

By CHRIS D'ANGELO  
Hawaii Tribune-Herald

March, 2015

### **Legislators take aim at HEI-NextEra merger; Resolutions seek to protect public interest, consider alternatives**

State lawmakers are taking concerns about the pending \$4.3 billion sale of Hawaiian Electric Company to Florida-based NextEra Energy to the House floor via a series of resolutions.

House Resolution 158 — along with its companion, House Concurrent Resolution 227 — requests that the Public Utilities Commission protect the public interest in reviewing the proposed acquisition. It tasks the PUC with determining whether NextEra is likely to act in the long-term best interests of Hawaii ratepayers, as well as if the transaction is in the long-term public interest, including the state's ability to achieve its renewable energy goals, according to the document.

The measures were introduced by Rep. Chris Lee of Oahu. He said that in light of mounting anxiety about NextEra, he wants to be absolutely certain a thorough review is done of the impacts the merger would have on residents.

“They have a history of opposing competition,” he said. “And what's more concerning is they have a history of infiltrating politics to get the government to work on their behalf, to benefit the utilities over the people they serve.”

Ultimately, the resolutions are about finding out more about the company and what it intends to do in Hawaii, he said. In its written testimony, NextEra said it agrees with the intent of protecting public interest, and “has every reason to believe that the Public Utilities Commission will do so.” However, the company said the resolutions contain inaccurate accounts and information and “appears to rely almost exclusively on media reports that mischaracterize and/or omit facts.”

“This merger is all about creating a cleaner, more affordable energy future for Hawaii,” the company wrote. “NextEra Energy, the nation's leading clean energy company, shares Hawaiian Electric's vision of increasing renewable energy, modernizing its grid, reducing Hawaii's dependence on imported oil, integrating more rooftop solar energy and, importantly, lowering customer bills.”

Last week, the House Committee on Energy and Environmental Protection deferred HR 158 and HCR 227 for one week. They are scheduled for decision making today at 11:30 a.m.

Rep. Richard Creagan, D-Naalehu, Kailua-Kona, said the perception is that the merger is being rushed forward, which is unacceptable given that it will change lives across the state for a long time.

Furthermore, he believes the concerns about NextEra are real, not rumors, and said the company is not some white knight coming in to save Hawaiians from high energy bills.

“They're not coming in here to lose money. They're coming in here to make money,” he said.

Creagan added that the Big Island should be given a chance pursue an independent cooperative.

In February, the Hawaii Island Energy Cooperative, a nonprofit group of Big Island community and business leaders, filed a motion with the state PUC to intervene in the pending sale of HEI to NextEra in order to explore the idea of public ownership, similar to Kauai Island Utility Cooperative on Kauai.

Rep. Nicole Lowen, D-Kailua-Kona, has introduced a resolution aimed at continuing that discussion. If passed, HR 105 — and its companion HCR 169 — would simply express legislative support for efforts to facilitate local ownership and control of electric utilities and local generation of energy, according to the document.

Lowen said concerns surrounding the merger are lengthy and legitimate.

“Put all the alternatives on the table,” she said.

Among those who submitted testimony in support of Lowen’s resolution was Hawaii County Councilman Dennis Onishi.

“The proposed NextEra acquisition of Hawaiian Electric Industries, Inc. will have long lasting impacts on the economic stability and social fabric of our communities ... I strongly request the passage of this Resolution to further the discussion of providing more options for those impacted the most, our kamaaina.”

HR 105 and HCR 169 are also up for decision making today in the EEP committee.

Of Big Isle’s seven state representatives, four — Lowen, Creagan, Joy San Buenaventura and Mark Nakashima — co-introduced HCR 9, which requests the PUC conduct a public hearing on the approval of the sale of HEI.

San Buenaventura, D-Puna, said her understanding is that HEI is still financially stable and does not necessarily need the pending merger.

“The question is whether the benefits to the community outweigh the unknowns. And the unknowns are significant,” she said.

While San Buenaventura is not necessarily against the acquisition, she is for slowing things down and making sure all concerns are heard.

“I don’t know enough ... to ensure that the community mindedness that Hawaii Electric has shown recently, at least in Puna, will continue to be fostered by NextEra,” she said, referring to HEI’s responses to both Hurricane Iselle and the June 27 lava flow.

HCR 9 will be taken up Tuesday by the EEP committee.

Rep. Clift Tsuji, D-Keaukaha, Hilo, said the number of resolutions introduced related to the merger shows the importance of the issue. In particular, Tsuji said he’d be interested in the results of HCR 226, introduced by Lee and which requests the state auditor to evaluate the impacts the merger may have on Hawaii workers in the energy industries.

HCR 226 has been referred to the House committees on Finance and Labor and Public Employment. A hearing has not yet been scheduled.