
HOUSE RESOLUTION

REQUESTING THE PUBLIC UTILITIES COMMISSION TO PROTECT THE PUBLIC
INTEREST IN REVIEWING THE PROPOSED ACQUISITION OF HAWAIIAN
ELECTRIC INDUSTRIES BY NEXTERA ENERGY, INC.

1 WHEREAS, NextEra Energy, Inc.'s subsidiary, Florida Power
2 and Light, is the largest electrical power utility in Florida;
3 and
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5 WHEREAS, the company's business model in Florida
6 principally relies on selling power generated by older nuclear
7 power plants and those using natural gas, with relatively little
8 renewable energy, as reported by the Fort Lauderdale Sun
9 Sentinel; and
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11 WHEREAS, concerns have been raised that the company has a
12 history of opposing competition and leveraging political
13 influence to favor the interests of the company's shareholders
14 over the interests of ratepayers; and
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16 WHEREAS, the company has aggressively blocked competition
17 from rooftop solar adoption in Florida, as reported by the
18 Associated Press; and
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20 WHEREAS, the company has spent millions of dollars in
21 political contributions and funding for campaigns to block
22 federal and state regulations that would promote utility
23 competition, as reported by the Washington Post; and
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25 WHEREAS, the company is one of the top political donors in
26 Florida, giving more than \$7,000,000 in political contributions
27 in the 2014 election cycle alone, as reported by the Tampa Bay
28 Times; and
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30 WHEREAS, Florida utilities have been reported to hire, on
31 average, one lobbyist for every two legislators, as reported by
32 the Orlando Sentinel; and



