Small Project Tariff

CBRE Program – Technical Conference for Phase 2
Agenda

- Strategic Goals and Guiding Principles
- Proposed Tariff Rule 29
- Subscriber Perspective
- Subscriber Organization Perspective
- Other Policy Objectives
## CBRE Strategic Outcomes

<table>
<thead>
<tr>
<th>Action</th>
<th>Description</th>
</tr>
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<tbody>
<tr>
<td>Develop</td>
<td>Develop a robust CBRE market with competitive pricing</td>
</tr>
<tr>
<td>Expand</td>
<td>Expand Phase 2 to support shortfall in PSIP forecast</td>
</tr>
<tr>
<td>Promote</td>
<td>Promote objectives of Act 100 for diverse project sizes and business models</td>
</tr>
<tr>
<td>Provide</td>
<td>Provide renewable energy access options to LMI customers</td>
</tr>
<tr>
<td>Encourage</td>
<td>Encourage Phase 2 SO participation in future programs for grid services and NWAs</td>
</tr>
<tr>
<td>Speed</td>
<td>Speed market development and customer access to CBRE benefits</td>
</tr>
<tr>
<td>Address</td>
<td>Address near-term capacity needs associated with the retirement of certain fossil fuel plants</td>
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Guiding Principles

- Transparency, predictability and streamlining lowers costs to customers and fosters trust in the process.
- Community engagement is critical to achieving near-term and long-term project success.
- Coordination and collaboration of all parties is necessary to achieve successful and timely procurement.
- The cost-shift to non-CBRE customers should be minimized.
- There is no perfect answer, tradeoffs must be considered.
Proposed Tariff Rule 29

- Part I: Small Projects
- Part II: Mid-Tier and Large Projects
- Part III: LMI
Subscriber Perspective
Subscribers: Remove Barriers and Provide Access to Renewable Energy Resources

Removal of “No Disconnection Notices” Requirement

- Two-years for non-LMI
- Completely for LMI
Subscribers: Remove Barriers and Provide Access to Renewable Energy Resources

Reserve 40% of facility capacity for residential customers

Minimum of four subscribers

Remove barriers/provide access for residential customers

Attractive market for SOs with competitive pricing
Subscribers: Remove Barriers and Provide Access to Renewable Energy Resources

- Small Projects limited to proven technology
  - Photovoltaic and/or Storage
  - Wind Generation

Speed market development  
Open to more renewable technologies
Subscribers: Remove Barriers and Provide Access to Renewable Energy Resources

Lowering Barriers for Customers

- Potential for On-Bill Repayment
- Financing Options
Subscriber Organization Perspective
Subscriber Organizations: Reduce Costs

**Interconnection Process**

- Expedited Review\(^1\) for Small Projects
  - IRS complete in 90 days (down from 150 calendar days)
  - No IRS if the Facility is served by a dedicated service transformer and on a circuit with available hosting capacity
- Standardized Single Line Diagram (Interconnection Requirements)

\(^1\)CBRE projects on 4kV and 2.4 kV circuits, Molokai, Lanai are not eligible for expedited review.
Subscriber Organizations: Reduce Costs and Provide Economic Options

Non-Wires Alternatives and Grid Services

• Companies will make NWA opportunities publicly available (i.e., Company website or LVM)

Reduced application fees from $1,000 to $250
Subscriber Organizations:
Simplify Subscriber Management

- Removed partial transfers for Pay-Up-Front models
- Pay-As-You-Go is non-transferrable
- CBRE Portal now available to all Subscriber Organizations
Subscriber Organizations:
Provide Flexibility

- Escrow Account Options, approved by Independent Observer
- Enable Pay-As-You-Go and Pay-Up-Front models in the CBRE Portal
- Allows for many business models
Subscriber Organizations: Streamlining Administrative Processes

Faster Review Time:

- Combine initial application submission requirements and Rule 14H Completeness Review for Small Projects
Other Policy Objectives
Policy:
Project Viability, Speed to Market and Customer Access

Site Control with Application

- Documentation confirming legally enforceable rights to use and control the site
- Applicable Zoning
- Demonstrate binding commitment with the landowner
- Exceptions for government and public lands
Policy:
Project Viability, Speed to Market and Customer Access

Demonstrate Project Viability with Application

- Site Plan with interconnection point
- Construction Plan
- Commissioning Timeline
- Details of Major Equipment

