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# County to PUC: Deny NextEra deal

By CHRIS D'ANGELO Hawaii Tribune-Herald

Hawaii County is among the lengthy list of parties urging the Public Utilities Commission not to approve the proposed $4.3 billion merger of Hawaii Electric Industries to Florida-based NextEra Energy.

"There is significant lack of transparency with this transaction in terms of 'what, how, when things will be done,'" William Rolston, energy coordinator at the county Department of Research and Development, wrote in response to the proposed merger. "Further, the ratepayer is not guaranteed any cost reductions."

Rolston's conclusion: Deny the merger.

In addition to Gov. David Ige, the majority of the parties intervening in the merger case have spoken out against the deal. Like several others, the county questions whether the sale is in the best interests of the public.

"Whether admitted or not by incumbent utilities, a revolution has begun with individuals taking their energy destiny in their own hands," Rolston wrote. "The death spiral for the Vertically Integrated Investor-Owned Utility (IOU) seems to have started already, particularly in a region such as Hawaii, where extremely high prevailing electricity rates provide sufficient 'headspace' for alternatives to deliver more favorable economics and a more desirable 'value package' to consumers."

In addition, Rolston said Hawaiian culture is re-emerging.

"Emotionally, the call for self-sufficiency resonates strongly with many of Hawaii's residents," he wrote.

On Monday, the 28 remaining intervenors offered preliminary position statements.

While the county recommended the merger be denied in its current form, it outlined several conditions it thinks must be in place before the commission considers approval. Those include requiring the merged utilities to produce a road map that "defines a vision for sustainability for the state of Hawaii," that a majority of the board members of the newly merged utility be Hawaii residents, and instituting a five-year moratorium on any new base-rate increases.

"A five-year freeze would signal to the state of Hawaii and its residents that NextEra is not acquiring the utilities in an effort to provide cash flow up to the parent company, and that it will hold ratepayers harmless from merger," the county wrote.

Among the 17 intervenors opposing the sale are Maui County, the state Department of Business, Economic Development and Tourism, and the state Office of Planning.

In its own testimony, Hawaii Island Energy Cooperative, a nonprofit group of Big Island community and businesses leaders exploring the idea of public ownership, told state regulators it is not opposed to the merger while urging them to seriously consider the cooperative model as an alternative.

In an email to the Tribune-Herald, HIEC co-founder and spokesman Marco Mangelsdorf had few words about Ige's stance on the merger.

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“I don’t have any comment on Ige’s opposition other than to observe that the testimonies of the intervenors and the governor’s no vote have to be seen by Juno Beach as an unwelcome 1-2 punch,” he wrote, referring to the city where NextEra has its headquarters.

During a press conference Tuesday, Ige said the state has concerns about a loss of local control and that NextEra might not be the right company to lead Hawaii to its goal of 100 percent renewable energy by 2045.

“We are looking for a partner that shares our hopes and dreams in terms of electricity generation,” he told media on Oahu. “The merger as proposed at this point is unacceptable.”