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Energy cooperative ready to take root on Hawaii island

By Marco Mangelsdorf

Imagine an electric utility company that's not beholden to far-flung shareholders and is instead directly responsible to its local customers.

Imagine that utility company being owned and controlled by the ratepayers, with its board of directors democratically elected from the community. Think one electric meter, one vote.

Finally, imagine an electric company that actually sends its customers a check from time to time once certain financial objectives are reached.

Hard to imagine? It shouldn't be, as this has been the experience of residents of Kauai for over 10 years since Kauai Island Utility Cooperative came into existence and purchased that island's electric utility from Connecticut-based Citizens Communications Company in 2002.

Such a cooperative could be the future for Big Island residents as well, if we were to have the opportunity to convert Hawaii Electric Light Company to a member-owned and member-controlled coop.

The Hawaii Island Energy Cooperative came into existence earlier this year in response to the proposed purchase of Hawaiian Electric Industries by Florida-based NextEra Energy. HIEC, along with 28 others, is an intervenor on the HEI-NextEra merger docket before the Public Utilities Commission.

Now that the procedural schedule has been decided, information requests and testimonies will be flying as the commissioners, the consumer advocate and their staffs put together a body of knowledge and evidence that will allow a determination to be made on the fundamental question before them: Will NextEra's proposed acquisition of the largest corporation in the state be in the public's best interest?

While HIEC has taken the position of being neither for or against the purchase, there is the case to be made that it's in the best interest of Big Island residents to consider the establishment of an energy cooperative. The goals and potential benefits include:

» Local, democratic control over one of the most critical infrastructures and public institutions on the island, providing for direct ownership by the customers it serves, and direct election of the Board of Directors that govern the utility.

» Community-based and community-chosen priorities would serve as the basis for the coop to work for the sustainable development of the island through policies accepted and supported by its members.

» Potentially lower electricity costs through tax-exempt status, access to lower cost financing, elimination of a return-on-equity component in electric rate structures, promotion of education, markedly improved energy efficiency programs and the accelerated adoption of appropriate alternative technologies.

» Greater energy independence and sustainability through a comprehensive and integrated approach to all energy-consuming sectors on the island.

The fate of the merger will be determined in the months to come as the record is filled with facts, figures and testimony as the applicants and intervenors play out their strategies.

The public and pundits will also weigh in at PUC-organized meetings across the islands.

If the commissioners ultimately determine the transaction to be in the public's best interests, approval of the deal will very likely be subject to stipulations and agreements that act as conditions to modify the purchase as proposed.

Whether the required changes and regulatory conditions will be acceptable to the HEI and NextEra boards will depend on how substantively and materially the proposed deal would be altered.

If and when the circumstances warrant the consideration of an energy cooperative taking root on Hawaii island, HIEC will be there at the table, raising our hand, ready to make a serious and credible pitch to allow us the extraordinary opportunity to demonstrate what can be done on our island on many different and innovative levels.

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