



## The Senate

STATE CAPITOL  
HONOLULU, HAWAII 96813

August 12, 2022

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Shelee Kimura, President and CEO  
Hawaiian Electric Company, Inc.  
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Aloha President Seu and President Kimura:

The Hawai'i State government, like many others across the nation, have adopted renewable energy goals that mandate percentages of electricity that must come from a renewable resource. While renewable energy goals should be encouraged, I continue to question at what cost to the electric ratepayers.

In March of 2020, Hawaiian Electric Company (HECO) announced electricity bills would increase for Oahu customers an estimated 10% and an increase for Hawai'i Island and Maui County customers by approximately 20%. This past Sunday, on August 7, 2022, HECO announced a second increase of 7% on Oahu. The explanation for these recent increases was based on oil costs rising to approximately 30 cents per kilowatt hour compared to 6 cents for coal.

Just last month, Governor Ige vetoed SB2510 (2022) Relating to Renewable Energy. He explained that the Legislature's attempt to define what resources are considered firm renewables would limit the forms of energy that counted toward our renewable goals. And while I understand the Governor's rationale for disagreeing with the capping of any one particular renewable energy, I believe more needs to be done to minimize shifting the costs for renewal energy to ratepayers.

Just as Jay Griffin, while serving as the prior chair of the state Public Utilities Commission, has questioned HECO as to why the public has to bear the costs for delays in transitioning to renewable, I also question and therefore request an explanation as to the specific efforts HECO has taken to absorb some of the delay costs associated with its efforts to make sure a renewable project works properly. HECO's representative was quoted to say HECO has just "one shot" to get it right.

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While I believe utility companies like HECO can do more to reduce the energy burden passed on to Hawai'i's ratepayers, I also believe developers of renewal energy projects should also bear a greater portion of the transmission costs so that electric ratepayers are not on the hook for the entire costs. There are energy subsidies available to renewable producers, such as the federal Production Tax Credit and Investment Tax Credit that reduce developers' tax burden; yet, there are limited credits passed on to the electrical ratepayer.

Hawai'i's ratepayers already pay some of the highest rates in the nation for household electricity. Let's work together to put the ratepayers first by coordinating our energy and renewable programs, in order to avoid unsustainable increases passed on to our ratepayers.

Thank you for your anticipated attention to this correspondence. I look forward to your written response.

Sincerely,



Senator Kurt Fevella  
State of Hawaii, District 19  
Minority Leader/Minority Floor Leader

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cc: Governor David Y. Ige