



PUBLIC UTILITIES COMMISSION

RANDALL Y. IWASE
CHAIR

FOR IMMEDIATE RELEASE

February 18, 2016

STATEMENT FROM CHAIR RANDALL Y. IWASE

As Chair of the Public Utilities Commission, I am disappointed with several recent events that affect new renewable energy projects in the Hawaiian Electric Companies' ("HECO Companies") service territories.

These recent events, which may also work against the goals of lowering electric rates for all customers and achieving 100 percent renewable energy by 2045, include:

- The HECO Companies' decisions to terminate power-purchase agreements for three solar projects on Oahu;
- The HECO Companies' stated intention to terminate the agreement for a biomass project on Hawaii Island;
- The closing of a prolonged and unsuccessful solicitation by Hawaii Electric Light Company, Inc. for new geothermal generation on Hawaii Island;
- The continued delay by Maui Electric Company, Ltd. to approve and connect new rooftop solar on Molokai; and
- The slow progress by the HECO Companies to approve and connect customers that have signed up for new rooftop solar under the grid-supply option.

Collectively, these initiatives represent a substantial portion of ongoing opportunities for the development of clean energy in Hawaii and to lower electricity rates.

The Commission currently has open proceedings to review each of these matters and will thoroughly investigate the conduct of the HECO Companies.

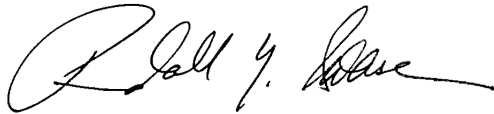
However, as Chair, I must share my concern that, collectively, these events send the wrong message to third party developers that desire to compete for clean energy business opportunities in Hawaii, and appear to represent a step backwards from the State's clean energy goals. It is my belief that, to achieve these goals and benefit customers, we must encourage fair and timely processes for competitive procurement and interconnection of clean energy projects. The events referenced above on the whole do not appear to show movement towards a more competitive and efficient marketplace that will assist in the achievement of these goals.

Furthermore, when the Commission approved the power-purchase agreements for the solar projects on Oahu, they were among the lowest-cost clean energy projects to date. I am concerned that the HECO Companies have not offered alternative projects that could deliver such low-cost clean energy by the end of 2016 -- the date when the solar projects would likely have been completed.

Finally, the February 2015 letter agreement that I signed with the President and CEO of the HECO Companies stated in part that “the policy is that the HECO Companies have an affirmative duty to interconnect a potential customer pursuant to existing statutory requirements, commission orders, and the utility’s tariff where that project does not affect circuit or system level security and reliability.”

In light of the HECO Companies’ commitments and the spirit of this letter agreement, the ongoing void in comprehensively addressing the Molokai system, and the slow progress associated with approving new grid-supply applications raises serious questions about the HECO Companies’ actions pursuant to the letter agreement.

Upon the Commission’s review of these matters, the Commission will determine whether the actions of the HECO Companies were consistent with the interests of its customers, and also consider any further action that may be necessary by the Commission.

A handwritten signature in black ink, appearing to read "R. Kelly G. Rose". The signature is fluid and cursive, with a long horizontal stroke at the end.

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