JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LT. GOVERNOR

LEODOLOFF R. ASUNCION, JR.
CHAIR

NAOMI U. KUWAYE
COMMISSIONER

COLIN A. YOST
COMMISSIONER

DEPT. COMM. NO. 323

STATE OF HAWAII
PUBLIC UTILITIES COMMISSION

465 S. KING STREET, #103
HONOLULU, HAWAII 96813

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January 5, 2023

The Honorable Ronald D. Kouchi,
President
and Members of the Senate
Thirty-second State Legislature
State Capitol, Room 409
Honolulu, Hawaii 96813

The Honorable Scott K. Saiki, Speaker
and Members of the House of
Representatives
Thirty-second State Legislature
State Capitol, Room 431
Honolulu, Hawaii 96813

Dear President Kouchi, Speaker Saiki, and Members of the Legislature:

For your information and consideration, I am transmitting a copy of the **Public Utilities Commission Annual Report for Fiscal Year 2022 as required by HRS §269-5 and §269-33(c).**

In accordance with Section 93-16, Hawaii Revised Statutes, I am also informing you that the report may be viewed electronically at https://puc.hawaii.gov/reports/.

Sincerely,

Leodoloff R. Asuncion
Chair

Enclosures

STATE OF HAWAII
PUBLIC UTILITIES COMMISSION

ANNUAL REPORT

FOR

FISCAL YEAR 2022

(July 1, 2021 – June 30, 2022)

JANUARY 2023

Message from the Chair

The State of Hawaii is a national leader in the clean energy movement and the bulk of our work continues to support the State's transition to a 100% renewable energy future. This fiscal year, we continued to take a holistic and long-term approach to energy regulation that promotes the creation of a reliable and sustainable renewable energy landscape.

As the State strives to hit its next Renewable Portfolio Standard milestone of 40% renewable by 2030, we are focused on bringing new renewable energy resources online quickly to replace the capacity that is taken offline as fossil fuel plants retire.

We're directing the electric utilities to plan our electric grids for the future so that they are resilient and reliable. This modern grid will integrate new distributed energy resources technology, allowing for smarter usage of our precious energy sources. These advanced systems will enable new time-of-use tariffs that set the price for electricity based on when it is used.

We're committed to an equitable renewable energy transition that is accessible to all ratepayers by continuing to encourage energy efficiency measures and implementing policies that equally distribute the benefits and burdens of energy infrastructure.

We've added more performance mechanisms to incentivize improved service reliability, interconnection of grid-scale renewable energy projects and cost containing measures. This is part of a new groundbreaking regulatory framework approved last fiscal year to align Hawaiian Electric's financial incentives with customer needs and state policy goals.

I also want to highlight some achievements not covered by this annual report.

Many members of PUC staff continue to serve on various committees including mandated legislative working groups and continue to be leaders and contributing members in the National Association of Regulatory Utility Commissioners, the Hawaii Energy Hui, Women in Renewable Energy, and other organizations at the national, state and local community levels. Staff participation in these groups support the Commission's mission and its objectives and in turn, further state policy goals.

Commissioner Jennifer Potter, who left the Commission after the close of the fiscal year, led the Western Conference of Public Service Commissioners as President and shared insight and knowledge with other states facing similar regulatory issues. We also hosted in Hawaii the Conference's first in-person annual meeting since 2019, showcasing how other states' utility regulatory agencies can learn from our progress.

The past two fiscal years, I had the privilege of serving as the President of the American Planning Association supporting equitable, thriving communities adapt to the needs our rapidly changing world.

I am proud of the work we have done this year and continue to do in ensuring all our regulated utilities deliver essential service to consumers in a safe, reliable, economical, and environmentally sound manner.

Please take a moment to read our executive summary highlighting our achievements and progress towards a 100% renewable future. More information about the work we're doing in all regulated industries is in our full report.

Sincerely,

Leodoloff R. Asuncion, Jr.
Chair, Public Utilities Commission

Executive Summary

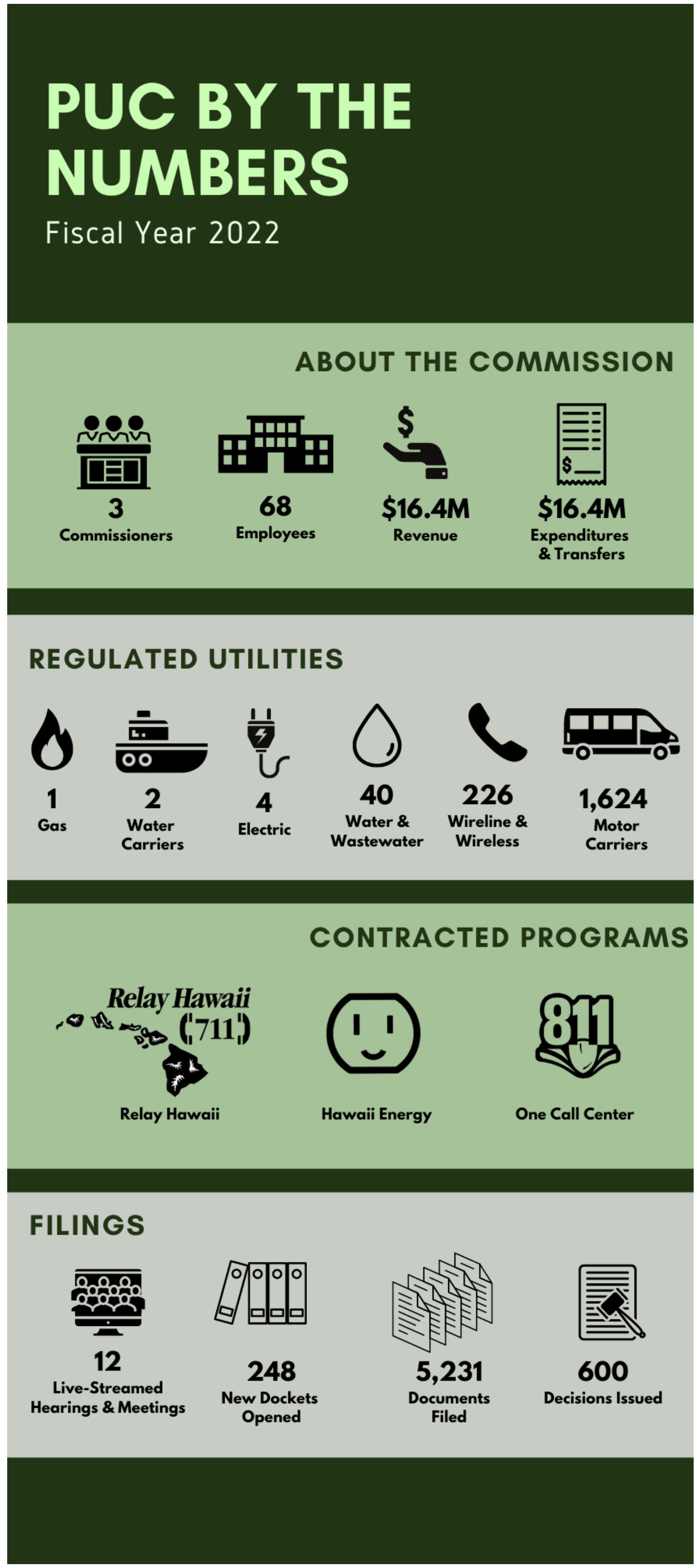
Administrative
The Commission's administrative focus in Fiscal Year ("FY") 2022 was to recover from effects of the COVID-19 pandemic, implementing its strategic plan and developing the new Case and Document Management System. See page 4.

Special Fund
The Commission is special funded largely from fees collected from its regulated entities. In FY 2022, the Commission collected $16.4 million in revenue, expended $9 million, and transferred $7.4 million to other state agencies and the general fund. See page 77.

Enforcement
As the economy recovered from COVID-19 and motor carrier activities resumed in FY 2022, the Commission increased enforcement activities to pre-pandemic levels. The Commission also debuted a new "Report a Motor Carrier Violation" form allowing members of the public to submit anonymous tips to our investigative team. See page 70.

Docket Proceedings
In FY 2022, 248 new dockets were opened with 144 dockets carried over from previous years. A total of 392 dockets were before the Commission for review and consideration. The majority of the new dockets are in the motor carrier industry, while most of dockets that carry over to the following year are in the electric industry. A total of 5,231 docketed documents were filed. The Commission also issued 600 decisions and orders and held 12 live-streamed hearings and meetings. After the fiscal year closed, the Commission held an additional two live-streamed events. See page 8 for more docket statistics.

Progress Toward a 100% Renewable Future
In FY 2022, the Commission continued to make progress in aggressively investigating and pursuing policies that accelerate Hawaii's progress towards a 100% renewable future.



Progress Toward a 100% Renewable Future

HOLISTIC ENERGY REGULATION

Performance-Based Regulation

The Commission continues to holistically assess Hawaiian Electric's regulatory framework to identify areas for improvement and develop new mechanisms to drive superior utility performance. In FY 2021, the Commission approved a new performance-based regulation framework that will strengthen Hawaiian Electric's financial condition and benefit customers by lowering utility costs, accelerating the integration of renewable energy resources, and improving customer service and engagement.

The HECO Companies are in year 3 of their 5-year rate period. In FY 2022, the Commission approved additional performance mechanisms intended to incentivize improved service reliability, interconnection of grid-scale renewable energy projects, and cost containing measures for the Companies. In addition, the Commission directed the Companies to pursue planning initiatives intended to facilitate the timely retirement of fossil fuel units and expedite the efficient utilization of demand-side resources, including DERs. The Commission also modified certain reporting requirements for the Companies to make them more streamlined and efficient and approved a framework and workplan for the Companies to pursue innovative pilot projects, which was recently assigned its own docket.

These additions reflect ongoing efforts from the Commission and stakeholders to monitor and improve the PBR Framework to align Hawaiian Electric's financial incentives with customer needs and State policy goals.

See Docket No. 2018-0088 on page 38 for more.

Hawaii Gas Integrated Resources Plan

In FY 2022, Hawaii Gas began Integrated Resource Plan ("IRP") for the first time in over twenty years. The Gas Company's first IRP was filed in 1993 and its second, and most recent, was filed in 1999. Since then, the Commission adopted a revised framework for IRPs for electric and gas utilities and new legislation passed related to decarbonization and other environmental considerations. The Commission, therefore, initiated a proceeding to facilitate the creation and adoption of an IRP.

The guiding objectives of Hawaii Gas' IRP are to address and further the state's emissions reduction and decarbonization goals, establish a pathway to increase the renewable resources in the Gas Company's fuel mix, assess supply chain concerns, and ensure customer energy affordability. The process for completing the IRP includes a robust stakeholder engagement component, aided both by an independent facilitator and independent entity, through which additional objectives, analyses, and planning considerations are generated and vetted. This IRP development process is a critical step in reaching Hawaii's clean energy goals due to the unique characteristics of the gas customers and the supply chain for delivering gas to them.

The stakeholder advisory group process is anticipated to take ten months and is expected to conclude with a draft IRP report and Action Plan in the first quarter of 2023. After the IRP report and Action Plan are filed, the Commission will begin its formal review.

See Docket No. 2022-0009 on page 55 for more.

Progress Toward a 100% Renewable Future

ELECTRIC GRID

Integrated Grid Planning

In FY 2022, the Commission continued its oversight of Hawaiian Electric's Integrated Grid Planning ("IGP") process, a comprehensive, long-term planning effort that includes forecasting future loads, grid needs, and the associated costs. The IGP process is a critical part of meeting the state's RPS goals, ensuring a reliable and resilient grid, and managing the impacts to customer bills throughout the transition away from fossil fuels across multiple sectors. The IGP initiative integrates planning efforts that historically have been siloed in order to achieve efficiency in finding solutions for serving customer needs and policy goals in a least cost, least regrets approach, while engaging stakeholders throughout every stage of the planning process.

The Commission utilizes Review Points during the following phases of the IGP process:

- Inputs & Assumptions (Approved March 2022): Includes the studies and data collection used in the modeling and analyses
- Grid Needs Assessment Methodology (Approved June 2022): Includes the analyses and modeling used to inform future resource plans
- Solutions and Sourcing: Commission will issue decisions on the programs, procurements, and rates resulting from the Grid Needs Assessment report

The Commission also participates in the stakeholder engagement component of the IGP process to ensure that future planning is accomplished with transparency and validity. A panel of industry experts called the Technical Advisory Panel reviews and makes recommendations based on Hawaiian Electric's methodology for completing the planning stages. A stakeholder technical working group oversees the specific modeling analyses and results to align on the methodology and interpretation and a Stakeholder Council oversees Hawaiian Electric's plans to ensure alignment with customer and broad stakeholder interests in the state.

In June 2022, the Commission approved Hawaiian Electric's Grid Needs Assessment and Solution Evaluation Methodology, initiating the work on completing the first Grid Needs Assessment draft report, which is anticipated in Q1 2023. The Final Grid Needs Assessment will aid in the planning of and the Commission's decisions related to any future utility programs, rates, and procurements.

See Docket No. 2018-0165 on page 40 for more.

Grid Modernization

In February 2022, the Commission approved Hawaiian Electric's advanced meter deployment plan, which was presented as an option from multiple scenarios. Specifically, the Commission approved the plan that would accelerate deployment to all customers with considerations for timing, deployment costs, and implementation risks. As of June 2022, Hawaiian Electric has installed nearly 100,000 advanced meters across its three services territories. The Company is on track to complete its advanced meter rollout of 471,000 meters by the third quarter of 2024.

Additionally, the Commission is monitoring Hawaiian Electric's plans to aggregate, anonymize, and analyze the advanced meter data in collaboration with other public entities to support energy initiatives in the state.

See Docket No. 2018-0141 on page 27 for more.

Microgrids

In FY 2022, the Commission initiated the second phase of the investigation into the Microgrid Services Tariff by setting forth objectives, priority topics, a timeframe, procedural schedule, and a working group process. To facilitate the working group objectives, the Commission held status and technical conferences, required the working group to file a final report, (which was filed November 23, 2022), required Hawaiian Electric to submit a draft revised Microgrid Services Tariff by January 6, 2023, and requested parties provide comments on the proposed revisions by February 6, 2023. The Working Group has indicated that they are reviewing case studies to meet the Commission's objectives.

See Docket No. 2018-0163 on page 40 for more.

Progress Toward a 100% Renewable Future

RESOURCE ACQUISITION

Interconnections and Fossil Fuel Retirements

On the path to its 100% RPS goal, Hawaiian Electric must balance its planned retirements for existing fossil fuel plants and ensure that adequate resources are brought online to replace the capacity that is taken offline. The Commission continues to track the progress of large-scale renewable projects and community-based solar projects across all Hawaiian Electric's service territories. Hawaiian Electric provides monthly progress updates on each step in the interconnection process, as well as key details related to the equipment deliveries, which have been significantly impacted by supply chain issues related to the global pandemic.

Additionally, the Commission has held status conferences to analyze the progress towards retiring key fossil fuel plants including the AES Coal Plant on Oahu and the oil-fired Kahului Power Plant and diesel-burning Ma'alaea Generating Station on Maui island. A combination of solutions has been assessed to meet the grid needs resulting from these retirements, including customer-sited DERs, energy efficiency measures, and modifications to the Companies operations and maintenance of its existing fleet, in addition to the utility-scale renewable projects under development.

This proceeding aided in the retirement of the AES Coal Plant in September 2022 and has led to several improvements to the interconnection process being identified and implemented to accelerate the development of new renewable projects. This investigative docket will continue to aid the Commission in monitoring the several renewable projects that are still under development and the upcoming retirements of additional fossil fuel plants.

See Docket No. 2021-0024 on page 42 for more.

Competitive Procurements

In FY 2022, the Commission oversaw the development of three competitive procurement processes for large-scale renewable energy projects on Oahu, Maui, and Hawaii Island. These procurements represent the third in a series of competitive procurements for utility-scale resources that Hawaiian Electric has solicited through Docket No. 2017-0352. Past procurements in this docket resulted in two tranches of utility-scale solar-plus-storage and standalone battery projects that are operational or under development.

These competitive procurements for utility-scale renewable projects are vital to serving customer and grid needs at the lowest cost by allowing for market participants to bid their projects in a competitive solicitation to enable the retirement of large capacities of fossil fuel generation. The Commission is responsible for ensuring these competitive procurements are carried out following a fair set of guidelines to achieve shared benefits for the participants in the bidding process and communities that will be impacted by the development of these projects. The recently developed procurements feature extensive stakeholder feedback and particular focus on increasing the community engagement associated with developing large-scale renewable projects across the islands.

Additionally, in FY 2022, the Commission reviewed competitive procurements for grid services on Oahu and Maui.

See Docket No. 2017-0352 on page 19 for more.

INTEGRATING NEW TECHNOLOGY

Distributed Energy Resources

Distributed energy resources ("DER") programs offer opportunities for customers with on-site rooftop solar photovoltaic systems, battery energy storage, and other smaller-scale resources to utilize their investments to contribute to grid management and achievement of the State's clean energy goals.

In FY 2022 the Commission approved expansion of and amendments to the Hawaiian Electric Companies' Schedule Dispatch Program, which provides incentives to customers for installing new energy storage systems paired with rooftop solar systems that discharge during the utility's evening peak period to address capacity issues as the AES coal plant retires on Oahu and Maui Electric plans to remove several units from service in the coming years.

After the close of FY2022, the Commission also established the framework for the next-generation DER programs including the Smart DER Tariff and the Bring-Your-Own-Device Tariff, which will encourage customers to align device usage with grid needs through time-varying compensation and incentives.

Additionally, the Commission established the Advanced Rate Design Framework to implement advanced time of use rates for residential and small and medium commercial customers. Time of use rates promote a greater level of fairness for all customers as rates will better align with the cost of power and services and encourage customers to consume electricity more efficiently, thereby lowering costs for the electricity system in the long run. See Docket No. 2019-0323 on page 40 to read more.

Demand Response and Grid Services Purchase Agreements

Hawaiian Electric has several programs within its Demand Response Portfolio that compensate utility customers for providing grid services during events initiated by Hawaiian Electric. Customers in these programs generally give Hawaiian Electric the ability to control or curtail some of their load (e.g., electric water heaters, central air conditioning units, rooftop solar, energy storage) in return for monthly and/or upfront incentives.

In FY 2022, the Commission oversaw the development of the third round of competitive procurement for the Grid Service Purchase Agreements ("GSPAs"), through which third-party aggregators bid into deliver grid services—including Capacity Reduction, Capacity Build, and Fast Frequency Response—to Hawaiian Electric for a predetermined contract length.

Following the third round of GSPA procurement, Hawaiian Electric submitted a contract with Swell Energy for delivery of 97.4 MWs of grid services on Oahu over a 10-year contract, for which Hawaiian Electric subsequently submitted an amendment. Hawaiian Electric also submitted an amendment in FY 2022 to their contract with Swell Energy from the second round of GSPA procurement. Other programs in Hawaiian Electric's Demand Response Portfolio include the Residential Direct Load Control Program, the Commercial & Industrial Direct Load Control Program, and the Fast Demand Response Program. Hawaiian Electric provides annual reports to the Commission on its Demand Response Portfolio.

See Docket No. 2007-0341 and Docket No. 2022-0041 on page 21 to read more.

Progress Toward a 100% Renewable Future

ACCESS AND AFFORDABILITY

Energy Efficiency

The State's Energy Efficiency Portfolio Standard ("EEPS") sets a goal of reducing statewide electricity use by 4,300 gigawatt hours by 2030. Funded by the Public Benefits Fee, Hawaii Energy, the Commission's third-party administrator, designs and delivers programs supporting the optimization of electricity use.

In FY 2022, Hawaii Energy offered efficiency incentives and enhanced community-based programming saving over 105 million in kWhs, for residential and commercial customers. Hawaii Energy also processed nearly 19,000 rebates, conducted approximately 7,000 participant hours of educational workshops and technical training, and completed over 9,500 projects for Hawaiian Electric customers.

In response to COVID-19 impacts, Hawaii Energy made significant adjustments to their Program Year 2020 and 2021 plans to support residents and businesses. These changes include an offering of the Energy Relief Grant, which provided nearly $1 million in funding to businesses and non-profits for energy efficiency upgrades, incentive increases by one to three times the previous year's offerings, and distribution of free home energy kits (in partnership with food bank community organizations).

See Docket No. 2007-0323 on page 38 for more.

Community-Based Renewable Energy

In FY 2022, the Commission continued the implementation of Phase 2 of Hawaiian Electric's CBRE program, which significantly increased the program capacity from 8 MW (Phase 1) to 235 MW (Phase 2) . Prior to approval of the CBRE Requests for Proposals ("RFPs"), the Commission offered and/or held community meetings for Oahu, Maui, and Hawaii Island to listen to and consider community concerns regarding potential CBRE projects in their respective communities. Topics included project locations, community benefits, and customer education. During this fiscal year, Hawaiian Electric has issued CBRE RFPs for Molokai, Lanai, LMI, and Tranche 1 projects. These proposals are at various stages of development.

See Docket No. 2015-0389 on page 19 for more.

Energy Equity and Justice

The Commission is investigating how to better integrate equity and justice considerations across Commission proceedings and its work in regulating public utilities. The Commission intends to further the State's policy goals, improve energy affordability, and ensure the burdens and benefits of energy infrastructure and the renewable energy transition are equitably distributed. The Commission will regularly seek public input on this docket and has reduced barriers to participation. Any person or entity interested in energy equity is encouraged to participate in Docket No. 2022-0250 in any way they find convenient.

Although this docket is not reported in this report, as it was opened after the close of Fiscal Year 2022, more information about Docket No. 2022-0250 can be found online at: http://puc.hawaii.gov/energy/equity

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I. Introduction

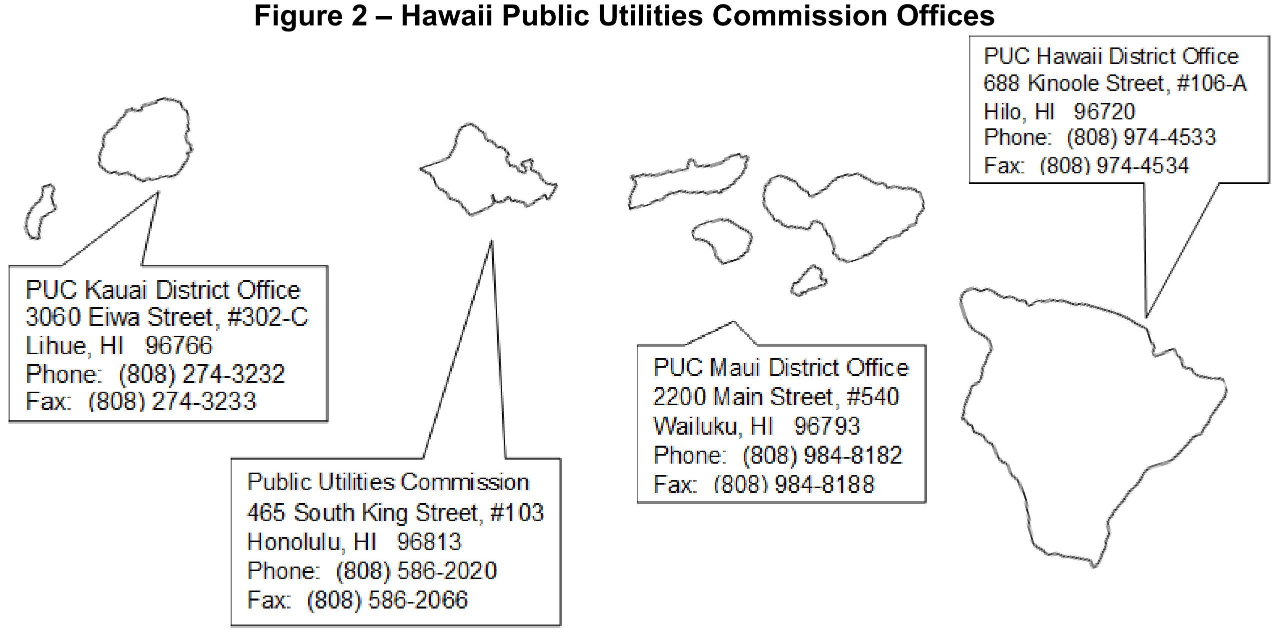
The Public Utilities Commission of the State of Hawaii submits this Annual Report pursuant to Hawaii Revised Statutes ("HRS") §§ 269-5 and 269-33. This report summarizes the activities and operations of the Commission and the public utilities it regulated during FY 2022, which runs from July 1, 2021 to June 30, 2022. Regulated utilities' reported financial and budget information reflect information from the 2021 fiscal year. Where possible, this report reflects the most current information.

The Commission regulates 1,845 entities in Hawaii, which include all chartered, franchised, certificated, and registered public utility companies that provide electricity, gas, telecommunications, private water and sewage, and motor and water carrier transportation services in the State. The Commission also enforces the requirements of HRS Chapter 269 and other applicable statutes, and establishes rules and regulations.

Figure 1 – Entities Regulated by the Hawaii Public Utilities Commission

Industry	Type	Regulated Entities
Energy	Electricity	Hawaiian Electric Company, Inc.
		Maui Electric Company, Ltd.
		Hawaii Electric Light Company, Inc.
		Kauai Island Utility Cooperative
	Gas	The Gas Company, dba Hawaii Gas
Transportation	Water Carriers	Young Brothers
		Hono Heke
	Motor Carriers	1,044 Passenger Carriers
		580 Property Carriers
Telecom		Hawaiian Telcom
		225 Wireless and Wireline Companies
Water/Wastewater		40 Private Water and Sewer Companies

Figure 2 – Hawaii Public Utilities Commission Offices



Commissioners

Current Commissioners as of December 31, 2022

LEODOLOFF R. ASUNCION, JR.
Chairperson, July 1, 2022 – present
Commissioner, May 1, 2019 - June 30, 2022

Leodoloff ("Leo") R. Asuncion, Jr. was appointed to the Public Utilities Commission by Governor David Y. Ige for a term to expire June 30, 2026. He has served as a Commissioner since April 2019 and as the Chair since July 1, 2022.

Prior to his appointment to the PUC, Commissioner Asuncion was a Planning Program Administrator II at the Office of Planning, Department of Business, Economic Development and Tourism, and from 2013 to 2018 served as Director of the Office. As Director, he was responsible for the overall management, development, and implementation of state policy, and coordination and planning support to state and county agencies. He also served as Planning Program Manager of the Hawaii Coastal Zone Management Program from 2011 to 2013.

Commissioner Asuncion has over 30 years of extensive experience in planning, policy analysis, and management throughout Hawaii and the Pacific Region, in both the public and private sectors, through previous positions with Hawaiian Electric Company, Inc., SSFM International, Inc. the Hawaii State Judiciary, and the State Land Use Commission. He has also chaired or been a member of a number of governmental boards, commissions, task forces and councils during his professional career, and will serve in 2021 and 2022 as President of the American Planning Association. He is also a Past Chair of the Coastal States Organization.

Commissioner Asuncion holds a Master in Business Administration from Hawaii Pacific University, and a Master in Urban and Regional Planning and Bachelor of Arts in Political Science degrees from the University of Hawaii at Manoa.

NAOMI U. KUWAYE
Commissioner, July 1, 2022 - present

Naomi U. Kuwaye was appointed to the Public Utilities Commission by Governor David Y. Ige and confirmed by the State Senate beginning July 1, 2022 and ending June 30, 2028.

Prior to her appointment to the PUC, Commissioner Kuwaye was an attorney at Ashford & Wriston, LLP where she had practiced since 2012. Previously, Commissioner Kuwaye had also worked for then Honolulu City Councilmember Donna Mercado Kim and practiced law in Oregon and Washington before returning home to Hawaii.

Commissioner Kuwaye earned her Juris Doctorate and a certificate in environmental and natural resources law from Lewis and Clark Northwestern School of Law and her Bachelor of Arts in journalism and political science from the University of Hawaii at Manoa.

COLIN A. YOST
Commissioner, November 1, 2022 - present

Colin A. Yost was appointed to the Public Utilities Commission by Governor David Y. Ige as an interim Commissioner for a term to expire June 30, 2024. His appointment remains subject to confirmation by the Hawaii State Senate.

Prior to his appointment to the PUC, Commissioner Yost was an owner of Oahu-based renewable energy company RevoluSun, where he served for eight years as Chief Operating Officer and for four years as General Counsel. In his legal career before RevoluSun, Yost represented clients in the areas of energy and environmental law, civil litigation, business law, consumer law, civil rights, Native Hawaiian rights, real estate matters and administrative proceedings before the PUC and other administrative agencies. Commissioner Yost served as an Assistant Attorney General in the Financial Fraud/Consumer Protection Section of the Oregon Department of Justice, where he received the Oregon Department of Justice's Outstanding Service Award. Yost earned his juris doctorate from Lewis and Clark Northwestern School of Law and his Bachelor of Arts in English and Environmental Studies from the University of Pennsylvania.

Past Commissioners who served in FY 2022

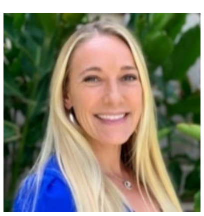
JAMES P. GRIFFIN, PH.D.

Chairperson, January 8, 2019 – June 30, 2022
Commissioner, December 31, 2017 – January 7, 2019

James P. Griffin, Ph.D. was appointed to the Commission by Governor David Y. Ige in May 2017 for a term to expire June 30, 2022. Chair Griffin was previously a faculty member at the Hawaii Natural Energy Institute ("HNEI"), an independent research institute within the University of Hawaii that conducts clean energy research and development activities. At HNEI, Dr. Griffin worked on research and demonstration projects related to grid integration of renewable energy sources, energy storage, and emerging distributed energy resource technologies. From 2012 to 2016, he served as the Commission's Chief of Policy and Research. Chair Griffin has also worked as a policy analyst at the RAND Corporation and as a legislative analyst in the Hawaii State Legislature. Chair Griffin holds a Ph.D. in policy analysis from the Pardee RAND Graduate School, an M.A. in economics from the University of California at Santa Barbara, a joint master's degree from Duke University in Environmental Management and Public Policy, and a B.A. in Political Economy from Williams College. He participated as a core advisory team member for the U.S. Department of Energy's ("DOE") DSPx Initiative, and previously served on peer review panels for DOE smart grid and microgrid programs. He was also a member of the Hawaii Clean Energy Initiative Electricity Working Group and a mentor for the Hawaii Renewable Energy Development Venture Energy Excelerator program.

