

Ho‘āhu Energy Cooperative Molokai
1120 Kamehameha V Hwy
Kaunakakai, HI 96748

January 6, 2021

The Honorable Chair and Members of the Hawai‘i Public Utilities Commission
Kekuanao‘a Building, First Floor
465 South King St
Honolulu, HI 96813

RE: Docket No. 2015-0389 — Ho‘āhu Energy Cooperative Molokai (formerly known as Molokai Renewable Energy Cooperative) Letter Regarding Hawaiian Electric’s Self-Build Team and the Request for Proposals for Community-Based Renewable Energy Projects

Dear Commissioners:

Ho‘āhu Energy Cooperative Molokai (“HECM”), formerly known as Molokai Renewable Energy Cooperative¹, is composed of community members who have been working towards energy independence on Molokai for several years. We are preparing to submit a bid for the upcoming CBRE Phase II RFP on Molokai. As expressed in our December 9, 2020 letter filed with the PUC, we are concerned that Hawaiian Electric’s Self-Build Team is poisoning the process of implementing a CBRE project under this RFP. In consideration of the events and issues described below, HECM requests that the PUC bar the Self-Build Team from competing in the RFP process.

Hawaiian Electric’s Self-Build Team requested a meeting for December 7, 2020 at 1 PM with our Board President, Todd Yamashita, and our Board Vice-President, Lori Buchanan. When they attended this meeting, the Self-Build Team requested that the meeting remain confidential, except for disclosures to HECM’s full board of the terms of the meeting for their consideration.

Prior to our delivering a response to the Self-Build Team based on the discussions in the first meeting, we received a request from them for a second meeting that was held on December 18, 2020 at 2 PM. At this meeting, the Self-Build Team did not request confidentiality; instead, they asked if they could record the meeting and did not ask to limit the sharing of the contents of that meeting or of their recording of the meeting.²

At the December 18th meeting, the Self-Build Team reiterated potential options, as they stated at the December 7th meeting, for us to work with them:

1. We could partner and submit a proposal for the RFP together;

¹ Molokai Renewable Energy Cooperative formally incorporated as a cooperative in the State of Hawaii in 2020 under the name of Ho‘āhu Energy Cooperative Molokai.

² Unless the Self-Build Team waives their request for confidentiality of the December 7th meeting, we will disclose only those items discussed at the December 7th confidential meeting that were also discussed at the non-confidential December 18th meeting.

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2. If they were to secure the bid on their own, they could potentially sell the project to us after a certain number of years;
3. Some other mutually agreeable opportunity.

The Self-Build Team then informed us that they were withdrawing their offer to submit a combined proposal in light of our letter filed with the PUC dated December 9th, RE: Docket No. 2015-0389 — Molokai Renewable Energy Cooperative Request to bar Hawaiian Electric’s Self-Build Team from Participation in and Request for Other Modifications to Draft Request for Proposals for Community-Based Renewable Energy Projects. They expressed concern that their original proposal could be seen as squashing competition and as improper business conduct. After we asked for some clarification on their other proposals, we thanked them for informing us of their decision to withdraw their original offer, and we concluded the meeting.

In light of these developments, we again request that the PUC bar the participation of the Self-Build Team in the RFP process for the Community Based Renewable Energy program. The Self-Build Team should have been aware from the start that reaching out to HECM and proposing a partnership is anticompetitive behavior. As the only other entity on record pursuing a proposal under this RFP for the island of Molokai, the Self-Build Team should never have crossed that line. We had already developed criteria for the developer we hoped to choose, had conducted in-depth inquiries and interviews of potential developers, had winnowed down the field to two prime developer candidates, and were in the end stages of making our selection. Hawaiian Electric’s Self-Build Team engaged in improper and anticompetitive behavior when they sought to broker some sort of deal with the only other public competitor in this RFP process.

In addition and of critical importance, Hawaiian Electric’s decision to put a bid in under this RFP has dealt a major blow to our developer-selection process. On December 15th, one of our two final candidates withdrew, citing the Self-Build Team’s participation as the reason for their withdrawal. This publicly-traded developer with a record of accomplishment and extensive experience indicated that they would not participate in an RFP process that allowed the Self-Build Team to compete, referencing their belief that no developer could put forward a successful bid against the utility.

This is precisely the concern that the PUC expressed in its November 19th letter: the possibility of third-party developers foregoing bidding due to the utility Self-Build Team’s unfair advantages. And that is exactly what has happened—a well-qualified and experienced developer who was fully committed to participating in this RFP pulled out of consideration because there was no viable path to success with the Self-Build Team also applying for the same project.

Considering the Self-Build Team’s discouragement of competition, as outlined in this letter, and repeated violations of the Code of Conduct, we respectfully request that the PUC preclude Hawaiian Electric’s Self-Build Team be from bidding on this project.

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/s/ Todd Yamashita

Todd Yamashita
President, Ho‘āhu Energy Cooperative Molokai

/s/ Lori Buchanan

Lori Buchanan
Vice-President, Ho‘āhu Energy Cooperative Molokai

/s/ Christopher O’Brien

Christopher O’Brien
Treasurer, Ho‘āhu Energy Cooperative Molokai

/s/ Sequoya

Sequoya
Secretary, Ho‘āhu Energy Cooperative Molokai

/s/ Makena Fernandez

Makena Fernandez
Board Member, Ho‘āhu Energy Cooperative Molokai

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