

---

---

# 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  
4

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  
10

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  
15

16           WHEREAS, the company has aggressively blocked competition  
17 from rooftop solar adoption in Florida, as reported by the  
18 Associated Press; and  
19

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  
24

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  
29

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



1  
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  
6

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  
12

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  
17

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  
24

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  
28

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  
33

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  
37

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  
42



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

5

6 WHEREAS, the Division of Consumer Advocacy of the  
7 Department of the Commerce and Consumer Affairs insists  
8 extending the procedural schedule beyond December 3, 2015 in  
9 order to ensure that there will be adequate time for the  
10 Consumer Advocate and all 28 intervenors to review and analyze  
11 the proposed merger application; and

12

13 WHEREAS, the modern utility business model, which adapts to  
14 new technology and distributed generation, is moving away from  
15 the vertically integrated business model of NextEra Energy,  
16 Inc., and toward making utilities the transmitters of power,  
17 rather than the generators of it; now, therefore,

18

19 BE IT RESOLVED by the House of Representatives of the  
20 Twenty-eighth Legislature of the State of Hawaii, Regular  
21 Session of 2015, that the Public Utilities Commission is  
22 requested to protect the public interest in reviewing the  
23 proposed acquisition of Hawaiian Electric Industries by NextEra  
24 Energy, Inc., to determine:

25

26 (1) Whether the proposed transaction is in the public  
27 interest, including:

28

29 (A) Whether approval of the proposed transaction  
30 would be in the best interests of the State's  
31 economy and the communities served by the  
32 Hawaiian Electric Companies;

33

34 (B) Whether the proposed transaction, if approved,  
35 provides significant, quantifiable benefits to  
36 the Hawaiian Electric Companies' ratepayers in  
37 both the short and the long term beyond those  
38 proposed by the Hawaiian Electric Companies in  
39 recent regulatory filings;

40

41 (C) Whether the proposed transaction will affect the  
42 ability of the Hawaiian Electric Companies'



- 1 employees to provide safe, adequate, and reliable
- 2 service at reasonable cost;
- 3
- 4 (D) Whether the proposed financing and corporate
- 5 restructuring proposed in the application is
- 6 reasonable;
- 7
- 8 (E) Whether adequate safeguards exist to prevent
- 9 cross-subsidization of any affiliates and to
- 10 ensure the Public Utilities Commission's ability
- 11 to audit the books and records of the Hawaiian
- 12 Electric Companies, including affiliate
- 13 transactions;
- 14
- 15 (F) Whether adequate safeguards exist to protect the
- 16 Hawaiian Electric Companies' ratepayers from any
- 17 business and financial risks associated with the
- 18 operations of NextEra Energy, Inc., or any of its
- 19 affiliates;
- 20
- 21 (G) Whether the proposed transaction, if approved,
- 22 will enhance or detrimentally affect the State's
- 23 clean energy goals; and
- 24
- 25 (H) Whether the transfer, if approved, would
- 26 potentially diminish competition in Hawaii's
- 27 various energy markets and, if so, what
- 28 regulatory safeguards are required to mitigate
- 29 such adverse impacts;
- 30
- 31 (2) Whether the applicants are fit, willing, and able to
- 32 properly provide safe, adequate, and reliable electric
- 33 service at the lowest reasonable cost in both the
- 34 short and the long term, including:
- 35
- 36 (A) Whether the proposed transaction, if approved,
- 37 will result in more affordable electric rates for
- 38 the customers of the Hawaiian Electric Companies;
- 39
- 40 (B) Whether the proposed transaction, if approved,
- 41 will result in an improvement in service and



- 1 reliability for the customers of the Hawaiian  
2 Electric Companies;
- 3
- 4 (C) Whether the proposed transaction, if approved,  
5 will improve the Hawaiian Electric Companies'  
6 management and performance; and
- 7
- 8 (D) Whether the proposed transaction, if approved,  
9 will improve the financial soundness of the  
10 Hawaiian Electric Companies;
- 11 (3) Whether the proposed transaction, if approved, would  
12 diminish, in any way, the Public Utilities  
13 Commission's current regulatory authority over the  
14 Hawaiian Electric Companies, particularly in light of  
15 the fact that the ultimate corporate control of the  
16 Hawaiian Electric Companies will lie outside the  
17 State;
- 18
- 19 (4) Whether the financial size of the Hawaiian Electric  
20 Companies relative to the other affiliates of NextEra  
21 Energy, Inc., would result in a diminution of  
22 regulatory control by the Public Utilities Commission;
- 23
- 24 (5) Whether NextEra Energy, Inc.; Florida Power & Light  
25 Company; or any other affiliate has been subject to  
26 compliance or enforcement orders issued by any  
27 regulatory agency or court;
- 28
- 29 (6) Whether any conditions are necessary to ensure that  
30 the proposed transaction is not detrimental to the  
31 interests of the Hawaiian Electric Companies'  
32 ratepayers or the State and to avoid any adverse  
33 consequences and, if so, what conditions are  
34 necessary; and
- 35
- 36 (7) Whether NextEra Energy, Inc., is likely to influence  
37 public policy to benefit ratepayers or the company  
38 itself; and
- 39



1 BE IT FURTHER RESOLVED that the Public Utilities Commission  
2 is requested to consider, at a minimum, imposing strict  
3 conditions to ensure the bedrock principles of:

4  
5 (1) Reliability;

6  
7 (2) Reasonable rates;

8  
9 (3) Competition and customer choice; and

10 (4) Protecting local jobs and economic benefits to the  
11 State; and  
12

13 BE IT FURTHER RESOLVED that the Public Utilities Commission  
14 is urged to adopt the recommendation of the Consumer Advocate  
15 and establish a procedural schedule that would have the  
16 regulatory review process completed by June 2016 to allow for a  
17 complete and thorough review of the concerns raised by the  
18 merger application docket; and  
19

20 BE IT FURTHER RESOLVED that the Public Utilities Commission  
21 is requested to submit findings and recommendations, including  
22 any proposed legislation, to the House of Representatives not  
23 later than twenty days prior to the convening of the Regular  
24 Session of 2017; and  
25

26 BE IT FURTHER RESOLVED that a certified copy of this  
27 Resolution be transmitted to the Chairperson of the Public  
28 Utilities Commission.  
29