JENNIFER M. POTTER, COMMISSIONER

Commissioner, July 1, 2018 – October 31, 2022



Jennifer M. Potter was appointed to the Commission by Governor David Y. Ige in March 2018. Commissioner Potter was previously a faculty member at the Hawaii Natural Energy Institute, where she conducted research on demand response, Distributed Energy Resource ("DERs") technologies, locational benefits of DERs, and energy efficiency.

Commissioner Potter holds a Master of Science in Public Policy and Management from Carnegie Mellon University and a Bachelor of Arts in International Studies and Economics from Southern Oregon University.

II. Administrative Update

Vision: The PUC delivers transparent, accessible and timely regulatory oversight, while working collaboratively with customers, stakeholders and the general public.

Mission: To serve the public by ensuring essential utility services are delivered to consumers in a safe, reliable, economical, and environmentally sound manner.

How the PUC Fulfills Its Mission

This mission is achieved through responsible and informed oversight of public utilities and a focus on economic, operational, environmental and societal concerns associated with balanced regulation and future impacts of present-day decisions.

Core Values: Help to guide us as we work toward achieving our goals. We continue to integrate our Core Values into our performance and personal interactions to fuel a healthy work culture.

- Service
- Professional Excellence
- Transparency & Accountability
- Collaboration & Teamwork

Strategic Plan

The Public Utilities Commission's Strategic Plan focuses on two main priority goals: establishing well-documented, modernized policies and procedures; and creating a work environment that fosters organizational success. With modernized policies and procedures, a new and improved Case and Document Management System, and an enhanced work environment to support staffing resources, the Commission will be in a better position to help the State achieve its clean energy goals, as well as support our regulated entities and communities. As the current strategic plan year ends, the PUC will be evaluating its outcomes and updating its goals and objectives for a new three-year plan.

Goals and Objectives

Goal 1: By 2023, the PUC will have established well-documented, modernized policies and procedures.

Objective 1: Document current state of the Docket Management System processes and identify immediate and interim improvements and critical policies.

Objective 2: Document the current state of non-docket processes and identify immediate and interim improvements and critical policies.

Objective 3: Upgrade PUC-wide IT to provide a streamlined, user-friendly Docket Management System, including initially selected processes.

Goal 2: By 2023, the PUC will create a work environment that foster organizational success.

Objective 1: Ensure the PUC's Human Resources' practices build on and or meet industry best practices (e.g. Society for Human Resources Management).

Objective 2: Identify and secure professional development opportunities that ensure all PUC staff develop and maintain their expert knowledge in a rapidly changing industry.

Objective 3: Optimize communications to ensure staff are well informed and productive in achieving the PUC's mission, and strategic goals, in accordance with policies and procedures.

Objective 4: Develop standardized and section specific training for all new employees to ensure a holistic on-boarding process.

Objective 5: Design an employee retention program that recognizes outstanding work performance and staff contributions to the organization.

Case and Document Management System Project

The new Case and Document Management System (CDMS) will replace the Commission's current Document Management System (DMS) with a modern, user-friendly and integrated Content and Case Management workflow solution that can accommodate docketed and non-docketed processes and documents. This project aligns with the 2018 State Auditor's recommendation to improve the PUC's Information Technology infrastructure and customer accessibility.

The CDMS project will replace the current DMS repository with the following:

- A cloud-based repository with full-text search
- Form-based filing that makes it easy on the filer to provide metadata that drives search optimization
- Integrated case management application that accommodates docketed and non-docketed processes with a highly configurable workflow tool
- A user-friendly web interface (i.e., web portal)
- Capability to submit confidential filings and documents securely online

Pacific Point was selected as the CDMS Solution Integrator, and PCG Consulting was selected as the Independent Verification and Validation Contractor. Work with Pacific Point and PCG commenced on July 1, 2021. Pacific Point completed the requirements phase and has been working on the solutions development phase throughout FY 2022. User acceptance training is expected to begin in early 2023, followed by training and an anticipated go-live date in the second quarter of 2023.

Personnel Update

During FY 2022, the Commission redescribed 11 positions, and recruited and filled 12 vacant positions. New employees continued to benefit from a holistic employee on-boarding process implemented in the prior fiscal year. And since the Commission's first all-staff Strategic Planning Retreat was held in 2020, the Commission continued to regularly incorporate all-hands meetings as a forum to share important updates, as well as Commission staff work and accomplishments. During the COVID-19 pandemic and as the pandemic mandates and proclamations expired, the Commission staff continued to adapt to changes in work processes, while continuing to balance essential operations and the safety of its staff.

COVID-19 Update

Many business process changes made because of the COVID-19 have continued even as the Commission recovers from the pandemic's effects. The Commission continues to make business process improvements to facilitate the adoption of electronic filing and servicing and continues to live-stream many of its docketed meetings for better access.

Although the Commission lifted the disconnection moratorium as of June 1, 2021, the Commission continues to reporting on COVID-19 financial consequences to the utilities and customers of the disconnections in Docket No. 2020-0209, which was opened following the issuance of several non-docketed orders that originally implemented and extended the disconnection moratorium at the outset of the Pandemic and permitted the utilities to establish regulatory assets to record costs resulting from the suspension of disconnections.

III. Recommendations for Legislative & Executive Action

Recommendations for the 2023 Legislature

1. ***Amend the biennial budget ceiling of the Public Utilities Commission Special Fund ("PUC Special Fund") to enable the expenditure of deposited barrel tax funds for the Electric Vehicle Charging System ("EVCS") and Zero-Emission Vehicle ("ZEV") fueling system rebate programs.***

   Pursuant to Act 75 (2021) and Act 241 (2022), the EVCS rebate program and ZEV fueling system rebate program are funded through specified allocations of state barrel tax revenues, which are automatically deposited into subaccounts in the PUC Special Fund.

   Absent the establishment of a permanent spending authority, these funds cannot be expended and will lie dormant in the PUC Special Fund subaccounts. Initially, the EVCS rebate program's start-up expenses were funded through direct appropriations. The Legislature then established a permanent funding source through the barrel tax in 2021. This same structure was then applied to the ZEV fueling system rebate program upon its creation in 2022. The Commission finds that a permanent spending authority for both programs is consistent with the Legislature's intent in creating and funding these programs through a permanent source.

   Increasing the budget ceiling for the PUC Special Fund by $1,500,000 per fiscal year (based on an estimated $750,000 in barrel tax deposits per program, per year) will ensure that these programs are able to operate and that all barrel tax funds directed to the PUC Special Fund are deployed to support the programs' legislative intent. A permanent spending authority, rather than annual or biennial appropriation requests, will provide certainty to rebate applicants, the Commission, the program's administrator ("Hawaii Energy"), and other stakeholders, while reducing burdens on the Commission and the Legislature.

2. ***Increase the balance that may be retained in the Public Utilities Commission Special Fund at the end of each fiscal year from $1,000,000 to $3,000,000.***

   The PUC Special Fund is the primary source of funding for the operations of the Department of Commerce and Consumer Affairs' (DCCA) PUC and Division of Consumer Advocacy (DCA). All funds in excess of the $1,000,000 "carryover balance" at the end of each fiscal year are transferred to the general fund. This carryover balance is the PUC's only means to fulfill its financial obligations until the first major public utility fee deposit in August.

   The current $1,000,000 carryover balance was established by statute in 1994. It has never been increased, even though the PUC has grown significantly in the last 25 years. $1,000,000 is no longer sufficient to meet the PUC's start-of-year expenses, which include statutory obligations under sections 269-33 and 36-27, HRS, the PUC's payroll, and other operational expenses.

   Notably, increasing the carryover balance to $3,000,000 would not increase the PUC Special Fund's spending ceiling or require additional appropriations from the general fund or another source. Rather, it would resolve a fiscal timing restraint that has created unnecessary burdens for the PUC and DCA. The flexibility afforded by increasing the carryover balance would resolve timing issues, such as those involving contract encumbrance at the beginning of the fiscal year and enable the Commission to fulfill its financial obligations as efficiently as possible. A similar measure was introduced through the Governor's package in 2020 and progressed well prior to disruptions caused by the COVID-19 pandemic.

3. ***Clarify the PUC's authority to utilize electronic filing processes for all documents filed by and with the Commission.***

   Act 72 (2021) authorized the PUC to employ electronic filing processes. This measure modernized the PUC's statute to accommodate various process improvements that were implemented in response to the COVID-19 pandemic to increase transparency, accessibility, and efficiency.

   The PUC has identified additional housekeeping changes that would fully integrate such electronic filing processes and procedures with respect to documents filed by and with the Commission across all regulated entities. Such changes would allow the Commission to continue to operate at full efficiency and use fewer resources to complete essential tasks, while also benefitting stakeholders that interact with the PUC and its filings, including the DCA, regulated entities, and members of the public.

IV. Docket Proceedings and Regulatory Issues

Regulatory proceedings are conducted in a formal docket process. Docket filings, decisions, and orders are available on the Commission's Document Management System ("DMS") website at: **https://dms.puc.hawaii.gov/dms/**. Non-docketed filings are also available on DMS. Non--docketed filings are searchable based on the calendar year in which they were filed (ex: non--docketed filings in 2021 are under docket number "2021-0000" and those from calendar year 2022 are under docket number "2022-0000"). In this section, docket summaries and regulatory issues are reported by industry.

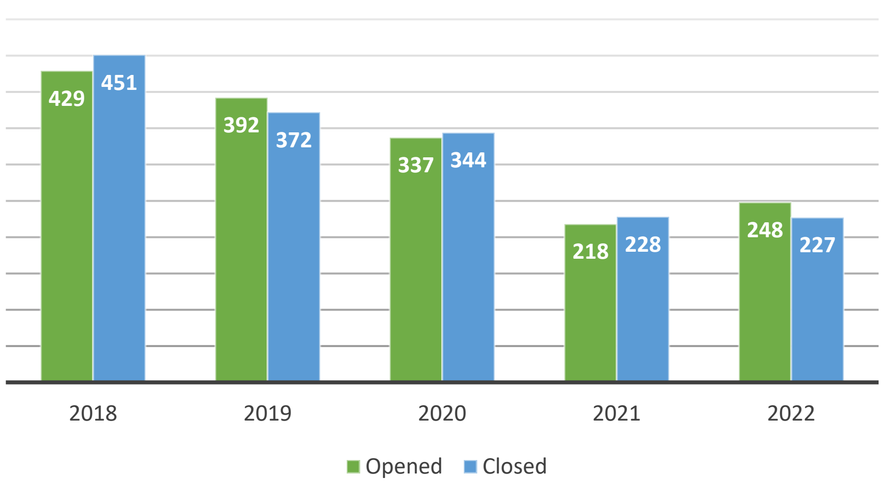
Docket Statistics

The Commission issued a total of 600 decisions and orders in FY 2022. At the beginning of FY 2022, there were 144 pending dockets that had been opened and carried over from previous fiscal years. During the past fiscal year, an additional 248 new dockets were opened. Thus, during FY 2022, a total of 392 dockets were before the Commission for review and consideration. Of the 392 dockets, 227 were closed by the end of FY 2022. As of June 30, 2022, a total of 165 open dockets remains pending and carried over to FY 2023. The number of dockets by type and status are shown in Table 1. The number of dockets opened and closed over the past five fiscal years are sown in Figure 3.

Table 1 – Public Utilities Commission Dockets Opened Closed and Carried Over

Sector	Carried over from FY21	Opened in FY22	Total of FY21 Carried Over + FY22 Opened	Closed in FY22	To Carry Forward to FY23
Electric	70	20	90	29	61
Gas	10	3	13	4	9
Telecommunication	8	30	38	26	12
Water/Sewer	10	3	13	5	8
Motor Carrier - Passenger	24	149	173	128	45
Motor Carrier - Property	3	41	44	34	10
Water Carrier	7	0	7	1	6
One Call Center	11	2	13	0	13
Other	1	0	1	0	1
TOTAL	**144**	**248**	**392**	**227**	**165**

Figure 3 - Dockets Opened and Closed, Fiscal Years 2018-2022



A. Electricity

The Commission regulates four electric utilities engaged in the production, purchase, transmission, distribution, and sale of electric energy in the State: Hawaiian Electric Company, Inc., ("HECO"), which serves the island of Oahu; Maui Electric Company, Limited ("MECO"), which serves the islands of Maui, Lanai, and Molokai; Hawaii Electric Light Company, Inc., ("HELCO"), which serves Hawaii island (collectively, HECO, MECO, and HELCO are referred to as "Hawaiian Electric," "the HECO Companies" or "the Companies"); and Kauai Island Utility Cooperative ("KIUC"), which serves the island of Kauai. The islands of Niihau and Kahoolawe do not have electric service provided by a public utility.

The following section summarizes the Commission's electricity-related proceedings in the following categories: 1) Operations, 2) Rates, 3) Summary of Power Purchase Agreements, 4) Resource Acquisition, 5) KIUC - PPA with AES West Kauai Energy Project, LLC

Docket No. 2020-0218; Closed

On December 31, 2020, KIUC, filed an application requesting approval of: 1) a power purchase agreement between KIUC and AES West Kauai Energy Project, LLC; 2) the commitment of at least $2.7 million to construct 1.5 miles of new transmission line and reconductor 1.0 miles and install 2.65 miles of single mode fiber optic line along KIUC's existing transmission system; and 3) a 69 kilovolt overhead line extensions associated with interconnecting the project with KIUC's system.

On December 1, 2021, the Commission issued Decision and Order No. 38095, approving KIUC's requests, finding that the PPA would deliver benefits including bill savings to KIUC's members, operational flexibility to address KIUC's system's needs with renewable energy, insulation from the volatility of fossil fuel costs, and contributing towards KIUC's Renewable Portfolio Standards.

The Commission denied the motion for reconsideration filed by Po ʻai Wai Ola/West Kauai Watershed Alliance, a participant in the proceeding, who subsequently appealed the Commission's decision to the Hawaii Supreme Court in SCOT-22-0000184. On September 20, 2022, the Hawaii Supreme Court approved a stipulation by the parties to dismiss the appeal.

Fuel Contracts, 6) Capital Expenditures, 7) HECO - Kahe Substation Transformer #1 Project

Docket No. 2021-0174; Closed

On October 29, 2021, HECO filed an application requesting approval to replace the existing Kahe 50 Mega Volt Amp ("MVA") Transformer #1, which HECO states is fully depreciated and in poor condition, with an 80 MVA transformer. On June 30, 2022, the Commission approved HECO's request to commit approximately $4,572,782 to purchase and install an 80 MVA transformer at the Kahe Substation.

HELCO - Major Overhaul on Keahole CT-5

Docket No. 2021-0097; Closed

On July 2, 2021, HELCO filed an application requesting approval of its Keahole combustion turbine (CT-5) overhaul project at its Keahole power plant on Hawaii Island. HELCO indicates that an overhaul is recommended after approximately 50,000 hours of operation, which CT-5 is expected to reach in early- to mid-2023, to ensure continued reliable and safe operations of the unit. On February 2, 2022, the Commission approved, subject to certain conditions, HELCO's request to commit approximately $3.8 million to perform an overhaul on one of its three nominal 20 megawatt combustion turbine generators at the Keahole power plant.

Overhead and Underground Transmission Lines, 8) Financing, 9) HECO - Amended Revolving Line of Credit

Docket No. 2021-0094; Closed

On June 25, 2021, HECO filed a letter request for expedited Commission approval of its third amended and restated revolving syndicated credit facility agreement. On February 18, 2022 the Commission issued Decision and Order No. 38233 which, subject to conditions, approved HECO's request and closed the docket.

KIUC - Extend the Term of an Existing Line of Credit

Docket No. 2021-0061; Closed

On April 15, 2021, KIUC filed an application requesting Commission approval: 1) of a five-year extension of KIUC's existing $20 million unsecured line of credit facility and 2) for KIUC to enter into a second amended and restated revolving line of credit agreement with National Utilities Cooperative Finance Corporation.

On September 30, 2021, the Commission issued Decision and Order No. 37993, which granted KIUC's requested approvals subject to certain reporting requirements. On December 14, 2021, the Commission issued Order No. 38122, closing the docket, noting that KIUC had complied with the reporting requirement set forth in Decision and Order No. 37993.

Electrification of Transportation, 10) Hawaiian Electric - Public Electric Vehicle Charger Expansion Project

Docket No. 2021-0173; Open

On October 29, 2021, the HECO Companies filed an application requesting approval to: 1) implement a Public Electric Vehicle Charger Expansion Project and to recover the Project costs through the Exceptional Project Recovery Mechanism; 2) install and operate 150 single-port Direct Current fast charging and 150 dual-port Level 2 charging stations across the Company service territories from 2023 through 2030; and 3) proposed revised EV-U tariffs. This docket is pending.

COVID-19 Related, 11) Miscellaneous, 12) Hawaiian Electric - Streamlined Donation Review Approval Process

Docket No. 2020-0068; Open

On April 21, 2020 the HECO Companies filed an application for approval of a Streamlined Donation Process for donations "typically involving equipment or material that is at or near the end of its usable service life for the Company" to non-profit organizations through July 31, 2020. On September 4, 2020, the Commission approved the HECO Companies use of the Streamlined Donation process, which allows for expeditious review of donations to non-profit organizations after they are made, through December 31, 2020, but indicated that further extensions may be granted. Among other conditions, the HECO Companies were required to provide a report on donations made during this period using the Streamlined Donation process.

On October 27, 2021, the Commission issued Order No. 38044, which extended the use of the Streamlined Donation process for three years. During this period, the HECO Companies will file annual reports with the Commission on donations made under the Streamlined Donation process. At the end of the three-year extended period, the Commission will re-assess the process.

Hawaiian Electric - Modification of the Pension Tracking Mechanism
Docket No. 2022-0119; Open

On June 9, 2022, the Hawaiian Electric Companies filed an application seeking Commission approval to modify their pension tracking mechanism to incorporate 401(k) contributions. Historically, the Hawaiian Electric Companies have offered a defined pension plan, the costs of which have been tracked through the pension tracker for reconciliation with base rates in general rate case proceedings. The Companies have begun transitioning their retirement benefits towards 401(k) plans and seek to modify the pension tracker to incorporate these costs. This matter is currently pending before the Commission.

HECO - Lease Arrangement with the Defense Information Systems Agency
Docket No. 2021-0186; Open

On November 19, 2021, Hawaiian Electric Company, Inc. filed an application seeking Commission approval of a lease agreement between HECO and DISA whereby HECO would lease a specific portion of HECO's unused fiber optic cable assets to DISA. The docket is currently pending before the Commission.

HECO - Green Tariff Program Phase 1 Pilot
Docket No. 2020-0204; Open

On December 8, 2020, HECO filed its application requesting approval to establish a Green Tariff Program Phase 1 Pilot and to receive waiver from the Commission's Framework for Competitive Bidding for a request for proposals to be issued by HECO in connection with the procurement of a solar plus storage facility on land owned by the University of Hawaii on the island of Oahu.

Under the Green Tariff Program, qualified participants will have the ability to attribute all or a part of the energy supplied to them to specific renewable energy resources as an adjustment to their utility bill. A critical feature of the Green Tariff Program is that participants are required to provide land at no cost to the project developer, which allows for more favorable pricing and helps address the important challenge of finding available land to site new renewable energy projects. The Docket is currently pending before the Commission.

HECO - Protected Agricultural Rider
Docket No. 2021-0078; Open

On May 21, 2021, the Hawaiian Electric Companies filed an application requesting approval of a new protected agricultural rider and associated form contract. Under the new agricultural rider, titled "Rider PA," commercial customers would be eligible to receive electricity at preferential rates, provided that 70% or more of the customer's electricity usage is for protected agricultural activities. This new rider would be available to customers in all five of the Hawaiian Electric Companies' service territories. The Commission issued a final decision and order approving the Rider PA on December 1, 2022.

KIUC - Plan Protecting Native Birds
Docket No. 2022-0045; Open

On March 23, 2022, KIUC filed an application seeking approval for the commitment of funds for a protection plan for Newell's Shearwaters and Hawaiian Petrels on Kauai. This matter is currently pending before the Commission.

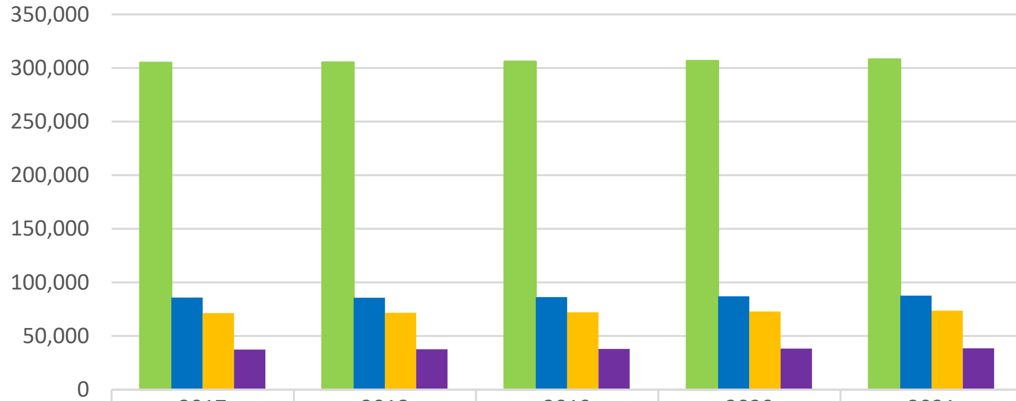
Commission-Directed Investigations, and 13) Reliability and Quality of Service.

This report summarizes various docket proceedings opened during FY22 and carried over from prior years. To the extent possible, updates are current through November 30, 2022.

1) Operations

The number of customers served by electric utilities has shown modest year-over-year growth since 2017. See Figure 4.

Figure 4 – Number of Electric Utility Customers, Calendar Years 2017-2021[1]

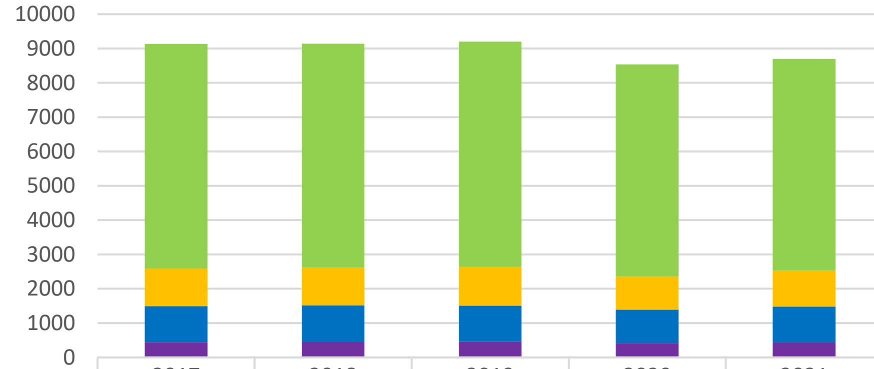


	2017	2018	2019	2020	2021
HECO	304,948	305,285	305,984	306,606	308,098
HELCO	85,925	85,811	86,271	87,023	87,749
MECO	71,352	71,650	72,233	72,948	73,589
KIUC	37,439	37,705	37,917	38,257	38,593

The State has seen a slight uptick in the annual electricity sales recently, with an average 5% increase across the islands between the years 2020 and 2021, as it recovers from the COVID-19 pandemic.[2] See Figure 5.

[1] Data obtained from the electric utilities' Annual Financial Reports filed with the Commission.
[2] Hawaiian Electric Companies 10K Annual Report filed February 25, 2022 at page 27. https://www.hei.com/investor-relations/reports-and-filings/

Figure 5 – Annual Electricity Sales in Gigawatt-hours, 2017-2021



	2017	2018	2019	2020	2021
HECO	6,549	6,526	6,563	6,183	6,170
MECO	1,095	1,099	1,127	959	1,047
HELCO	1,047	1,064	1,050	978	1,044
KIUC	445	451	460	415	435

2) Rates

Electric utility rates are the sum of various components, all of which are analyzed and approved by the Commission. For residential customers, electricity rates consist of a fixed customer charge, a non-fuel energy charge, and surcharges. The sum of the different charges on customer bills is known as the "current effective rate."

In Figure 6, the current effective rate is reported as monthly residential electricity revenues divided by residential electricity sales.

Figure 6 – Five-Year Comparison of Effective Residential Electricity Rates per kWh[3]

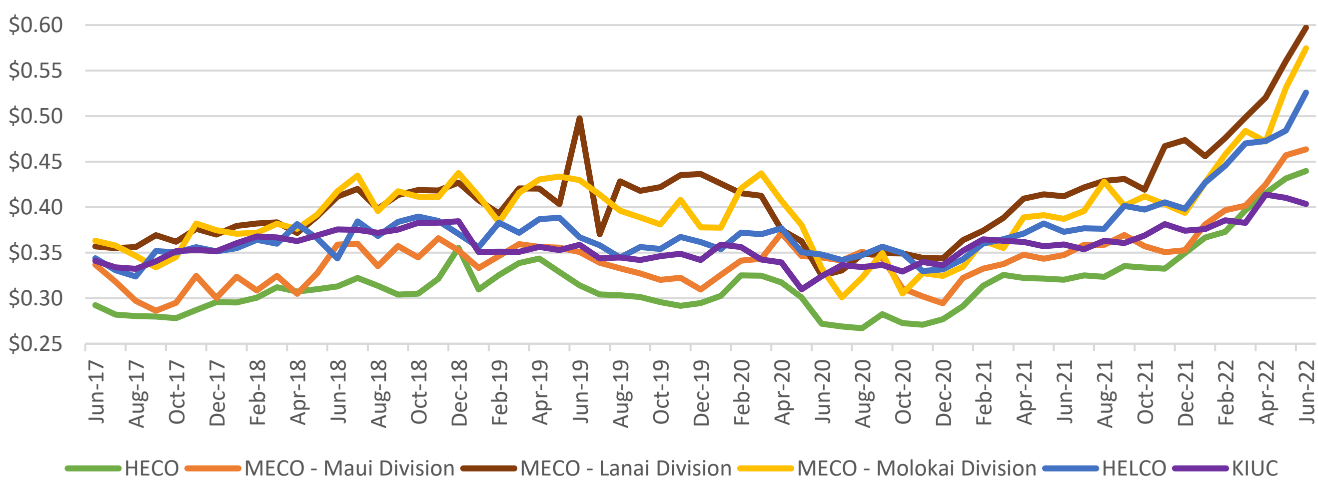


Table 2 – Five-Year Comparison of Effective Residential Energy Rates and Monthly Residential Electric Bill, Based on an Average Usage of 500 kWh

	Jun-17		Jun-18		Jun-19		Jun-20		Jun-21		Jun-22	
	Rate	Bill	Rate	Bill	Rate	Bill	Rate	Bill	Rate	Bill	Rate	Bill

[3] Data obtained from DBEDT Monthly Energy Trends https://dbedt.hawaii.gov/economic/energy-trends-2/

HECO	$0.29	$137.43	$0.31	$147.38	$0.31	$160.60	$0.27	$157.63	$0.32	$160.04	$0.44	$204.62
HELCO	$0.34	$143.09	$0.34	$162.65	$0.37	$163.59	$0.35	$145.72	$0.37	$177.79	$0.53	$237.25
MECO (Maui)	$0.34	$165.96	$0.36	$179.98	$0.35	$192.75	$0.34	$161.58	$0.35	$191.51	$0.46	$243.46
MECO (Lanai)	$0.36	$150.25	$0.41	$183.55	$0.50	$207.97	$0.32	$150.55	$0.41	$196.83	$0.60	$285.65
MECO (Molokai)	$0.36	$111.84	$0.42	$127.42	$0.43	$138.31	$0.33	$108.18	$0.39	$137.47	$0.57	$187.18
KIUC	$0.34	$171.65	$0.38	$196.69	$0.36	$188.98	$0.34	$171.23	$0.36	$199.14	$0.40	$218.15

3) Summary of Power Purchase Agreements

In accordance with Act 260, SLH 2013, summaries of Power Purchase Agreements ("PPAs"), including pricing by island, are provided in the following tables:

Table 3 - Summary of Power Purchase Agreements in Effect on Oahu, FY 2022

OAHU Facility Name	Export Capacity (MW)	Facility Type	Average FY22 Energy Price ($ per kWh)[a]	Time of Production	Fuel / Energy Source	Identifying Docket or In-Service Date	End Date / Term
Kahuku Wind Power	30	As Available	$0.2178	Any	Wind	2009-0176	3/22/2031
Kawailoa Wind	69	As Available	$0.2322	Any	Wind	2011-0224	11/02/2032
Kalaeloa Renewable Energy Park	5	As Available	$0.2160	Any	Solar	2011-0384	11/22/2033
Kalaeloa Solar Two	5	As Available	$0.2459	Any	Solar	2011-0051	12/31/2032
Kapolei Sustainable Energy Park	1	As Available	$0.2360	Any	Solar	2011-0185	12/30/2031
IES Downstream LLC	9.6	As Available	$0	On Peak[b]	Refinery Gas / Naphtha	6717 8/2/1990	Year to year
			$0	Off Peak[b]			
Par Hawaii Refining LLC[c]	18.5	As Available	$0.1093	On Peak	Refinery Gas / Naphtha	5025 12/28/1983	Year to year
			$0.1677	Off Peak			
Waianae Solar	27.6	As Available	$0.1450	Any	Solar	2014-0354 1/14/2017	1/31/2039
Kawailoa Solar	49	As Available	$0.1273	Any	Solar	2017-0108 11/20/2019	11/20/2041
Lanikuhana Solar	14.7	As Available	$0.1305	Any	Solar	2017-0108	9/19/2041

						9/19/2019	
Waipio PV	45.9	As Available	$0.1218	Any	Solar	2017-0108 9/19/2019	9/19/2041
AES Hawaii[d]	180	Firm	$0.0649	Any	Coal	6177 9/1/1992	9/1/2022
Kalaeloa Partners[e]	208	Firm	$0.1901	Any	LSFO	6378 2021-0188 5/23/1991	10/31/2019 term continued pending decision in 2021-0188
Na Pua Makani Power Partners, LLC	24	As Available	$0.1399	Any	Wind	2013-0423 12/11/2020	12/11/2040
H-POWER	68.5	Firm	$0.1854	On Peak	Waste	2012-0129	4/2/2033
			$0.1305	Off Peak			
Feed-in Tariff	Varies	As Available	$0.2318	Any	Solar	2008-0273	20 years
Avoided Energy Cost Rate			$0.1067	On Peak	Docket No. 7310, Decision and Order No. 24086; 2008-0069		
			$0.1619	Off Peak			

a Based on 12-month averages of actual energy costs; does not include capacity payments (if applicable).

b "On peak" is from 7 AM to 9 PM. "Off peak" is from 9 PM to 7 AM.

c Average Energy Price does not include reactive adjustment.

d Energy Price based on AES Hawaii Energy Cost which includes Fuel, Variable O&M, and Fixed O&M components.

e Energy Price based on Kalaeloa Partners Energy Cost which includes Fuel, Nonfuel, and Additive components.

