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Maui County might acquire power firm, it informs NextEra

By Kathryn Mykleseth

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Maui County said it may acquire Maui Electric Co. through condemnation, a process that would allow the government to take over private property for the public benefit.

The county said “yes” when asked by NextEra Energy Inc., “Does the County of Maui agree that it may seek to acquire Maui Electric, through condemnation or otherwise, regardless of whether Maui Electric is owned by Hawaiian Electric Industries, Inc., Hawaiian Electric Holdings, Inc., or another corporate entity”?

The exchange came in filings with the state Public Utilities Commission as part of the review of NextEra’s proposed \$4.3 billion purchase of HEI, the parent company of Maui Electric.

Maui Mayor Alan Arakawa said in May it was an ideal time for Maui to research what utility model would be best for the island as the state is reviewing the sale of HEI.

Maui County set aside \$30,000 to pay a consulting firm to study what utility model would be the best for the island. The Mayor’s Office of Economic Development filed a request for proposals in May seeking the costs and benefits associated with public power and energy cooperatives’ forms of electric utility ownership.

NextEra also asked Hawaii Island Electric Cooperative and The Alliance for Solar Choice about the possibility of the condemnation of Hawaii Electric Light Co. and Hawaiian Electric Co. from by the groups’ respective counties.

HIEC said it did not have any knowledge of Hawaii County looking to acquire HELCO through condemnation. TASC objected to NextEra’s question on the grounds it was irrelevant to the sale’s review.

In February, HIEC announced it was considering turning the Hawaii island electric utility into a cooperative.

In its testimony, HIEC proposed that the PUC consider whether a cooperative model for residents on Hawaii island is worth pursuing.

“We are opening up the door to the commission to go through it, if they so choose, to go to the co-op model for the Big Island,” said Marco Mangelsdorf, secretary of the board of directors at HIEC.

NextEra also posed questions to the state Consumer Advocate in the filing, including, “Do you believe the proposed change of control can or will result in benefits to the Hawaiian Electric Companies’ customers”?

In response, the Consumer Advocate objected to the majority of the questions, deferring to its testimony that is due Aug. 10. The Consumer Advocate is the last party to file testimony for the review.

NextEra also asked questions of AES Hawaii Inc., but the independent power producer declined to respond because it said the questions didn’t pertain to the review.

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Secretary, HIEC board of directors