

Plan by Hawaii Island energy co-op calls for no oil, LNG

Feb 10, 2016, 12:08pm HST

By Duane Shimogawa, Reporter Pacific Business News

The Hawaii Island Energy Cooperative, which is looking to start an electricity co-operative on the Big Island of Hawaii, has revealed power generation plans that include eventually getting off oil, not using liquefied natural gas and instead developing renewable energy projects, the co-op said this week.

Hawaii Electric Light Co. is a subsidiary of Hawaiian Electric Co., which is involved in a proposed \$4.3 billion acquisition by Florida-based NextEra Energy Inc.

The deal is currently going through the regulatory review process with the Hawaii Public Utilities Commission.

In response to NextEra Energy's plans for Hawaiian Electric, HIEC noted that it would move the Big Island faster and at a lower cost towards the state's 100 percent renewable energy goal, which would be done years ahead of the 2045 target date.

The HIEC plan, which is based on new analysis of the island's existing resources and estimates of potential new solar, wind and energy storage resources, claims that it is a less expensive and cleaner alternative to previous plans.

The plan also includes the continued expansion of rooftop solar, as well as utility-scale solar and wind. Whether, where and when more geothermal energy will be brought on line will be left to the cooperative board, according to the plan. The Big Island is the only island in Hawaii that currently utilizes geothermal energy for power.

In December, HIEC said that it could save Big Island ratepayers up to \$234 million if HELCO is converted to a nonprofit cooperative, as opposed to being acquired by NextEra Energy.

NextEra Energy proposes that Hawaiian Electric Cos.'s customers are expected to save about \$400 each over a five-year period if the sale goes through. In terms of customer savings. On the Big island, the savings would equate to \$373 per customer.

In total, NextEra Energy says Hawaii will gain a total of about \$1 billion when combining the customer savings and economic benefits figures.

Rob Gould, spokesman for NextEra Energy, previously told PBN that, while it can't speak to what a co-op would mean for a specific community in Hawaii, it appears that the analysis conducted by HIEC is incomplete and does not demonstrate that a co-op ownership model could deliver lower rates for Hawaii Island customers than an investor-owned utility ownership model.

Duane Shimogawa covers energy, commercial real estate and development for Pacific Business News.