Table 4 – Summary of Power Purchase Agreements in Effect on Hawaii Island, FY 2022

HAWAII Facility Name	Export Capacity (MW)	Facility Type	Average FY22 Energy Price ($ per kWh)[a]	Time of Production	Fuel / Energy Source	Identifying Docket or In Service Date	End Date / Term
Hawi Renewable Development	10.56	As Available	$0.1987	On Peak	Wind	2004-0016	5/18/2021[d]
			$0.1992	Off Peak			
Hamakua Energy [c]	60	Firm	$0.2557	Any	Naphtha/ Biodiesel	1998-0013	12/31/2030
Puna Geothermal Venture (PGV)	25	Firm	$0.1957	On Peak	Geo-thermal	2011-0040	12/31/2027
			$0.1987	Off Peak			
	5	Firm	$0.1355	Any			
	8	Cycling	$0.0689	On Peak			
			$0.0689	Off Peak			
Tawhiri Power (Pakini Nui)	20.5	As Available	$0.1398	On Peak	Wind	2004-0346	4/2/2027
			$0.1305	Off Peak			
Wailuku River Hydro	12.1	As Available	$0.1995	On Peak	Hydro	6956	5/12/2023
			$0.2019	Off Peak			
Feed-in Tariff	Varies	As Available	$0.2340	Any	Solar	2008-0273	20 years
Schedule Q[b]	Varies	As Available	$0.2365	Any	Docket No. 7310 Decision and Order No. 24086; 2008-0069		
Avoided Energy Cost Rate			$0.1950	On Peak	Docket No. 7310 Decision and Order No. 24086		
			$0.1982	Off Peak			

a Based on 12-month averages of actual energy costs; does not include capacity payments (if applicable).
b Includes County of Hawaii Department of Water Supply, Palm Valley Farm, and Hawaii Water Service. Hawaii Water Service went into service on 3/18/2022.
c Energy Price based on Hamakua Energy's Energy Cost which includes Fuel and Variable O&M components.
d. Hawi Renewable Development term continues as decision in Docket No. 2021-0200 is pending.

Table 5 – Summary of Power Purchase Agreements in Effect on Maui Island, FY 2022

MAUI Facility Name	Export Capacity (MW)	Facility Type	Average FY22 Energy Price ($ per kWh)[a]	Time of Production	Fuel / Energy Source	Identifying Docket or In Service Date	End Date / Term
Kaheawa Wind Power	30	As Available	$0.1400	On Peak	Wind	2004-0365	6/9/2026
			$0.1313	Off Peak		6/9/2006	
Kaheawa Wind Power II	21	As Available	$0.2397	Any	Wind	2010-0279 7/2/2012	7/2/2032
Auwahi Wind Energy	21	As Available	$0.2053	Any	Wind	2011-0060 12/8/2012	12/27/2032
Feed-in Tariff	Varies	As Available	$0.2275	Any	Solar	2008-0273	20 years
SSA Solar of HI 3 (SMRR)	2.87	As Available	$0.1106	Any	Solar	2015-0225	5/5/2040
SSA Solar of HI 2 (Kuia Solar)	2.87	As Available	$0.1106	Any	Solar	2015-0224	10/4/2040
Avoided Energy Cost Rate			$0.1786	On Peak	Docket No. 7310 Decision and Order No. 24086		
			$0.1682	Off Peak			

a. Based on 12-month averages of actual energy costs; does not include capacity payments (if applicable).

Table 6 – Power Purchase Agreements in Effect on Lanai Island, FY 2022

LANAI[a] Facility Name	Facility Capacity (MW)	Facility Type	Average FY22 Energy Price ($ per kWh)	Time of Production	Fuel / Energy Source	Identifying Docket or In Service Date	End Date / Term
Lanai Sustainability Research, LLC	1.2	As Available	$0.3000	Any	Solar	2008-0167 12/19/2008	12/19/2033

a There are no FIT projects on Lanai.

Table 7 – Power Purchase Agreements in Effect on Molokai Island, FY 2022

MOLOKAI Facility Name	Facility Capacity (MW)	Facility Type	Average FY22 Energy Price ($ per kWh)	Time of Production	Fuel / Energy Source	Identifying Docket or In Service Date	End Date / Term
Feed-in Tariff	Varies	As Available	$0.2180	Any	Solar	2008-0273	20 years

Table 8 – Summary of Power Purchase Agreements in Effect on Kauai Island, FY 2021

KAUAI Facility Name	Facility Capacity (MW)	Facility Type	Average FY22 Energy Price ($ per kWh)	Time of Production	Fuel / Energy Source	Identifying Docket or In Service Date	End Date / Term
Kekaha Ag Assoc	1.5	As Available	$ .1153	Any	Hydro	2001-0055	Month to Month
Kapaa	1	As Available	$0.2000	Daytime	Solar	2010-0179	3/4/2031
Ka'ie'ie Waho Company (formerly McBryde)	6	As Available	$0.2000	Daytime	Solar	2011-0180	12/21/2032
MP2 Hawaii Solar I	0.300	As Available	$0.2000	Daytime	Solar	2011-0362	1/4/2033
McBryde Resources	4.8	As Available	$0.2026	Any	Hydro	2012-0150	1/31/2033
Green Energy Team	6.7	Baseload	$0.2604	Any	Biomass	2011-0032	1/31/2036
Dom Solar Lessor I, SolarCity	13	As Available	$0.1390	Any	Solar & Storage	2015-0331	5/26/2037
KRS2 Koloa	12	As Available	$0.1220	Daytime	Solar	2012-0383	9/5/2039
KRS1 Anahola	12	As Available	$0.1280	Daytime	Solar	2011-0323	10/30/2040
Gay & Robinson	7.25	As Available	$0.1734	Any	Hydro	2014-0203	01/01/2044
AES Lawai	20	As Available	$0.1108	Any	Solar & Storage	2017-0018	06/01/2044
AES Kekaha	14	As Available	$0.1085	Any	Solar & Storage	2017-0443	04/01/2046
Avoided Energy Cost Rate			$ 0.1817	Docket No. 7310 Decision and Order No. 24086			

4) Resource Acquisition

Community-Based Renewable Energy ("CBRE")
Docket No. 2015-0389; Open

On December 22, 2017, in Docket No. 2015-0389, the Commission adopted a CBRE Framework for the HECO Companies. The CBRE framework allows utility customers who are unable to directly participate in renewable energy generation because of their location, building type, access to the electric utility grid, and other impediments to participate directly in off-site renewable energy projects through a bill credit arrangement. There are currently two Phase 1 projects in commercial operation: one on Oahu and one on Maui. Four more projects are expected to reach commercial operations in 2023.

On April 9, 2020, the Commission commenced Phase 2 of CBRE, expanding the program capacity to at least 235 MW to dramatically expand access to the economic, environmental, and societal benefits of renewable energy. Phase 2 specifically addresses the needs of renters, shared building occupants, and low-to-moderate income earners. In late 2021 and early 2022, the Commission listened to community concerns about CBRE projects on Hawaii Island, Maui, and Oahu. To address these concerns, the Commission approved revised version of the Phase 2 requests for proposals ("RFP") for Hawaii Island, Maui, and Oahu on February 8, 2022.

Hawaiian Electric - Competitive Bidding Process to Acquire Variable Renewable Dispatchable Generation Paired with Energy Storage for the Islands of Molokai and Lanai
Docket No. 2019-0178; Suspended

On August 6, 2019, the HECO Companies filed a Proposed Draft Request for Proposals ("RFP") for the islands of Molokai and Lanai. The Commission opened the docket on August 29, 2019, in Order No. 36493, to receive filings, review approval requests, and resolve disputes, if necessary, related to the HECO Companies' proposed plans to proceed with competitive procurement of variable renewable dispatchable generation paired with energy storage on the islands of Molokai and Lanai. After a Status Conference held on September 5, 2019, the Commission solicited comments from the HECO Companies, the Consumer Advocate, and stakeholders regarding the proposed plans to proceed with the competitive procurement. On November 27, 2019, the Companies filed their Final RFPs for Molokai and Lanai. On June 8, 2020, the HECO Companies proposed combining the Lanai RFP with the RFP underway in the Community Based Renewable Energy proceeding, Docket No. 2015-0389. On September 14, 2021, after numerous meetings and public comments, the Molokai Clean Energy Hui filed an update on its Community Energy Resilience Action Plan ("the Molokai Plan"), in which the Molokai Clean Energy Hui stated that it was collaborating with Sustainable Molokai and the Hawaii Natural Energy Institute to develop an energy plan for Molokai based on thorough, timely, and unbiased technical and economic analyses, and estimated that the Molokai Plan would be completed by March 31, 2023. In light of the above, on September 29, 2021, the Commission suspended the docket, pending the completion and submission of the Molokai Plan. In the interim, the Molokai Clean Energy Hui, Sustainable Molokai, and the Hawaii Natural Energy Institute file regularly updates on the Molokai Plan's progress with the Commission.

Hawaiian Electric - Competitive Bidding Process to Acquire Dispatchable and Renewable Generation
Docket No. 2017-0352; Open

The Commission opened this docket on October 6, 2017, to receive filings, review approval requests, and resolve disputes related to Hawaiian Electric's requests to proceed with competitive procurement of dispatchable firm generation and new renewable energy generation on Oahu, Maui, and Hawaii Island. On March 25, 2019, following the first RFP (Stage 1 RFP), the Commission approved six PPAs for grid-scale, solar-plus-storage projects for Oahu, Maui, and Hawaii Island, which in total. represented approximately 247 MW of solar energy and 988 MW of storage. Pursuant to a second round of RFPs (Stage 2 RFP), on December 30, 2020, the Commission approved three PPAs for grid-scale, solar-plus-storage projects under the Renewable Dispatchable Generation contract, and subsequently, the Commission approved six additional RDG PPAs from the projects selected in the Stage 2 RFP. The approved and active RDG PPAs under development from Stage 2 represent approximately 112 MW of solar capacity paired with storage and 185 MW of stand-alone battery storage, while the pending project includes an additional 42 MW of solar capacity paired with storage. Pursuant to approval provided by the Commission in Decision and Order No. 38479, as modified and/or clarified by Decision and Order No. 38653, the Companies issued the Hawaii Island Stage 3 RFP on November 21, 2022. Additionally, the Companies are currently in the process of finalizing the Stage 3 RFPs for Oahu and Maui, pursuant to Order No. 38735, and developing an RFP for Grid Services on Maui.

These projects are expected to contribute towards Hawaii's 100% Renewable Portfolio Standard compliance, support system reliability and grid stability, and insulate customer bills from the volatility of fossil fuel costs. The following table summarizes dockets related to Hawaiian Electric's competitively procured projects during the fiscal year.

Project	Company	Docket No.	Docket Status	PPA Status	Transmission Interconnection Status
AES Waikoloa Solar, LLC	HELCO	2018-0430	Closed	Approved on 3/25/2019 in D&O 36233.	Approved on 2/4/2021 in D&O 37606
Hoʻohana Solar 1, LLC	HECO	2018-0431	Closed	Approved on 3/25/2019 in D&O 36236.	Approved on 8/10/2021 in D&O 37906
Hale Kuawehi Solar LLC	HELCO	2018-0432	Closed	Approved on 3/25/2019 in D&O 36234	Approved on 2/4/2021 in D&O 37607
Paeahu Solar, LLC	MECO	2018-0433	Open	Approved on 10/05/2020 in D&O 37340; Hawaii Supreme Court affirmed the Commission's approval of the PPA in its decision issued on 3/2/2022 in SCOT-21-0000041.	Pending before the Commission
Mililani I Solar, LLC	HECO	2018-0434	Closed	Approved on 3/25/2019 in D&O 36232. Amendment approved on 10/6/2021 in D&O 38006	Approved on 3/19/2021 in D&O 37683
Waiawa Solar Power LLC	HECO	2018-0435	Closed	Approved on 3/25/19 in D&O 36231 Amendment approved on 10/6/21 in D&O 38007	Approved on 3/19/21 in D&O 37683
AES Kuihelani Solar, LLC	MECO	2018-0436	Closed	Approved on 3/25/19 in D&O 36235	Approved on 10/1/21 in D&O 37995
AES West Oahu Solar	HECO	2019-0050	Closed	Approved on 8/20/19 in D&O 36480	Conditionally approved a modification on 5/6/22 in D&O 38351

Kapolei Energy Storage I, LLC	HECO	2020-0136	Closed	Approved on 4/29/21 in D&O 37754	Approved on 9/15/21 in D&O 37966
Waiawa Phase 2 Solar, LLC	HECO	2020-0137	Open	Approved on 12/30/21 in D&O 37516	Pending before the Commission
Kupehau Solar, LLC	HECO	2020-0138	Closed	Approved on 12/30/2020 in D&O 37521.	PPA declared null and void and docket was closed on 7/15/2020 in Order 38500
AES Mountain View Solar LLC	HECO	2020-0139	Open	Approved on 3/25/21 in D&O 37699	Approved on October 28, 2022 in D&O 38670.
Mahi Solar, LLC	HECO	2020-0140	Closed	Approved on 12/30/20 in D&O 37515	PPA declared null and void and docket closed on 7/15/22 in D&O 38502
Pulehu Solar LLC	MECO	2020-0141	Closed	Approved on 4/14/21 in D&O 37731	PPA declared null and void and docket closed on 7/15/22 in D&O 38503
Kahana Solar, LLC	MECO	2020-0142	Open	Approved 11/19/21 in D&O 38077	Approved on 6/24/22 in D&O 38445
Barbers Point Solar, LLC	HECO	2020-0143	Open	Approved on 3/23/22 in D&O 38281	PPA declared null and void
Kamaole Solar LLC	MECO	2021-0026	Open	Approved on 9/15/21 in D&O 37965	Pending before the Commission
Kupono Solar LLC	HECO	2022-0007	Open	Approved on 7/22/2022 in D&O 38519	Pending before the Commission

Hawaiian Electric - Integrated Demand Response Portfolio Plan
Docket No. 2007-0341; Open

On December 31, 2020, the Commission approved the HECO's Request to recover costs related to grid service purchase agreements ("GSPA") for five years through the Demand-Side Management ("DSM") Surcharge and ordered that all future GSPA applications should be filed as a separate application.

The docket remains open as a repository to accept the Companies reports including Annual Program Accomplishments and Surcharge Reports, DSM Adjustments, and Hawaiian Electric's Commercial and Industrial Direct Load Control, Residential Direct Load Control Program, and Fast Demand Response Programs.

On May 4, 2022, Hawaiian Electric submitted a request to amend its GSPA for Grid Services with Swell Energy VVP Fund 2020-I LLC. This request is currently pending before the Commission.

HECO - Grid Services Purchase Agreement For Oahu with Swell Energy
Docket No. 2022-0041; Open

On March 16, 2022, the HECO Companies filed an application seeking approval of its Grid Service Purchases Agreement with aggregator Swell Energy, resulting from the third round of RFP seeking the delivery of up to 60 megawatts each of Capacity Reduction and Build and 12 MW off fast frequency response Grid Services on Oahu. On April 18, 2022, the HECO

Companies filed a request seeking approval of an amendment to its GSPA contract with Swell Energy following renegotiations. This request is currently pending before the Commission.

HELCO - PPA with Hu Honua Bioenergy, LLC
Docket No. 2017-0122; Closed

Following the Hawaii Supreme Court's decision in SCOT-20-0000569, which vacated the Commission's previous dismissal of HELCO's application for approval of a power purchase agreement with Hu Honua Bioenergy, LLC and remanded the matter back to the Commission for further proceedings, the Commission reopened this docket on June 30, 2021. Following discovery and submission of testimony and other evidence, an evidentiary hearing was held from March 1-4 and March 7, 2022. On May 23, 2022, in a split 2-1 vote, the Commission issued Decision and Order No. 38395, denying Hawaii Electric Light Company's request for approval of a purchase power agreement with Hu Honua Bioenergy LLC. On June 24, 2022, the Commission issued Order No. 38443, denying motions for reconsideration of Decision and Order No. 38395 filed by Hawaii Electric Light Company, Inc. and Hu Honua Bioenergy LLC and closing the docket. On June 29, 2022, Hu Honua Bioenergy LLC subsequently filed an appeal of the Commission's decision with the Hawaii Supreme Court in SCOT-22-0000418, which is currently pending.

HECO - PPA with Kalaeloa Partners L.P.
Docket No. 2021-0188; Open

On November 24, 2021, HECO filed an Application requesting approval of the Amended and Restated Power Purchase Agreement for Firm Dispatchable Capacity and Energy executed by Hawaiian Electric and Kalaeloa Partners, L.P. ("KPLP"), as well as other approvals relating to 208 megawatts of firm dispatchable capacity and energy from KPLP's low sulfur fuel oil fired combined-cycle cogeneration facility in Kalaeloa, in the Ewa District on the island of Oahu.

On November 23, 2022, the Commission issued Decision and Order No. 38721, approving HECO's requests. In particular, the Commission: (1) approved the Amended and Restated PPA, dated October 29, 2021, for a ten-year term; (2) approved HECO's request to include all non-energy payments under the Amended and Restated PPA, and related revenue taxes, in HECO's Purchased Power Adjustment Clause, to the extent such costs are not included in base rates; and (3) HECO's request to include the costs for the Fuel Component of the Energy Charge for energy purchased under the Amended and Restated PPA, and related taxes and fees, in Hawaiian Electric's Energy Cost Recovery Clause, to the extent such costs are not included in base rates. The Commission also ordered that HECO: (1) submit notification in this docket, as soon as practicable, if and when it decides to exercise the Fuel Conversion Option in the Amended and Restated PPA; (2) beginning with such notice of its intention to exercise the Fuel Conversion Option, file in this docket quarterly reports with updates on its negotiations with KPLP; and (3) file an annual update with the Commission by December 31st, beginning in 2023, about HECO's discussions with KPLP regarding its intent to exercise the Fuel Conversion Option, so that the Commission and Consumer Advocate are apprised of any upcoming plans and the timing around any fuel conversion.

HELCO - PPA with Puna Geothermal Venture
Docket No. 2019-0333; Closed

On October 4, 2019, the Commission opened this docket to review and receive filings related to the amended and restated power purchase agreement between HELCO and Puna Geothermal Venture ("PGV"). On December 31, 2019, HELCO filed its requests to: 1) issue a declaratory order regarding the exception of the project from the Competitive Bidding Framework, or approval of a waiver from the Competitive Bidding Framework; and 2) approve the amended and restated power purchase agreement for Firm Capacity Renewable Generation. On March 16, 2022, the Commission approved PGV's requests, subject to several conditions, including successful completion of Hawaii Environmental Policy Act

("HEPA") review, and the requirement to reopen the docket for further Commission review if the HEPA process requires significant changes to the project.

HELCO - PPA with Hawi Development, LLC.
Docket No. 2021-0200; Open

On December 17, 2021, HELCO filed an application requesting exemption from the Competitive Bidding Framework and approval of a power purchase agreement between HELCO and Hawi Development, LLC.

On May 13, 2022, the Commission issued an order adopting a statement of issues and setting a procedural schedule. On June 24, 2022, HELCO filed a letter indicating that the developer, Hawi Development, LLC, had concerns with the financial viability of the project given unexpected increased costs associated with recent global events and that Hawi and HELCO were working to resolve those issues. Hawi and HELCO continue to work through these concerns and updates the Commission periodically. This matter is currently pending before the Commission.

HELCO - Competitive Procurement to Acquire a Battery Energy Storage System in North Kohala
Docket No. 2022-0012; Suspended

On January 25, 2022, the Commission issued an order opening this docket to review and receive filings related to the draft request for proposals for the North Kohala Battery Energy Storage System ("BESS") to be interconnected to a microgrid controller, which will allow for the rehabilitation and rebuilding of the Hawi transmission line. On November 10, 2022, the Commission suspended the docket, based on HELCO's representations that its request is on hold until it completes a restudy to determine if a revised BESS size is required.

KIUC - PPA with AES West Kauai Energy Project, LLC
Docket No. 2020-0218; Closed

On December 31, 2020, KIUC, filed an application requesting approval of: 1) a power purchase agreement between KIUC and AES West Kauai Energy Project, LLC; 2) the commitment of at least $2.7 million to construct 1.5 miles of new transmission line and reconductor 1.0 miles and install 2.65 miles of single mode fiber optic line along KIUC's existing transmission system; and 3) a 69 kilovolt overhead line extensions associated with interconnecting the project with KIUC's system.

On December 1, 2021, the Commission issued Decision and Order No. 38095, approving KIUC's requests, finding that the PPA would deliver benefits including bill savings to KIUC's members, operational flexibility to address KIUC's system's needs with renewable energy, insulation from the volatility of fossil fuel costs, and contributing towards KIUC's Renewable Portfolio Standards.

The Commission denied the motion for reconsideration filed by Po ʻai Wai Ola/West Kauai Watershed Alliance, a participant in the proceeding, who subsequently appealed the Commission's decision to the Hawaii Supreme Court in SCOT-22-0000184. On September 20, 2022, the Hawaii Supreme Court approved a stipulation by the parties to dismiss the appeal.

5) Fuel Contracts

HECO - Facility Fuel Supply Contract Between Par Hawaii Refining LLC and Kalaeloa Partners, L.P
Docket No. 2019-0385; Open

On December 30, 2019, HECO filed an application requesting Commission approval of: 1) HECO's Consent to a facility fuel supply contract between Par Hawaii Refining, LLC and Kalaeloa Partners, L.P.; and 2) inclusion of the costs for energy purchased from Kalaeloa Partners, L.P., and related taxes and fees incurred pursuant to the new facility fuel supply contract, in HECO's Energy Cost Recovery Clause, to the extent that those costs are not recovered in HECO's base rates. This matter is currently pending before the Commission.

HECO - Petroleum Fuel Supply Contract with Par Hawaii Refining, LLC
Docket No. 2020-0090; Closed

On June 9, 2020, HECO filed an application requesting the Commission issue a Decision and Order: 1) approving an amended petroleum fuel supply contract ("First Amendment") between Par Hawaii Refining, LLC, and HECO; 2) approving a process to create the ability for HECO to purchase imported fuel; 3) approving the inclusion of costs of the First Amendment, imported fuel, and cost savings opportunities, including without limitation, the costs of fuel, terminalling and handling fees, throughput fees, storage and transportation, other costs and related taxes and fees in HECO's Energy ECRC; and 4) granting HECO such other and further relief as may be just and equitable. On August 4, 2020, the Commission issued Interim Decision and Order No. 37256, which, on an interim basis, approved First Amendment, with terms and conditions. Following additional discovery and briefing, on July 6, 2021, the Commission issued a final Decision and Order No. 37857, granting final approval of the First Amendment. After determining that HECO met all conditions in Decision and Order No. 37857, the Commission closed the docket in Order No. 38588 on August 30, 2022.

HECO - Fuel Supply Contract Amendment Between Par Hawaii Refining, LLC and Kalaeloa Partners, L.P.
Docket No. 2021-0139; Open

On September 14, 2021, HECO filed an application requesting Commission approval of: 1) HECO's consent to Amendment #1 to the Bridge Facility Fuel Supply Contract and Facility Fuel Supply Contract between Par Hawaii Refining, LLC and Kalaeloa Partners, L.P. (Kalaeloa) dated June 28, 2021; and 2) inclusion of the costs for energy purchased from Kalaeloa and related taxes and fees incurred pursuant to the Amended Fuel Contract in HECO's Energy Cost Recovery Clause, to the extent that those costs are not recovered in HECO's base rates. This matter is currently pending before the Commission.

HECO - Fuels Supply Contract with PAR Hawaii Refining, LLC, the Biodiesel Supply Contract with Pacific Biodiesel Technologies, LLC, etc.
Docket No. 2022-0014; Closed

On January 26, 2022, HECO Companies filed an application requesting approval of 1) a new contract between Par and HECO ("New Par Contract"), 2) a second amendment to a current fuel supply contract between Par and HECO ("Second Amendment"), 3) a new backup fuel supply contract between Vitol Inc. ("Vitol") and HECO Companies ("Vitol Contract"), 4) a new fuel supply contract between Pacific Biodiesel Technologies, LLC ("PBT") and HECO Companies ("PBT Contract"), and 5) the inclusion of the related costs in the ECRC.

On December 1, 2022, the Commission issued Decision and Order No. 38736, where the Commission, subject to certain conditions, gave final approval of the New Par Contract, the Vitol Contract, and the PBT Contract.

HECO and MECO - Fuels Transportation Contract with Sause Bros., Inc.
Docket No. 2021-0085; Closed

On April 15, 2021, HECO and MECO filed a joint application seeking expedited Commission approval of an inter-island fuels transportation contact with Sause Bros., Inc. This contract would replace an existing, expiring contact for inter-island fuel transportation services to deliver fuel from Barers Point Harbor on Oahu to fuel storage facilities on the neighbor islands. On December 23, 2021, the Commission issued interim Decision and Order No. 38148 which, on an interim basis, approved the inter-island fuels transportation contract with Sause Bros., Inc. and, also on an interim basis, approved the companies' inclusion of certain costs in their respective energy cost recovery clauses. On September 22, 2022, the Commission issued a final Decision and Order No. 38619 which approved, subject to conditions, the inter-island fuels transportation contract with Sause Bros., Inc. and the companies' inclusion of certain costs in their respective energy cost recovery clauses.

6) Capital Expenditures

The following section provides information on capital improvement projects ("CIP") for HECO, HELCO, MECO, and KIUC for the calendar year ("CY") 2021.

HECO

HECO's actual CY 2021 plant additions, before reduction for contributions in aid of construction received, total $184.9 million.

Table 9 – HECO Summary of CY 2021 Plant Additions[4]

($ in million)	Actual	Budget	Variance
Less than $2.5 million	$166.0	$175.0	($9.0)
Less than $2.5 million - Plant additions budgeted in 2020, delayed to 2021 or beyond or cancelled	$0.0	$38.6	($38.6)
Subtotal - Less than $2.5 million	**$166.0**	**$213.6**	**($47.6)**
GO7 - Greater than $2.5 million	$18.9	$12.8	$6.1
GO7 - Greater than $2.5 million - Plant additions budgeted in 2020, delayed to 2021 or beyond	$0.0	$2.4	($2.4)
Subtotal - GO7 - Greater than $2.5 million	**$18.9**	**$15.2**	**$3.7**
Corporate Placeholder Adjustment	**$0.0**	**($13.3)**	**$13.3**
Total	**$184.9**	**$215.5**	**($30.6)**

[4] See Docket No. 03-0257, Exemption From and Modification of General Order No. 7 Paragraph 2.3(g), Relating to Capital Improvements Capital Projects Completed in 2021, Attachment 1 filed on March 31, 2022.

HELCO

HELCO's actual CY 2021 plant additions, before reduction for contribution in aid of construction received, total $48.6 million.

Table 10 – HELCO Summary of CY 2021 Plant Additions[5]

($ in million)	Actual	Budget	Variance
Less than $2.5 million	$41.2	$45.0	($3.8)
Less than $2.5 million - Plant additions budgeted in 2020, delayed to 2021 or beyond or cancelled	$0.0	$12.8	($12.8)
Subtotal - Less than $2.5 million	**$41.2**	**$57.8**	**($16.6)**
GO7 - Greater than $2.5 million	$7.4	$6.8	$0.6
Subtotal - GO7 - Greater than $2.5 million	**$7.4**	**$6.8**	**$0.6**
Total	**$48.6**	**$64.6**	**($16.0)**

MECO

MECO's actual CY 2021 plant additions, before reduction for contribution in aid of construction received, total $60.2 million.

Table 11 – MECO Summary of CY 2021 Plant Additions[6]

($ in million)	Actual	Budget	Variance
Less than $2.5 million	$53.6	$38.2	$15.4
Less than $2.5 million - Plant additions budgeted in 2020, delayed to 2021 or beyond or cancelled	$0.0	$8.5	($8.5)
Subtotal - Less than $2.5 million	**$53.6**	**$46.7**	**$6.9**
GO7 - Greater than $2.5 million	$6.6	$4.9	$1.7
GO7 - Greater than $2.5 million - Plant additions budgeted in 2020, delayed to 2021	$0.0	$1.0	($1.0)
Subtotal - GO7 - Greater than $2.5 million	**$6.6**	**$5.9**	**$0.7**
Total	**$60.2**	**$52.6**	**$7.6**

KIUC

For CY 2021, KIUC completed 47 CIPs for which none of the individual projects had a total cost exceeding $1 million. KIUC completed two CIPs for which the project had an individual total cost between $1 million and $2.5 million and three CIP with a total cost at or exceeding $2.5 million in Calendar Year 2021. As shown in Table 12, the total aggregate cost is approximately $32.4 million.

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[5] See Docket No. 03-0257, Exemption From and Modification of General Order No. 7 Paragraph 2.3(g), Relating to Capital Improvements Capital Projects Completed in 2021, Attachment 2 filed on March 31, 2022.

