)

- **Expedite the interconnection of systems that have zero, or positive, grid impacts:** Fast track interconnection of DG systems that do not export, provide ancillary services and shift exports to on-peak times.
- **Shift energy production to when it is needed most:** Implement time-of-use rates to incentivize “smart export” systems.
- **Plan the system with solar in mind:** Treat customer-sited distributed energy resources as load modifications and proactively plan for customer adoption.
- **Utilize fleet of existing rooftop systems to help manage the grid:** Allow onsite systems to participate in demand response programs.
- **Reduce incentives for utilities to sell more electricity:** Maintain utility revenue decoupling.
- **Reward utilities for responding to customer preferences:** Move to performance-based incentives for compensating the utilities.

Status of DGIP and Customer-Based Solutions

- Commission has opened dockets and received public comments.
- A suite of solutions is before the HPUC, allowing comprehensive consideration of these issues.
- TASC is open to expediting certain issues, but **false choices** between allowing customers to interconnect and continuing net metering must be ignored.

Mahalo

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