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Ige still against NextEra-HEI deal despite added commitments

Gov. David Ige said today he still opposes NextEra Energy Inc.'s proposed buyout of Hawaiian Electric Industries even after the Florida-based utility added commitments to its original proposal.

When asked if he still opposed the sale during a press event at the Capitol, Ige said, "I know that we had submitted our testimony in that docket. Based on the exchange of information to this point, I still oppose the merger."

Ige's administration said last week it is not in favor of NextEra's purchase of HEI despite NextEra revising its proposal in August and adding more than 50 new binding commitments.

The state Office of Planning; the Department of Business, Economic Development and Tourism; and the state Consumer Advocate filed more than 480 pages on Oct. 7 with the Public Utilities Commission, saying that even with NextEra's revised commitments, the sale is not in the public interest.

NextEra said in December it planned to buy HEI for \$4.3 billion. The purchase has been approved by HEI and NextEra shareholders and the Federal Energy Regulatory Commission.

NextEra's added commitments in August included customer savings of nearly \$465 million and approximately \$500 million in economic benefits over the first five years following the close of the merger. Residential customer savings are estimated to be \$372 for Oahu customers over five years. The company also said it would help Hawaii get 100 percent of its utility electrical generation from renewable resources by 2045, "if not sooner."

The sale needs approval from the PUC to close.

When asked about a recent regulatory decision that cut the state's popular solar incentive program by nearly half, Ige said he hasn't read the order.

"I haven't had a chance to review the decision," Ige said. "I don't dictate what the agency should or should not be doing. So clearly it is a decision by the PUC."

The state PUC's decision released Tuesday cut the credit amount that new rooftop solar owners on Oahu will receive for the excess energy their photovoltaic systems send to the grid.

New Hawaiian Electric Co. solar customers choosing to use a "grid-supply" program will be credited 15.07 cents per kilowatt-hour for excess energy they send to the grid on their monthly bills compared to the net energy metering (NEM) program currently in place offering the 26.8 cents per kilowatt-hour full retail rate.

Ige reiterated his support for the use of energy storage to help increase the state's use of renewable energy resources. Ige said during his visit to Japan he met with representatives from J-Power, a utility company, and learned about the utility's use of sea water pump storage system.

"Storage is key to 100 percent renewable by 2045," Ige said.