Project Development Updates
Policy:
Project Viability, Speed to Market and Customer Access

- $75/kW deposit for small projects, refundable upon commercial operations
- Can be reduced or waived by the Independent Observer
Policy:
Project Viability, Speed to Market and Customer Access

Small Project Community Outreach Plan

• Community Outreach for small projects, between 100 kW and 250 kW
• Roadmap to guide SO as it works with communities and stakeholders
• Raise awareness and collect input for project
• Demonstrate transparency and willingness to engage in early community communication

Effort to build plan  
Attractive market and competitive pricing
Policy:

**Competitive Credit Rate Procurement (CCRP)**

- Post-Award queue taken from backup applications
- Capacity awardees must accept within 10 business days of notification
- Ties in ranking are broken by the application completeness timestamp
- SO submits lowest Discounted Credit Rate Bid in increments of 0.1 cents/kWh at application
Policy:
Phase 2 Encourages Energy Storage

No compensable curtailment, favorable curtailment treatment for small projects

- Seniority-based curtailment order
- Paid only for energy delivered to the grid

Encourages participation in incentivized grid services
Small Projects Q&A
Stakeholders
Mahalo for your time.

Any questions?
Community Based Renewable Energy (CBRE) Request for Proposals for Low- and Moderate-Income (LMI) Customers

Docket No. 2015-0389
Technical Status Conference
July 29, 2020
Agenda

- CBRE RFPs
- Order No. 37070 LMI RFP Guidance
- LMI RFPs
- Contracts
- Procurement Timeline
- Questions
CBRE RFPs

- Changes made from successful Stage 1 and Stage 2 RFPs
- Majority of the Phase 2 CBRE procurement through competitive bidding
  - Offerings across all five islands
  - LMI-specific RFPs on O‘ahu, Maui, and Hawai‘i Island
Order No. 37070 LMI RFP Guidance

- Target a minimum of 1 project per island, but PUC has discretion to approve more
- Use RDG PPA model
- LMI projects allowed to participate in future grid services programs, serve as NWA, and offer resilience benefits
- Companies may propose a utility solution if there are no successful competitive LMI RFP bids
Order No. 37070 LMI RFP Guidance

- LMI Definition: U.S. Department of Housing and Urban Development ("HUD") definition for income and household size eligibility
  - Readily accessible and widely used definition
  - The annual income limits, per county, are available on HUD’s website for public viewing

- 100% of the Project’s capacity shall be reserved for LMI subscribers
LMI Verification

- LMI eligibility verification checks to prevent gaming
- Pricing adjustment if LMI participation not met
- LMI Subscriber cannot be later disqualified if household size or income change
LMI RFP Specifications:
What is the same for all islands?

<table>
<thead>
<tr>
<th></th>
<th>O‘ahu / Maui / Hawai‘i</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Size</td>
<td>Uncapped up to Target</td>
</tr>
<tr>
<td>Technology</td>
<td>PV, Wind, Storage</td>
</tr>
<tr>
<td>Energy Storage</td>
<td>Optional</td>
</tr>
<tr>
<td>Guaranteed Commercial Operation Date</td>
<td>No date specified</td>
</tr>
<tr>
<td>Available Sites</td>
<td>Land RFI or Developer’s option</td>
</tr>
<tr>
<td>Proposal Variations</td>
<td>2</td>
</tr>
</tbody>
</table>
LMI RFP Specifications:
What is different across the islands?

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<tr>
<th></th>
<th>O‘ahu</th>
<th>Maui</th>
<th>Hawai‘i</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Proposal Fees</strong></td>
<td>$1,000-$5,000 depending on size</td>
<td>$1,000</td>
<td>$1,000</td>
</tr>
<tr>
<td><strong>Project Size</strong></td>
<td>Uncapped up to target</td>
<td>Uncapped, but limited by interconnection</td>
<td>Uncapped, but limited by interconnection</td>
</tr>
<tr>
<td><strong>Interconnection</strong></td>
<td>46kV and below (Uncapped size)</td>
<td>12kV and below (3MW or below)</td>
<td>12kV and below (3MW or below)</td>
</tr>
</tbody>
</table>
Available Sites

- Land RFI Issued June 15, 2020
  - Improve the likelihood for successful site discovery
  - Provide opportunities to build resilience through geographic diversification
  - Aid the economic recovery and the transition to clean energy
  - Expand scope to large rooftops and parking lots which are appropriate for CBRE

