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Energy start-up weighs in on HECO purchase

A new filing with the Public Utilities Commission could complicate the proposed $4.3 billion acquisition of Hawaii Electric Light Co. and its sister companies.

Fledgling electric provider Paniolo Power Company LLC, a subsidiary of Parker Ranch Inc., filed on Monday a motion to merge two of the most closely watched dockets before the PUC this year, including the purchase of the Hawaiian Electric Companies by Florida-based NextEra Energy Inc.

The second docket seeks approval of Hawaiian Electric's long-term clean energy strategy. Just over a year ago, the PUC ordered the utilities to formulate a plan to lower Hawaii residents' electric bills, as well as add more renewable energy to their power grids.

In a press release issued late Monday afternoon, Paniolo Power General Manager Jose Dizon explained that his company seeks to merge the two dockets, as they are "inextricably linked."

"Just how exactly the newly merged companies plan to implement their transformational clean energy plan is pertinent to both dockets. Questions about competition and the future shape of Hawaii's energy industry are also at issue. We think that it is time to challenge the merits of the monopoly," he said.

Dizon, who worked for Hawaiian Electric in various capacities between 1995 and 2012, said in a phone interview Tuesday afternoon that he felt the utility has been "irresponsible" with the pace at which it has worked to incorporate renewable energy sources into the grid.

"They should be retiring oil-fired power plants faster," he said, adding that savings generated by reliance on less volatile energy sources could be passed along to Hawaii consumers. "The secondary and tertiary effects on the economy … will be tremendous with the right vision in place. If the utility can't handle it, we'll handle it for them."

Dizon emphasized that Paniolo Power is not taking a position on whether the NextEra acquision should be approved by the PUC. Rather, he said, the company wishes to ensure that all related factors are taken into account by the commission.

However, Lynne Unemori, HECO vice president of corporate relations, said Tuesday that the filing by Paniolo could serve to muddy an already complicated issue before the PUC.

"We just received the filing and will be thoroughly reviewing it. These are very complex dockets and combining them could complicate their review. This could potentially delay the progress on addressing these important issues and delay the benefits of the merger for our customers," she said via an emailed response.

Paniolo argues that the consolidation of the two decisions would ultimately be faster, saving the commission, ratepayers and the parties involved "significant time and expense by hearing one case instead of two or more," Dizon said. "Both dockets are in the very early stages of the review process. A consolidation would not delay NextEra's desire to have a PUC decision in 12 to 18 months."

Attempts to contact NextEra for comment were unsuccessful by deadline.

In April 2014, Parker Ranch announced that it had established Paniolo Power in a bid to provide affordable and renewable energy for consumers on the leeward side of Hawaii Island, primarily in Waimea and Kohala.

The plan draws on the abundant renewable energy sources found on the Big Isle, including wind, solar, and geothermal to supplement, and in some cases replace, the electricity supplied by Hawaii Electric Light Co.