

Docket No. 2022-0250

Opening Meeting Part 2 Soliciting Feedback on the Energy Equity Proceeding

March 8, 2023, 10:00am-12:00pm HST

Hybrid: PUC Hearing Room & Zoom (Virtual) Meeting

Presentations, materials, and recordings available on website: <https://puc.hawaii.gov/energy/equity>

Welcome, Overview, & Introductions

- Opening remarks from the Commission, staff and participant introductions, overview of meeting objectives and agenda, and recap of Opening Meeting Part 1.

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- Following logistical details for the meeting, Chair Asuncion provided opening remarks, encouraging everyone to participate in the docket as much as they are able, including through public comments and other methods addressed in Opening Meeting Part 1, to allow the Commission to make better decisions.
- Commission staff began introductions, then others in the room and online introduced themselves. Approximately 20 attendees in person (excluding Commission staff) and 80 attendees online.
- Overview of agenda for the day
 - Welcome, overview, & introductions
 - Presentations on the context for energy equity in Hawaii and the Commission's proposed approach
 - Small group discussions
 - Wrap up & next steps
- Meeting objectives
 - Provide an overview of the Commission's proposed approach to the proceeding, including the proposed topics, and solicit feedback on this planned approach and how participants may be involved.
 - In particular, the Commission is interested if there are any issues/topics/things that are missing or inappropriate.
- Meeting norms (same as Opening Meeting Part 1)
 - Practice equity of time
 - Treat others with respect
 - Accept others' lived experiences
 - Come ready to learn and question your assumptions
 - Bike rack; strive to stay on topic
- Recap of Opening Meeting Part 1, which explained what the Commission does, how to participate, and what we're trying to do in this proceeding, and which solicited community feedback on energy equity considerations.

Investigating Equity: Context for Hawaii

- Commission staff provided an overview of the context for energy equity in Hawaii as discussed in [Order No. 38759](#) opening the docket, including key terminology, equity tenets, and challenges to energy equity.

NOTES (presentation available on website)

- Key terms include energy equity, vulnerable populations, and energy burden. The following are draft definitions, and the Commission is aware of parallel efforts by the Energy Equity Hui to

craft Hawaii-specific definitions, which the Commission aims to align with the stated draft definitions once complete. The Commission is also open to other inputs on these preliminary definitions.

- Energy Equity: Refers to the goal of achieving equity in both the social and economic participation in the energy system, while also remediating social, economic, and health burdens on those historically harmed by the energy system.
- Vulnerable Populations: Those who are economically disadvantaged, certain racial and ethnic minorities such as Native Hawaiians, the elderly, rural residents, those with inadequate education, and those with other socioeconomic challenges,
- Energy Burden: Energy burden is the percent of a household's income spent to cover energy.
- Equity tenets are ways in which the Commission intends to address equity across its proceedings, and include the following four with preliminary definitions:
 - Distributive Equity: Distributive Equity is recognized as sustainability programs and policies resulting in fair distributions of benefits and burdens across all segments of a community, prioritizing those with highest need.
 - Procedural Equity: Procedural Equity is the inclusive, accessible, authentic engagement and representation in processes to develop or implement sustainability programs and policies.
 - Recognition Justice: Recognition justice identifies who is being ignored in decision-making, and how that should be remedied so that all individuals are fairly represented and offered equal political rights.
 - Intergenerational Justice: Intergenerational justice relies on making decisions based on whether a decision would "increase rather than limit the development options of future generations.
- The Commission has identified several challenges to energy equity, which are the forefront issues that the Commission is looking to address within this docket. The Commission is open to input during the docket on these and other challenges:
 - High energy rates
 - High energy burden
 - Unequal access to renewable energy
 - Need for utility payment assistance
 - Infrastructure siting
 - Land constraints
 - Regulatory process burdens
 - Others

Commission's Proposed Approach

- The Commission has identified four pathways to address the above challenges to energy equity. Commission staff presented this proposed approach and answered clarifying questions from attendees at the meeting.

