

MAR 12 2021

SENATE RESOLUTION

REQUESTING THAT THE PUBLIC UTILITIES COMMISSION DEVELOP AND
ADOPT RELIABILITY STANDARDS AND INTERCONNECTION
REQUIREMENTS TO FACILITATE THE TIMELY INTERCONNECTION OF
UTILITY-SCALE RENEWABLE ENERGY PROJECTS.

1 WHEREAS, accelerating the development of renewable energy
2 to reduce greenhouse gases is a high priority for the State, and
3 the Legislature has enacted numerous acts to achieve this
4 objective; and

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6 WHEREAS, Act 97, Session Laws of Hawaii 2015, established a
7 renewable energy portfolio standards target of one hundred
8 percent renewable electric energy by 2045; and

9
10 WHEREAS, Act 15, Session Laws of Hawaii 2018, established a
11 statewide zero emissions clean economy target to sequester
12 throughout the State more atmospheric carbon and greenhouse
13 gases than emitted, as quickly as practicable but no later than
14 2045; and

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16 WHEREAS, Act 23, Session Laws of Hawaii 2020, prohibited
17 the further use of coal in Hawaii for electricity production;
18 and

19
20 WHEREAS, the development and completion of renewable energy
21 projects is also a high priority for the State; and

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23 WHEREAS, the Public Utilities Commission has expressed
24 concerns regarding the significant delay in Hawaiian Electric
25 Company's bid solicitation for the phase 1 interconnection
26 process for utility-scale renewable energy; and

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28 WHEREAS, redoubled efforts will need to be made to avoid
29 similar delays in procurement for phase 2; and

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31 WHEREAS, for example, in a November 13, 2020, letter issued
32 to the parties in docket numbers 2015-0389, 2017-0352, and 2018-
33 0165, the Public Utilities Commission stated that the Public
34 Utilities Commission "is markedly concerned that Hawaiian



1 Electric [Company]'s interconnection processes and policies are
2 increasing development costs and extending renewable project
3 timelines"; and
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5 WHEREAS, in docket number 2018-0088, the Public Utilities
6 Commission issued order number 37507 on December 23, 2020,
7 indicating that the Public Utilities Commission was concerned
8 about interconnection delays and will implement a performance
9 incentive mechanism to encourage Hawaiian Electric Company to
10 accelerate the interconnection process; and
11

12 WHEREAS, order number 37507 also stated that "the scheduled
13 retirement of the AES Power Plant in 2022, as well as [Hawaiian
14 Electric Company, Inc.; Hawaii Electric Light Company, Inc.; and
15 Maui Electric Company, Limited's] proposal to delay
16 interconnecting several renewable energy and storage projects
17 recently approved by the [Public Utilities] Commission,
18 underscores the need for expeditiously securing alternative
19 sources of grid services to ensure that system needs are met";
20 and
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22 WHEREAS, during procurement phase 1, Hawaiian Electric
23 Company submitted the power purchase agreement applications for
24 the first seven of eight renewable energy projects to the Public
25 Utilities Commission for approval in December 2018, and then
26 submitted the power purchase agreement application for the
27 eighth renewable energy project in February 2019; and
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29 WHEREAS, however, Hawaiian Electric Company did not submit
30 the interconnection transmission line requests for approval
31 until several months later for five of these renewable energy
32 projects; and
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34 WHEREAS, there have been significant delays for Hawaiian
35 Electric Company to complete its interconnection process, making
36 it difficult to plan for the design and construction of utility-
37 scale renewable energy projects that require interconnection
38 with Hawaiian Electric Company's electric grid; and
39

40 WHEREAS, facilitating the timing of interconnection will:
41



- (1) Help to bring utility-scale renewable energy projects online sooner;
- (2) Decrease electricity rates for consumers by providing project developers with added certainty regarding project timelines to lower bid pricing;
- (3) Help to achieve the State's renewable portfolio standard goals in a timely manner; and
- (4) Help to reduce greenhouse gas emissions and mitigate the effects of climate change sooner; and

WHEREAS, on February 16, 2021, twenty-three months after the Public Utilities Commission approved the power purchase agreement in March 2019, Hawaiian Electric Company disclosed to the Public Utilities Commission that a Maui renewable project in procurement phase 1's guaranteed commercial operations date would be delayed by approximately twenty-seven months due to interconnection-related delays; and

WHEREAS, on February 26, 2021, the Public Utilities Commission expressed concerns:

- (1) Over Hawaiian Electric Company's utility-scale renewable energy project's guaranteed commercial operations, in addition to the delays for other procurement phase 1 projects;
- (2) That the delays in the project's guaranteed commercial operations would cost ratepayers significantly; and
- (3) That the project's guaranteed commercial operations are critical to the retirement of the Kahului Power Plant; and

