
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
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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
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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, Hawaiian Electric Company, however, 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, on February 16, 2021, twenty-three months after
39 the Public Utilities Commission approved the power purchase
40 agreement in March 2019, Hawaiian Electric Company disclosed to
41 the Public Utilities Commission that a Maui renewable project's
42 (in procurement phase 1) guaranteed commercial operations date



1 would be delayed by approximately twenty-seven months due to
2 interconnection-related delays; and
3

4 WHEREAS, on February 26, 2021, the Public Utilities
5 Commission expressed concerns:
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- 7 (1) Over Hawaiian Electric Company's utility-scale
8 renewable energy project's guaranteed commercial
9 operations, in addition to the delays for other
10 procurement phase 1 projects;
11
12 (2) That the delays in the project's guaranteed commercial
13 operations would result in significant cost to
14 ratepayers; and
15
16 (3) That the project's guaranteed commercial operations
17 are critical to the retirement of the Kahului Power
18 Plant; and
19

20 WHEREAS, the Public Utilities Commission issued a letter
21 dated March 9, 2021, regarding a Notice of Status Conference in
22 a proceeding to Review Hawaiian Electric Company's
23 Interconnection Process and Transition Plans for Retirement of
24 Fossil Fuel Power Plants, in which the Public Utilities
25 Commission stated that Hawaiian Electric Company "has provided
26 inconsistent and possibly conflicting assessments on system
27 reliability between prior status conferences on this matter, the
28 2021 Adequacy of Supply report, and the Initial Update"; and
29

30 WHEREAS, there have been significant delays for Hawaiian
31 Electric Company to complete its interconnection process, making
32 it difficult to plan for the design and construction of utility-
33 scale renewable energy projects that require interconnection
34 with Hawaiian Electric Company's electric grid; and
35

36 WHEREAS, facilitating the timing of interconnection will:
37

- 38 (1) Help to bring utility-scale renewable energy projects
39 online sooner;
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1 (2) Decrease electricity rates for consumers by providing
2 project developers with added certainty regarding
3 project timelines to lower bid pricing;
4

5 (3) Help to achieve the State's renewable portfolio
6 standard goals in a timely manner; and
7

8 (4) Help to reduce greenhouse gas emissions and mitigate
9 the effects of climate change sooner; now, therefore,
10

11 BE IT RESOLVED by the Senate of the Thirty-first
12 Legislature of the State of Hawaii, Regular Session of 2021, the
13 House of Representatives concurring, that the Public Utilities
14 Commission is requested to develop and adopt, by rule or order,
15 reliability standards and interconnection requirements in
16 accordance with section 269-142, Hawaii Revised Statutes; and
17

18 BE IT FURTHER RESOLVED that the Public Utilities Commission
19 is requested to include in any interconnection procedures
20 established pursuant to this resolution that the electric public
21 utilities:
22

23 (1) Complete the interconnection design;
24

25 (2) Reach an agreement with the renewable energy project
26 developer; and
27

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



1 with the Public Utilities Commission for review and approval;
2 and provided further that if the electric public utility is
3 unable to comply with the procedures established pursuant to
4 this resolution, the Public Utilities Commission may require
5 that the electric public utility report in writing the reasons
6 therefore to the Public Utilities Commission within ten calendar
7 days after the expiration of the two hundred seventy-day period;
8 and
9

10 BE IT FURTHER RESOLVED that if the electric public utility
11 fails to meet the requirements established by the Public
12 Utilities Commission pursuant to this resolution within the two
13 hundred seventy-day period, the Public Utilities Commission is
14 requested to require that the electric public utility forfeit
15 and return all monies or other financial incentives that the
16 electric public utility has received as part of any performance
17 incentive mechanism program or similar incentive-based award
18 recognized by the Public Utilities Commission in connection with
19 the renewable energy project; provided that the Public Utilities
20 Commission is requested to submit a report to the Governor and
21 Legislature regarding any failure to meet the timing under this
22 resolution by any electric public utility within thirty days of
23 the Public Utilities Commission receiving notice of this
24 failure; provided further that upon the filing of a request for
25 interconnection or line extension approval by an electric public
26 utility under this resolution, the Public Utilities Commission
27 is requested to either approve or disapprove the request within
28 one hundred twenty days of the filing of the request; and
29 provided further that the Public Utilities Commission is
30 requested to require that all requests for interconnection or
31 line extensions apply only to utility-scale renewable energy
32 projects that are five megawatts in total output capacity or
33 larger; and
34

35 BE IT FURTHER RESOLVED that the Public Utilities Commission
36 is requested to contract with a person, business, or
37 organization, except for a public utility as defined under
38 Chapter 269, Hawaii Revised Statutes, to serve as the Hawaii
39 Electricity Reliability Administrator pursuant to section 269-
40 147, Hawaii Revised Statutes; and
41



1 BE IT FURTHER RESOLVED that within thirty days of receipt
2 of the Hawaii Electric Reliability Administrator's report
3 submitted to the Public Utilities Commission pursuant to section
4 269-149, Hawaii Revised Statutes, the Public Utilities
5 Commission is requested to submit to the Legislature the report
6 and the Public Utilities Commission's assessment of the status
7 and progress of the Hawaii Electric Reliability Administrator in
8 achieving and accomplishing the objectives of Part IX of Chapter
9 269, Hawaii Revised Statutes; and

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11 BE IT FURTHER RESOLVED that the Public Utilities Commission
12 is requested to submit a report to the Legislature, no later
13 than thirty days prior to the convening of the Regular Session
14 of 2022, to include:

- 15
16 (1) Findings, updates, and recommendations following the
17 Commission's April 2021 status conference addressing
18 circumstances specific to Maui;
19
20 (2) Recommendations and proposed legislation amending
21 section 269-146, Hawaii Revised Statutes, to ensure
22 that the Commission has discretion in determining how
23 the Hawaii electricity reliability surcharge should be
24 assessed to reduce potential risks to ratepayers and
25 that customers are not forced to bear the cost burden
26 for the establishment of the Hawaii Electricity
27 Reliability Administrator;
28
29 (3) Findings and updates from the Governor's task force
30 addressing the retirement of the AES Coal Plant by
31 2022 and any Commission updates or insights in
32 response thereto; and
33
34 (4) Further recommendations, including any proposed
35 legislation, concerning any of the foregoing; and
36

37 BE IT FURTHER RESOLVED that certified copies of this
38 Concurrent Resolution be transmitted to the Chairperson of the
39 Public Utilities Commission and the Hawaii Electric Reliability
40 Administrator.

