



Hawaii PUC allows public utility alternatives to be considered in NextEra merger case

By Herman K. Trabish | November 5, 2015

DIVE BRIEF:

- The Hawaii Public Utilities Commission rejected the request by NextEra Energy and Hawaiian Electric (HEI), parent to the state's dominant investor-owned utilities (IOUs), to exclude presentations on alternative electricity delivery options from the proceeding on the proposed \$4.3 billion merger of the two companies.
- Their request specifically asked commissioners to prevent Hawaii Island Energy Cooperative (HIEC), the County of Maui, and Hawaii Gas, intervenors in the regulatory review of the deal, to present on the potential of electric cooperatives, municipally-owned utilities, and/or liquefied natural gas (LNG) supplies to meet the state's electricity needs.
- Evidentiary hearings on the deal are scheduled to begin November 30 and a commission decision is due by June 2016, though the regulators could delay either.

DIVE INSIGHT:

“Given the importance and impacts of the proposed merger to the 195,000 residents of the Big Island, the exploration of the possible benefits and merits of the energy cooperative model for our island should be part of the discussion,” HIEC Director and ProVision Solar President Marco Mangelsdorf told Utility Dive. “We’re pleased that the commission continues to recognize the relevance of this discussion.”

HEI and NextEra maintain in their filing that the three intervenors warrant exclusion because they address issues not identified as relevant to the merger docket by the PUC. The companies argued the proceeding should be about whether the merger is sound, not whether there are viable alternative business models.

In response to the proposed deal, support for a “public option” comparable to the Kauai Island Utility Cooperative has become increasingly popular in the state. “We believe the Utility 2.0 model might be a publicly owned one,” KULOLO (Keep Utilities Locally Owned, Locally Operated) Spokesperson Rob Harris told Utility Dive.