[6] See Docket No. 03-0257, Exemption From and Modification of General Order No. 7 Paragraph 2.3(g), Relating to Capital Improvements Capital Projects Completed in 2021, Attachment 3 filed on March 31, 2022.

Table 12 – KIUC Summary of CY 2020 Completed CIPs[7]

($ in million)	Actual	Budget	Variance
Completed CIPs with a total cost of less than $1 million	$7.2	n/a	n/a
Completed CIPs with a total cost of between $1 million to under $2.5 million	$2.7	$3.1	($0.4)
Completed CIPs with a total cost of $2.5 million or more	$22.5	$25.7	($3.2)
Total	**$32.4**	**$28.8**	**$3.6**

The following section summarizes proceedings before the Commission in FY 2022 related to capital expenditures in excess of $2.5 million and grouped into 3 categories: grid modernization, reliability and resiliency, and substation improvements.

Grid Modernization

Hawaiian Electric - Phase 1 of the Grid Modernization Project
Docket No. 2018-0141; Open

The Commission approved, subject to certain conditions, the HECO Companies' application to commit approximately $86.3 million to the first phase of their Grid Modernization Strategy, including the acquisition and deployment of advanced meters, a meter data management system, a telecommunications network, and related matters. As part of this approval, the Companies subsequently filed an Advanced Rate Design Strategy and Data Access and Privacy Policy on September 25, 2019. The Commission accepted the Advanced Rate Design Strategy and the Data Access and Privacy Policy, and further directed the Companies to make meter data available to all customers, via the customer portal, in Green Button format. The Commission encouraged the Companies to collaborate with the State Energy Office, the Counties, the Consumer Advocate, and the University of Hawaii, to ensure they have ready access to aggregated, anonymized electricity usage data.

On January 20, 2022, the Companies submitted their final plan to fully deploy advanced meters. On February 28, 2022, the Commission approved, with conditions, the Companies' plan to fully deploy advanced meters by September 30, 2024.

Hawaiian Electric - Phase 2 of the Grid Modernization Project
Docket No. 2019-0327; Suspended

On September 30, 2019, the HECO Companies filed their Phase 2 Grid Modernization application seeking approval to commence and obtain cost recovery for the Advanced Distribution Management System component of their Grid Modernization Strategy. On December 30, 2019, the Commission suspended deliberations in this docket until the HECO Companies filed a supplemental application for the broad deployment of sensors and field devices. The Companies filed their updated application, including sensors and field devices on March 31, 2021. After resuming the docket and reviewing the updated Phase 2 application, on November 16, 2021, the Commission again suspended this docket pending the completion of Phase 1, the subject of Docket No. 2018-0141. On January 6, 2022, the Commission notified Hawaiian Electric that it may move to lift the suspension on Phase 2 no earlier than six months before Phase 1 is scheduled to be complete, i.e., no earlier than March 31, 2024.

[7] Docket No. 03-0256, Kauai Island Utility Cooperative for Exemption from and Modification of General Order No. 7, Paragraph 2.3(g)2, Regarding Capital Improvements; Annual Report Regarding Completed Projects in 2021, filed on May 31, 2022.

HECO –Kahe-Waiau 138 kV Undergrounding Project
Docket No. 2021-0086; Closed

On June 15, 2021, HECO filed an application requesting approval to commit approximately $4.2 million to relocate a section of the existing overhead Kahe-Waiau transmission line underground, as well as to recover project costs through the Exceptional Project Recovery Mechanism ("EPRM"). HECO states that the project is necessary in order to facilitate the interconnection of the Kahe-Halawa #1 138 kV line and Kahe-Halawa #2 138 kV line into an anticipated Hoʻohana Switching Station, which will, in turn, be used to integrate future renewable energy projects.

On June 27, 2022, the Commission issued Decision and Order No. 38451, which approved: (1) HECO's request to commit funds in excess of $2,500,000 for the project; (2) HECO's alternative request to recover the project's costs through the Renewable Energy Infrastructure ("REIP") surcharge, rather than under the EPRM, subject to certain conditions; and (3) HECO's request to construct the proposed 138 kV line relocation below the surface of the ground. Subsequently, on July 8, 2022, HECO filed a Motion for Reconsideration or Clarification. On October 6, 2022, the Commission issued Order No. 38641denying HECO's Motion for Reconsideration and clarifying language in Decision and Order No. 38451.

MECO - Switchyard/Synchronous Condenser Project
Docket No. 2020-0167; Closed

On October 22, 2020, MECO filed an application requesting approval to commit approximately $38.8 million for the Switchyard/Synchronous Condenser Project ("Project'), which includes: 1) approximately $29,900,000 for the construction of a Switchyard at MECO's Waena site, including the extension of two 69 kilovolt overhead transmission lines and the relocation of an existing short section of an overhead transmission line; and 2) approximately $8,900,000 for the conversion of two generating units to Synchronous Condensers at Kahului Power Plant ("KPP") in Central Maui. MECO subsequently requested and received leave to amend its application to seek recovery of Project costs through the Exceptional Project Recovery Mechanism ("EPRM"). In support, MECO stated that the Project will facilitate the retirement of the Kahului Power Plant, as well as the integration of more renewable energy on to MECO's system. On November 23, 2021, the Commission approved MECO's requests, but limited the amount of project costs recoverable through the EPRM and required MECO to report on the project's development, as well as provide a plan to decommission KPP. On December 3, 2021, MECO filed a Motion for Partial Reconsideration requesting the Commission, among other things, reconsider and/or clarify the language limiting cost recovery under the EPRM. Thereafter, on March 18, 2022, the Commission clarified which costs are recoverable under the EPRM and denied MECO's Motion for Partial Reconsideration.

Reliability and Resiliency

Hawaiian Electric - Climate Adaptation Transmission and Distribution Resilience Program
Docket No. 2022-0135; Open

On June 30, 2022, HECO Companies filed an application requesting approval to commit approximately $189 million for a climate adaptation transmission and distribution resilience program and to recover the Project costs through the Exceptional Project Recovery Mechanism ("EPRM"). HECO Companies request is currently pending before the Commission.

HECO - Waiawa Under Frequency Load Shed Project
Docket No. 2021-0017; Closed

On January 29, 2021, HECO filed an application requesting expedited approval to commit funds for the revision and installation of the Waiawa Under Frequency Load Shed scheme, which HECO maintains is necessary to accommodate the expected load growth on the Waiau-

Mililani and Wahiawa-Waimano 46 kilovolt circuits. HECO also requested interim cost recovery for the UFLS through the recently approved Exceptional Project Recovery Mechanism. HECO's request is currently pending before the Commission. On January 26, 2022, the Commission issued Decision and Order No. 38197, which granted HECO's request, subject to certain conditions. On February 7, 2022, HECO filed a motion for partial reconsideration, which the Commission denied on March 31, 2022.

HECO - West Loch Battery Energy Storage System Project
Docket No. 2022-0019; Closed

On February 2, 2022, the Commission opened this docket for the purposes of reviewing HECO's request for approval by February 14, 2022 a waiver from Paragraph 2.3(g)(2) of General Order No. 7 ("G.O. 7") to commit funds for a down payment on a 20 megawatt /80 megawatt-hour Battery Energy Storage System ("BESS" or "Project"), associated medium voltage transformers, and to initiate time critical analysis and services for keeping the potential Project on schedule. The Commission granted HECO's request, in part, to allow HECO to commit and expend funds for the requested amount for the down payment, but denied its request for cost recovery of such funds, noting that, in the event the Project is not ultimately approved, HECO will seek not cost recovery of any associated penalties or funds committed to the Project. The Commission also instructed HECO to immediately file an application, pursuant to G.O. 7, for review and consideration of the entire Project by the Commission, Consumer Advocate, and any interested parties. On March 2, 2022, HECO filed an application requesting a waiver from the requirements of Paragraph 2.3 (g)(2) of G.O. 7 for the Project. Subsequently, on April 6, 2022, HECO notified the Commission that it was withdrawing its application, based on notification that the BESS could not be delivered in time to help address needed additional capacity reserves following the retirement of the AES Coal Plant on Oahu. On April 12, 2022, the Commission issued an order accepting HECO's withdrawal of application for the Project and closed the docket.

HELCO - Keahole Battery Energy Storage System Project
Docket No. 2020-0127; Suspended

On August 28, 2020, HELCO filed an application requesting approval to commit approximately $16.9 million to purchase and install a 12 megawatt /12 megawatt-hour Battery Energy Storage System Project ("Project") at the Keahole Generating Station in Kailua-Kona, on Hawaii Island, and a 69 kilovolt overhead line to connect the Project to HELCO's transmission system. HELCO subsequently sought and received approval to amend its application to seek recovery of Project costs through the Exceptional Project Recovery Mechanism. On May 25, 2022, the Commission denied HELCO's request. Thereafter, HELCO filed a Motion for Reconsideration on June 6, 2022, and then, on June 24, 2022, requested that the docket be suspended pending HELCO's pursuit of federal funds pursuant to the Infrastructure Investment and Jobs Act. On July 27, 2022, the Commission suspended the proceedings and the docket remains open pending HELCO's notification on its application for federal funding and the Commission's final disposition on the pending Motion for Reconsideration.

MECO - Waena Battery Energy Storage System
Docket No. 2020-0132; Open

On August 28, 2020, MECO filed an application requesting approval to commit approximately $60 million to purchase and install a 40 megawatt/160 megawatt-hour Battery Energy Storage System ("BESS") at its Waena Site in Central Maui ("Project"), as well as a 69 kilovolt overhead line to connect the Project to MECO's transmission system. MECO subsequently requested and received approval to amend its application to seek recovery of Project costs through the Exceptional Project Recovery Mechanism. MECO states that the Project will help facilitate the retirement of Kahului Power Plant, support the integration of more renewable resources, and provide grid services. Due to delays or cancellations of planned projects on

Maui, among other things, on June 23, 2022, the Commission ordered MECO to submit a proposal to add a solar component to the existing BESS Project for the Commission's consideration. MECO submitted its revised proposals on August 22, 2022, and the matter is currently pending before the Commission.

Substation Improvements

HECO - Archer GIS Replacement
Docket No. 2020-0115; Closed

On October 25, 2019, HECO filed an application requesting approval to replace the Gas Insulated Switchgear ("GIS") at its Archer Substation with a new GIS due to the equipment's age and failures. HECO stated that the GIS is necessary to connect three 138-46 kilovolt ("kV") transformers, which in turn energize five 46 kV circuits and two 46-12 kV distribution transformers that expand from the Archer Substation to energize fifteen 46-12 kV distribution transformers spanning from downtown Honolulu to Waikiki. On August 5, 2021, the Commission approved HECO's request, but required HECO to provide a response on the project's final costs, including any deviation from project estimates.

HECO - Waiau 46 kV Substation Replacement
Docket No. 2020-0153; Closed

On September 30, 2020, HECO filed an application requesting approval to: 1) commit approximately $73 million for the construction and installation of a 46 kilovolt ("kV") Gas Insulated Substation facility to replace the existing Waiau 46 kV Air Insulated Substation and 2) construct related 46 kV sub-transmission lines above and below the surface of the ground. In support, HECO stated that much of the existing Waiau 46 kV substation's structure and equipment had reached the end of its useful life and needed to be replaced in order to maintain reliable electrical service. On October 22, 2021, the Commission approved HECO's requests, but required HECO to report on the project's actual costs, including an explanation for any deviations from the estimated costs.

HECO – Waiau Unit 10 Projects
Docket No. 2021-0053; Closed

On March 31, 2021, HECO filed an application requesting approval to commit funds to replace the turbine blades, turbine rotor, and compressor blades on its Waiau 10 combustion turbine generator due to the age of these parts and the attendant risk of failure. According to HECO, these identified parts had all exceeded their original manufacturers recommended number of cycles. On November 4, 2021, the Commission approved HECO's request, but required HECO to submit a report detailing the project's actual costs and explaining any deviance from the project estimates.

HECO - Waiau Unit 9 Turbine Rotor Replacement Project
Docket No. 2021-0076; Closed

On May 13, 2021, HECO filed an application requesting approval to commit funds to replace the turbine rotor on its Waiau 9 combustion turbine generator due to the age of this part. According to HECO, the turbine rotor has exceeded the original equipment manufacturer's recommended number of cycles. HECO notes that these improvements to the Waiau 9 combustion turbine are consistent with repairs to the Waiau 10 combustion turbine, which was the subject of Docket No. 2021-0053. On December 16, 2021, the Commission approved the commitment of funds for this project.

HECO - Kulanihakoi Substation Project
Docket No. 2020-0182; Open

On November 4, 2020, HECO filed an application requesting approval of its Kulanihakoi Substation Project that would occur in the Hoʻopili area on the island of Oahu, as well as cost recovery under the Major Project Interim Recovery Adjustment Mechanism. On May 28, 2021, HECO filed an amended application that, among other things, amended its cost recovery request under the Exceptional Project Recovery Mechanism ("EPRM"). HECO stated that the Kulanihakoi Substation will primarily accommodate the expected load growth from the planned Hoʻopili subdivision and other future developments. On November 30, 2021, the Commission approved HECO's request to commit approximately $18 million to build the Kulanihakoi Substation but denied HECO's request to include these costs in the EPRM, finding that although HECO had demonstrated that the project merited cost approval, it did not justify the exceptional cost recovery treatment provided under the EPRM.

HECO - 46-kilovolt Mobile Substation Purchase
Docket No. 2021-0052; Open

On April 30, 2021, HECO filed an application requesting approval of its 46-kilovolt mobile substation project which would replace the older of the two mobile substations currently owned by HECO, which has reached the end of its usable life. HECO states that the mobile substation will be used to help restore service in the event of an unplanned substation or extended planned substation outage. HECO's request is currently pending before the Commission.

HECO - Kahe Substation Transformer #1 Project
Docket No. 2021-0174; Closed

On October 29, 2021, HECO filed an application requesting approval to replace the existing Kahe 50 Mega Volt Amp ("MVA") Transformer #1, which HECO states is fully depreciated and in poor condition, with an 80 MVA transformer. On June 30, 2022, the Commission approved HECO's request to commit approximately $4,572,782 to purchase and install an 80 MVA transformer at the Kahe Substation.

HELCO - Major Overhaul on Keahole CT-5
Docket No. 2021-0097; Closed

On July 2, 2021, HELCO filed an application requesting approval of its Keahole combustion turbine (CT-5) overhaul project at its Keahole power plant on Hawaii Island. HELCO indicates that an overhaul is recommended after approximately 50,000 hours of operation, which CT-5 is expected to reach in early- to mid-2023, to ensure continued reliable and safe operations of the unit. On February 2, 2022, the Commission approved, subject to certain conditions, HELCO's request to commit approximately $3.8 million to perform an overhaul on one of its three nominal 20 megawatt combustion turbine generators at the Keahole power plant.

7) Overhead and Underground Transmission Lines

Pursuant to HRS § 269-27.5, whenever a public utility plans to place, construct, erect, or otherwise build a new 46 kilovolt ("kV") or greater high-voltage electric transmission system above the surface of the ground through any residential area, the Commission shall conduct a public hearing prior to any issuance of approval. Additionally, pursuant to HRS § 269-27.6, for any new 46 kV or greater high-voltage electric transmission system, the Commission shall determine whether the electric transmission system shall be placed, constructed, erected, or built above or below the surface of the ground. The following table summarizes dockets relating to overhead and underground transmission lines during the fiscal year. (As noted above, a number of Hawaiian Electric's capital expenditure projects and power purchase agreements with independent power producers include overhead and underground power line components, which are described separately above.)

Docket No.	Company	Status
2020-0050 *Closed*	HECO	The Commission approved relocation an existing 46 kV overhead sub-transmission line through a residential area in Salt Lake Boulevard. The Commission approved HECO's request on 8/12/2021 In D&O 37913.
2021-0070 *Closed*	HECO	The Commission approved construction of an overhead and underground line for the Honouliuli Wastewater Treatment Plant CEIP-46 46 kV overhead sub-transmission line relocation project on 4/14/2022 in D&O 38322.
2022-0141 *Open*	HECO	HECO requests approval to relocate a portion of the existing Wahiawa-Waimano 46 kV overhead sub-transmission line located partially within the Koa Ridge development area. A public hearing was held 10/11/2022.

8) Financing

Hawaiian Electric - Projects Financed through the Sale of Special Purpose Revenue Bonds
Docket No. 2020-0072; Open

On May 4, 2020, the HECO Companies filed an application requesting Commission approval to issue and sell special purpose revenue bonds, in one or more offerings, to finance a number of capital expenditure projects, pursuant to Act 41 of the 2019 Session Laws of Hawaii, along with related approvals necessary for implementation. On February 9, 2021, the Commission issued Decision and Order No. 37615, which approved the HECO Companies' requests, subject to certain conditions. Decision and Order No. 37615 also established an expedited approval procedure, where the HECO Companies could file letter requests in this docket toto seek Commission approval and/or certification of additional projects to be financed by the special purpose revenue bonds.

Pursuant to the new expedited approval procedure, the HECO Companies requested approval to issue additional special purpose revenue bonds on July 29, 2022, and requested Commission certification of additional projects to be financed by the special purpose revenue bonds on September 30, 2022. Both letter requests are currently pending before the Commission

Hawaiian Electric - Issue Unsecured Obligations and Guarantees through Dec. 31, 2022
Docket No. 2021-0149; Closed

On September 30, 2021, HECO Companies filed a letter request for expedited Commission approval to issue new taxable, long-term unsecured obligations of up to $50 million for HECO, $30 million for HELCO, and $35 million for MECO. After review of the record, on May 3, 2022, the Commission issued Decision and Order No. 38347 which approved the financing request subject to certain reporting requirements and closed the docket.

Hawaiian Electric - Issuance and Purchase of Common Stock
Docket No. 2022-0076; Closed

On April 29, 2022, the HECO Companies filed an application requesting Commission approval, in one or more sales to issue and sell common stock over the four-year period of 2023 to 2026. On December 20, 2022, the Commission issued Decision and Order No. 38773, approving Hawaiian Electric's request, subject to certain reporting requirements.

Hawaiian Electric - Issuance of Unsecured Obligations and Guarantee
Docket No. 2022-0077; Closed

On April 29, 2022, the HECO Companies filed an application requesting Commission approval for: (1) the issuance of long-term, unsecured obligations during the two-year period of 2023 through 2024 to finance the Companies' forecasted capital expenditures; and (2) the use of the expedited approval procedure to request the issuance of additional taxable debt for 2025 through 2026. On December 20, 2022, the Commission issued Decision and Order No. 38774, approving Hawaiian Electric's request, subject to certain reporting requirements.

HECO - Amended Revolving Line of Credit
Docket No. 2021-0094; Closed

On June 25, 2021, HECO filed a letter request for expedited Commission approval of its third amended and restated revolving syndicated credit facility agreement. On February 18, 2022 the Commission issued Decision and Order No. 38233 which, subject to conditions, approved HECO's request and closed the docket.

KIUC - Extend the Term of an Existing Line of Credit
Docket No. 2021-0061; Closed

On April 15, 2021, KIUC filed an application requesting Commission approval: 1) of a five-year extension of KIUC's existing $20 million unsecured line of credit facility and 2) for KIUC to enter into a second amended and restated revolving line of credit agreement with National Utilities Cooperative Finance Corporation.

On September 30, 2021, the Commission issued Decision and Order No. 37993, which granted KIUC's requested approvals subject to certain reporting requirements. On December 14, 2021, the Commission issued Order No. 38122, closing the docket, noting that KIUC had complied with the reporting requirement set forth in Decision and Order No. 37993.

9) Electrification of Transportation

Hawaiian Electric - Electrification of Transportation Strategic Roadmap
Docket No. 2018-0135; Open

On June 13, 2018, the Commission instituted a proceeding related to the HECO Companies' Electrification of Transportation Strategic Roadmap. In the past year, the docket has initiated the Innovative Pilot Project's program which has since been transferred to the Commission's Performance Based Regulation docket (Docket No. 2018-0088, see page 39). Since the relocation of the Innovative Pilot Project, Docket No. 2018-0135 has become the planning docket for other Electrification of Transportation filings. This docket remains open for planning purposes.

Hawaiian Electric - Electric Vehicle Tariffs on a Pilot Basis
Docket No. 2020-0152; Closed

On September 30, 2020, the HECO Companies filed their Application requesting: 1) approval of a new Schedule EV-J and Schedule EV-P on a pilot basis, available to a maximum of 1,000 customers for Schedule EV-J and a maximum of 500 customers for Schedule EV-P; 2) approval for the proposed rates to become effective three months after approval and to remain in effect for five years, allowing the Companies to file revised EV-J and EV-P tariff sheets with the appropriate effective and sunset dates after approval, and 3) allowing the Companies to file revised Schedule EV-F, the Commercial Public Electric Vehicle Charging Facility Service Pilot tariffs, closing EV-F to new customers on Oahu, Hawaii Island, and Maui, to be effective when Schedules EV-J and EV-P become effective. On December 30, 2021, the Commission issued Decision and Order No. 38157, which approved the requested pilot programs and instructed Hawaiian Electric to submit proposed tariffs to the approved rate structures. On February 1, 2022, Hawaiian Electric submitted its proposed tariffs. On March 1, 2022, the Commission approved Hawaiian Electric's proposed tariffs and on May 9, 2022, closed the docket.

Hawaiian Electric - Commercial EV Charging Facility Pilot Extension and Schedule EV-F and EV-U
Docket 2016-0168, Open

The Commission issued Order No. 31338 approving the Companies' first proposed tariff rules for public EV charging facilities (i.e., Schedules EV-F and EV-U) as five-year pilot program effective July 4, 2013 through June 2018. On June 2, 2017, in Decision and Order No. 34592, the Commission approved a five-year extension of the EV Pilot effective through June 30, 2023. On October 25, 2022, the Companies filed a motion to re-open the docket and extend the Schedule EV-U tariff until such time as the Commission issues a decision on the revised EV-U tariff in Docket 2021-0173. On December 2, 2022, the Commission granted the Companies' motion to extend EV Pilot and current EV-U tariff until a decision is rendered in Docket No. 2021-0173.

Hawaiian Electric - Charge Ready Hawaii Pilot Project
Docket No. 2020-0202; Open

On December 4, 2020, the HECO Companies filed their Application requesting approvals necessary to implement a Charge Ready Hawaii Pilot Project and to recover the associated Pilot costs through the Renewable Energy Infrastructure Program surcharge mechanism. In January 2022, the Commission approved the pilot project subject to conditions.

Hawaiian Electric - Public Electric Vehicle Charger Expansion Project
Docket No. 2021-0173; Open

On October 29, 2021, the HECO Companies filed an application requesting approval to: 1) implement a Public Electric Vehicle Charger Expansion Project and to recover the Project costs through the Exceptional Project Recovery Mechanism; 2) install and operate 150 single-port Direct Current fast charging and 150 dual-port Level 2 charging stations across the Company service territories from 2023 through 2030; and 3) proposed revised EV-U tariffs. This docket is pending.

10) COVID-19 Related

Hawaiian Electric - Defer Costs Associated with the COVID-19 Pandemic Emergency
Docket No. 2020-0069; Closed

On April 22, 2020, the HECO Companies requested approval to defer costs associated with the COVID-19 pandemic, beginning from March 17, 2020, which is the date the Companies temporarily suspended service disconnections for both residential and commercial customers in response to the potential impacts of the pandemic on customers.

On June 30, 2020, the Commission issued Order No. 37192, approving the HECO Companies' request to defer costs associated with the COVID-19 pandemic, incurred from March 17, 2020, through December 31, 2020 and directed the HECO Companies to file additional information in their quarterly reports.

On October 30, 2020, the HECO Companies requested Commission approval to extend their deferral accounting period beyond December 31, 2020, citing ongoing impacts from the COVID-19 pandemic and continued uncertainty of when said impacts would decrease and eventually end. On March 8, 2021, the Commission issued Decision and Order No. 37666, approving the HECO Companies' request to extend deferral accounting beyond December 31, 2020, and establishing June 30, 2021 as the deferred accounting end date.

On April 26, 2021, the Commission issued Order No. 37746, closing the docket. On May 27, 2021, the HECO Companies filed a motion to reopen the docket, seeking an opportunity to request an extension of deferred accounting beyond June 30, 2021, which the Consumer Advocate opposed on June 4, 2021. The Commission reopened the docket on July 15, 2021 with Order No. 37871, and on October 10, 2021, the Commission approved the HECO Companies' request to extend deferral counting to December 31, 2021. On May 20, 2022, the Commission filed an order closing the docket, noting that the Companies had complied with the conditions set forth in Decision and Order Nos. 37192, 37666, and 37994.

HECO - Recover Deferred Costs Associated with the COVID-19 Pandemic Emergency
Docket No. 2022-0118; Open

On June 9, 2022, the HECO Companies requested approval of the recovery of deferred costs previously authorized by the Commission in Dockets 2020-0209 and Docket 2020-0069 through the exogenous events factor established in the Performance-Based Regulation framework. This docket is currently pending.

KIUC - Deferred Accounting Treatment to Establish Regulatory Asset Associated with the COVID-19 Pandemic
Docket No. 2020-0088; Closed

On June 5, 2020, KIUC filed its application seeking approval to utilize deferred accounting treatment to establish a regulatory asset to record and accrue lost gross margins and increased bad debt expense associated with the COVID-19 pandemic, incurred from April 1, 2020, and continuing until ordered otherwise by the Commission.

The Commission found that KIUC has demonstrated the significant financial impact that has resulted from the COVID-19 pandemic, and that deferred accounting treatment for costs related to COVID-19 impacts would help KIUC to achieve a debt service coverage ratio that exceeds the minimum DSC, which is important in maintaining compliance with loan agreements and protecting favorable access to capital.

On July 31, 2020, the Commission issued Decision and Order No. 37252, approving KIUC's requests and requiring specific information be included in its quarterly reports and ordered that any specific request for recovery be filed as a separate docketed application.

On September 13, 2022, the Commission issued an order granting KIUC's request to end its deferred accounting treatment, discontinuing the accrual of lost gross margins as of June 30, 2022, and closing the docket.

11) Miscellaneous

Green Energy Market Securitization Program and Green Infrastructure Fee
Docket No. 2014-0134; Open
Docket No. 2014-0135; Open

The Green Energy Market Securitization Program ("GEMS") was established through Act 211, Session Laws of Hawaii 2013, codified in HRS Chapter 196, Part IV. Act 211 allowed GEMS to access funding from the Public Benefit Fee and established the Hawaii Green Infrastructure Authority ("HGIA"), as the administrative authority for the GEMS Program.

In Decision and Order No. 32281, the Commission required that the Green Infrastructure Fee ("GIF") be reviewed and adjusted by true-up semiannually. Each true-up adjustment is designed to correct for any over-collections or under-collections of GIF through the proposed True-Up Adjustment Date and ensure that the expected GIF remittances to the Trustee during the applicable collection period are adequate.

In its quarterly report to the Commission for Fiscal Year 2022 (filed July 29, 2022), HGIA reported approximately $31.3 million remaining GEMS funds available to lend, with $7.6 million of that available under the State Revolving Loan Fund and the remaining $23.7 million available to finance eligible projects for Low and Moderate-Income single-family residential homeowners and renters, small businesses, multi-family rental project and non-profits.

The Commission continues to review requests filed by HGIA in relation to the GEMS Program. To learn more about the GEMS Program, visit https://gems.hawaii.gov/.

Hawaiian Electric - Enterprise Resource Planning and Enterprise Asset Management System Implementation Project
Docket No. 2014-0170; Open

On July 23, 2014, the HECO Companies submitted an application for approval to commit funds to replace their Ellipse enterprise resource planning system with a new Enterprise Resource Planning and Enterprise Asset Management System ("ERP/EAM").

The ERP/EAM System is comprised of five inter-related projects: 1) Discovery; 2) High-Level Business Case; 3) Software and System Integrator Selection, Commission Application, and Preliminary Implementation Project, also known as Selection and Pre-Implementation; 4) Implementation; and 5) Stabilization, also known as Post-Implementation. Docket No. 2014-0170 involves the Implementation phase of this project and includes the sub-phases of: 1) project preparation; 2) business blueprint; 3) realization; 4) final preparation; 5) Go-Live; and 6) Run Systems, Applications and Products.

On October 1, 2018, the HECO Companies commenced their implementation of the ERP/EAM System. On January 1, 2019, the HECO Companies commenced with the ERP/EAM System's 12-year Stabilization/Post-Implementation phase.

Based on key developments undertaken and completed during the Post-Implementation phase, a variety of Commission-accepted filings, mechanisms, reporting, and monitoring features are firmly in place that will ensure that a minimum of $246 million in overall net benefits are passed on to ratepayers during the twelve-year service life of the ERP/EAM System. This foundation ensures that customer benefits will continue to be provided according to this framework in the future.

Based on review of monthly, and later quarterly status reports, as well as of the Companies' annual system benefits reports, the Commission has concluded that the ERP/EAM System has reached stability and that benefits delivery has reached steady state. Thus, on October 5, 2022, the Commission issued Order No. 38639, which discontinued the Companies' quarterly status reporting requirement but maintained the annual reporting requirement. The Commission will continue to review the Companies' annual enterprise system benefits reports and will seek clarification from the Companies when necessary to ensure that compliance with the foundational plan described above is being maintained.

Hawaiian Electric - Modify the Special Medical Needs Provision in Schedule R – Residential Service, to Establish the Low Income Med+ Program
Docket No. 2020-0056; Closed

On November 6, 2019, the HECO Companies filed Transmittal No. 19-06, requesting that the Commission approve the replacement of the Special Medical Needs Pilot Program ("SMNPP") with a new Low Income Med+ Provision in Schedule R for HECO, HELCO, and MECO, for all eligible Low-Income Home Energy Assistance Program ("LIHEAP") customers who are also Life Support program customers.

In light of a COVID-19 Proclamation issued by the Governor ordering all persons in the State to stay home or in their place of resident, and the particularly vulnerable population the SMNPP serves, the Commission, on its own motion, suspended Transmittal 19-06.

On February 1, 2021, the Commission issued Order No. 37599, deferring decision-making on the Companies' request, and extending the program to continue through June 30, 2021, and requiring additional elements in the Companies' quarterly reports.