- Companies will share Land RFI info with developers who execute confidentiality agreements
Interconnection

- Proposed creative approach to Company-Owned Interconnection Costs for LMI RFP Projects
  - Companies take responsibility of costs and completion of Company-Owned interconnection work
  - Benefits
    - Removes developer uncertainty and risk of developer dropping out due to cost increases
    - Avoid delays due to negotiation on scope
    - Better Company control of interconnection design
## Summary of Changes to Evaluation Process

<table>
<thead>
<tr>
<th>Non-Price &amp; Price Weight</th>
<th>CBRE Program</th>
<th>Community Resilience</th>
</tr>
</thead>
<tbody>
<tr>
<td>CBRE RFPs</td>
<td>LMI Focus, Outreach, Retention</td>
<td>Location, Grid-forming, Black start</td>
</tr>
<tr>
<td>49/51 Split</td>
<td>N/A</td>
<td>Grid-forming, Black start</td>
</tr>
<tr>
<td>Stage 2 RFPs</td>
<td>40/60 Split</td>
<td></td>
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</table>

**CBRE RFPs**: 40/60 Split

**Stage 2 RFPs**: 40/60 Split

**Location, Grid-forming, Black start**
CBRE Program Evaluation Criteria

- Proposer will be required to submit a proposed plan
Proposed Location
- Grid needs: Refer to Grid Needs Assessment
- NWA
- Community resilience

Grid-forming and black start capability required for projects to support community resilience
Grid Needs Assessment and Solution Evaluation Methodology

- Grid Needs Assessment
  - Define the grid services
  - Identify grid service needs
  - Provide grid services value for bidders to structure their proposals

- Price and Detailed Evaluation
  - Potential benefit of the grid services
  - Expected ability of proposal to provide a service and the service value
  - Determine combined value of project portfolios
Contracts

- PV and Wind Model PPAs
  - Mid-Tier RDG PPA: 250 kW - 2.5MW (Maui and Hawai‘i islands), or 250 kW - 5MW (O‘ahu)
  - Large RDG PPA: Greater than 2.5MW (Maui and Hawai‘i islands), or 5MW (O‘ahu)
- No Commission review for projects using Mid-Tier RDG PPA
## Procurement Timeline

<table>
<thead>
<tr>
<th>Milestone</th>
<th>Schedule Dates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Draft RFP filed*</td>
<td>July 9, 2020</td>
</tr>
<tr>
<td>Technical Status Conference</td>
<td>July 29, 2020</td>
</tr>
<tr>
<td>Parties and Participants file Comments by</td>
<td>August 12, 2020</td>
</tr>
<tr>
<td>Proposed Final RFP filed</td>
<td>September 8, 2020</td>
</tr>
<tr>
<td>Final RFP is Issued</td>
<td>October 20, 2020</td>
</tr>
<tr>
<td>IPP and Affiliate Proposal Due Date</td>
<td>December 22, 2020</td>
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<tr>
<td>Selection of Priority List</td>
<td>March 5, 2021</td>
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<tr>
<td>BAFOs Due</td>
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<tr>
<td>Selection of Final Award Group</td>
<td>June 25, 2021</td>
</tr>
<tr>
<td>Contract Negotiations Start</td>
<td>July 6, 2021</td>
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*Maui LMI Draft RFP submitted as a representative of Maui, O‘ahu and Hawai‘i LMI RFPs.
Mahalo for your time.

Any questions?
Community Based Renewable Energy (CBRE) Request for Proposals for Molokaʻi and Lānaʻi

Docket No. 2015-0389
Technical Status Conference
July 29, 2020
Agenda

- Order No. 37070 Molokaʻi and Lānaʻi RFP Guidance
- Draft Lānaʻi CBRE RFP
- Molokaʻi and Lānaʻi RFP Requirements
- Contracts
- Procurement Timeline
- Questions
Order No. 37070 Moloka‘i and Lāna‘i Guidance

Moloka‘i and Lāna‘i specifically identified in Order No. 37070

- Special conditions due to the smaller size of the markets and electric grids
- Use RDG PPA model
- Encourage evaluation criteria to promote grid services, locational benefits, reliability, and resilience benefits
- Consider residential participation and LMI participation in non-price evaluation criteria
Draft Lānaʻi CBRE RFP

Combines the previously issued Variable Renewable Dispatchable Generation Paired with Energy Storage RFP and the CBRE RFP