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- Pathways to address the above challenges to energy equity (presentation available on website). The Commission notes that these are not the only pathways or tools available, and the Commission is looking for feedback or input on what could be done better and what is missing.
 - Pathway 1: Energy Affordability Measures & Financial Assistance

- i. There's a lot to draw from on our own experiences in Hawaii regarding potential actions and measures, as well as from other jurisdictions.
 - ii. Examples of actions and measures may include:
 - Rate discounts
 - Bill credits
 - State and federal utility payment assistance
 - Bill assistance and payment programs
 - Benefits for specific customers, including:
 - Retired senior citizens
 - Fixed income customers
 - Customers with infants
- Pathway 2: Equitable Access to Clean Energy
 - i. There are several areas to address the equitable access to clean energy, including the following:
 - Distribution of benefits from programs
 - DER programs
 - CBRE
 - Energy efficiency and demand response
 - Time-varying rates
 - Electrified transportation
 - Community engagement
 - Input into system planning
 - Community benefits agreements
 - Host community benefits
 - Expanded and enhanced financing programs
 - Low-interest loans
 - On-bill payment for renewable energy initiatives
- Pathway 3: Utility Business Model Reforms
 - i. This may be confusing if you're not familiar with the utility business model, but in general this pathway seeks to align utility's incentives and the way they conduct business with the outcomes of this proceeding.
 - ii. Actions and measures may include:
 - Modifications to the performance-based regulation ("PBR") framework, for example:
 - An equity-focused incentive for utility performance
 - LMI assistance fund
 - Assessing the equity of the existing mechanisms
 - Reporting and transparency on key metrics
 - Consideration of disconnection moratoriums
 - Pursuing innovative pilots
 - Modified accounting practices
 - Universal basic kWh programs
- Pathway 4: Procedural Equity Improvements
 - i. The Commission seeks to build equity and justice principles into the way they do their work at the Commission and the way the utilities operate, addressing issues systematically and ensuring longevity in lessons learned through this docket.
 - ii. Actions and measures may include:

- Streamlining and simplifying customer program enrollment
 - Improved customer outreach and education
 - Streamlined community engagement
 - Making Commission proceedings more accessible
 - Establishing Commission-specific reporting metrics to monitor and assess the efficacy of activities
 - Developing an equity and justice action plan or decision-making framework for the Commission
- Q&A: clarifying questions on the proposed approach
 - Q: What does the PUC see as possible outcomes or deliverables at the end of this proceeding?
 - i. A: We have some ideas, but we're at the beginning of the proceeding and looking for input. Some slides later in the meeting will discuss this.
 - Q: How will currently active dockets (ex: DER docket) be involved in this docket?
 - i. A: Lots of interrelated issues (e.g., DER, PBR, Hawaii Gas). We'll want to identify issues that are clearly being addressed elsewhere, and here identify policies and practices that we can address throughout. If there is a DER program not being addressed in the DER docket, we could address it here.
 - ii. A: Hope that this docket can serve as a coordinator to address ongoing equity efforts elsewhere.
 - Q: Given the docket scope and length of docket, has the Commission contemplated streamlining the delivery of customer benefits early on?
 - i. A: Yes, we should be able to identify priority actions that can come out sooner. We have not made decisions yet on priorities, hoping to lean on discussion.
 - Q: Is it fair to assume Pathway 4 is a continual process going forward, identifying additional issues going forward?
 - i. A: Yes, we want help identifying issues today and throughout the proceeding. Some may warrant their own separate pathway.
 - Q: Every year the PUC gives a rate increase (related to infrastructure improvements), yet we are paying high electric rates mostly based on the fuel surcharge. How much are we paying based on that rate?
 - i. A: Recognize that high rates are a challenge and we want to look at mechanisms that influence these rates, such as that fuel adjustment.
 - Q: We're in the middle of ongoing RFPs. Can we implement things we learn in this docket in ongoing dockets, such as the RFP docket? Would seem like a waste to procure 1000s of MWs without applying these learnings?
 - i. A: Our hope is to identify actions we can take quickly and do them. Some actions will take more time, but hopefully not have that slow down what we can implement quickly in ongoing proceedings.
 - Q: Is it possible for this proceeding to provide feedback to the legislature (e.g., if there's something about 100% renewable that's not feasible)?
 - i. A: Generally, we can give feedback to the legislature through this proceeding (e.g., report from 2022). One possible outcome could be recommended legislation to the legislature.
 - Q: Four levels of participation of community. How do things go on official record, e.g. with the breakout rooms?
 - i. A: Taking feedback from the breakout rooms to distill, but please provide public comments at any time (email puc.comments@hawaii.gov, reference docket

number 2022-0250) to get it in the record. There will be other times where we reach out for specific feedback on specific issues. Info from first meeting is on the equity webpage. We are also taking notes from this meeting, and trying to figure out other ways to solicit input.

