

Co-op neither confirms nor denies plans to buy HELCO

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Published December 9, 2016

A Hawaii Island Energy Cooperative representative said Thursday he is under a “cone of silence” regarding efforts to acquire Hawaii Electric Light Co.

While speaking during an energy forum hosted by the Japanese Chamber of Commerce & Industry of Hawaii, Marco Mangelsdorf said that means he can’t comment about whether or not his group has made an offer to purchase the electric utility.

“It’s our policy not to discuss any offer if there were to be an offer,” he said, in response to a question from moderator Sherry Bracken.

The group hopes to turn HELCO, a subsidiary of Hawaiian Electric, into a cooperative owned by ratepayers.

But a deal would require a willing seller, and Mangelsdorf said the utility’s “party line” is that it is not seeking any other offers following termination of a proposed sale to NextEra Energy.

Jay Ignacio, HELCO president, was also at the forum and said he also couldn’t comment about any discussions that it might or might not of had with co-op supporters.

He also noted that Hawaiian Electric was not seeking buyers when Florida-based NextEra made an offer, which was ultimately rejected by the state Public Utilities Commission.

Asked where he would get financing for a purchase, Mangelsdorf said the group could get assistance from the rural utility service ran by the U.S. Department of Agriculture.

Mangelsdorf, who owns Pro Vision Solar, said a co-op would be more accountable to its customers, who would be part owners, and could lead to lower costs in the long-term as profits are reinvested.

Ignacio said investor-owned utilities, like HELCO, also care about their customers. He said investors have largely covered the cost of increases in its tree-trimming program, meant to protect its transmission lines.

HELCO is asking the PUC to approve a two-pronged rate hike that could increase the typical residential rate by \$9.31 a month or potentially provide savings.

Whether there are cost savings depends on HELCO purchasing Hamakua Energy, an independent power producer

The proposals are a 12.5 percent increase if the purchase is made and 6.5 percent if it's not.

The savings would come from elimination of surcharges elsewhere in the bill if the utility owned the plant, Ignacio previously said.

The PUC has scheduled public hearings on the rate proposal at 5:30 p.m. Dec. 13 at Hilo High School and 5:30 p.m. Dec. 14 at West Hawaii Civic Center.

Meanwhile, HELCO is facing a federal civil antitrust lawsuit from Hu Honua Bioenergy for the canceling of their power purchase agreement.

The lawsuit alleges HELCO canceled the deal because it wants a monopoly over power production facilities.

The suit also names Hamakua Energy and NextEra as defendants.

HELCO has denied the claims.

