

MAR 12 2021

SENATE CONCURRENT 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

5
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

15
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

22
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

27
28 WHEREAS, redoubled efforts will need to be made to avoid
29 similar delays in procurement for phase 2; and
30



1 WHEREAS, for example, in a November 13, 2020, letter issued
2 to the parties in docket numbers 2015-0389, 2017-0352, and 2018-
3 0165, the Public Utilities Commission stated that the Public
4 Utilities Commission "is markedly concerned that Hawaiian
5 Electric [Company]'s interconnection processes and policies are
6 increasing development costs and extending renewable project
7 timelines"; and

8
9 WHEREAS, in docket number 2018-0088, the Public Utilities
10 Commission issued order number 37507 on December 23, 2020,
11 indicating that the Public Utilities Commission was concerned
12 about interconnection delays and will implement a performance
13 incentive mechanism to encourage Hawaiian Electric Company to
14 accelerate the interconnection process; and

15
16 WHEREAS, order number 37507 also stated that "the scheduled
17 retirement of the AES Power Plant in 2022, as well as [Hawaiian
18 Electric Company, Inc.; Hawaii Electric Light Company, Inc.; and
19 Maui Electric Company, Limited's] proposal to delay
20 interconnecting several renewable energy and storage projects
21 recently approved by the [Public Utilities] Commission,
22 underscores the need for expeditiously securing alternative
23 sources of grid services to ensure that system needs are met";
24 and

25
26 WHEREAS, during procurement phase 1, Hawaiian Electric
27 Company submitted the power purchase agreement applications for
28 the first seven of eight renewable energy projects to the Public
29 Utilities Commission for approval in December 2018, and then
30 submitted the power purchase agreement application for the
31 eighth renewable energy project in February 2019; and

32
33 WHEREAS, however, Hawaiian Electric Company did not submit
34 the interconnection transmission line requests for approval
35 until several months later for five of these renewable energy
36 projects; and

37
38 WHEREAS, there have been significant delays for Hawaiian
39 Electric Company to complete its interconnection process, making
40 it difficult to plan for the design and construction of utility-
41 scale renewable energy projects that require interconnection
42 with Hawaiian Electric Company's electric grid; and



1 WHEREAS, facilitating the timing of interconnection will:

- 2
- 3 (1) Help to bring utility-scale renewable energy projects
4 online sooner;
- 5
- 6 (2) Decrease electricity rates for consumers by providing
7 project developers with added certainty regarding
8 project timelines to lower bid pricing;
- 9
- 10 (3) Help to achieve the State's renewable portfolio
11 standard goals in a timely manner; and
- 12
- 13 (4) Help to reduce greenhouse gas emissions and mitigate
14 the effects of climate change sooner; and
- 15

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

23

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

26

- 27 (1) Over Hawaiian Electric Company's utility-scale
28 renewable energy project's guaranteed commercial
29 operations, in addition to the delays for other
30 procurement phase 1 projects;
- 31
- 32 (2) That the delays in the project's guaranteed commercial
33 operations would cost ratepayers significantly; and
- 34
- 35 (3) That the project's guaranteed commercial operations
36 are critical to the retirement of the Kahului Power
37 Plant; and
- 38

39 WHEREAS, the Public Utilities Commission issued a letter
40 dated Mach 9, 2021, regarding a Notice of Status Conference in a
41 proceeding to Review Hawaiian Electric Company's Interconnection
42 Process and Transition Plans for Retirement of Fossil Fuel Power



1 Plants, in which the Public Utilities Commission stated that
2 Hawaiian Electric Company "has provided inconsistent and
3 possibly conflicting assessments on system reliability between
4 prior status conferences on this matter, the 2021 Adequacy of
5 Supply report, and the Initial Update"; now, therefore,

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

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

- 18
19 (1) Complete the interconnection design;
20
21 (2) Reach an agreement with the renewable energy project
22 developer; and
23
24 (3) File a request for interconnection or line extension
25 approval, if required;
26

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



1 in writing the reasons therefore to the Public Utilities
2 Commission within ten calendar days after the expiration of the
3 two hundred seventy-day period; and
4

5 BE IT FURTHER RESOLVED that if the electric public utility
6 fails to meet the requirements established by the Public
7 Utilities Commission pursuant to this resolution within the two
8 hundred seventy-day period, the Public Utilities Commission is
9 requested to require that the electric public utility forfeit
10 and return all moneys or other financial incentives that the
11 electric public utility has received as part of any performance
12 incentive mechanism program or similar incentive-based award
13 recognized by the Public Utilities Commission in connection with
14 the renewable energy project; provided that the Public Utilities
15 Commission is requested to submit a report to the Governor and
16 Legislature regarding any failure to meet the timing under this
17 clause by any electric public utility within thirty days of the
18 Public Utilities Commission receiving notice of this failure;
19 provided further that upon the filing of a request for
20 interconnection or line extension approval by an electric public
21 utility under this clause, the Public Utilities Commission is
22 requested to either approve or disapprove the request within one
23 hundred twenty days of the filing of the request; and provided
24 further that the Public Utilities Commission is requested to
25 require that all requests for interconnection or line extensions
26 apply only to utility-scale renewable energy projects that are
27 five megawatts in total output capacity or larger; and
28

29 BE IT FURTHER RESOLVED that the Public Utilities Commission
30 is requested to contract with a person, business, or
31 organization, except for a public utility as defined under
32 Chapter 269, Hawaii Revised Statutes, that will serve as the
33 Hawaii electricity reliability administrator pursuant to section
34 269-147, Hawaii Revised Statutes; and
35

36 BE IT FURTHER RESOLVED that within thirty days of receipt
37 of the Hawaii electric reliability administrator's report
38 submitted to the Public Utilities Commission pursuant to section
39 269-149, Hawaii Revised Statutes, the Public Utilities
40 Commission is requested to submit to the Legislature the report
41 and the Public Utilities Commission's assessment of the status
42 and progress of the Hawaii electric reliability administrator in



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1 achieving and accomplishing the objectives of Part IX of Chapter
2 269, Hawaii Revised Statutes; and

3
4 BE IT FURTHER RESOLVED that certified copies of this
5 Concurrent Resolution be transmitted to the Chairperson of the
6 Public Utilities Commission and the Hawaii Electric Reliability
7 Administrator.

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9
10 OFFERED BY: 