- Q: Molokai has done a fantastic job over the past few years understanding energy policies. It takes time for new people to learn about the energy system and specific definitions. Hopefully this docket has a time for those two things to be developed?
 - i. A: It's definitely on our minds how to better do some outreach and education about the basics to enable participation.
- Q: Are there thoughts on how the pathways reflect the Native Hawaiian population, given this population was called out as a subset of disadvantaged populations? Nothing specific in pathways that speak to Native Hawaiian populations, given legal constraints
 - i. A: We definitely do not have all the answers. We'd like to develop ways we can assess the impacts of our decision-making and programs on populations, e.g., Native Hawaiians. If there's something we want to consider that can benefit Native Hawaiians, we could do so.
- Q&A: Additional comments from participants
 - An equal HECO transmission rate (or something like that) speaks to equality and sounds like something that would be reasonable for all. Now, we just need to work on finding something more equitable
 - I'm curious about how recognition is addressed within the 4 pathways. I think there's an opportunity in Pathway 2 (community engagement) but it isn't specifically called out.

Break

Example Approach for this Proceeding

- Commission staff briefly outlined an example approach for this proceeding, given the four pathways discussed above.

NOTES (presentation available on website)

- While there are four initial pathways the Commission has identified, the Commission may prioritize some issues (e.g., affordability) while working in parallel on all of the pathways.
 - For example, the Commission imagines that affordability will be the most active during the first year, potentially initial outcomes in the proceeding early on based on more meetings and workshops. This hopefully could result in the development of an affordability pilot rate and/or program.
 - Equitable access to clean energy, however, could take a long time as an issue, and will be active over most of the proceeding, though there are some things that are already happening (e.g., CBRE and DER dockets). This could include the development of specific LMI customer programs in DER docket, for example.
- The Commission provides a sample timeline of the pathways working in parallel from now (Q1 2023) through Q1 2025.
- The Commission provides some additional notes:
 - Equity is a broad and challenging topic, so we may move at a measured pace.
 - We want to understand your input, but we don't want to burden people with a thousand meetings at the same time.
 - We aim to balance action with informed decision-making, and are open to feedback in whatever form and content you can give. This feedback could include topics we're missing, the timeline, and realigning certain issues.

- Q&A: clarifying questions on example approach
 - Q: Will there be space for additional pathways?
 - A: There's definitely space for additional pathways, the current four are for discussion.
 - Q: After the PUC decides on a process, how will the schedule be communicated?
 - A: We will absolutely communicate this. Maybe an order, letter, webpage update, staff report; may take a few different forms. We will reflect on what we've heard after this conference
 - Q: Is equitable distribution something we are considering during this process, instead of having one or two communities bear the burden?
 - A: Historical and future distribution of energy infrastructure is definitely something we're thinking about in this docket.

Breakout Rooms: Discussion Notes

- The Commission facilitated two sessions of breakout rooms for each pathway, with attendees able to join two sessions to discuss the pathway in detail, with hybrid breakout rooms (i.e., an in-person and virtual component). An overview of themes and ideas discussed at each of the breakout sessions is provided below.

