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Testimony of the Public Utilities Commission

To the
House Committee on
Energy and Environmental Protection

March 24, 2026
9:00 a.m.

Chair Lowen, Vice Chair Perruso, and Members of the Committee:

Measure: H.C.R. 203 / H.R. 193

Title: REQUESTING THE PUBLIC UTILITIES COMMISSION TO PROVIDE A WRITTEN STATUS UPDATE ON THE IMPLEMENTATION OF THE HAWAII ELECTRIC RELIABILITY ADMINISTRATOR.

Position:

The Public Utilities Commission ("Commission") offers the following comments for consideration.

Comments:

The Commission appreciates the patience of the Committee in the implementation of the Hawaii Electric Reliability Administrator ("HERA").

The Commission has completed procurement seeking consultants for this role, London Economics and Grid Advisors, that are serving in the role of the HERA. The Commission notes that the HERA's scope of work covers three main tasks: Resource Adequacy, Reliability Standards, and Interconnection. Whereas the HERA has completed its third meeting relating to both resource adequacy and reliability standards, and is planning the fourth meeting, the Commission is still conferring with the HERA on the exact workplan for the interconnection topic. The Commission has also hired a HERA engineer, in accordance with its stated plan on next steps after expiration of the HERA consultant contract.

As a preliminary matter, the Commission considers that the HERA is fully implemented and provides a status update below for the Committee:

- (1) The HERA has a Scope of Work that covers Act 201 SLH 2022 as well as other envisioned functions of the HERA, including resource adequacy and reliability standards. The Scope of Work is attached. Should the Committee wish to review the complete and executed contract, the Commission will make it available upon request.
- (2) Relating to resource adequacy and reliability standards, the HERA is now at the stage of presenting resource adequacy measures and reliability standards for consideration to the working group. The Commission continues to work with the HERA on the interconnection workplan.
- (3) Procurement in the State of Hawaii can be challenging to navigate, leading to situations in which Request for Proposals need to be revised and reissued and contractual issues that need to be resolved. By conducting a thorough and competitive procurement process, the Commission was able to contract with qualified and experienced consultants who could perform the duties and tasks of the HERA. The Commission notes that the HERA consultant has been in place since May of 2025.
- (4) The Commission considers the HERA fully implemented and operational.

The Commission recommends that the Committee consider amending this measure to require a single update to the Legislature twenty days prior to the 2027 session as to the progress the HERA has made on all three tasks assigned.

Thank you for the opportunity to testify on this measure.

SECTION TWO

BACKGROUND AND SCOPE OF WORK

2.1. PROJECT OVERVIEW AND HISTORY

Enacted by Act 166 in 2012, the Hawaii state legislature created new sections under Hawaii Revised Statute (“HRS”) Chapter 269 providing a framework for the establishment of the HERA and its potential roles in Hawaii. The PUC was authorized to establish a HERA to further support, expand upon, and improve its work on electric system reliability. Since that time, the Commission has adopted reliability metrics, monitored and incentivized performance, improved interconnection processes, hired an Independent Engineer to monitor generator interconnection RFPs, and taken many other actions under the objectives of the HERA.

The Commission issued a Request for Information (“RFI”) in February 2022, to solicit input from qualified entities to serve as the HERA. The RFI sought feedback from energy experts nationwide in the development, administration, or management of a HERA.¹ The PUC currently intends to establish the HERA to continue the work to manage and improve the reliability of Hawaii’s electric system, reporting to the PUC Chief Engineer.

2.2. SCOPE OF WORK

The Commission is seeking a HERA to ensure continuous and reliable design and operation of Hawaii’s electric systems. The HERA is intended to establish effective reliability standards and large generator interconnection-related processes. The Scope of the Work of the HERA includes the following services/tasks:

1. Reliability Standards for all islands in the HECO and KIUC territories
 - Development, revisions, and repeal of standards: the HERA will create a set of reliability standards that can be adopted by rule or order by the Commission to

¹ See HERA RFI, available at: <https://hands.ehawaii.gov/hands/opportunities/opportunity-details/21007>.

apply to HECO, KIUC, and other users of their electric systems.² Reliability standards shall include but not be limited to:

- Generation Resource Adequacy methodology and target. (Example; Loss of Load Expectation target)
 - Transmission & Distribution SAIFI and SAIDI targets, deadbands, evaluation intervals, and penalties
 - Generation SAIFI and SAIDI targets, deadbands, evaluation intervals, and penalties
 - Enforcement of standards: the HERA's role may include a combination of monitoring, reporting, developing violation ramifications, and providing recommendations to the Commission for determining any violation penalties.
 - Work with stakeholders to develop goals and timelines.
 - Coordinate with utilities to develop plans to meet the stakeholder developed goals and timelines.
 - Track progress of plans.
 - Coordinate and lead a reliability working group with various stakeholders.
 - Develop a Reliability Roadmap for the HECO and KIUC territories.
 - Submit Draft and Final Reports on Reliability standards.
2. Large Generator Interconnection.
 - Interconnection process evaluation: The HERA will conduct periodic evaluations of the interconnection processes, vet stakeholder recommendations for process changes, and serve as a resource for interconnection best practices.
 - Interconnection cost review: The HERA will conduct cost audits for large-scale interconnections, which could include the full cost of interconnection, including estimates for costs of Company-Owned Interconnection Facilities (COIF) paid for by non-utility entities consistent with utility's standards and requirements with the goal of developing an accurate unit cost guide.
 - Overseeing Interconnection Implementation: The HERA will monitor RFP interconnection status reports from the Independent Engineers (IEs) and Independent Observers (IOs) selected for each generator procurement RFP and will request additional information, if necessary, to ensure interconnection queues operate efficiently as well as validate the system reliability as a result of the proposed interconnection performance requirements.
 3. Training for the PUC HERA engineer who will be taking over the HERA duties after this HERA contract ends.
 4. Other related tasks or services at the direction of the Commission.

2.3. HAWAII DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS, PUBLIC UTILITIES COMMISSION RESPONSIBILITIES

- a) To provide stakeholder information and other pertinent data to awardee;
- b) To cover travel-related expenditures for PUC employees.

²The reliability standards will be Hawaii-specific as Hawaii is not under the oversight of the Federal Energy Regulatory Commission (FERC) or the North American Electric Reliability Corporation (NERC). The HERA is responsible for drafting and coordinating the approval of these standards including required changes to laws and statutes.

HCR-203

Submitted on: 3/21/2026 8:58:42 AM

Testimony for EEP on 3/24/2026 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Johnnie-Mae L. Perry	Individual	Support	Written Testimony Only

Comments:

I, Johnnie-Mae L. Perry, Support

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