The Commission issued and received responses from the HECO Companies to information requests related to a program redesign to make the benefit of the program available to those who have a qualifying medical condition but are not enrolled in LIHEAP. On January 6, 2022, the Commission directed Hawaiian Electric to implement a permanent Special Medical Needs Program starting on April 1, 2022.

On March 10, 2022, the Commission issued Order No. 38268, which accepted the HECO Companies' SMNPP and approved the HECO Companies' Tariff Sheets for Schedule R, Special Medical Needs Program.

Hawaiian Electric - Streamlined Donation Review Approval Process
Docket No. 2020-0068; Open

On April 21, 2020 the HECO Companies filed an application for approval of a Streamlined Donation Process for donations "typically involving equipment or material that is at or near the end of its usable service life for the Company" to non-profit organizations through July 31, 2020. On September 4, 2020, the Commission approved the HECO Companies use of the Streamlined Donation process, which allows for expeditious review of donations to non-profit organizations after they are made, through December 31, 2020, but indicated that further extensions may be granted. Among other conditions, the HECO Companies were required to provide a report on donations made during this period using the Streamlined Donation process.

On October 27, 2021, the Commission issued Order No. 38044, which extended the use of the Streamlined Donation process for three years. During this period, the HECO Companies will file annual reports with the Commission on donations made under the Streamlined Donation process. At the end of the three-year extended period, the Commission will re-assess the process.

Hawaiian Electric - Modification of the Pension Tracking Mechanism
Docket No. 2022-0119; Open

On June 9, 2022, the Hawaiian Electric Companies filed an application seeking Commission approval to modify their pension tracking mechanism to incorporate 401(k) contributions. Historically, the Hawaiian Electric Companies have offered a defined pension plan, the costs of which have been tracked through the pension tracker for reconciliation with base rates in general rate case proceedings. The Companies have begun transitioning their retirement benefits towards 401(k) plans and seek to modify the pension tracker to incorporate these costs. This matter is currently pending before the Commission.

HECO - Lease Arrangement with the Defense Information Systems Agency
Docket No. 2021-0186; Open

On November 19, 2021, Hawaiian Electric Company, Inc. filed an application seeking Commission approval of a lease agreement between HECO and DISA whereby HECO would lease a specific portion of HECO's unused fiber optic cable assets to DISA. The docket is currently pending before the Commission.

HECO - Green Tariff Program Phase 1 Pilot
Docket No. 2020-0204; Open

On December 8, 2020, HECO filed its application requesting approval to establish a Green Tariff Program Phase 1 Pilot and to receive waiver from the Commission's Framework for Competitive Bidding for a request for proposals to be issued by HECO in connection with the procurement of a solar plus storage facility on land owned by the University of Hawaii on the island of Oahu.

Under the Green Tariff Program, qualified participants will have the ability to attribute all or a part of the energy supplied to them to specific renewable energy resources as an adjustment to their utility bill. A critical feature of the Green Tariff Program is that participants are required to provide land at no cost to the project developer, which allows for more favorable pricing and helps address the important challenge of finding available land to site new renewable energy projects. The Docket is currently pending before the Commission.

HECO - Protected Agricultural Rider
Docket No. 2021-0078; Open

On May 21, 2021, the Hawaiian Electric Companies filed an application requesting approval of a new protected agricultural rider and associated form contract. Under the new agricultural rider, titled "Rider PA," commercial customers would be eligible to receive electricity at preferential rates, provided that 70% or more of the customer's electricity usage is for protected agricultural activities. This new rider would be available to customers in all five of the Hawaiian Electric Companies' service territories. The Commission issued a final decision and order approving the Rider PA on December 1, 2022.

KIUC - Plan Protecting Native Birds
Docket No. 2022-0045; Open

On March 23, 2022, KIUC filed an application seeking approval for the commitment of funds for a protection plan for Newell's Shearwaters and Hawaiian Petrels on Kauai. This matter is currently pending before the Commission.

12) Commission-Directed Investigations

Energy Efficiency
Docket No. 2007-0323; Open

Pursuant to HRS 269-121, the Commission established the Public Benefits Fee ("PBF"), to fund programs supporting clean energy technology, demand response technology, energy use reduction, and demand-side management infrastructure. The Commission contracts with a third-party administrator, Hawaii Energy, to design and deliver these programs that support the optimization of electricity use as the State's electric system evolves and grows more complex, strengthen local communities and businesses, and boost Hawaii's economy. As a part of its contract, the Hawaii Energy program may earn performance awards for achieving specific objectives and program goals. In July 2021, the Commission approved a program performance payment of $534,987 to Hawaii Energy for Program Year 2019.

On June 23, 2022 in Order No. 38440, the Commission continued to set the PBF surcharge at 2%. HECO Company customers are billed this fee as a separate line item titled "PBF surcharge." The split between the residential and commercial collection components remains at 41% residential and 59% commercial.

Hawaii Energy is currently in the first year of a three-year Triennial Plan cycle, covering program years 2022-2024. This new plan includes a significant increase in programs that benefit low-income households, small businesses, and other communities. The plan also includes innovative clean energy technologies to promote market transformation and opportunities for economic development. Achievements in Program Year 2020 (July 2020 through June 2021) include over 105 million kWh of energy savings for residential and commercial customers, nearly 19,000 rebates processed, approximately 7,000 participant hours in educational workshops and technical training, and over 9,500 projects completed for

Hawaiian Electric customers (including residents and businesses in Hawaii County, Maui County, and the City & County of Honolulu).

Hawaii Energy made significant adjustments to their Program Year 2021 plans in response to COVID-19 impacts and provided further support to residents and businesses through increased energy efficiency incentives and enhanced community-based programming. These changes include an offering of the Energy Relief Grant, which provided nearly $1 million in funding to businesses and non-profits for energy efficiency upgrades, incentive increases by one to three times the previous year's offerings, and distribution of free home energy kits (in partnership with food bank community organizations).

In 2022, the Hawaii Energy team was once again recognized nationally as a U.S. EPA Energy Star Partner of the Year.

More information and annual reports about Hawaii Energy's programs are available on their website: HawaiiEnergy.com. Information about the Hawaii EEPS goals and associated meetings and activities are available online at https://www.hawaiieeps.org/.

Performance-Based Regulation
Docket No. 2018-0088; Open

On April 18, 2018, the Commission opened Docket No. 2018-0088 to develop a new regulatory framework for the HECO Companies, known as Performance-Based Regulation ("PBR"). The PBR proceeding is holistically assessing the current regulatory framework to identify areas for improvement, and developing new regulatory mechanisms to drive superior utility performance.

During the first phase of the proceeding, which concluded in May 2019, the Commission utilzied a collaborative stakeholder process to identify priority goals and outcomes to help guide PBR development. During the second phase, which concluded in December 2020, the Commission used a combination of collaborative workshops and formal discovery, briefing, and a hearing to develop and approve a new regulatory framework for the HECO Companies. This new framwork facilitates the transition of the regulatory stucture away from the traditional cost of service model to a new performance based model, with enahced regulatory mechanisms aimed at cost control balanced with performance incentives to drive superior performance in desirable areas such as improved interconnection of demand-side systems, assistance to low- to moderate-income customers, and acclerating acheivement of the State's Renewable Portfolio Standards.

During FY 2022, the Commission has continued to enhance the PBR Framework by approving additonal performance incentives, as well as a suite of reporting mechanisms which will allow the Commission and stakeholders to track the HECO Companies' performance across a broad range of metrics. The Commission has also approved a new pilot review process, under which the HECO Companies can seek expedited review of new pilot programs intended to drive innovation in key areas. The Commisison has also overseeing the development of a webpage on the HECO Companies' website, which allows interested members of the public to view the information reported by the Companies under the PBR Framework. In September 2021, the Commission identified several new areas of concern for the PBR Working Group, and on June 17, 2022, the Commission issued Decision and Order No. 38429, approved several new performance incentives and planning initiatives for the Hawaiian Electric Companies.

The Commisison is continuing to collaboratively engage with the Working Group to monitor the progress of the PBR FRamework and discuss additional considerations and potential improvements.

Microgrid Services Tariff
Docket No. 2018-0163; Open

Pursuant to Act 200 (enacted July 10, 2018 and codified as Hawaii Revised Statutes § 269-46), the Commission opened this docket to investigate the establishment of a microgrid services tariff for the "HECO Companies.

On May 17, 2021, the Commission issued Decision and Order No. 37786, in which it accepted the Working Group's proposed Microgrid Services Tariff, as well as associated submissions, including a Microgrid Participant's Bill of Rights and corresponding modifications to other tariffs to effectuate the Microgrid Services Tariff.

Having considered, and building on, the Parties' written recommendations, as well as discussion and feedback during the January 28, 2022 Technical Conference, on April 1, 2022, the Commission issued Order No. 38293, setting forth a list of priority issues on: (a) Microgrid Compensation and Grid Services; (b) Utility Compensation; (c) Customer Protection and Related Considerations; (d) Interconnection; (e) Working Group Coordination with Related Microgrid and Resilience Initiatives at Hawaiian Electric and Government Agencies.

In Phase 2 of the proceeding, the Commission's objective is to promote self-sufficiency and resilience among microgrid project operators and further streamline the Microgrid Services Tariffs. The docket's Working Group continues to convene and provide updates and reports to the Commission.

The Commission maintains a webpage about this docket with information on its status and technical conferences, working group reports, and other information at: https://puc.hawaii.gov/energy/microgrids/

Hawaiian Electric also maintains a webpage with all of the presentation slides and other produced materials from the Working Group meetings at https://www.hawaiianelectric.com/about-us/our-vision-and-commitment/resilience/microgrid-services-tariff.

Integrated Grid Planning
Docket No. 2018-0165; Open

In July 2018, the Commission opened this proceeding to investigate the HECO Companies' Integrated Grid Planning ("IGP") process. In December 2018, the HECO Companies filed their IGP Workplan, which describes the major steps of the Companies' proposed IGP process, timelines, and the methods the Companies intend to employ, including various Working Groups. In March 2019, the Commission provided the Companies with guidance on implementation of their proposed Workplan.

On August 19, 2021, the HECO Companies filed revised and updated modeling inputs and assumptions in response to Commission guidance. On March 3, 2022, the Commission issued Order No. 38253, approving with modifications the HECO Companies' revised modeling inputs and assumptions. On November 5, 2021, the HECO Companies filed its draft grid needs assessment and solution evaluation methodology. On June 30, 2022, the Commission issued Order No. 38482, approving with modifications the HECO Companies' grid needs assessment and solution evaluation methodology.

Distributed Energy Resource Policies
Docket No. 2019-0323; Open

On September 24, 2019, the Commission opened a proceeding to investigate the technical, economic, and policy issues associated with distributed energy resources ("DER") and rate design, as they pertain to the Hawaiian Electric Companies. In doing so, the Commission observed that this proceeding would continue the work begun in Docket No. 2014-0192 and Docket No. 2015-0412, which investigated policies and programs for customer-sited DER.

The proceeding is divided into three tracks: 1) "DER Program Track"; 2) "Advanced Rate Design ("ARD") Track and 3) "Technical Track."

Program Track

On January 25, 2022, the Commission issued Decision and Order No. 38196, which established the framework for long-term DER programs, the Smart DER Tariff, the next-generation DER tariff that includes the Export Rider and Non-Export Rider, and the Bring Your Own Device ("BYOD") Tariff, an advanced program that allows customers to receive compensation for grid services in addition to any compensation received from the underlying DER tariff, as well as, among other things, provided guidance on the transition plan for existing interim DER programs. The Commission also established a Phase 2 for the DER Program Track to allow DER Docket Parties to address outstanding matters relating to the Smart DER and BYOD Tariffs and required Hawaiian Electric to file a Program Transition Plan to address several issues related to the transition of the existing interim DER programs. The Commission is currently reviewing Parties' Final Proposals for the ARD and DER Program Tracks. On October 31, 2022, the Commission issued Decision and Order No. 38681, which established the framework for implementation of the Smart DER and BYOD programs and initiated Phase 3, during which the Companies will collaborate with the Parties to prepare modeling results for the incentives for the Smart DER Tariff and BYOD Tariff. Subsequently, on November 10, 2022, the Companies filed a Motion for Reconsideration, which the Commission denied, pursuant to Order No. 38754, on December 8, 2022. The Commission held a technical conference related to Phase 3 issues on December 15, 2022.

To address the need to mitigate possible resource shortfalls following the retirement of the AES coal plant on Oahu, the Commission directed the DER Docket Parties to develop an emergency capacity program that would make available grid service delivery from DERs. On June 30, 2021, the Commission issued Decision and Order No. 37853, which approved Hawaiian Electric's Emergency Demand Response Program/Schedule Dispatch Program ("SDP") Implementation Plan, thereby enabling the establishment of the Battery Bonus program, which allows Hawaiian Electric to offer a one-time cash incentive for residential and commercial customers to add energy storage to an existing or new rooftop solar system. Subsequently, on February 25, 2022, the Commission issued Decision and Order No. 38239, which approved amendments to the SDP to generally expand the market for the SDP. Thereafter, on May 20, 2022, the Commission approved Hawaiian Electric's proposal to expand the SDP to Maui to address similar impending peak capacity needs, pursuant to Decision and Order NO. 38393 and approved Hawaiian Electric's requests for cost recovery associated with the SDP on Oahu and Maui pursuant to Order No. 38441, issued on June 23, 2022.

Advanced Rate Design Track

On October 31, 2022, the Commission issued Decision and Order No. 38680 establishing an ARD Implementation framework to inform Hawaiian Electric's development of advanced time of use rates for residential and small and medium commercial customers. Advancing rate design to time of use rates will promote a greater level of fairness for all customers as rates will better align with the cost of power and services provided by the increasing amount of renewable generation on the electric grid. Time of use rates will also encourage customers to consume electricity more efficiently, thereby lowering costs for the electricity system in the long-run. Subsequently, on November 10, 2022, the Companies filed a Motion for Reconsideration and/or Clarification, which the Commission addressed, pursuant to Order No. 38750, on December 8, 2022. The Commission has reconvened the ARD Working Group, which scheduled its first meeting on December 12, 2022.

Technical Track

The Commission issued Decision and Order No. 38062 on November 4, 2021, wherein the Parties' stipulations related to Rule No. 14H tariffs and proposed Utility-Required Profile Ranges of Adjustment were approved, subject to certain conditions. The Commission also approved the Parties' stipulations related to volt-watt activation and provided guidance for the development of an incentive-based approach to addressing legacy inverter upgrades. Collectively, these decisions are expected to address the Technical Track primary objectives of harmonizing the Companies' Rule 14H tariffs with the IEEE 1547-2018 standard (the "national standard") and streamlining and improving the interconnection process for DERs.

To learn more and stay up to date about the Commission's work in all three tracks in this docket, visit http://puc.hawaii.gov/energy/DER

Affiliate Transaction Requirements
Docket No. 2018-0065; Open

"Affiliate transactions" encompass a broad range of utility interactions, including interactions with the utility's parent holding company and entities contemplating acquiring or investing in an affiliate. In this proceeding, affiliate transaction requirements ("ATRs") have been designed to address all potential situations in which the utility may gain or provide an unfair benefit by virtue of its relationship with other entities.

On September 30, 2022, pursuant to a section in the ATRs, the HECO Companies submitted an independent audit which reviewed the HECO Companies' compliance with the ATRs.

The Commission is currently in the process of reviewing the HECO Companies' audit, the HECO Companies' ATR Code of Conduct, and its Compliance Plan.

Review of Hawaiian Electric's Interconnection Process and Transition Plans for Retirement of Fossil Fuel Power Plants
Docket No. 2021-0024; *Open*

The Commission opened this investigative docket on October 11, 2021, to review the status and interconnection progress of various Hawaiian Electric renewable projects, and to review the AES Hawaii Plant and Kahului Power Plant Transition Plans, as well as other fossil fuel power plant transition plans, as needed. Those Transition Plans, and updates, continue to be periodically filed in this docket. In addition, Hawaiian Electric files monthly update reports on the status of Stage 1 and Stage 2 RFP projects (see also Docket No. 2017-0352, Page 19), as well as Phase 1 of the CBRE program (see also Docket No. 2015-0389, Page 19), as well as cost comparison calculations related to delays in commercial operations of approved Stage 1, Stage 2, and CBRE Projects.

Innovative Pilot Process for the Hawaiian Electric Companies
Docket No. 2022-0212; Open

On October 20, 2022, following the Commission's approval of Hawaiian Electric's pilot process workplan as part of the PBR Framework in Docket No. 2018-0088 (see page 39), the Commission opened Docket No. 2022-0212 to receive filings and adjudicate requests related to pilot proposals submitted under this new process. On October 26, 2022, Hawaiian Electric submitted its first proposal for a Data Analytics Clearinghouse Pilot, which the Commission approved on December 8, 2022, pursuant to the expedited process incorporated into the pilot framework.

13) Reliability and Quality of Service

The annual service reliability reports submitted to the Commission by the HECO Companies and KIUC provide information by calendar (not fiscal) year. Reliability indices are calculated using the data from system outages that cause sustained interruptions.

Reliability Indices: SAIDI and SAIFI

Although there are a variety of reliability indices, there are two that are both in widespread use and are currently being used as a measure of performance for the HECO Companies. These indices include SAIDI and SAIFI, further described in the box below.

SAIDI: ***System Average Interruption Duration Index: the average length of time the company's customers is out of power during the year, i.e. "minutes."***

SAIFI: ***System Average Interruption Frequency Index: the frequency or number of times a company's customers experience an outage during the year, i.e., "interruptions."***

The reliability indices for 2016 - 2021 reported in each of the HECO Companies' respective Annual Service Reliability Report for 2021 use guidelines outlined in IEEE Std. 1366™-2012: *IEEE Guide for Electric Power Distribution Reliability Indices* ("IEEE 1366"). Indices reported on a normalized basis exclude Major Event Days ("MEDs"). MEDs are defined as days in which the daily system SAIDI exceeds the MED threshold value ("TMED"). According to the HECO Companies, statistically, days having a daily system SAIDI greater than TMED indicate days on which the energy delivery system experienced stresses beyond that normally expected (such as during severe weather). In calculating the daily system SAIDI, any interruption that spans multiple calendar days is accrued to the day on which the interruption began.

The IEEE 1366 explains that the purpose of removing MEDs is:

> … to allow major events to be studied separately from daily operation, and in the process, to better reveal trends in daily operation that would be hidden by the large statistical effect of major events … Activities that occur on days classified as MEDs should be separately analyzed and reported.[8]

and recommends that indices should be calculated for two conditions:

1) All events included
2) MEDs removed[9]

IEEE 1366 also discussed special treatment for "catastrophic days":

> … a certain number of [utilities] have experienced large-scale events (such as hurricanes or ice storms) that result in unusually sizable daily SAIDI values. The events that give rise to these particular days considered "catastrophic events," … could cause a relatively minor upward shift in the resulting reliability metric trends …
>
> It is recommended that the identification and processing of catastrophic events for reliability purposes should be determined on an individual company basis by regulators and utilities since no objective method has been devised that can be applied universally to achieve acceptable results.[10]

[8] IEEE 1366, page 10.
[9] IEEE 1366, page 13.
[10] IEEE 1366, "5.3 Major Event Days and catastrophic days," pages 19-20.

The HECO Companies' respective, reported SAIDI and SAIFI reliability indices for 2016 through 2021 are provided in the tables below.

Table 13 - HECO SAIDI and SAIFI Reliability Index, 2016 - 2021

HECO				
	SAIDI (minutes), Generation, Transmission, and Distribution events		**SAIFI** (interruptions), Generation, Transmission, and Distribution events	
Year	**All Interruptions**	**Normalized**	**All Interruptions**	**Normalized**
2016	109.33	83.24	1.300	1.002
2017	138.65	96.58	1.400	1.150
2018	123.41	111.94	1.326	1.253
2019	174.90	104.13	1.470	1.105
2020	120.08	81.62	1.178	0.914
2021	155.35	106.79	1.613	1.233

Table 14 - HELCO SAIDI and SAIFI Reliability Index, 2016 - 2021

HELCO				
	SAIDI (minutes), Generation, Transmission, and Distribution events		**SAIFI** (interruptions), Generation, Transmission, and Distribution events	
Year	**All Interruptions**	**Normalized**	**All Interruptions**	**Normalized**
2016	176.12	145.12	2.326	2.193
2017	186.14	135.05	1.784	1.515
2018	230.71	230.71	2.539	2.539
2019	252.52	164.86	3.060	1.864
2020	128.76	128.76	1.819	1.819
2021	478.03	161.56	3.171	2.299

Table 15 - MECO SAIDI and SAIFI Reliability Index, 2016 - 2021

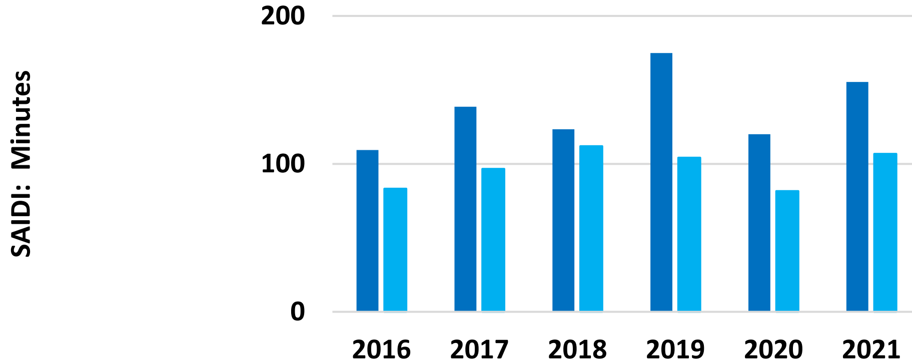
MECO				
	SAIDI (minutes), Generation, Transmission, and Distribution events		**SAIFI** (interruptions), Generation, Transmission, and Distribution events	
Year	**All Interruptions**	**Normalized**	**All Interruptions**	**Normalized**
2016	186.87	135.18	2.001	1.608
2017	831.18	150.62	3.495	1.653
2018	476.53	228.04	3.366	2.526
2019	289.08	158.42	2.706	2.051
2020	236.57[11]	166.43	1.901	1.725
2021	495.94	156.71	1.994	1.346

[11] The *Hawaiian Electric Annual Service Reliability Reports for 2020* reported a SAIDI (All Interruptions) value of 235.59 for 2020. However, in the *Hawaiian Electric Annual Service Reliability Reports for 2021*, this value was subsequently revised to 236.57 based on updated data.

HECO Service Quality

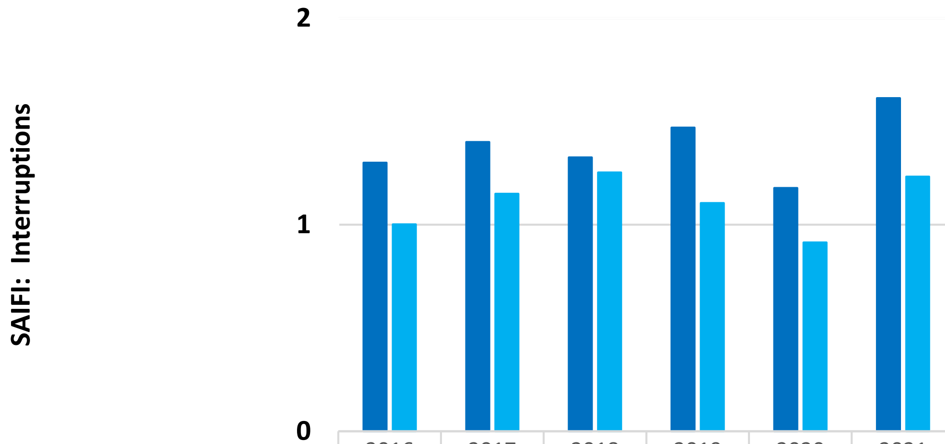
HECO's reported SAIDI and SAIFI reliability indices for 2021 and the prior five years, using the IEEE 1366 guidelines, are shown in Figure 7 and Figure 8, respectively.[12]

Figure 7 – HECO System Average Interruption Duration Index
(Generation, Transmission, and Distribution events)



	2016	2017	2018	2019	2020	2021
SAIDI-IEEE 1366, All Interruptions	109.33	138.65	123.41	174.90	120.08	155.35
SAIDI-IEEE 1366, Normalized	83.24	96.58	111.94	104.13	81.62	106.79

Figure 8 – HECO System Average Interruption Frequency Index
(Generation, Transmission, and Distribution events)



	2016	2017	2018	2019	2020	2021
SAIFI-IEEE 1366, All Interruptions	1.300	1.400	1.326	1.470	1.178	1.613
SAIFI-IEEE 1366, Normalized	1.002	1.150	1.253	1.105	0.914	1.233

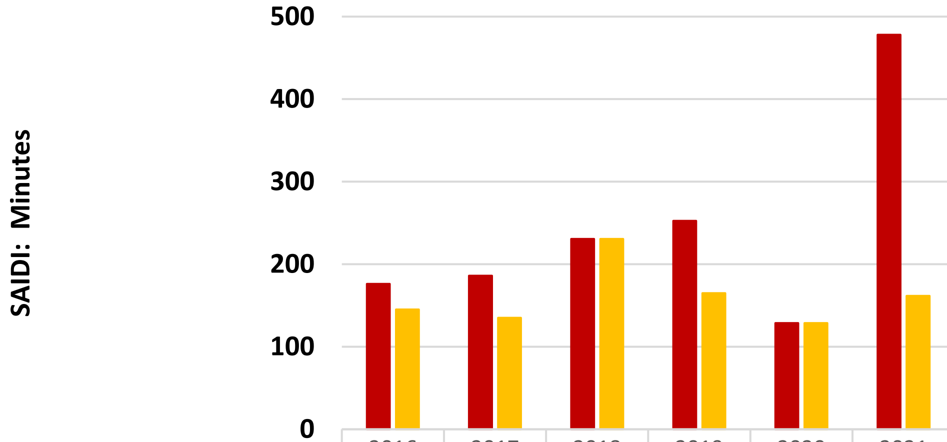
[12] Exclusions for the normalized indices include: 1/2/15, 2/5/17, 12/25/19 due to high winds and vegetation; 2/14/15, 2/19/15, and 1/22/17 due to high winds; 7/24/16 due to flooding at Iwilei Substation and surrounding area, 1/21/17 due to trees/branches and high winds; 8/24/18 due to effects of Hurricane Lane; 9/12/18 due to the effects of Tropical Storm Olivia and equipment deterioration; 2/10/19 due to effects of winter storm/high winds, vegetation, equipment deterioration, and flashover; and10/30/19 due to vegetation and company personnel error;1/3/20 due to faulty equipment operation and unknown causes; 2/9/20 due to vegetation and equipment deterioration during high winds; 2/10/20 due to high winds, vegetation, and equipment deterioration; 2/18/20 due to cable fault and faulty equipment operation; 12/26/20 due to substation equipment-related fire; 2/3/21, 3/10/21, 12/5/21, and 12/6/21 due to weather-related outages affecting various parts of Oahu; and 8/21/21 due to bird in conductors and faulty equipment operation.

HELCO Service Quality

HELCO's reported SAIDI and SAIFI reliability indices for 2021 and the prior five years, using the IEEE 1366 guidelines, are shown in

Figure 9 and Figure 10, respectively.[13]

Figure 9 – HELCO System Average Interruption Duration Index
(Generation, Transmission, and Distribution events)

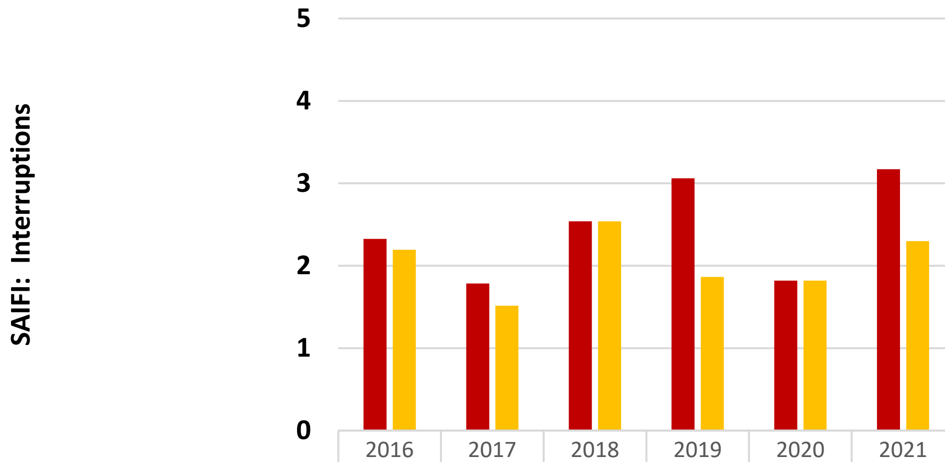


	2016	2017	2018	2019	2020	2021
SAIDI-IEEE 1366, All Interruptions	176.12	186.14	230.71	252.52	128.76	478.03
SAIDI-IEEE 1366, Normalized	145.12	135.05	230.71	164.86	128.76	161.56

Figure 10 – HELCO System Average Interruption Frequency Index

(Generation, Transmission, and Distribution events)

[13] Exclusions for the normalized indices include: 7/23/16 due to effects of Tropical Storm Darby; 9/21/17 due to scheduled substation maintenance; 12/5/17 due to high winds; 2/10/19 due to effects of winter storm/high winds; 7/8/19 due to remnants of Tropical Storm Barbara; 7/29/21 due to scheduled interruption to replace multiple poles on a transmission circuit; 12/5/21 and 12/6/21 due to tree-related outages affecting various parts of Hawai'i Island during high winds; and 12/16/21 due to a "tree fell" on transmission circuit conductors.