NOTES

- Pathway 1: Energy Affordability Measures & Financial Assistance
 - a. Unintended consequences of direct assistance (increased energy usage, raising rates for other customers)
 - b. The need for assistance with things like purchasing solar and/or batteries, including rebates to beef up affordability programs
 - i. Whether the solution to address low income customer affordability is installing solar and battery systems in people's homes with tax credits and incentives
 - c. The need for outreach with assistance programs (understanding why people do or don't use it), especially when customers struggle with the application process, and especially for customers on neighbor islands
 - d. Simplifying and streamlining application procedures
 - e. Improving LIHEAP administration and support for customers
 - f. What authority the Commission has in establishing programs to assist customers
 - g. The impacts of HECO's interim TOU program and future TOU program in development
- Pathway 2: Equitable Access to Clean Energy
 - a. The equitable siting of energy infrastructure is an important component that may not be squarely addressed in any pathway, and may need its own pathway. Similarly consider breaking out equitable access to clean energy into utility-scale and customer-sited pathways.
 - b. The role of resilience and emergency preparedness in siting of clean energy.
 - c. The treatment of different communities in the siting of clean energy.
 - d. Whether communities have a right to say no in siting clean energy projects.
 - e. How and what communities have access to customer-sited renewable energy, such as batteries and storage.
 - f. Opportunities for new programs to expand access to clean energy, such as virtual self-consumption (proposed in DER docket), expanding GEMS program, benefits for local residents, reducing the burden in the CBRE RFP process.
 - g. The challenges of working with private landowners in the CBRE process

- h. The need for local coordinators in engaging with communities.
- i. How recognition justice (e.g., for Native Hawaiian populations) is addressed in this pathway.
- j. How this docket relates to other dockets and where decisions happen, especially with the development of new programs or the modification of existing programs.
- k. How we define “community,” and whether we target those with the loudest voice, those with no voice, or others.
- l. The need for community consent in the siting of energy infrastructure, especially as hosting communities often have the least amount of say in siting, and may not want to host energy facilities at all.
 - i. Idea to ask communities who wants to host energy facilities then site them there with affordable rates for the host community. Opposition to streamlining the siting process.
- m. Discussion of who pays for community benefits agreements, and how that is built into project costs.
- n. Idea to increase equity by getting the lowest cost energy, such as through reconsidering the RPS and importing LNG.
- o. Expansion of CBRE with priority for disadvantaged communities and host communities.
- Pathway 3: Utility Business Model Reforms
 - a. How Performance-Based Regulation (PBR) and equity docket align, and what the PBR docket is; examples of PBR incentives.
 - b. Define equity and determine agreeable metrics, outcomes, and framework.
 - c. Significant changes to the utility structure in the provision of electricity (fairness, equity)
 - d. Question about whether there’s a connection between high electricity rates and lack of competition.
 - e. Need additional resources to assist LMI households.
 - f. Importance of addressing the equitable siting of renewable energy facilities, the business model of utilities, who pays for power, and the resiliency of the power grid, especially with the impacts we’ve seen from climate change in the last decade.
 - g. Move toward decentralized generation and the utility’s role in this transition. Questions re: need to remain profitable and whether the utility should focus on distribution networks or generation.
 - h. Different solutions for different islands and communities.
 - i. Standardization of rates and utility across all islands.
 - j. Creation of jobs and economic development through renewable energy.
 - k. Developing key metrics for each community.
- Pathway 4: Procedural Equity Improvements
 - a. Community voices have not been heard or heeded, in part because of the complexity and resources required to meaningful participate.
 - i. Ideas to remedy this include structured groups advocating for specific communities and developing institutional knowledge of how to participate (possibly receiving funding assistance), or adding commissioners via statute with one commissioner expressly focused on community representation issues.
 - b. Projects and dockets are too developer-led. Community voices would be more effective and impactful if voiced prior to developers expending resources on a project. One idea is “reverse auctions.”
 - i. Developer-led projects get the most exposure and attention.
 - ii. More projects should be community-led.

- c. Proposed new pathway: integrating clean energy planning with emergency preparedness to promote more holistic equity
- Additional participant questions & comments
 - a. Please plan to travel to rural communities

Next Steps

- The Commission emphasized that these two opening meetings have been the start of this conversation. The Commission plans to incorporate feedback shared today and in the first opening conference into a final proceeding work plan, which will be available to the public, once ready, possibly with an additional opportunity to provide input. The final work plan may not be immediately ready, as the Commission strives to be thoughtful and effective in determining the work plan and incorporating feedback. The Commission will be in touch with next steps, including information about upcoming events and opportunities.
- Other opportunities to stay up to date or provide feedback include signing up for email updates for the equity docket (separate from DMS updates), which is available at the equity docket website, and filing public comments in the docket (2022-0250) at any time. The Commission appreciated feedback so far and provided an online poll for meeting feedback.