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August 5, 2019

Kevin Katsura
Manager, Regulatory Affairs
Hawaiian Electric Company, Inc.
P.O. Box 2750
Honolulu, Hawaii 96840-0001

Re: Docket No. 2018-0165 – Instituting a Proceeding to Investigate Integrated Grid Planning.

Dear Mr. Katsura,

The Public Utilities Commission ("Commission") is in receipt of the Hawaiian Electric Companies' Proposal for Review Points ("Proposal"), filed on July 31, 2019, in Docket No. 2018-0165. In the conclusion of the Proposal, "[t]he Companies respectfully request that feedback from the Commission and Consumer Advocate - especially input which may require course correction - be provided through the working groups." After review of Working Group materials and consultation with Commission staff, the Commission is concerned that the proposed IGP Soft Launch appears to have been significantly delayed and the Companies may be prematurely excluding non-wires alternative ("NWA") opportunities.

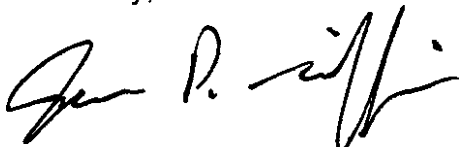
Specifically, the Companies appear to be delaying consideration of NWAs for the Ho'opili development until 2025 and currently plan to build a new substation. The Soft Launch is an opportunity to identify and test alternative sourcing methods for use during the IGP process; however, in this case, the Companies seem to have concluded that a traditional solution is necessary without the opportunity for market providers to offer an alternative solution.

This approach may be inconsistent with prior Commission guidance, most recently in the final decision and order approving, with conditions, the Ka'aahi substation (see Decision and Order No. 36288, in Docket No. 2018-0055, at 22-25). The Commission is concerned that, given the Companies' present trajectory, the Companies may intend to again implement a traditional wires solution without a complete consideration of potential alternatives.

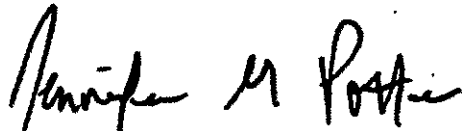
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The Commission would like to better understand the rationale for these decisions to determine if a course correction is necessary. The Commission agrees with the Companies that the Working Groups can be an efficient feedback mechanism and requests that the Companies include an agenda item for the next Working Group meeting, scheduled on August 8, 2019, for further review and discussion with the Commission on the Proposed Scope and Timeline of the Soft Launch RFP.

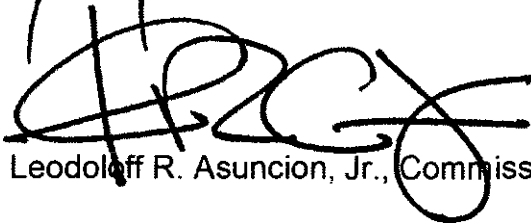
Sincerely,



James P. Griffin, Chair



Jennifer M. Potter, Commissioner



Leodoloff R. Asuncion, Jr., Commissioner

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