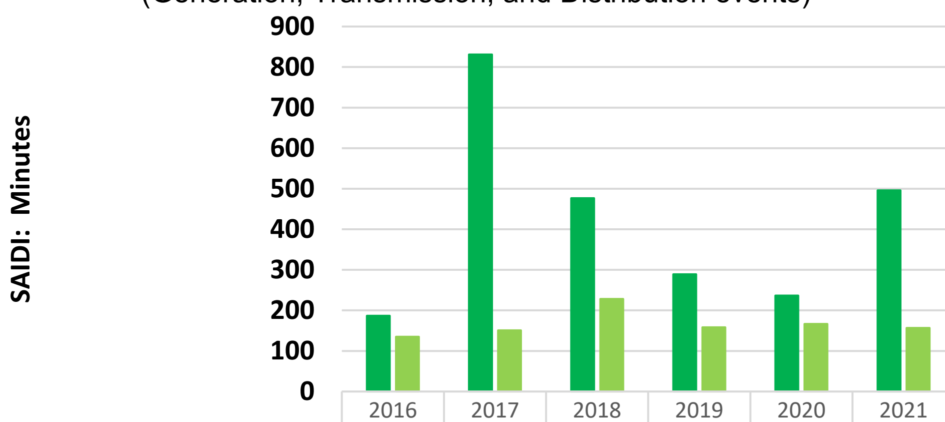


	2016	2017	2018	2019	2020	2021
SAIFI-IEEE 1366, All Interruptions	2.326	1.784	2.539	3.060	1.819	3.171
SAIFI-IEEE 1366, Normalized	2.193	1.515	2.539	1.864	1.819	2.299

MECO Service Quality

MECO's reported SAIDI and SAIFI reliability indices for 2021 and the prior five years, using the IEEE 1366 guidelines, are shown in Figure 11 and Figure 12, respectively.[14]

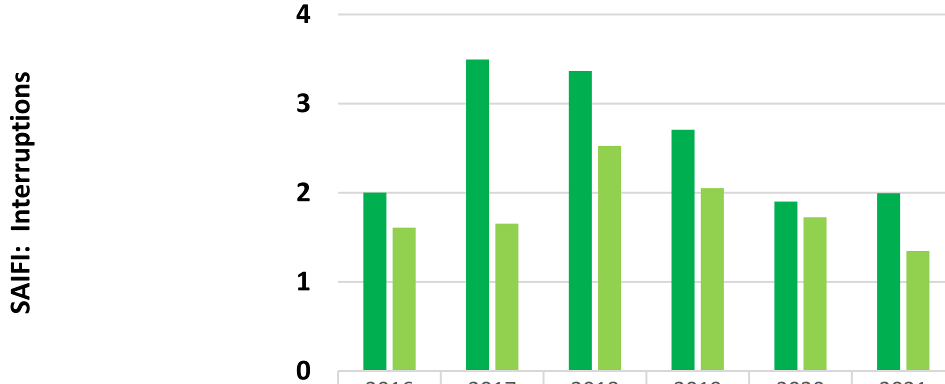
Figure 11 – MECO System Average Interruption Duration Index
(Generation, Transmission, and Distribution events)



	2016	2017	2018	2019	2020	2021
SAIDI-IEEE 1366, All Interruptions	186.87	831.18	476.53	289.08	236.57	495.94
SAIDI-IEEE 1366, Normalized	135.18	150.62	228.04	158.42	166.43	156.71

[14] Exclusions for the normalized indices include: 4/3/16 due to motor vehicle accident on Maui; 7/2/16 due to West Maui Mountains wild fire on Maui; 12/18/16 due to trees or branches in lines during high winds on Maui; 1/21/17 due to high winds on Lanai; 3/2/17 due to under frequency load shed on Maui; 10/24/17 due to an island-wide outage on Maui; 11/26/17 due to under frequency load shed and a fault caused by tree branch on Maui; 8/23/18 and 8/24/18 due to effects of Hurricane Lane on Maui; 9/12/18 due to effects of Tropical Storm Olivia on Maui; 10/20/18 under-frequency load shedding due to rapid drop in as-available generation on Maui; 2/10/19 due to effects of winter storm/high winds, vegetation, and flashover on Maui; 2/12/19 due to effects of winter storm/high winds on Maui; and 11/22/19 due to high winds on Maui; 12/26/20 due to weather and vegetation-related outages during high winds and rain on Maui; 4/24/21 due to mylar balloon in conductors on Lāna'i; 5/29/21 due to UFLS when generator tripped offline on Lāna'i; 11/29/21 and 12/7/21 due to transmission and distribution equipment failure on Maui; and 12/5/21 due to weather-related outages affecting various parts of Maui.

Figure 12 – MECO System Average Interruption Frequency Index
(Generation, Transmission, and Distribution events)



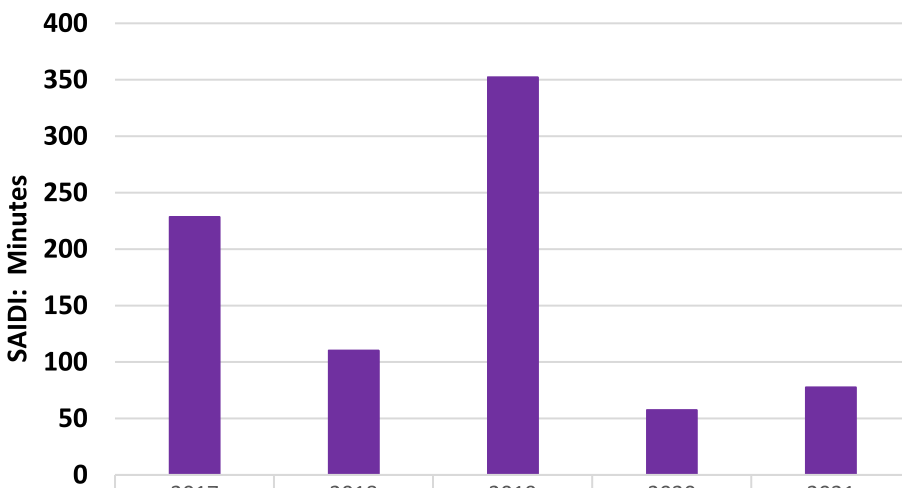
	2016	2017	2018	2019	2020	2021
SAIFI-IEEE 1366, All Interruptions	2.001	3.495	3.366	2.706	1.901	1.994
SAIFI-IEEE 1366, Normalized	1.608	1.653	2.526	2.051	1.725	1.346

KIUC Service Quality

Methodology used by KIUC

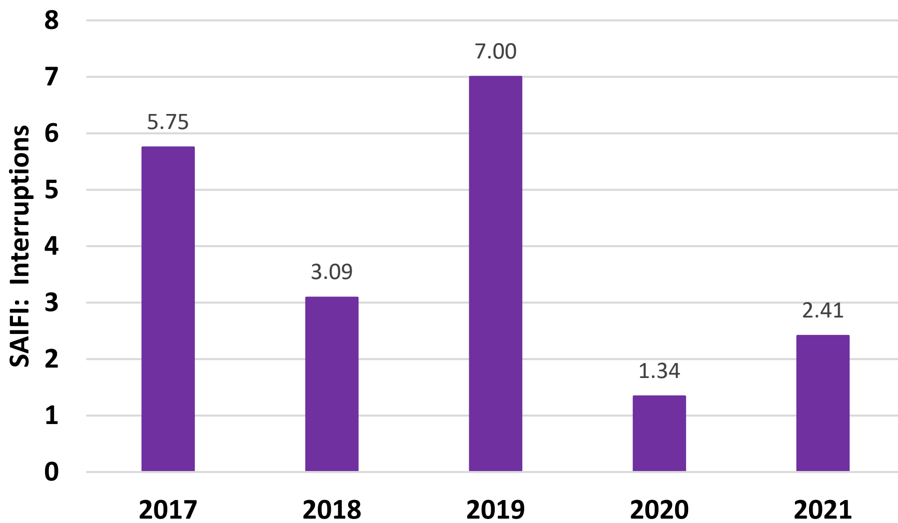
KIUC calculates reliability indices using the data from all sustained (i.e., one minute or longer) system interruptions. KIUC's reported SAIDI and SAIFI reliability indices for 2021 and the prior four years are shown in Figure 13 and Figure 14, respectively.

Figure 13 – KIUC System Average Interruption Duration Index
(Generation, Transmission, and Distribution events)



	2017	2018	2019	2020	2021
Series1	228.45	110.08	352.21	57.35	77.59

Figure 14 – KIUC System Average Interruption Frequency Index
(Generation, Transmission, and Distribution events)


SAIFI: Interruptions
8
7
6
5
4
3
2
1
0
5.75
3.09
7.00
1.34
2.41
2017
2018
2019
2020
2021

B. Gas

The Gas Company, LLC dba Hawaii Gas ("Hawaii Gas"), is the only duly franchised public utility providing gas service for residential, commercial, and industrial uses throughout the State. The following sections summarize: 1) Utility Operations, 2) Rates, 3) Capital Expenditures, and 4) Fuel Contracts and 5) other Fuel **Contracts**

Petroleum Feedstock Agreement
Docket No. 2020-0158, Status: Closed

> On October 2, 2020, Hawaii Gas filed an application requesting Commission approval of a Petroleum Feedstock Agreement with Par Hawaii Refining, LLC, and authorize Hawaii Gas to recover payments made to Par through its fuel adjustment clause. On December 30, 2020, the Commission issued a decision providing Hawaii Gas with interim approval of the Petroleum Feedstock Agreement. Following further investigation by the Commission and parties, including stakeholders, the Commission gave final approval of the Petroleum Feedstock Agreement on November 12, 2021, through Decision and Order No. 38068.

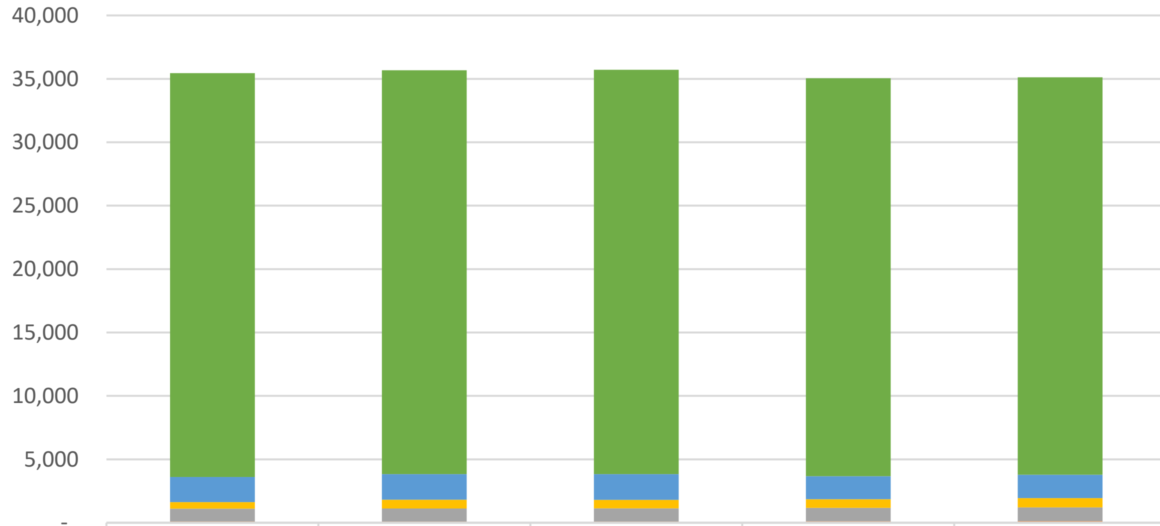
Miscellaneous proceedings involving Hawaii Gas during FY 2022.

1) Operations

Hawaii Gas serves over 35,000 utility gas customers in its six gas districts; Honolulu, Hilo, Maui, Molokai, Lanai, and Kauai. Between 2017 and 2021, the number of customers has remained relatively flat. Over 90% of Hawaii Gas' utility customers are in its Honolulu District. See Figure 15.

Hawaii Gas delivers fuel directly to a property, using a system of pressurized gas pipes that cross property lines; this service is regulated by the Commission. Sales of gases in cylinders (e.g., example, propane, medical and industrial gases) are not regulated by the Commission.

Figure 15 – Average Gas Customers per Calendar Year, 2017 – 2021

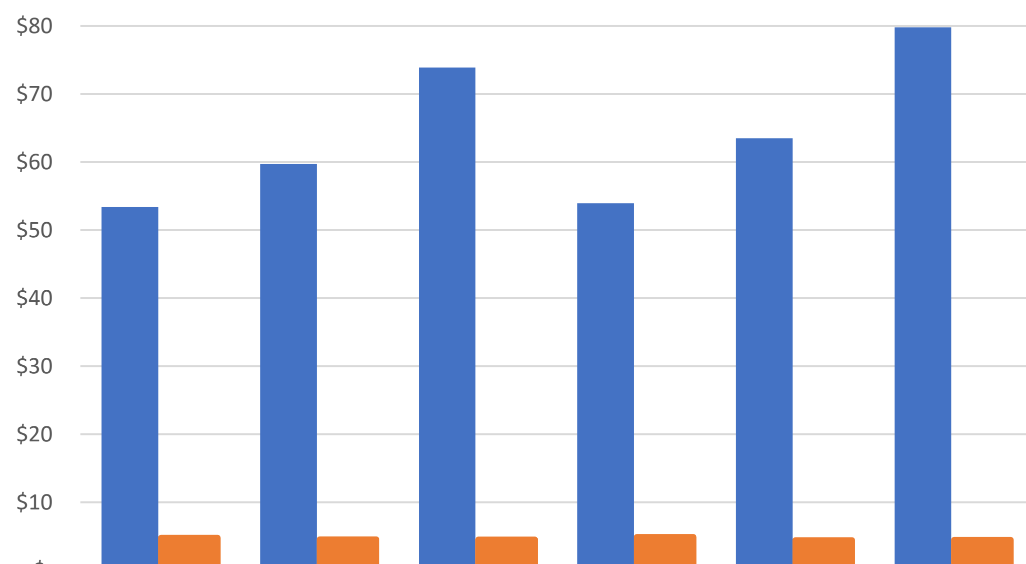


	2017	2018	2019	2020	2021
Oahu	31,843	31,838	31,880	31,367	31,340
Hawaii	1,987	2,013	2,023	1,825	1,837
Maui	509	695	678	678	737
Kauai	1,012	1,030	1,043	1,059	1,088
Molokai	80	73	68	92	99
Lanai	22	22	22	22	23

2) Rates

For CY 2021, average residential utility gas $61.00 on Kauai to $98.83 on Hawaii, and the cost per therm ranged from approximately $4.43 on Molokai to $4.89 on Oahu. See Figure 16.

Figure 16 – Average Monthly Residential Utility Gas Bills and Costs Per Therm, CY 2021



	Kauai	Maui	Lanai	Oahu	Molokai	Hawaii
Res Bill	$53.39	$59.71	$73.90	$53.95	$63.50	$79.81
Costs per therm	$4.77	$4.55	$4.51	$4.89	$4.43	$4.47

Rate Increases and Revised Rate Schedules and Rules
Docket No. 2017-0105, Status: Open

On August 1, 2017, Hawaii Gas submitted its application to the Commission seeking approval to increase its existing gas utility rates and to revise certain rate schedules and rules. Hawaii Gas asked the Commission to approve a requested increase of $14,962,000 over revenues at current effective rates, which it stated was a 14.58% increase over revenues at present rates. The Commission held statewide public hearings in late 2017 and early 2018. On February 14, 2018, in response to the 2017 Tax Act, Hawaii Gas revised its increase in total revenues to $13,470,401, which it stated was a 12.7% increase over revenues at present rates.

On June 27, 2018, the Commission issued Interim Decision and Order No. 35550, which found that an interim rate relief in the amount of a revenue increase of $8,896,152, was appropriate. The $8,896,152 increase represents an increase of 8.39% over revenues at Hawaii Gas' rates prior to Decision and Order No. 35550. The Commission also ordered Hawaii Gas to refund to ratepayers $113,965 attributable to the impact of the 2017 Tax Act for the six-month period from January 1, 2018 to June 30, 2018.

On December 21, 2018, the Commission issued its Final Decision and Order, finding that Hawaii Gas was entitled to a revenue increase of $8,896,152, and that a rate of return of 7.095% was fair. The Commission's Final Decision and Order was appealed by two of the docket participants and on June 9, 2020, the Hawaii Supreme Court issued a decision vacating the Final Decision and Order and remanding the matter back to the Commission for further proceedings.

On November 25, 2020, the Commission issued an Order re-opening the docket pursuant to the June 9, 2020, Hawaii Supreme Court decision. On April 9, 2021, the Commission issued Order No. 37720 which established a procedural order to govern the remand proceedings, which was subsequently modified by Order No. 37963 on September 10, 2021. The remand proceedings are currently underway per the procedural order established by Order No. 37720 and modified by Order Nos. 37963 and 38694.

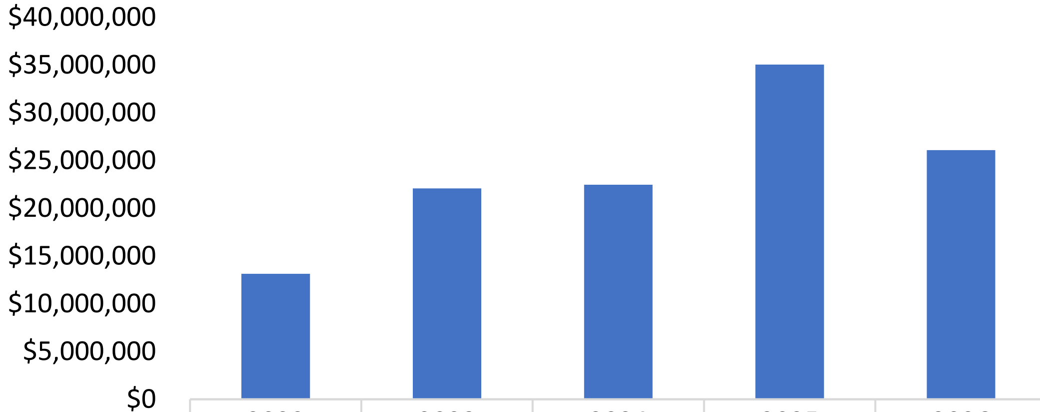
3) Capital Expenditures

Hawaii Gas files its annual five-year capital budget report pursuant to General Order No. 9, Rule 2.3.f.1. The capital expenditure forecast for Hawaii Gas is approximately $13.1 million in 2022, $22.1 million in 2023, $22.5 million in 2024, $35.1 million in 2025, and $26.1 million in 2026 for a total of approximately $118 million over the five-year period. The significant increase in capital expenditures beginning in 2023 is due to new expenditures for Renewable Natural Gas that range from $8 million to $27 million annually from 2023 to 2026. Table 16 and Figure **17** show the five-year capital expenditure budget forecast for Hawaii Gas.

Table 16 – Gas Utility Expenditure Forecast, 2022-2026

	2022	2023	2024	2025	2026
Hawaii Gas	$13,144,975	$22,080,243	$22,467,532	$35,052,965	$26,091,232

Figure 17 – Five-year Capital Expenditure Budget Forecast for Hawaii Gas



	2022	2023	2024	2025	2026
Forecast	$13,144,975	$22,080,243	$22,467,532	$35,052,965	$26,091,232

Extend Gas Mains and Service Connections to Serve the Wai Kai Retail Complex at Hoakalei
Docket No. 2018-0420, Status: Closed

On December 20, 2018, Hawaii Gas submitted its application for approval to, among other requests, commit approximately $1.7 million for the extension of gas mains and service connections to serve the Wai Kai retail complex at the Hoakalei Resort, pursuant to Paragraph No. 2.3.f.2 of General Order No. 9. On May 14, 2021, Hawaii Gas notified the Commission that construction on the Wai Kai retail complex and the Hoakalei Resort will not begin or be complete in the near future. As a result, on August 2, 2021, the Commission issued Order No. 37889, directing Hawaii Gas to withdraw its application, given the speculative completion date of the Wai Kai retail complex and Hoakalei Report. On October 6, 2021, the Commission issued Order No. 38005, which granted Hawaii Gas' request to suspend the proceeding, rather than withdraw its application, acknowledging the time and effort expended by Hawaii Gas to date. However, the Commission instructed Hawaii Gas to provide an update by October 5, 2022 and clarified that it may take further action based on that update. On October 5, 2022, Hawaii Gas submitted its update and requested that the Commission suspend the docket for two more years. On November 14, 2022, the Commission dismissed Hawaii Gas' application without prejudice and closed the docket, concluding that such a period of suspension would result in lengthy delay and a stale application.

Installation of the Waikiki Regulator Station
Docket No. 2019-0156, Status: Closed

On July 26, 2019, Hawaii Gas requested approval to commit an expenditure of funds in the amount of $665,416, for the installation of a regulator station in Waikiki, near the intersection of Kalakaua Avenue and Ala Wai Boulevard. According to Hawaii Gas' application, the purpose of the Waikiki Regulator Station installation is "to enable more consistent regulation of gas pressures, and safer and more reliable gas service to Waikiki and East Oahu areas" because Waikiki was "the only major demand area in the utility distribution system without a designated regulator station." On November 22, 2019, the Commission approved Hawaii Gas' request to the commitment of funds to install the Waikiki Regulator Station Project in part, and subject to conditions stated in Decision and Order No. 36791. On April 23, 2021, Hawaii Gas filed the Closing Report required by Decision and Order No. 36791, noting that the final capital cost for the Project was 30.8% above the cost approved by the Commission. On December 21, 2021, the Commission issued Order No. 38132, which closed the docket but noted that the Commission intends to address the deviation of the Project's actual cost from the approved cost in the next appropriate rate case proceeding filed by Hawaii Gas.

New Customer Information System
Docket No. 2021-0072, Status: Closed

On May 6, 2021, Hawaii Gas requested to commit an expenditure of funds for the development and installation of a new customer information system ("CIS"). The total cost of the CIS is estimated to be $5.5 million, with estimated capital expenditures of $3.1 million, and the estimated project expense expenditure of $2.4 million. On May 18, 2022, the Commission issued Decision and Order No. 38389, approving, with conditions, the request to expend funds for the new CIS, and closed the docket.

Relocate Pipelines to Accommodate HART
Docket No. 2022-0115, Status: Open

On June 3, 2022, Hawaii Gas filed an application requesting Commission approval to commit funds in excess of $500,000, pursuant to paragraph 2.3.f.2 of General Order No. 9, Standards for Gas Service Calorimetry, Holders & Vessels in the State of Hawaii, to relocate portions of its distribution pipelines to accommodate the Honolulu Authority for Rapid Transit ("HART") Rail Project. This docket is currently pending before the Commission.

Extend Gas Mains and Service Connections to Serve Kapolei Business Park
Docket No. 2022-0150, Status: Open

On July 26, 2022, Hawaii Gas filed an application requesting Commission approval to commit funds in excess of $500,000 to extend gas mains and service connection to serve new customers at Kapolei Business Park, pursuant to paragraph 2.3.f2 of General Order No. 9, Standards for Gas Service Calorimetry, Holders & Vessels in the State of Hawaii ("G.0.9") and HAR § 16-601-110. On October 26, 2022, Hawaii Gas submitted its greenhouse gas analysis for the application, and the Commission issued a procedural schedule on October 28, 2022. This docket is currently pending before the Commission.

4) Fuel Contracts

Petroleum Feedstock Agreement
Docket No. 2020-0158, Status: Closed

On October 2, 2020, Hawaii Gas filed an application requesting Commission approval of a Petroleum Feedstock Agreement with Par Hawaii Refining, LLC, and authorize Hawaii Gas to recover payments made to Par through its fuel adjustment clause. On December 30, 2020, the Commission issued a decision providing Hawaii Gas with interim approval of the Petroleum Feedstock Agreement. Following further investigation by the Commission and parties, including stakeholders, the Commission gave final approval of the Petroleum Feedstock Agreement on November 12, 2021, through Decision and Order No. 38068.

5) Miscellaneous

Proposed Internal Reorganization

Docket No. 2020-0066, Status: Closed

On April 17, 2020, Hawaii Gas submit a petition for approval of proposed internal corporate re-organization involving Hawaii Gas and several of its corporate parent organizations, which overall would result in Macquarie Infrastructure Corporation creating a new wholly-owned subsidiary MIC LLC, which will directly own 100% of the LLC interest of MIC Hawaii Holdings (and thus become its direct parent entity), while MIC Hawaii Holdings continues, indirectly through its subsidiaries, to own 100% of the LLC interest of Hawaii Gas. On July 28, 2020, the Commission issued Order No. 37236, approving Hawaii Gas' petition with conditions.

Transfer of Upstream Membership Interests and Related Matters
Docket No. 2021-0098; Status: Closed

On July 7, 2021, Hawaii Gas and AMF Hawaii Holdings, LLC, filed a joint application seeking approval of the transfer of control of Hawaii Gas resulting from the planned sale of Hawaii Gas by its parent company Macquarie Infrastructure Corporation, to the proposed new owner, AMF Hawaii Holdings, LLC. On June 29, 2022, the Commission issued Decision and Order No. 38478, approving the joint application, with conditions, and closed the docket.

Investigate Integrated Resource Planning for the Gas Company, LLC DBA Hawaii Gas
Docket No. 2022-0009; Status: Open

On January 19, 2022, the Commission opened Docket No. 2022-0009 to institute a proceeding to examine the Integrated Resource Planning ("IRP") Report and Action Plan for Hawaii Gas. The goal of an IRP Report and Action Plan is to develop a plan that governs how the utility will meet energy objectives and customer energy needs consistent with state energy policies and goals, while providing safe and reliable utility service at reasonable cost, through the development of Resource Plans and Scenarios of possible futures that provide a broader long-term perspective.

Hawaii Gas is currently developing the IRP Report and Action Plan, and the Commission expects Hawaii Gas to submit the IRP Report and Action Plan by March 2023.

C. Water and Wastewater

The Commission regulates 40 privately owned utilities that provide water and wastewater services in Hawaii. During FY 2022, the Commission's key proceedings in this area included reviewing rate cases and requests to transfer Certificates of Public Convenience and Necessity ("CPCN").

The following sections summarize water and wastewater utility proceedings in: 1) Ratemaking, 2)

Mergers and Transfers of Assets and **Interests**, 3) other Miscellaneous proceedings **Miscellaneous**during FY 2022.

1) Ratemaking

Kaupulehu Water Company – Notice of Intent to File a General Rate Increase Application
Docket No. 2016-0363, Status: Closed

On May 31, 2017, Kaupulehu Water Company ("KWC") submitted its amended application for approval of a net revenue increase of $273,571.99, which amounts to an increase of 6.15% from the pro forma revenue amount of $4,446,623 at present rates for the Test Year. KWC also requested to transfer certain facilities from Hualalai Investors to KWC.

On May 22, 2020, the Commission accepted as reasonable, with certain additional findings and modifications, the Parties' stipulation with respect to KWC's base rate increase request. The Commission ordered KWC to decrease its rates and charges to produce total annual revenue decrease of $168,998, representing decrease of approximately 3.93% over revenues at present rates, based on 2017 Test Year revenue requirement of $4,299,171. On June 4, 2020, KWC filed a Motion for Reconsideration of the Commission's May 22, 2020 Decision and Order. On July 6, 2020, KWC filed its revised rate schedules and rules and regulations governing water service pursuant to the Commission's Decision and Order and later withdrew its Motion for Reconsideration on September 6, 2022. On October 14, 2022, the Commission issued Order No. 38652 approving KWC's revised rate schedules and rules and instructing KWC to submit a revised Tax Act Refunding Plan that comported with the approved rate schedules. On October 27, 2022, KWC submitted its revised Tax Act Refunding Plan, which the Commission approved on November 22, 2022.

Kona Water Service Company - General Rate Case and Revisions to Its Tariff
Docket No. 2018-0388, Status: Open

On February 28, 2019, Kona Water Service Company ("KWSC") filed an application for a General Rate Increase and for Approval of Revisions of its Tariff. KWSC requested Commission approval of a net increase in revenue of $660,216 (approximately 12.3%) over its pro forma revenue amount of $5,348,358 at present rates for the 2019 Test Year for its water and sewer operations. On May 30, 2019, a public hearing was held at the West Hawaii Civic Center – County Council Chambers to allow ratepayers to testify. On November 1, 2019, the Parties filed a stipulation for partial settlement. The Parties could not resolve their differences with regard to the issue of the impact of the Federal Tax Cuts and Jobs Act of 2017 and thus filed separate statements of position on the issue. On May 1, 2020, the Commission issued Decision and Order No. 37124, approving in part and denying in part the Parties' stipulation for partial settlement.

On December 15, 2020, the Commission filed Order No. 37494 granting KWSC's request to stay Decision and Order No. 37124, in order to obtain a private letter ruling ("PLR") from the Internal Revenue Service ("IRS") to confirm that KWSC will not commit a tax normalization violation when implementing Decision and Order No. 37124's treatment of KWSC's excess accumulated deferred income taxes. The Commission also approved KWSC's request to implement the rate structure on an interim basis.

On January 8, 2021, pursuant to Order No. 37494, KWSC submitted revised tariff sheets and rate schedules (i..e, "Interim Tariff Sheets"), which the Commission approved on February 23, 2021. On December 2, 2021, KWSC submitted the PLR to the Commission. On January 31, 2022, the Commission issued Order No. 38201, which lifted the stay imposed by Order No. 37494. On July 21, 2022, pursuant to Orders No. 38201 and 38437, KWSC and the Consumer Advocate submitted a Revised Stipulation that reflects the IRS' rulings in the PLR and includes a results of operation schedule that avoids a normalization violation. On December 15, 2022, the Commission issued Decision and Order No. 38767, which approved a rate increase for KWSC and also approved the Revised Stipulation. KWSC was also instructed to submit tariff sheets reflecting the Commission's approved effective dates.

Lanai Water Company - Rate Increases; Revised Rate Schedules; And Changes to Its Tariff
Docket No. 2019-0386, Status: Closed

On December 30, 2019, Lanai Water Company, Inc. ("LWC") filed its application for approval of rate increases, revised rate schedules, and changes to its tariff. On April 29, 2021, the Commission granted the Consumer Advocate's and LWC's joint motion to temporarily defer and/or suspend the remaining formal procedural steps until the Emergency Proclamation issued on March 4, 2020 by Governor David Y. Ige, as may be amended/supplemented from time to time, is no longer in effect and/or it is further ordered by the Commission that the remaining formal procedural steps should proceed. On November 24, 2021, Lanai Water Company submitted a motion to unsuspend the proceeding so that it could withdraw its application, indicating that it intended to resubmit a new application later with updated information. On December 17, 2021, the Commission granted LWC's request and closed the docket.

