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Energy & Environment

Big Island Electric Co-op Seeks to Intervene in NextEra Sale

NextEra deal sparks talk of acquiring local control of the electric utility.

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Big Island business and community leaders have formed a nonprofit coop called the Hawaii Island Energy Cooperative to explore taking over Hawaii Electric Light Co., a subsidiary of Hawaiian Electric Co.

The co-op would be owned by ratepayers, similar to the Kauai Island Utility Cooperative. However, the co-op is interested all of the island's energy sectors not just the electric grid.

The co-op association emerged in recent weeks with the announcement that Florida-based NextEra Energy has entered into an agreement to purchase HECO — a deal that is expected to close by the end of the year. Last week, the Hawaii Island Energy Cooperative submitted an application to Hawaii's Public Utilities Commission, which must approve the sale, to intervene in the review of the merger.



HELCO power plant

The Big Island co-op, in seeking to intervene in proceedings, is not taking a position for or against the sale, according to a press release issued by the co-op on Tuesday.

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“We seek to participate in the discussion of the unique perspective of the residents of our island, and if appropriate, explore an option that would make for a fundamental change in the landscape of energy production and consumption on Hawaii Island,” HIEC director Marco Mangelsdorf said in the press release. “Being able to have more direct control over Hawaii Island’s present and future energy profile would provide us with an extraordinary opportunity to showcase what can be done on our island on many different and innovative levels.”

Mangelsdorf is also the president of ProVision Solar, a Big Island solar company.

Other HIEC directors include Richard Ha, Wally Ishibashi and Gerald DeMello.

A co-op model could provide the following benefits, according to the press release:

- Local, democratic control over the island’s energy infrastructure, providing greater benefits and retaining any excess over the cost of operations for island residents.
- Community-based and community-chosen strategic priorities under which the cooperative operates for the sustainable development of the island.
- Potentially lower electric costs through tax exempt status, lower cost of capital and no shareholder profits, greater efforts to develop less expensive island-based power sources, promotion of education, markedly improved energy efficiency, and the accelerated adoption of appropriate advanced technologies.
- Greater overall energy independence, higher renewable energy generation, and enhanced sustainability through a comprehensive and integrated approach to all energy-consuming sectors on the island.
- Developing and emphasizing island-produced fuels to provide an energy source for both electric generation and transportation sectors.