WHEREAS, the Public Utilities Commission issued a letter dated March 9, 2021, regarding a Notice of Status Conference in a proceeding to Review Hawaiian Electric Company's Interconnection Process and Transition Plans for Retirement of Fossil Fuel Power Plants, in which the Public Utilities Commission stated that Hawaiian Electric Company "has provided inconsistent and



1 possibly conflicting assessments on system reliability between
2 prior status conferences on this matter, the 2021 Adequacy of
3 Supply report, and the Initial Update"; now, therefore,

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5 BE IT RESOLVED by the Senate of the Thirty-first
6 Legislature of the State of Hawaii, Regular Session of 2021,
7 that the Public Utilities Commission is requested to develop and
8 adopt, by rule or order, reliability standards and
9 interconnection requirements in accordance with section 269-142,
10 Hawaii Revised Statutes; and

11
12 BE IT FURTHER RESOLVED that the Public Utilities Commission
13 is requested to include in any interconnection procedures
14 established pursuant to this resolution requirements that the
15 electric public utilities:

- 16
17 (1) Complete the interconnection design;
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19 (2) Reach an agreement with the renewable energy project
20 developer; and
21
22 (3) File a request for interconnection or line extension
23 approval, if required;
24

25 provided that the Public Utilities Commission is requested to
26 require that the electric public utilities meet these
27 requirements as soon as practicable, but no later than two
28 hundred seventy days after the renewable energy project power
29 purchase agreement is filed with the Public Utilities Commission
30 for review and approval; provided further that the Public
31 Utilities Commission may require that the electric public
32 utility submit interim reports to the Public Utilities
33 Commission on the status of the electric public utility's
34 efforts to comply with the requirements of this clause both
35 ninety days and one hundred eighty days after the renewable
36 energy project power purchase agreement is filed with the Public
37 Utilities Commission for review and approval; and provided
38 further that if the electric public utility is unable to comply
39 with the requirements of this clause, the Public Utilities
40 Commission may require that the electric public utility report
41 in writing the reasons therefore to the Public Utilities



1 Commission within ten calendar days after the expiration of the
2 two hundred seventy-day period; and
3

4 BE IT FURTHER RESOLVED that if the electric public utility
5 fails to meet the requirements established by the Public
6 Utilities Commission pursuant to this resolution within the two
7 hundred seventy-day period, the Public Utilities Commission is
8 requested to require that the electric public utility forfeit
9 and return all moneys or other financial incentives that the
10 electric public utility has received as part of any performance
11 incentive mechanism program or similar incentive-based award
12 recognized by the Public Utilities Commission in connection with
13 the renewable energy project; provided that the Public Utilities
14 Commission is requested to submit a report to the Governor and
15 Legislature regarding any failure to meet the timing under this
16 clause by any electric public utility within thirty days of the
17 Public Utilities Commission receiving notice of this failure;
18 provided further that upon the filing of a request for
19 interconnection or line extension approval by an electric public
20 utility under this clause, the Public Utilities Commission is
21 requested to either approve or disapprove the request within one
22 hundred twenty days of the filing of the request; and provided
23 further that the Public Utilities Commission is requested to
24 require that all requests for interconnection or line extensions
25 apply only to utility-scale renewable energy projects that are
26 five megawatts in total output capacity or larger; and
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28 BE IT FURTHER RESOLVED that the Public Utilities Commission
29 is requested to contract with a person, business, or
30 organization, except for a public utility as defined under
31 Chapter 269, Hawaii Revised Statutes, that will serve as the
32 Hawaii electricity reliability administrator pursuant to section
33 269-147, Hawaii Revised Statutes; and
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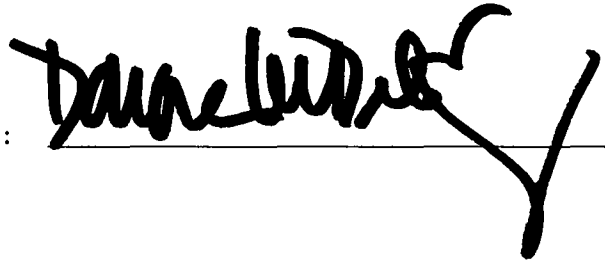
35 BE IT FURTHER RESOLVED that within thirty days of receipt
36 of the Hawaii electric reliability administrator's report
37 submitted to the Public Utilities Commission pursuant to section
38 269-149, Hawaii Revised Statutes, the Public Utilities
39 Commission is requested to submit to the Legislature the report
40 and the Public Utilities Commission's assessment of the status
41 and progress of the Hawaii electric reliability administrator in



1 achieving and accomplishing the objectives of Part IX of Chapter
2 269, Hawaii Revised Statutes; and
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4 BE IT FURTHER RESOLVED that certified copies of this
5 Resolution be transmitted to the Chairperson of the Public
6 Utilities Commission and the Hawaii Electric Reliability
7 Administrator.
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OFFERED BY:

A handwritten signature in black ink, appearing to read "Daniel L. Hironaka", is written over a horizontal line. The signature is stylized and cursive.