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2 WHEREAS, the company has a history of giving former top
3 staffers and public utility commissioners lucrative utility
4 jobs, as evidenced by its hiring of five former Florida public
5 utility commissioners, as reported by the Tampa Bay Times; and
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7 WHEREAS, the company used its political clout to remove
8 Florida public utility commissioners who denied a widely
9 publicized rate increase that would benefit the utility, as
10 reported by the Citrus County Chronicle and the Orlando
11 Sentinel; and
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13 WHEREAS, the company successfully lobbied to reduce energy
14 efficiency goals in Florida from two-hundred and twenty-nine
15 gigawatt hours to four gigawatt hours by 2019, as reported by
16 the Tampa Bay Times; and
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18 WHEREAS, public interest groups have raised concerns about
19 the company's shifting to Florida ratepayers the significant
20 financial risk and costs associated with the construction of
21 nuclear power plants, renewable energy projects, and fracking
22 for natural gas, as reported by The Palm Beach Post and the
23 Tampa Bay Times; and
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25 WHEREAS, NextEra Energy, Inc., has begun a process to take
26 over Hawaii's local utilities on Oahu, Maui, and Hawaii islands;
27 and
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29 WHEREAS, after announcing its proposed takeover of Hawaii's
30 utilities, NextEra Energy, Inc., has acted in a manner that does
31 not reflect the good faith that had been promised to ensure that
32 the acquisition would benefit Hawaii's ratepayers; and
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34 WHEREAS, the utilities have aggressively opposed virtually
35 all stakeholder participation in the Public Utilities Commission
36 docket proceeding regarding the proposed takeover; and
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38 WHEREAS, once stakeholders were admitted to the Public
39 Utilities Commission proceeding, the utilities vigorously
40 proposed limiting discovery on the merger proceedings to the
41 detriment of broader public transparency and oversight; and
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1 WHEREAS, the utilities announced their intention to prevent
2 solar customers from interconnecting to the electrical grid
3 unless the Public Utilities Commission enacted sweeping policy
4 reforms benefiting the utility; and
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6 WHEREAS, the modern utility business model, which adapts to
7 new technology and distributed generation, is moving away from
8 the vertically integrated business model of NextEra Energy,
9 Inc., and toward making utilities the transmitters of power,
10 rather than the generators of it; now, therefore,
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12 BE IT RESOLVED by the House of Representatives of the
13 Twenty-eighth Legislature of the State of Hawaii, Regular
14 Session of 2015, that the Public Utilities Commission is
15 requested to protect the public interest in reviewing the
16 proposed acquisition of Hawaiian Electric Industries by NextEra
17 Energy, Inc., to determine:
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- 19 (1) Whether the proposed transaction is in the public
20 interest, including:
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- 22 (A) Whether approval of the proposed transaction
23 would be in the best interests of the State's
24 economy and the communities served by the
25 Hawaiian Electric Companies;
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- 27 (B) Whether the proposed transaction, if approved,
28 provides significant, quantifiable benefits to
29 the Hawaiian Electric Companies' ratepayers in
30 both the short and the long term beyond those
31 proposed by the Hawaiian Electric Companies in
32 recent regulatory filings;
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- 34 (C) Whether the proposed transaction will affect the
35 ability of the Hawaiian Electric Companies'
36 employees to provide safe, adequate, and reliable
37 service at reasonable cost;
38
- 39 (D) Whether the proposed financing and corporate
40 restructuring proposed in the application is
41 reasonable;
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- 1 (E) Whether adequate safeguards exist to prevent
2 cross-subsidization of any affiliates and to
3 ensure the Public Utilities Commission's ability
4 to audit the books and records of the Hawaiian
5 Electric Companies, including affiliate
6 transactions;
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- 8 (F) Whether adequate safeguards exist to protect the
9 Hawaiian Electric Companies' ratepayers from any
10 business and financial risks associated with the
11 operations of NextEra Energy, Inc., or any of its
12 affiliates;
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- 14 (G) Whether the proposed transaction, if approved,
15 will enhance or detrimentally affect the State's
16 clean energy goals; and
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- 18 (H) Whether the transfer, if approved, would
19 potentially diminish competition in Hawaii's
20 various energy markets and, if so, what
21 regulatory safeguards are required to mitigate
22 such adverse impacts;
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- 24 (2) Whether the applicants are fit, willing, and able to
25 properly provide safe, adequate, and reliable electric
26 service at the lowest reasonable cost in both the
27 short and the long term, including:
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- 29 (A) Whether the proposed transaction, if approved,
30 will result in more affordable electric rates for
31 the customers of the Hawaiian Electric Companies;
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- 33 (B) Whether the proposed transaction, if approved,
34 will result in an improvement in service and
35 reliability for the customers of the Hawaiian
36 Electric Companies;
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- 38 (C) Whether the proposed transaction, if approved,
39 will improve the Hawaiian Electric Companies'
40 management and performance; and
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- 1 (D) Whether the proposed transaction, if approved,
2 will improve the financial soundness of the
3 Hawaiian Electric Companies;
- 4 (3) Whether the proposed transaction, if approved, would
5 diminish, in any way, the Public Utilities
6 Commission's current regulatory authority over the
7 Hawaiian Electric Companies, particularly in light of
8 the fact that the ultimate corporate control of the
9 Hawaiian Electric Companies will lie outside the
10 State;
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12 (4) Whether the financial size of the Hawaiian Electric
13 Companies relative to the other affiliates of NextEra
14 Energy, Inc., would result in a diminution of
15 regulatory control by the Public Utilities Commission;
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- 17 (5) Whether NextEra Energy, Inc.; Florida Power & Light
18 Company; or any other affiliate has been subject to
19 compliance or enforcement orders issued by any
20 regulatory agency or court;
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- 22 (6) Whether any conditions are necessary to ensure that
23 the proposed transaction is not detrimental to the
24 interests of the Hawaiian Electric Companies'
25 ratepayers or the State and to avoid any adverse
26 consequences and, if so, what conditions are
27 necessary; and
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- 29 (7) Whether NextEra Energy, Inc., is likely to influence
30 public policy to benefit ratepayers or the company
31 itself; and
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33 BE IT FURTHER RESOLVED that the Public Utilities Commission
34 is requested to consider, at a minimum, imposing strict
35 conditions to ensure the bedrock principles of:

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37 (1) Reliability;
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39 (2) Reasonable rates;
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41 (3) Competition and customer choice; and



1 (4) Protecting local jobs and economic benefits to the
2 State; and
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4 BE IT FURTHER RESOLVED that the Public Utilities Commission
5 is urged to adopt the recommendation of the Consumer Advocate
6 and establish a procedural schedule that would have the
7 regulatory review process completed by June 2016 to allow for a
8 complete and thorough review of the concerns raised by the
9 merger application docket; and
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11 BE IT FURTHER RESOLVED that the Public Utilities Commission
12 is requested to submit findings and recommendations, including
13 any proposed legislation, to the House of Representatives not
14 later than twenty days prior to the convening of the Regular
15 Session of 2017; and
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17 BE IT FURTHER RESOLVED that a certified copy of this
18 Resolution be transmitted to the Chairperson of the Public
19 Utilities Commission.