♦ One project
♦ Reduces concurrent procurements for the Lānaʻi community
♦ Innovative approach in response to the Commission’s COVID-19 Emergency Order
♦ Offers predetermined site
♦ Updated Assumptions
♦ Accelerate achieving 100% RPS
## Molokaʻi and Lānaʻi RFP Requirements

<table>
<thead>
<tr>
<th></th>
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<th>Lānaʻi</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Variable Renewable Dispatchable Generation Target</strong></td>
<td>Up to 2.75 MW (each project must be 250 kW or larger)*</td>
<td>17.5 MW (35,800 MWh annually)</td>
</tr>
<tr>
<td><strong>CBRE Participation</strong></td>
<td>Entire 2.75 MW will be reserved for CBRE</td>
<td>3 MW will be reserved for CBRE</td>
</tr>
<tr>
<td><strong>Technology</strong></td>
<td>PV + Storage</td>
<td>PV + Storage</td>
</tr>
<tr>
<td><strong>Energy Storage requirement</strong></td>
<td>Minimum of 4 continuous hours</td>
<td>17.5 MW for 4 continuous hours</td>
</tr>
</tbody>
</table>

*Seeking feedback from Molokaʻi community if capacity should be reserved for small projects.*
# Moloka‘i and Lāna‘i RFP Requirements

<table>
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<tr>
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<th>Lāna‘i</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Guaranteed Commercial Operation Date</strong></td>
<td>12/31/2025</td>
<td>12/31/2024</td>
</tr>
<tr>
<td><strong>Available Sites</strong></td>
<td>Land RFI or Developer’s option</td>
<td>Pūlama Lāna‘i-owned site</td>
</tr>
<tr>
<td><strong>Interconnection</strong></td>
<td>12 kV and below (3MW or below)</td>
<td>Miki Basin switchyard</td>
</tr>
<tr>
<td><strong>Grid Services</strong></td>
<td>Grid-forming and black start required for Projects larger than 1 MW</td>
<td>Grid-forming and black start required</td>
</tr>
</tbody>
</table>
## Molokaʻi and Lānaʻi RFP Requirements

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<th>Lānaʻi</th>
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<tbody>
<tr>
<td>Proposal Variations</td>
<td>Up to 2 allowed</td>
<td>1 proposal only</td>
</tr>
<tr>
<td>Proposal Fee</td>
<td>$2,000</td>
<td>$5,000</td>
</tr>
<tr>
<td>Community Outreach</td>
<td>Virtual meetings held on July 16 and July 22</td>
<td></td>
</tr>
<tr>
<td>Self-Build Options and Affiliate Participation</td>
<td>Allowed</td>
<td></td>
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</table>
Summary of Changes to Evaluation Process

**Non-Price & Price Weight**
- CBRE RFPs: 49/51 Split
- Stage 2 RFPs: 40/60 Split

**Residential Participation**
- 40% Residential
- N/A

**CBRE Program**
- LMI Focus
- N/A

**Community Resilience**
- Location & Grid Services
- Grid Forming, Black Start
Residential Participation Non-Price Criteria

♦ Proposers must reserve a minimum 40% of its capacity for residential Subscribers
  ▪ For Lāna‘i, 40% of the 3 MW CBRE portion must be reserved
♦ Projects will be evaluated on their commitment to residential subscriber participation including:
  ▪ Commitment to a larger residential Subscriber portion
  ▪ Reserved capacity for LMI customers
CBRE Program Non-Price Criteria

- Proposer will be required to submit a proposed plan
Proposals will be evaluated on:

- Proposed Location:
  - Community resilience
- Grid-forming and black start capability
- This criteria is double weighted

Proposals will not be evaluated for this criteria.
- Predetermined site
- Grid-forming and black start capacities required
Grid Needs Assessment and Solution Evaluation Methodology (Moloka‘i only)

- Price and Detailed Evaluation
  - Potential benefit of the grid services
  - Expected ability of the proposal to provide a service and the service value.
  - Determine combined value of project portfolios
Contracts

**Moloka’i**
- Model PV Mid-Tier RDG PPA
  - 250 kW to 2.5 MW
  - PUC Approval not required
- Model PV Large RDG PPA
  - Greater than 2.5 MW
  - PUC Approval required

**Lānaʻi**
- Lānaʻi RDG PPA
  - PV + Storage only
  - PUC Approval required
## Procurement Timeline

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