Launiuopoko Irrigation Company - Temporary Rate Relief
Docket No. 2020-0089, Status: Open

On June 5, 2020, Launiupoko Irrigation Co., Inc. ("LIC"), submitted an application for temporary rate increase, stating it has been operating at a loss under its present revenues since 2019 due to a severe limitation of its primary non-potable water source. At the Commission's direction, LIC also filed an application for a general rate increase, which is also currently pending before the Commission. On July 19, 2021, the Commission partially granted LIC's request for a temporary rate increase, and LIC filed a motion for reconsideration regarding that Order, which is currently pending before the Commission. On May 23, 2022, the Commission, on its own motion, approved a larger temporary rate increase for LIC, subject to certain conditions. At the Commission's direction, LIC also filed an application for a general rate increase, which is also currently pending before the Commission.

Kalaeloa Water Co. - General Rate Increase and Revised Rules, Regulations, and Rates
Docket No. 2021-0005, Status: Open

On August 31, 2021, Kalaeloa Water Co., LLC ("KWC") filed an application for a general rate increase and revised rules, regulations, and rates for its water and wastewater services, which are provided to its customers in the Kalaeloa area on the island of Oahu. KWC's requests are currently pending before the Commission.

Hawaii-American Water Company - Rate Increases and Revised Rate Schedules and Rules
Docket No. 2021-0063; Status: Closed

On April 22, 2021, Hawaii-American Water Company ("HAWC") filed a Notice of Intent to file an application for approval of a general rate increase for wastewater collection, treatment and disposal services provided to its customers in the Hawaii Kai area on the island of Oahu. On August 18, 2021, HAWC filed its application for approval of a rate increase, revised rate schedules and rules, requesting an increase in total revenues of $2,111,230 or approximately 21.05% over total revenues at present rates. On November 17, 2021, the Commission held a public hearing on HAWC's application to allow parties and ratepayers to offer public testimony. On June 17, 2022, the Commission issued Decision and Order No. 38424, wherein it approved an increase of $1,710,920, or approximately 17.17% over revenues at present rates, for HAWC, based on total revenue requirement of $11,739,120, for the January 1, 2022 to December 31, 2022 test year.

Hawaii Water Service Company, Inc. - Notice of Intent to file General Rate Increase and Tariff Changes Application
Docket No. 2022-0186, Status: Open

On September 12, 2022, Hawaii Water Service Company, Inc. (“Hawaii Water”) filed a Notice of Intent to file an application for approval of a general rate increase for its Pukalani Wastewater Division and for changes to certain tariffs. This matter is currently pending before the Commission.

2) Mergers and Transfers of Assets and Interests

Kilauea Irrigation Co - Asset Transfer and Surrender of CPCN
Docket No. 2021-0023, Status: Closed

On February 10, 2021, Kilauea Irrigation Co., Inc. and The Mary N. Lucas Trust (collectively, “Applicants”) filed an application requesting approval of: 1) the transfer of Kilauea Irrigation Co., Inc’s assets to The Mary N. Lucas Trust, and 2) the surrender of Kilauea Irrigation Co., Inc.’s CPCN. On July 9, 2021, the Commission approved the Applicants’ requests subject to certain conditions and closed the docket.

Hawaii Water Service Company - Sale and Transfer of Assets of HOH Utilities, LLC to Hawaii Water Service Company, Inc., Expansion of Service Territory, and Related Matters
Docket No. 2021-0147; Status: Open

On September 11, 2021, HOH Utilities, LLC (“HOH”) and Hawaii Water Service Company, Inc. (“HWSC”) filed an application requesting approval of the sale and transfer of HOH’s utility assets to HWSC, expansion of its service territory, and related matters. HOH provides wastewater collection and treatment services to bulk and individual customers in the Poipu and Koloa Town areas on the island of Kauai. On June 30, 2022, the Commission issued Decision and Order No. 38447, which approved the requests set forth in the application, subject to certain conditions of approval. The docket remains open, pending the closing of the proposed transaction and filing of the requested documents and/or information specified in the Decision and Order with the Commission.

Keauhou Community Services, Inc. and Hawaii Water Service Company, Inc - Sale and Transfer of Assets of Keauhou Community Services, Inc., Financing, and Other Matters
Docket No. 2021-0160, Status: Open

On October 11, 2021, Keauhou Community Services, Inc. (“KCSI”), and Hawaii Water Service Company, Inc. (“HWSC”) (collectively, “Applicants”) filed an application requesting approval of the sale and transfer of KCSI’s assets to HWSC, and other matters. KCSI provides wastewater service to the Keauhou area of North Kona on the island of Hawaii. On October 11, 2022, the Commission issued Decision and Order No. 38648, which approved the requests set forth in the application, subject to certain conditions of approval. The Docket remains open, pending the closing of the proposed transaction and filing of the requested documents and/or information specified in the Decision and Order with the Commission.

3) Miscellaneous

Hawaii Water Service Company - Record as a Deferred Debit/Regulatory Asset Certain Study Costs Related to the State of Hawaii Department of Health's Regulatory Requirements and Related Matters
Docket No. 2020-0188, Status: Closed

On November 12, 2020, Hawaii-American Water Company ("HAWC") filed an application requesting Commission approval to: 1) account for the costs incurred by HAWC to perform the ZOM Dilution Analysis Study, which was required by the State of Hawaii Department of Health as a condition to renew HAWC's NPDES Permit, in Account No. 186 - Miscellaneous Deferred Debits, subaccount No. 186.3 - Regulatory Asset, as a deferred debit/regulatory asset; and 2) to amortize the ZOM Dilution Analysis Study costs over the five-year effective period of the current NPDES Permit. Given the exceptional circumstances and time constraints, the Commission moved forward without setting a formal procedural schedule for this docket, in order to render a decision by the end of the calendar year 2020 and enable HAWC to recognize the authorized regulatory treatment prior to closing its financial records for 2020. On December 31, 2020, the Commission issued Decision and Order No. 37522, granting HAWC's request. On December 22, 2021, the Commission issued Order No. 38144, closing the docket.

ATC Makena WWTP Services Corp - Expansion of its Service Area.
Docket No. 2022-0114, Status: Open

On June 3, 2022, ATC Makena WWTP Services Corp. filed an application requesting Commission approval to: (a) amend its CPCN to expand its service area to provide wastewater collection and treatment services to a new service area; and (b) amend its Rules and Regulations to include the new service area. This application is currently pending before the Commission.

Hawaii-American Water Company - Financing and Security Arrangements
Docket No. 2022-0167; Open

On August 25, 2022, the Hawaii-American Water Company filed an application requesting Commission approval to enter into proposed financing amounts of up to $20 million. This application is currently pending before the Commission.

D. Telecommunications

The Commission oversees the intrastate cellular, paging, mobile telephone and other services of 225 telecommunications providers, in addition to the services of Hawaiian Telcom, Inc. ("HTI"), the State's only incumbent local exchange carrier and largest carrier of intrastate services.

The following sections summarize telecommunications proceedings in: 1) Certificates of Registration and Certificates of Authority, 2) Interconnection Agreements, 3) Designation as an Eligible Telecommunications Carrier, and 4) Telephone Relay Service and 4) other Miscellaneous

proceedings during FY 2022.

1) Certificates of Registration and Certificates of Authority

In FY 2022, the Commission certificated 17 new telecommunications companies. See Table 17

Table 17 – New Telecommunications Companies Certificated in FY 2022

Certificate of Authority	Carrier Type	Docket No.	Date Approved
Insite Hawaii, LLC	Wireline	2020-0111	08/05/2021
Starlink Services, LLC	Wireline	2021-0038	02/22/22
Certificate of Registration	**Carrier Type**	**Docket No.**	**Date Approved**
Cintex Wireless LLC	Wireless	2021-0068	07/07/2021
Maxsip Telecom Corp.	Wireless	2021-0152	12/10/2021
IDT Domestic Telecom, Inc.	Wireless	2021-0157	12/10/2021
Air Voice Wireless, LLC	Wireless	2022-0022	04/04/2022
Insight Mobile, Inc.	Wireless	2022-0027	04/19/2022
Pareteum Corporation	Wireless	2022-0033	04/19/2022
Insight Mobile, Inc.	Wireless	2022-0027	04/19/2022
Easy Telephone Services Company dba Easy Wireless	Wireless	2022-0040	05/18/2022
IM Telecom, LLC dba Infiniti Mobile	Wireless	2022-0064	06/14/2022
Clear Mobile, LLC dba Clear Wireless	Wireless	2022-0132	08/04/2022

The Commission resolved ten requests for the voluntary surrender of telecommunication companies' certificates. See Table 18.

Table 18 – Telecommunication Companies Who Surrendered Certificates in FY 2022

Certificate of Authority/Registration	Carrier Type	Docket No.	Date Approved
IM Telecom LLC	Wireless Reseller	2021-0099	10/8/2021
Mobilite Management, LLC	Wireline Reseller	2021-0127	10/8/2021
Custom Teleconnect, Inc.	Wireline Reseller	2021-0144	3/1/2022
Intellicall Operator Services, Inc.	Wireline Reseller	2021-0189	4/4/2022
GloTell US, Corp	Wireless	2022-0001	7/19/2022
Republic Wireless, Inc	Wireless	2022-0004	3/1/2022
Sprint Communications Company, L.P.	Wireline Reseller	2022-0023	8/4/2022
X2Comm, Inc., dba DC Communications	Wireline Reseller	2022-0120	8/29/2022
Tachibana Enterprises, LLC	Wireless	2022-0122	11/21/22
Public Communications Services, Inc	Wireline Reseller	2022-0130	pending

Ting Inc.;	Wireless	2022-0133	11/23/22

2) Interconnection Agreements

Pursuant to Section 252(e) 1) of the Telecommunications Act of 1996 and HAR § 6-80-54, the Commission may reject a negotiated interconnection agreement if the Commission finds: (A) the agreement, or any portion of the agreement, discriminates against a telecommunications carrier not a party to the agreement; or (B) the implementation of the agreement, or any portion of the agreement, is not consistent with the public interest, convenience, and necessity.

One request for approval of an amendment to an interconnection agreement was made during FY 2021, and approved thereafter, on September 1, 2021, in Docket No. 2021-0093.

3) Designation as an Eligible Telecommunications Carrier

The Federal Communications Commission states that "universal service is the principle that all Americans should have access to communications services."[15] The Communications Act of 1934 established the Federal Communications Commission (FCC) and together with the Telecommunications Act of 1996 has created policies to help ensure widespread access to telephone and advanced services such as broadband. The USF includes four programs related to broadband access, discounted phone service for low-income customers, schools and libraries, and rural healthcare.[16]

The Commission is the state entity responsible for designating and certifying eligible telecommunication carriers ("ETCs") seeking Universal Service Fund ("USF") disbursements under the federal USF program. To receive USF support for discounted phone service, ETCs must go through a designation process that includes requirements under U.S.C.A § 214[17], the Commission's own certification requirements[18], and a decision from the Commission with the Consumer Advocate's and any other interested party's input regarding whether the designation would be in the public interest.[19]

Summaries of Commission preceding on ETC designation are described below.

Whether Designated Eligible Telecommunications Carriers Participating in the High-Cost Program Of The Universal Service Fund Should Be Certified
Docket No. 2022-0047, Status: Closed

On March 29, 2022, the Commission initiated an investigation to determine whether state designated ETCs in the State of Hawaii participating in the high-cost support program of the federal USF should be certified by the Commission in 2022, pursuant to 47 Code of Federal Regulations ("C.F.R.") 54.314(a). On September 26, 2022, the Commission issued Decision and Order No. 38628, and certified to the Federal Communications Commission and the Universal Service Administrative Company that Hawaiian Telcom, Inc. is eligible to receive federal high-cost support for the program years cited.

[15] https://www.fcc.gov/general/universal-service
[16] https://www.fcc.gov/general/universal-service
[17] See 47 U.S.C.A. § 254(e); See also 47 U.S.C.A. §§ 214(e)(2) and (6).
[18] See Order No. 30932, filed on December 28, 2012, in Docket no. 2011-0052
[19] See 47 C.F.R. § 54.202(b) (2012). See Order No. 30309, Application of Pa Makani LLC for Designation as an Eligible Telecommunications Carrier in the State of Hawaii, Docket No. 2011-0145, filed April 10, 2012 at 25.

AirVoice Wireless, LLC dba AirTalk Wireless – Designation as an ETC
Docket No. 2022-0048; Closed

On March 28, 2022, AirVoice Wireless, LLC dba Air Talk Wireless ("AirVoice") filed a Petition for Designation as an Eligible Telecommunications Carrier, for the sole purpose of receiving federal Lifeline support in the geographic areas set forth therein ("Petition"). The Commission issued Decision and Order No. 38664 on October 20, 2022, and approved, subject to certain conditions, AirVoice's Petition

Hawaii Dialogix Telecom, LLC - Designation as an ETC
Docket No. 2021-0069, Status: Closed

On April 30, 2021, Hawaii Dialogix Telecom, LLC filed its application seeking designation as an ETC for the purpose of receiving federal universal service support for low-income customers under Part 54, subpart E of the rules of the Federal Communications Commission, 47 C.F.R. § 54.400 - § 54.423. On November 22, the application requested their application be withdrawn. On December 10, 2021, the Commission issued Order No. 38112, granting Hawaii Dialogix Telecom, LLC's request to withdraw its application.

4) Telecommunications Relay Services

Telecommunication relay services ("TRS") means telephone transmission services that provide an individual who has a hearing or speech disability the ability to engage in communication by wire or radio with a hearing individual in a manner that is functionally equivalent to the ability of an individual who does not have a hearing or speech disability to communicate using wire or radio voice communication services. TRS include services that enable two-way communication using text telephones or other nonvoice terminal devices, speech-to-speech services, video relay services, and non-English relay services.

The Commission, pursuant to HRS 269-16.6, oversees the TRS fund to provide intrastate TRS for the deaf, persons with hearing disabilities, and persons with speech disabilities. All regulated telecommunications carriers (except payphone providers) contribute to the TRS fund through a surcharge determined by the Commission based on a percent of their gross operating revenues from intrastate telecommunications services. The current contribution rate is 0.23%.

During FY 2022, the TRS fund collected $595,428 in revenues and disbursed $470,784 to Sprint Communications Company, L.P. ("Sprint"), the current contract provider for TRS.

The Federal Communications Commission ("FCC") requires that TRS providers be able to provide different forms of TRS which include traditional TRS (Text-to-Voice TTY-based TRS, Voice Carry Over, Speech-to-Speech Relay Service) and Captioned Telephone Service ("CapTel" or "CTS"). The TRS program currently provides all of the required services as well as an enhanced service, Relay Conference Captioning ("RCC"), which is not a required by the FCC.

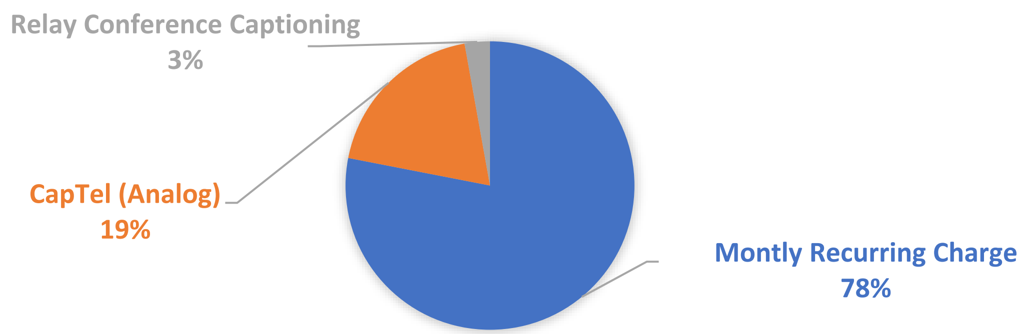
The Commission is billed a Monthly Recurring Charge ("MRC") which covers goods and services such as traditional TRS, the Equipment Distribution Program, and administrative costs. From July 2021 to December 2021, the MRC was $29,750 per month. As of January 2022, the MRC increased to $31,500 per month.

The Commission is also billed a flat monthly rate of $7,500 for CapTel services. Under the current contract, Sprint only provides analog CapTel services to customers as they have done since the inception of the TRS program. In January 2022, Sprint discussed ongoing issues with analog CapTel services. Sprint noted that their parent company, T-Mobile, was having issues coming to an agreement with their CapTel contractor and therefore would not be providing analog CapTel once their current contracts end on June 30, 2024. Sprint notes that they are transitioning to Internet-Protocol Captioned Telephone Services as it provides better quality at a lower cost.

In addition to the FCC mandated TRS and CapTel services, the TRS program also provides RCC service to Hawaii residents who are deaf or hard of hearing that enables them to actively participate in multiparty teleconference calls or web conferences. RCC is not required by the FCC and is a relatively new service as it began to be offered in 2017. The Commission is billed at a rate of $3.28 per RCC minute. Prior to January 2022, the RCC rate per minute was $3.26.

Figure 18 displays the Telecommunications Relay Services disbursements for FY 2022.

Figure 18 – Telecommunications Relay Services Disbursements for FY 2022



FY 2022 Disbursements	
Monthly Recurring Charge (MRC)	$367,500
Captioned Telephone (CapTel) - Analog	$90,000
Relay Conference Captioning (RCC)	$13,284
Total TRS Disbursements	**$470,784**

Telecommunications Relay Services Provider
Docket No. 2021-0119; Status: Closed

In July 2021, the Commission released Request for Proposals ("RFP") No. RFP-PUC-22-01 to select a new TRS provider for the period December 28, 2021, to June 30, 2024. On August 11, 2021, the Commission opened repository Docket No. 2021-0119 to provide information regarding its investigation into the selection of an experienced provider of quality TRS, pursuant to the RFP. On November 16, 2021, in Order No. 38071, the Commission adopted the evaluation committee's selection of Sprint Communications Company, L.P., as the exclusive provider of intrastate TRS for the above-referenced contract period.

5) Miscellaneous

Fitness, Willingness, and Ability of Sandwich Isles Communications, Inc. to Provide Telecommunications Services to Consumers on Hawaiian Home Lands
Docket No. 2022-0037; Open

On March 11, 2022, following a default by Sandwich Isles Communications, Inc. ("SIC") on loans from the Rural Utilities Service and an investigation ending in a forfeiture penalty against SIC by the Federal Communications Commission, the Commission opened this docket to determine whether SIC remains fit, willing, and able to provide telecommunications services to customers on lands administered by the Department of Hawaiian Home Lands. Some information requests have been issued and some have been responded to, and this matter is currently pending before the Commission.

E. Water Carriers

HRS Chapter 271G, the Hawaii Water Carrier Act, governs the regulation of water carriers in Hawaii. The Commission regulates two water carriers: 1) Young Brothers, LLC (“YB”), a provider of inter-island cargo service between all major islands; and 2) Hone Heke Corporation, a passenger and cargo carrier providing water transportation services between the islands of Maui and Lanai.

Young Brothers’ and Hone Heke Corporation’s proceedings are summarized below.

Notice of Intent to File General Rate Increase and Certain Tariff Changes
Docket No. 2019-0066, Status: Open

On March 29, 2019, Young Brothers, LLC filed a Notice of Intent to file an application for approval of a general rate increase based on a 2019 calendar test year period. However, on June 4, 2019, Young Brothers withdrew its Notice of Intent.

General Rate Increase and Certain Tariff Changes
Docket No. 2019-0117, Status: Open

On September 25, 2019, Young Brothers filed its application seeking an increase of $26,997,928, or 34.27%, over intrastate revenues at present rates, based on a revenue requirement of $78,783,326 for the 2020 test year. Due to exceptional circumstances created by COVID-19, Young Brothers requested emergency temporary rate relief on July 7, 2020. After conducting a hearing, the Commission authorized a temporary rate increase to intrastate revenues by $26,997,928, representing a 46% increase over intrastate freight revenues at present rates, and an increase of YB’ approved intrastate freight revenue requirements to $87,743,947.

The Commission conditioned such emergency rate relief on advanced notice of discontinued service requirements, the filing of a Customer Service Strategy, and the completion of an audit of Young Brothers’ financial and management practices by an independent party. On November 24. 2021, the Commission adopted the audit’s immediate, short- and mid-term recommendations in an order issued in October 2021, to help YB achieve long-term sustainability without further major price increases above inflation.

With the aid of an independent observer, the parties to the docket have been refining data collection methodology and reviewing the progress made by Young Brothers. The parties reached a settlement on most of the outstanding issues, and the Commission intends to set a hearing date to resolve the outstanding issues.

New Cost of Service Model
Docket No. 2020-0135, Status: Suspended

On September 14, 2020, Young Brothers, LLC filed an application requesting Commission approval of a new cost-of-service model. YB’s request was originally made in Docket No. 2019-0117, but due to YB’s requested emergency relief request in Docket No. 2019-0117, the Commission did not have sufficient time to review YB’s proposed cost-of-service model in that docket. YB’s request is currently suspended, pending data collection that was required in a recent order filed in Docket No. 2019-0117 addressing the financial and management audit.

Dispose of Tug Hoku Kea
Docket No. 2021-0010, Status: Closed

On January 15, 2021, Young Brothers, LLC requested Commission approval to dispose and transfer the Tug Hoku Kea to Southern Dawn, LLC. On June 4, 2021, the Consumer Advocate filed its statement of position informing the Commission that it does not object to Young Brothers request, subject to certain reporting recommendations and filing of additional information. On October 6, 2021, the Commission issued Decision and Order No. 38004, approving Young Brother's request to dispose of and transfer the Tug Hoku Kea to Southern Dawn, LLC, subject to conditions.

Approval of Long Term Financing
Docket No. 2022-0155; Status: Open

On August 4, 2022, Young Brothers, LLC filed an application seeking approval of a proposed $60 unsecured revolving credit facility with a term of five years. After issuing and reviewing responses to information requests, the Commission issued Interim Decision and Order No. 38720 on November 23, 2022 approving the financing subject to conditions on an interim basis.

Current Rates or Practices Related to Livestock Shipping
Docket No. 2021-0027, Status: Open

The Commission suspended Young Brothers Transmittal No. 20-0002 for investigation on February 23, 2021, to gather information related to YB's request for temporary rate relief, and the ongoing discussions between YB and the Livestock Shipping Working Group, which the Commission had been tracking and which it understood had resulted in an agreement on new, proposed livestock shipping-related tariff changes. The Commission is still awaiting YB's filing regarding these livestock shipping-related tariff changes.

Hone Heke - Application for a Temporary Fuel Surcharge and General Rate Increase in Tariff No. 2
Docket No. 2022-0159, Status: Closed

On August 17, 2022, Hone Heke Corporation filed an application to amend Tariff No. 2 to create a temporary fuel surcharge, and to give notice of its future intent to pursue a general rate increase. On September 27, 2022, the Commission issued Order No. 38629, rejecting the application without prejudice and providing guidance to Hone Heke to remedy procedural requirements. On November 11, 2022, the Commission closed the docket after receiving communication from Hone Heke that they would file the application in a new docket once ready.

F. Motor Carriers

The Commission regulates passenger and property motor carriers transporting passengers or property for compensation or hire on public highways.[20] By law, certain transportation services, including taxis, school and city buses, ambulance services, refuse haulers, farming vehicles, and persons transporting their own personal property, are exempt from Commission regulation.[21]

Passenger carriers are classified by authorized vehicle seating capacity. They include tour companies, limousine services, and other transportation providers. Property carriers are classified by the types of commodities transported and the nature of services performed, namely: general commodities, household goods, commodities in dump trucks, and specific commodities.

The following sections summarize: 1) 1) Motor Carrier Industry Recovery from the COVID-19 Pandemic, 2) New Motor Carrier Certifications and Licensing, and 3) Ratemaking and Tariffs during FY 2022

1) Motor Carrier Industry Recovery from the COVID-19 Pandemic

The COVID-19 pandemic that began in early 2020 shuttered the economy and left many motor carriers who depend on tourism unable to pay their 2019 and 2020 motor carrier fees that were due in April 2020 and 2021. In response, the Commission deferred penalties and interest for delinquent calendar year 2019 and 2020 annual financial reports and fees.

By the start of FY 2022, improved tourist arrivals and economic climate prompted more passenger motor activities and a return to near normal conditions by the end of FY 2022. The Commission certificated double the amount of new passenger carriers over the previous fiscal year.

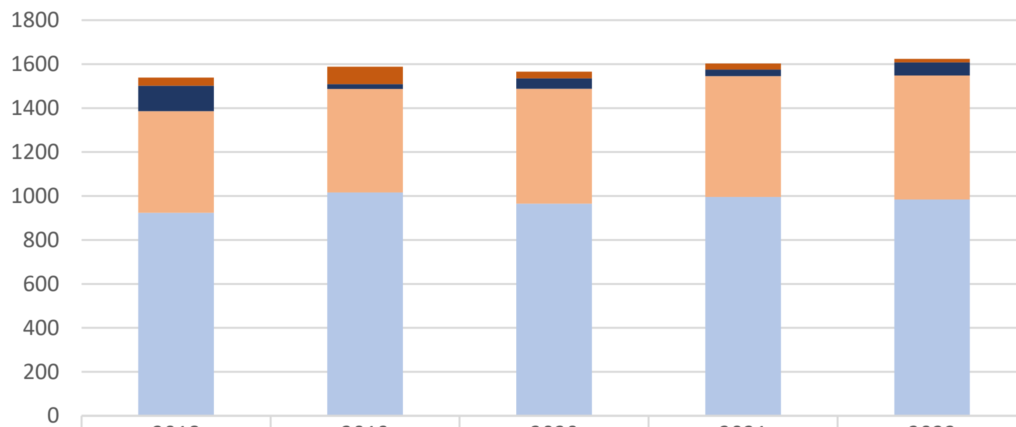
As the industry recovered and the economic climate improved, the Commission reinstated the penalties and interest for the late filing of calendar year 2021 annual financial reports, which were due April 30, 2022. The Commission continues to evaluate the current climate to help our motor carriers return to normal operations as the state's economy and tourism reopened.

2) New Motor Carrier Certifications and Licensing

In FY 2022, the Commission regulated 1,624 motor carriers, which included 1,044 passenger carriers and 580 property carriers. During FY 2022, 60 new certificates or permits were issued to passenger carriers and 16 property carriers. Figure 19 shows the total number of active motor carriers over the past five fiscal years.

[20] See HRS Chapter 271.
[21] HRS § 271-5.

Figure 19 – Active Motor Carriers FY 2018-2022



	2018	2019	2020	2021	2022
New Property Carriers	37	79	31	28	16
New Passenger Carriers	116	22	47	30	60
Existing Property Carriers	462	471	523	549	564
Existing Passenger Carriers	924	1016	965	996	984

3) Ratemaking and Tariffs

Motor carriers are required to have a tariff on file with the Commission. These tariffs may be filed independently or motor carriers may join the Western Motor Tariff Bureau, Inc. ("WMTB") or the Hawaii State Certified Common Carriers Association ("HSCCCA") who file tariffs and represent their members in ratemaking proceedings. During FY 2022, WMTB for rate changes on behalf of their members. The Commission also reviewed and approved rate requests from 65 independent motor carriers.

Rates that are increased or decreased by a certain percentage within a calendar year are presumed to be just and reasonable pursuant to the Zone of Reasonableness Program ("ZRP"). Motor carriers who request rate increases or decreases that do not fall within percentage are required to show that their rate requests are just and reasonable. In reviewing a request, the Commission requires the carrier to submit financial statements containing the carrier's revenues, expenditures, and operating ratio. During FY 2022, the Commission initiated a docket to investigate whether ZRP should be modified.

PUC Investigation on Whether to Modify the Zone of Reasonableness for Motor Carriers
Docket No. 2022-0063; Status: Open

On April 20, 2022, the Commission opened this docket in response to increases to fuel prices and questions from motor carriers about the treatment of discounts and commissions. Additionally, this docket examines whether the Zone of Reasonableness ("Zone") should be modified to keep the market competitive and efficient during current economic conditions. The Commission received comments, and recommendations from the Western Motor Tariff Bureau, Inc., the Hawaii Transportation Association, Inc., the Department of Commerce and Consumer Affairs, Division of Consumer Advocacy, and individual motor carriers. On June 30, 2022, the Commission issued Order No. 38480 authorizing the temporary modification of the Zone to +/-15% through December 31, 2022 with any fuel surcharges rolled into the Zone. This is an increase of +/- 5% over the previously approved Zone, which was set at +/-10%.

The Commission continues to investigate the treatment of motor carrier discounts and commissions; what should happen to a motor carrier's tariff if it leaves a tariff bureau; and whether the zone of reasonableness in the range of +/- 15% should be extended for an additional year and will hold a hearing in January 2023 to address these issues.

