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Friday, September 25, 2015

Public Utilities Commission should Investigate Different Utility Models

By Henry Curtis

The Public Utilities Commission wants to know how the public feels about the proposed buy-out of the Hawaiian Electric companies by Florida-based NextEra.

In the past few months many different business models and utility structures have been proposed in Hawai'i.

Yesterday Life of the Land proposed to the Public Utilities Commission that they open a proactive investigation on alternative business models rather than waiting for a proponent of one model to submit an applicant for approval.

Hawai'i Island Energy Cooperative (HIEC) is encouraging people to attend the two Big Island Public Listening Sessions being sponsored by the Public Utilities Commission.

Hilo High School on September 29th at 6 p.m.

Kealahou High School on September 30th at 6:00 p.m.

On August 31 NextEra added dozens of new commitments if the merger goes through, including the following three.

NextEra will be "adding the University of Hawai'i system to the list of colleges and universities at which NextEra Energy recruits candidates for employment opportunities nationwide."

The toothless local advisory board "will include members from each of the counties of O'ahu, Maui and Hawai'i."

There are open regulatory dockets covering proposed rate hikes and long-range utility plans. These proceedings touch upon everything the utility is doing. But the proceedings have other parties and the records are generally publicly available.

NextEra and HECO will secretly engage with regulators about open contested regulatory proceedings. "The President and CEO of the Hawaiian Electric Companies will meet with the Commission and the Consumer Advocate at least on a quarterly basis."

According to Hawai'i Island blogger Damon Tucker, "Members of the HIEC team will be at both the Hilo and Kona locations at 5 p.m. to talk story with the community and pass out complimentary "Own the Power" t-shirts."

Richard Ha recently asserted that HIEC is "not against either NextEra or HEI/HECO, but are offering an alternative business model we think is best for our children and their children's futures."

The Consumer Advocate proposed that if the merger is approved HECO should become a socially responsible, sustainable business corporation (B Corporation, Hawai'i Revised Statutes §420D).

The County of Maui is investigating the possibility of converting Maui Electric into a Municipal Utility which could be controlled by the county legislative or executive branch. The Muni could resemble the Honolulu Board of Water Supply.

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Parker Ranch's Paniolo Power has suggested a private utility.

Hawaii Island Energy Cooperative proposed an electric cooperative.

The Public Utilities Commission and the Governor have suggested separating the generation and the transmission functions of the utility and creating two independent companies.

The military at Camp Smith in Aiea has built an inner island-able micro-grid, embedded within an outer island-able micro-grid, embedded within the HECO grid. A future utility could be a transmission spine interconnected to public and private micro grids.

An investigation into alternatives and their relative benefits, risks, costs, and reliability could be very helpful.