
SENATE 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

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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

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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

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16 WHEREAS, Act 23, Session Laws of Hawaii 2020, prohibited
17 the further use of coal in Hawaii for electricity production;
18 and

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20 WHEREAS, the development and completion of renewable energy
21 projects is also a high priority for the State; and

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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

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

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31 WHEREAS, for example, in a November 13, 2020, letter issued
32 to the parties in docket numbers 2015-0389, 2017-0352, and 2018-



1 0165, the Public Utilities Commission stated that the Public
2 Utilities Commission "is markedly concerned that Hawaiian
3 Electric [Company]'s interconnection processes and policies are
4 increasing development costs and extending renewable project
5 timelines"; and
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7 WHEREAS, in docket number 2018-0088, the Public Utilities
8 Commission issued order number 37507 on December 23, 2020,
9 indicating that the Public Utilities Commission was concerned
10 about interconnection delays and will implement a performance
11 incentive mechanism to encourage Hawaiian Electric Company to
12 accelerate the interconnection process; and
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14 WHEREAS, order number 37507 also stated that "the scheduled
15 retirement of the AES Power Plant in 2022, as well as [Hawaiian
16 Electric Company, Inc.; Hawaii Electric Light Company, Inc.; and
17 Maui Electric Company, Limited's] proposal to delay
18 interconnecting several renewable energy and storage projects
19 recently approved by the [Public Utilities] Commission,
20 underscores the need for expeditiously securing alternative
21 sources of grid services to ensure that system needs are met";
22 and
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24 WHEREAS, during procurement phase 1, Hawaiian Electric
25 Company submitted the power purchase agreement applications for
26 the first seven of eight renewable energy projects to the Public
27 Utilities Commission for approval in December 2018, and then
28 submitted the power purchase agreement application for the
29 eighth renewable energy project in February 2019; and
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31 WHEREAS, Hawaiian Electric Company, however, did not submit
32 the interconnection transmission line requests for approval
33 until several months later for five of these renewable energy
34 projects; and
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36 WHEREAS, on February 16, 2021, twenty-three months after
37 the Public Utilities Commission approved the power purchase
38 agreement in March 2019, Hawaiian Electric Company disclosed to
39 the Public Utilities Commission that a Maui renewable project's
40 (in procurement phase 1) guaranteed commercial operations date
41 would be delayed by approximately twenty-seven months due to
42 interconnection-related delays; and



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

- (1) Over Hawaiian Electric Company's utility-scale renewable energy project's guaranteed commercial operations, in addition to the delays for other procurement phase 1 projects;
- (2) That the delays in the project's guaranteed commercial operations would result in significant cost to ratepayers; and
- (3) That the project's guaranteed commercial operations are critical to the retirement of the Kahului Power Plant; and

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

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

WHEREAS, facilitating the timing of interconnection will:

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



- 1 (3) Help to achieve the State's renewable portfolio
- 2 standard goals in a timely manner; and
- 3
- 4 (4) Help to reduce greenhouse gas emissions and mitigate
- 5 the effects of climate change sooner; now, therefore,
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7 BE IT RESOLVED by the Senate of the Thirty-first
 8 Legislature of the State of Hawaii, Regular Session of 2021,
 9 that the Public Utilities Commission is requested to develop and
 10 adopt, by rule or order, reliability standards and
 11 interconnection requirements in accordance with section 269-142,
 12 Hawaii Revised Statutes; and

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 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 that the electric public
 17 utilities:

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- 19 (1) Complete the interconnection design;
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- 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;
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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 Public Utilities Commission's
 37 requirements both ninety days and one hundred eighty days after
 38 the renewable energy project power purchase agreement is filed
 39 with the Public Utilities Commission for review and approval;
 40 and provided further that if the electric public utility is
 41 unable to comply with the procedures established pursuant to
 42 this resolution, the Public Utilities Commission may require



1 that the electric public utility report in writing the reasons
2 therefore to the Public Utilities Commission within ten calendar
3 days after the expiration of the two hundred seventy-day period;
4 and
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6 BE IT FURTHER RESOLVED that if the electric public utility
7 fails to meet the requirements established by the Public
8 Utilities Commission pursuant to this resolution within the two
9 hundred seventy-day period, the Public Utilities Commission is
10 requested to require that the electric public utility forfeit
11 and return all monies or other financial incentives that the
12 electric public utility has received as part of any performance
13 incentive mechanism program or similar incentive-based award
14 recognized by the Public Utilities Commission in connection with
15 the renewable energy project; provided that the Public Utilities
16 Commission is requested to submit a report to the Governor and
17 Legislature regarding any failure to meet the timing under this
18 resolution by any electric public utility within thirty days of
19 the Public Utilities Commission receiving notice of this
20 failure; provided further that upon the filing of a request for
21 interconnection or line extension approval by an electric public
22 utility under this resolution, the Public Utilities Commission
23 is requested to either approve or disapprove the request within
24 one hundred twenty days of the filing of the request; and
25 provided further that the Public Utilities Commission is
26 requested to require that all requests for interconnection or
27 line extensions apply only to utility-scale renewable energy
28 projects that are five megawatts in total output capacity or
29 larger; and
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31 BE IT FURTHER RESOLVED that the Public Utilities Commission
32 is requested to contract with a person, business, or
33 organization, except for a public utility as defined under
34 Chapter 269, Hawaii Revised Statutes, to serve as the Hawaii
35 Electricity Reliability Administrator pursuant to section 269-
36 147, Hawaii Revised Statutes; and
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38 BE IT FURTHER RESOLVED that within thirty days of receipt
39 of the Hawaii Electric Reliability Administrator's report
40 submitted to the Public Utilities Commission pursuant to section
41 269-149, Hawaii Revised Statutes, the Public Utilities
42 Commission is requested to submit to the Legislature the report



1 and the Public Utilities Commission's assessment of the status
2 and progress of the Hawaii Electric Reliability Administrator in
3 achieving and accomplishing the objectives of Part IX of Chapter
4 269, Hawaii Revised Statutes; and

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6 BE IT FURTHER RESOLVED that the Public Utilities Commission
7 is requested to submit a report to the Legislature, no later
8 than thirty days prior to the convening of the Regular Session
9 of 2022, to include:

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