G. One Call Center

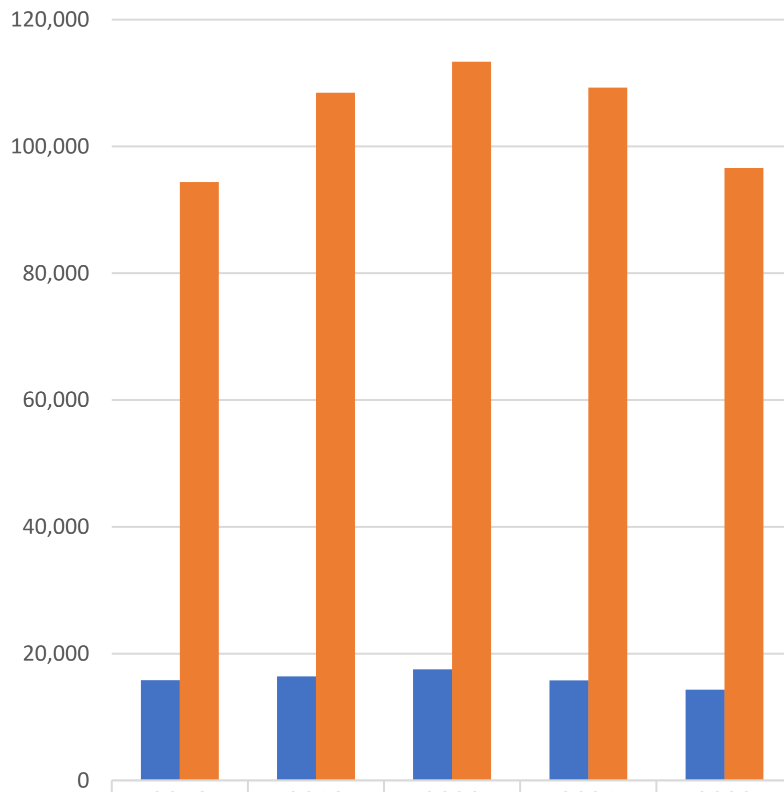
Determination of Appropriate Fees and Assessments to Finance the Administration and Operation of the One Call Center

Docket No. 05-0195; Status: Open

Hawaii's One Call Center was established by State law[22] to coordinate the location of subsurface installations, including underground utilities. Under a contract that runs through June 30, 2023, the Center is operated by One Call Concepts, Inc. In addition, an 18-member Advisory Committee, 11 of whom are appointed by the Commission, advises on the operation of the One Call Center.

The One Call law requires excavators provide notice 5-28 days before planned excavation.[23] Hawaii One Call Center provides a means for excavators to obtain information about the location of underground facilities by calling only one number: 8-1-1. The Hawaii One Call Center receives requests for locating underground facilities from excavators and relays these requests to facility operators eliminating the need for duplicate calls to request the same information from each facility operator. Figure 20 displays the number of requests made and transmitted for FY 2018-2022.

Figure 20 – One Call Center Requests Received and Transmitted, FY 2018-2022



	2018	2019	2020	2021	2022
Requests Received	15,795	16,410	17,525	15,784	14,307
Requests Transmitted	94,387	108,466	113,357	109,269	96,629

[22] Pilot program established by Act 141, SLH 2004; made permanent by Act 72, SLH 2009; codified in HRS Chapter 269E

[23] See HRS 269E-7

During FY 20212, One Call Concepts held two outreach workshops to educate excavators, contractors and the general public about their obligation to call before digging. To reach a larger audience, for the first time, the Commission also conducted four online training sessions for the public at no cost. These workshops improve public safety by preventing the accidental damage of critical underground utility lines.

In November of 2022, the Commission resumed in-person workshops and held one session on Kauai, Oahu, Maui and two sessions on Hawaii with one in Hilo and one in Kona.

The following section summarizes the Commission's docketed order to show cause proceedings enforcing the One Call Law.

Alleged Violator	**Alleged Violation**	**Docket Number**	**Status**
Pacific Isles Equipment Rental, Inc.	HRS 269E-7(a) Failure to provide advanced excavation notice related to a project in Kailua	2021-0203	Settlement reached in a prehearing conference 8/1/2022. The written settlement agreement was filed 9/6/2022 and is pending Commission approval.
Peterson Bros. Construction, Inc.	HRS 269E-7(a) Failure to provide advanced excavation notice related to a project in Honolulu	2021-0204	Settlement reached in a prehearing. The written settlement agreement was filed 9/6/2022 and is pending Commission approval.
	HRS 269E-7(a) Failure to provide advanced excavation notice related to a project in Ewa Beach	2021-0205	Settlement reached in a prehearing conference 7/19/2022 to resolve. The written settlement agreement was filed 9/6/2022 and is pending Commission approval.

V. Enforcement Activities

The Commission enforces its rules, regulations, standards, and tariffs filed by monitoring the operational practices and financial transactions of regulated utilities and transportation carriers. Enforcement activities involve customer complaint resolution, compliance with financial reporting and other requirements, investigations, and issuance of citations.

Effect of COVID-19 on Commission Enforcement Activities

Throughout the COVID-19 pandemic, the Commission had reduced motor carrier field surveillance. However, as the economy recovered and motor carrier activity increased in the later part of 2021, the Commission increased its field surveillance. In addition, the "Report a Motor Carrier Violation" webform launched in FY 2022 on the PUC website generated numerous tips that assisted our investigative team in enforcing the Motor Carrier Law.

In FY 2022, the Commission did not hold show cause hearings ("OSC") to revoke certificates of motor carriers not current with their Annual Financial Report ("AFR") filings and annual fees. The Commission had deferred penalties and interest for AFR years 2019 and 2020, but resumed assessing them for late filings of AFR year 2021. OSC hearings will resume in FY 2023.

With the return economic activity and increase in PUC enforcement activities, there is a significant increase in the number of citations issued and civil penalties assessed for FY 2022. (See Table 19 and Figure 22,Table 19 – Citations and **Civil Penalties Issued, FY 2018 - 202** FY 2018 - 2022, on page 73).

Complaints

The Commission's role in protecting the public is carried out in part through its investigation and resolution of complaints. The Commission accepts written complaints against any public utility, water carrier, motor carrier, or other entities subject to the Commission's jurisdiction. There are two kinds of written complaints – formal and informal. The Commission's rules of practice and procedure, Hawaii Administrative Rules Chapter 16-601, provide the requirements for formal and informal written complaints.

The following table summarizes dockets relating to formal complaints during the fiscal year

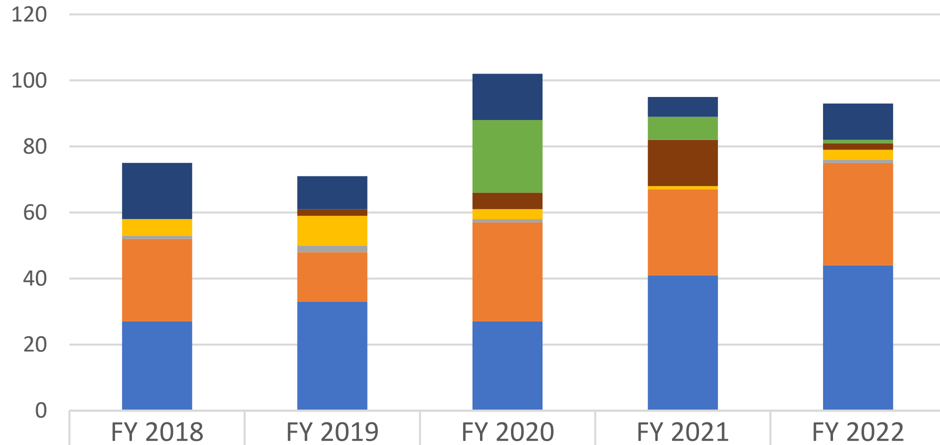
Formal Complaints

Complaint	Docket No. Status	Summary
Peter Bosted and Ann Bosted, Complainants vs. HECO and HELCO, Respondents	2016-0224 Open	The Complaint primarily asserts that 27 Feed-in-Tariff ("FIT") solar projects slated for construction in the Ocean View subdivision on the island of Hawaii constituted a single project and had circumvented the Commission's Competitive Bidding Framework. The Commission issued Order No. 37898, which partially granted a motion to dismiss filed by the FIT project developers and dismissed five of the 6 causes of action in the complaint. The Commission will conduct a formal hearing to resolve the remaining count.
Edward C. Murley, Complainant vs. HECO, Respondent	2018-0109 Closed	The Complaint asserts that HECO did not provide proper notice when it replaced seven utility poles near the Complainant's residence. Following discovery and attempts at mediation, the Commission issued D&O 37941 8/31/2021, ordering HECO to pay a penalty to the Complainant in the amount of $1,000. In response to the Complaint's request, the PUC modified this directive and instructed HECO to pay the penalty to the PUC, so that those monies could be directed to serve the public interest.
Life of the Land, Complainant vs. HECO Companies and Hawaii Gas	2018-0406 Open	The Complainant requested the HECO Companies and Hawaii Gas each submit a plan to reduce their system-wide life cycle greenhouse gas emissions by 50% within ten years.
Billy Joe Felder, Complainant vs. Hawaiian Electric Company, Inc., Respondent	2020-0129 Open	On September 21, 2022, the Commission held a hearing on the complaint. At the hearing the Complainant voluntarily withdrew his complaint.
Daniel B. Graner, Complainant vs. Hawaiian Electric Company, Inc.	2021-0168 Closed	The Complainant alleged that, subsequent to HECO's replacement of a transformer in Complainant's service area, a power surge occurred that resulted in damage to electrical wiring within the Complainant's residence. The Commission returned the Complaint pursuant to HAR § 16-607-67(f) for failure to substantially comply with HAR § 16-601-67. The Complainant failed to file an amended complaint to comply with HAR § 16-601-67 within 30 days of the Complaint's return; therefore, the Complaint was dismissed.
Hawaiian Telecom, Inc. vs. Sandwich Isles Communications, Inc.	2022-0218 Open (consolidated from 2022-0139 & 2022-0187)	Complaint alleges that SIC improperly refused or ignored valid requests to gain access to SIC's conduit infrastructure and valid porting requests.

Written Informal Complaints and Declaration Submissions

As shown in Figure 21, the Commission received a total of 92 written informal complaints in FY 2022 against utility and transportation companies.

Figure 21 – Informal Complaints Received by the Commission, FY 2018 - 2022



	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Motor Carrier	17	10	14	6	11
Water Carrier	0	0	22	7	1
Other	0	2	5	14	2
Water/Sewer	5	9	3	1	3
Gas	1	2	1	0	1
Electricity	25	15	30	26	31
Telecommunications	27	33	27	41	44
Total Complaints	75	71	102	95	93

Civil Citations

The Commission enforces provisions of HRS Chapters 269, 269E, 271 and 271G, as well as applicable rules, orders, and regulations, and may assess civil penalties, subject to providing the alleged violators with notice and opportunity to be heard in accordance with HRS Chapter 91.

For violations of the Motor Carrier Law, HRS Chapter 271, the Commission may impose civil penalties up to $1,000 per offense and penalties of up to $500 per day in the case of a continuing violation. The PUC may also fine repeat offenders up to $5,000 for each fourth and subsequent violation within one calendar year.

For violations of the Water Carrier Law, HRS Chapter 271G or the One Call Law, HRS Chapter 269E, the Commission may impose various civil penalties for up to $5,000 per offense and penalties up to $5,000 day in the case of a continuing violation.

For any other public utility violating HRS Chapter 269, and/or the Commission's applicable rules, order and regulations, the Commission may impose various civil penalties not to exceed $25,000 each day so long as such violation continues.

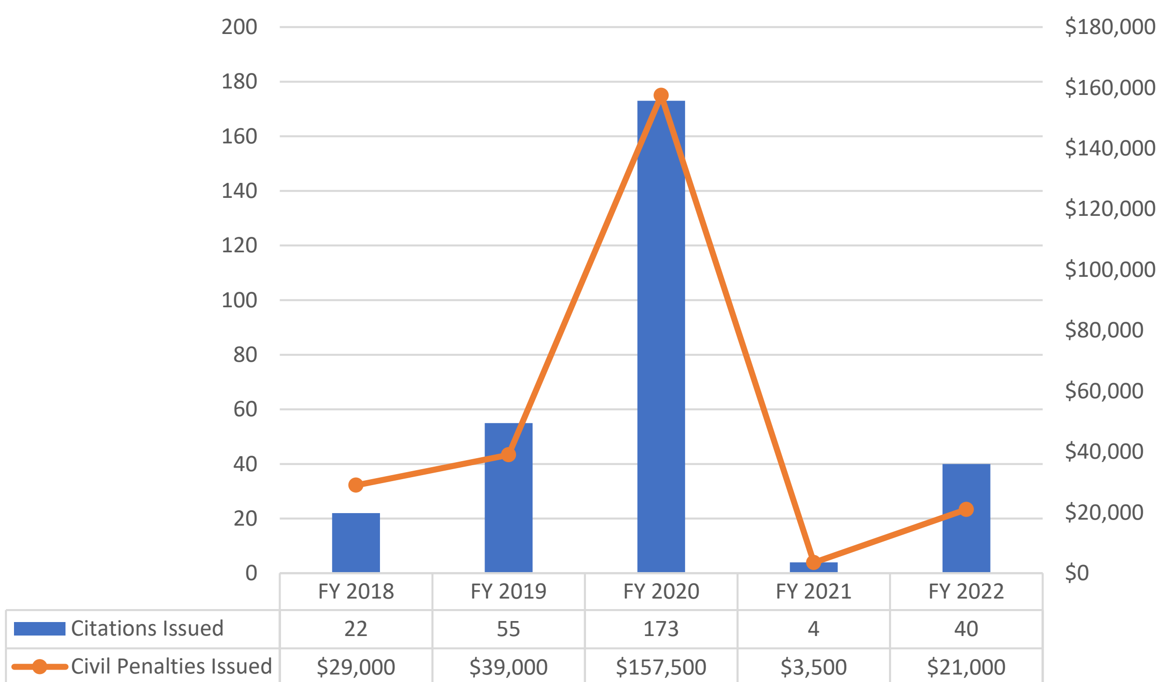
Some of the common types of citations include: operating without a certificate or permit issued by the Commission, failure to publish a tariff, failure to maintain the required liability insurance, improper vehicle marking, and stop-in-transit violations (i.e., shipping intrastate cargo described as interstate cargo).

Table 19 lists by category, the number of citations issued, and the civil penalties issued for FY 2018-2022. Figure 22 shows the total number of citations and civil penalties for FY 2018-2022. A sharp peak in FY 2020 was due to the numerous citations issued to a repeat offender. The sharp decline in FY 2021 was due to COVID-19 effects on the Commission and economy.

Table 19 – Citations and Civil Penalties Issued, FY 2018 - 2022

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Citations					
Motor Carrier	17	50	169	1	39
Stop in Transit	5	5	4	3	1
One Call Center	0	0	0	0	0
Total # of Citations Issued	**22**	**55**	**173**	**4**	**40**
Civil Penalties					
Motor Carrier	$18,000	$11,500	$152,500	$1,000	$14,000
Stop in Transit	$7,000	$4,000	$5,000	$2,500	$500
One Call Center	$4,000	$23,500	$0	$0	$6,500
Total Civil Penalties Issued	**$29,000**	**$39,000**	**$157,500**	**$3,500**	**$21,000**

Figure 22 – Civil Citations and Civil Penalties Issued, FY 2018-2022



VI. Environmental Matters and Actions of the Federal and State Government

This section provides an overview of important federal environmental actions that may affect Hawaii's public utilities.

<u>The Inflation Reduction Act</u>

On August 16, 2022, President Biden signed H.R. 5376, the Inflation Reduction Act of 2022 ("IRA"), into law.[24] The IRA has several major implications for the electricity industry that will significantly impact the economics of efficiency, solar, wind, and other renewable energy projects through the extension, modification and creation of various tax incentives. The IRA will also have notable impact on other industries regulated by the Commission such as gas, water utilities, telecommunications, and motor and water carriers.

<u>Tax Incentives for Individuals and Businesses</u>

The IRA modifies and extends through 2024 the production tax credit ("PTC") and the income tax credit ("ITC") for:

1) producing electricity from renewable resources, specifically for wind, biomass, geothermal and solar, landfill gas, trash, qualified hydropower, and marine and hydrokinetic resources;
2) investment in certain energy properties (e.g., solar, fuel cells, waste energy recovery, combined heat and power, small wind property, and microturbine property); and
3) alternative fuels and fuel mixtures, and biodiesel and renewable diesel.

Also, the list of qualifying technologies for the ITC is expanded to include energy storage and microgrid controllers.

To spur domestic production of renewable energy technologies, the IRA allows for bonus credits if products meet certain domestic content standards. Bonus tax credits are also available to projects are developed in "energy communities," which is defined as either a brownfield site, or a location previously used for fossil energy. The IRA also encourages utility scale renewable project development to pay laborers and mechanics prevailing wages for installing systems by providing additional tax credits and issuing fines for violations.

The IRA modifies and extends through 2032 tax credits for:

1) nonbusiness energy property and increases its rate to 30%, with certain limitations; and
2) the energy efficient home credit; and
3) alternate fuel refueling property expenditures.

The requirements for the energy efficient commercial buildings tax deduction are also modified by the IRA.

There are also new tax incentives for the purchase of both used and new electric vehicles for people with incomes less than certain identified thresholds. The IRA also extends financial incentives for alternative fuels such as renewable biodiesel and biofuels and creates new tax credits for clean hydrogen production.

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[24] https://www.congress.gov/bill/117th-congress/house-bill/5376/text

Financial Assistance for Electric Co-ops

For rural electric cooperatives, there will be financial assistance from the USDA for projects that improve long-term resiliency, reliability, and affordability of rural electric systems.

Funding for the Native Hawaiian Community

Funding has also been made available to the Office of Native Hawaiian Relations (ONHR), for climate resilience and adaptation activities that serve the Native Hawaiian Community.

Funding for State Energy Offices to Carry Out Energy Efficiency Programs

The IRA provides funding to the Department of Energy (DOE) for a variety of programs concerning energy rebates, energy efficiency in buildings, electric transmissions, advanced industrial facilities, and other energy matters. For example, the IRA provides funding to DOE for a HOMES rebate program that awards grants to state energy offices. Under the program, states must provide rebates to homeowners and aggregators for certain whole-house energy saving retrofits made for low- and moderate-income households. The IRA also provides funding to DOE for grants to states and local governments to adopt and implement building codes for (1) residential buildings that meet or exceed the 2021 International Energy Conservation Code, or (2) commercial buildings that meet or exceed the ANSI/ASHRAE/IES Standard 90.1--2019.

Lease of Federal Land for Offshore Wind Development

The IRA provides for the lease of federal land in the Outer Continental Shelf (OCS) for offshore wind development. Specifically, the Dept of Interior may issue leases, easements, and rights-of-way in the OCS to produce, transport, store, or transmit energy from sources other than oil and gas (e.g., offshore wind energy sources) in land areas previously withdrawn from leasing. The IRA (1) expands the definition of the OCS to include land that is within the U.S. exclusive economic zone and adjacent to any territory of the United States, and (2) allows Interior to conduct wind lease sales that are in such areas if the leases meet specified criteria.

Air Pollution Reduction Initiatives

The IRA provides funding to the Environmental Protection Agency (EPA) to establish a greenhouse gas reduction fund and to support several programs that provide financial incentives to reduce greenhouse gas emissions and other air pollution emissions. For example, the IRA provides incentives to

- replace eligible medium-duty vehicles (e.g., school buses) and heavy-duty vehicles (e.g., garbage trucks) with zero-emission vehicles,
- purchase or install equipment and technology to reduce pollution at ports,
- identify and reduce emissions from diesel engines,
- monitor air pollution and greenhouse gases,
- encourage states to adopt and implement greenhouse gas and zero-emission standards for mobile sources, and
- reduce methane emissions from petroleum and natural gas systems.

Infrastructure Investment and Jobs Act (aka, Bipartisan Infrastructure Bill)

On November 15, 2021, President Biden signed the Infrastructure Investment and Jobs Act into law, which establishes a variety of requirements and incentives to support the advancement of several industries regulated by the PUC, including the energy sector, water utilities, gas utilities, telecommunications, and motor/water carriers.

Initiatives related to energy include, but are not limited to:

- New requirements and incentives to support energy infrastructure and cybersecurity
- The establishment of a demonstration project for second-life applications of electric vehicle batteries as aggregated energy storage installations that provide services to the electric grid
- Initiatives to address the supply chain for lithium-ion batteries that are used in items such as electric cars, including efforts to recycle and reuse batteries
- Programs to address the supply chain for lithium-ion batteries that are used in electric cars, including efforts to recycle and reuse batteries
- Programs to support infrastructure or technology for capturing, utilizing, storing, transporting, or removing carbon dioxide
- Efforts to research, develop, or recycle hydrogen from clean energy sources
- Expansion of DOE data collection requirements and directing the DOE to collect information on the bulk power system, energy consumption, demand for minerals, and other issues.
- New requirements and incentives related to increasing energy efficiency in homes, commercial buildings, manufacturing facilities, public schools, nonprofit buildings, and federal buildings
- The authorization of a variety of projects and programs established under the Energy Act of 2020 concerning energy storage, advanced reactors, mineral security, carbon capture, water power, and renewable energy.
- Requirements for projects that receive funding under the act pay all laborers and mechanics locally prevailing wages.

VII. Special Fund Update for Fiscal Year 2022

Act 226, Session Laws of Hawaii 1994, established the PUC Special Fund to be administered by the Commission and to be used by the Commission and the Consumer Advocate for all expenses incurred in the administration of HRS Chapters 269, 269E, 271, and 271G. At the beginning of each fiscal year, the Special Fund starts with a $1 million balance carried over from the prior fiscal year. Pursuant to HRS § 269-33(d), moneys in excess of $1 million remaining in the Special Fund at the end of each fiscal year are required to lapse to the General Fund.

All fees and other revenues collected by the Commission are deposited into the PUC Special Fund. Public utilities are required to pay an annual fee of one-half of one percent of the gross income of each respective public utility's previous year's business, paid in two installments, in July and December. Motor carriers pay fees of one-fourth of one percent (0.25%) of their gross revenues of the previous year's business paid annually. Other Special Fund revenues include filing fees, duplication fees, interest and penalties, and One Call Center fees.

This update on the Special Fund is provided to the legislature as required by HRS § 269-33(c), as amended by Act 24, Session Laws of Hawaii 2013.

Revenue

Total FY 2022 Special Fund revenue of $16.4 million reflects a 19% decrease compared to FY 2021 revenues. The Commission collected $14.9 million in public utility fees for FY 2022, 12% less than FY 2021 public utility fees. The revenue derived from each source of income for FY 2022 are shown in Figure 23 and Table 20.

Figure 23 – Public Utilities Commission Special Fund FY 2022

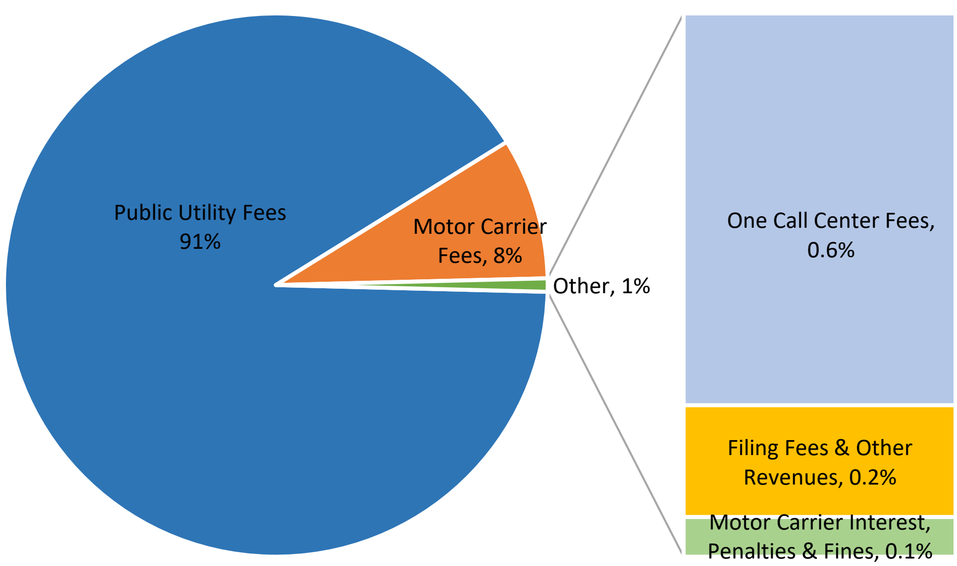

Table 20 – Public Utility Commission Special Fund Revenue, FY 2021 and 2022

Description of Revenues	FY 2021	FY 2022
Public Utility Fees	$17,011,212	$14,922,426
Motor Carrier Fees	$1,949,711	$1,387,921
Hawaii One Call Center Fees	$75,737	$93,816
Excavator or Operator Citations	$16,000	$0
Filing Fees and Other Revenues	$43,506	$26,752
Hawaii Motor Carrier Interest, Penalties, and Fines	$2,626	$9,499
Transfers from Other State Departments	$765,826	$0
Total Revenues	**$19,864,618**	**$16,440,414**

Expenditures and Transfers

In FY 2022, the Commission expended, encumbered or transferred $16.4 million out of its special fund. The Commission's direct expenditures in FY 2022, including encumbrances and contract claims, totaled $9 million and accounted for 655% of total expenditures and transfers from the Commission's Special Fund.

During the fiscal year, the remaining 45% of expenditures consisted of transfers to other State agencies or the General Fund, including 14% transferred to the Consumer Advocate pursuant to HRS § 269-33, 5% transferred to the Department of Accounting and General Services for Central Services pursuant to HRS § 36-27, and 3% transferred to Department of Commerce and Consumer Affairs for Administrative Support Services pursuant to HRS § 36-30.

Pursuant to HRS § 269-33(d), moneys in excess of $1 million remaining in the fund at the end of each fiscal year are transferred to the General Fund. In FY 2022, this amount was $3,824,707 and accounted for 23% of total Commission expenditures and transfers.

The breakdown of total FY 2022 the PUC Special Fund Expenditures and Transfers are detailed in Figure 24 and Table 21.

Figure 24 – PUC Special Fund FY 2021 Expenditures and Transfers

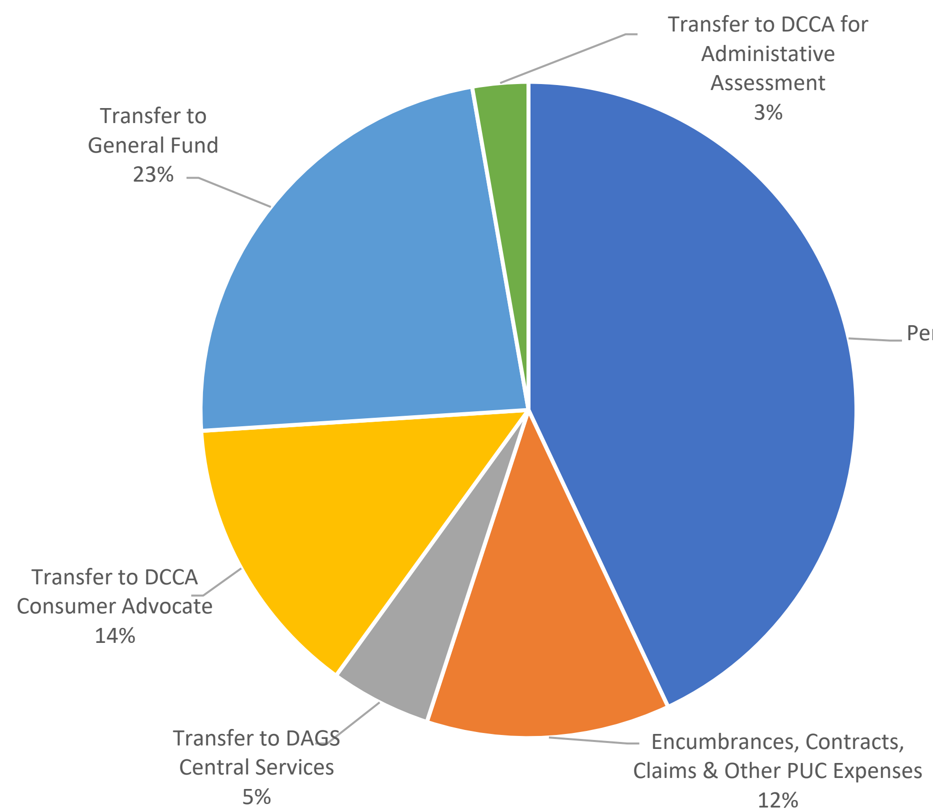

Table 21 – FY 2021 and 2022 PUC Special Fund Expenditures and Transfers

	FY 2021	FY 2022
Expenditures		
Personnel	$6,755,950	$7,069,904
Encumbrances, Contracts, Claims & Other PUC Expenditures	$5,042,592	$1,975,615
PUC Expenditures Subtotal	**$11,798,542**	**$9,045,519**
Transfers		
Transfer to DAGS Central Services	$948,417	$816,862
Transfer to DCCA Consumer Advocate	$4,494,086	$2,302,156
Transfer to the General Fund	$1,756,428	$3,824,707
Transfer to DCCA for Administrative Assessments	$452,508	$452,508
PUC Transfers Subtotal	**$7,651,439**	**$7,396,234**
Total Expenditures and Transfers	**$19,449,981**	**$16,441,752**

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Glossary of Terms

Acronym / Short Form	Full Form
AFR	Annual Financial Report
BESS	Battery Energy Storage System
CBRE	Community Based Renewable Energy
D&O	Decision and Order
DCA	Division of Consumer Advocacy
DCCA	Department of Commerce and Consumer
DER	Distributed Energy Resources
DMS	Document Management System
DR	Demand Response
ECRC	Energy Cost Recovery Clause
EEPS	Energy Efficiency Portfolio Standard
EPRM	Exceptional Project Recovery Mechanism
ETC	Eligible Telecommunication Carrier
FCC	Federal Communications Commission
FY	Fiscal Year
G.O.	General Order
GPSA	Grid Service Purchase Agreement
HECO	Hawaiian Electric Company, Inc.
HECO Companies	The Hawaiian Electric Companies, comprised of HECO, HELCO and MECO. Also collectively known as "Hawaiian Electric" or "the Companies"
HELCO	Hawaii Electric Light Company, Inc.
HGIA	Hawaii Green Infrastructure Authority
HRS	Hawaii Revised Statutes
IEEE 1366	IEEE Guide for Electric Power Distribution Reliability Indices
IGP	Integrated Grid Planning
IRP	Integrated Resource Plan
KIUC	Kauai Island Utility Cooperative
kV	Kilovolt
LIHEAP	Low-Income Home Energy Assistance Program
MECO	Maui Electric Company, Limited
PBF	Public Benefits Fee
PBR	Performance-Based Regulation
PPA	Power Purchase Agreement
PUC	Public Utilities Commission
REIP	Renewable Energy Infrastructure Program surcharge
RFP	Request for Proposal
SAIDI	System Average Interruption Duration Index
SAIFI	System Average Interruption Frequency Index
USF	Universal Service Fund
YB	Young Brothers
ZRP	Zone of Reasonableness Program