



Hawaii group explores forming co-op, intervenes in NextEra-HECO docket

By Herman K. Trabish | February 18, 2015



Dive Brief:

Hawaii could be the site of one of the nation's newest electric cooperatives, Pacific Business News reports. A group of business and local leaders there have formed a group to study possible benefits of a co-op on the state's Big Island and take a closer look at the proposed acquisition of the state's largest IOU.

The proposed Hawaii Island Energy Cooperative (HIEC) filed as an intervener in the Hawaii Public Utilities Commission (PUC) docket on the proposed \$4.3 billion acquisition by NextEra Energy of Hawaiian Electric Industries and its subsidiaries Hawaiian Electric Company, Maui Electric Company, and Hawaii Electric Light Company

Organizers of HIEC say they are not taking a position on the acquisition at this time. They identified a number of potential benefits of a co-op on questions of local control of electricity, energy costs and renewables integration.

Dive Insight:

The NextEra acquisition is expected to be finalized by Q4 2015 but still requires regulatory approval from the PUC. An HIEC statement indicated its leaders intend to add their unique insights about energy needs for the Big Island to the commissioners' deliberations.

Hawaiian Electric has the highest electricity prices in the country, largely a result of the islands' dependence on imported fuel oil. Because of these high prices, it is the only state where solar plus storage is cost-competitive with the grid. Solar penetration in Hawaiian Electric's service territory is already over 10% — the feared tipping point at which many believe utilities will start to see truly significant grid integration and business model challenges.

The Hawaii PUC told Hawaiian Electric in the spring that its current business model does not align with public policy goals and Hawaii electricity customers' needs. In response, Hawaiian Electric has proposed getting 67% of electricity from renewables by 2030.



The acquisition of HEI offers NextEra Energy the opportunity to use Hawaiian Electric as a test bed to solve high penetration solar problems before they hit the mainland.

Benefits expected from the new HIEC cooperative could include local control of infrastructure, strategies focused on local needs, lower electric costs obtained from the use of local resources and technologies, increased energy independence and more renewables.