

1. Q. For a facility using MSW or any solid waste as the primary fuel, can one also use coke (about 4% by weight) and still qualify as a “renewable energy project” for the RFP purposes and under the Hawaiian RPS Law?
  - A. Electric energy produced using municipal solid waste as a fuel source qualifies as “renewable energy” under Hawaii’s Renewable Portfolio Standards law (RPS), Hawaii Revised Statutes 269-91 through 269-95. Solid waste would qualify as a renewable energy source only if it met the statutory definition of “biomass, including biomass crops,” or “agricultural and animal residues and wastes.” Coke (derived from petroleum or coal) is not a renewable energy source under the RPS. Under the RPS, where renewable and non-renewable fuels are used, the proportion attributable to the renewable means is treated as renewable energy.

Where there is co-firing, the unit is considered to generate renewable electrical energy in direct proportion to the percentage of the total heat value represented by the heat value of the renewable fuels. The purpose of this RFP is for HECO to purchase energy that is eligible under the RPS and that satisfies or contributes to other objectives, including cost-effectiveness and reliability.

HECO’s RFP seeks to purchase power from renewable energy projects. Bidders are expected to submit bids for projects that are 100% renewable. In light of the primary objective of this RFP, which is to stimulate the generation of new renewable energy resources, we will accept alternate proposals for co-firing of renewable and non-renewable fuels, but only where the great majority of the energy produced would qualify as “renewable energy” under the RPS. However, other things being equal, proposals for projects that produce 100% renewable energy will be evaluated as being superior to proposals that produce a small portion of non-renewable energy.

In the event that a bidder does not submit a proposal that is 100% renewable, an explanation of why a 100% renewable proposal was not considered feasible must be provided. In order to assist HECO in evaluating alternate co-firing type proposals, HECO requests additional information from the prospective bidder regarding the proposed fuel sources (and proportion of resulting renewable energy to total electrical energy produced), the importance of, and benefits from, allowing non-renewable fuel sources, and how the prospective bidder proposes to provide contractual assurances regarding minimum renewable energy content.

For any such co-firing proposal, the bidder should provide expected and contractually binding minimum requirements for the renewable energy fuel source along with a proposal for monitoring compliance with the requirement; and

The bidder should provide a statement regarding the relative pros and cons regarding the co-firing proposal and the renewable-only proposal and why a renewable only proposal could not be submitted, if that is the case.

Finally, for a co-firing proposal, the bidder should provide detailed information regarding the proposed fuel sources and a mark-up of the Model Power Purchase Agreement that incorporates a proposed minimum renewable fuel source requirement and a mechanism for monitoring compliance.