



RESOLUTION

DECLARING THE COUNCIL'S INTENT TO CONSIDER ALL OPTIONS REGARDING THE PROVISION OF ELECTRIC SERVICE, INCLUDING THE INVESTIGATION OF ELECTRIC UTILITY PUBLIC OWNERSHIP ON THE ISLAND OF OAHU.

WHEREAS, Hawaii has the highest retail electricity prices in the United States;
and

WHEREAS, the Public Utilities Commission ("Commission") has acknowledged that Hawaii has entered a new paradigm where the best path to lower electricity costs includes an aggressive pursuit of new clean energy sources; and

WHEREAS, the Commission views the objectives of lower, more stable electric bills and expanding customer energy options, while maintaining reliable energy service in a rapidly changing system operating environment, as essential principles that are the foundation for the future strategic business direction of the HECO Companies; and

WHEREAS, on December 3, 2014, NextEra Energy, Inc., announced its proposed merger with Hawaiian Electric Industries, Inc., and the Commission is currently considering the merger approval application; and

WHEREAS, the City and County of Honolulu notes certain concerns and findings stated in H.R. 158, H.D. 2, adopted by the Hawaii State House of Representatives on April 9, 2015, including the following:

- NextEra Energy, Inc.'s subsidiary, Florida Power and Light ("FPL"), is the largest electrical power utility in Florida;
- FPL's business model in Florida principally relies on selling power generated by older nuclear power plants and those using natural gas, with relatively little renewable energy;
- Public interest groups have raised concerns about FPL's shifting to Florida ratepayers the significant financial risk and costs associated with the construction of nuclear power plants, renewable energy projects, and fracking for natural gas;
- NextEra Energy, Inc. has begun a process to take over Oahu's local utility;
and



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- The modern utility business model, which adapts to new technology and distributed generation, is moving away from the vertically integrated business model of NextEra Energy, Inc., and the Hawaiian Electric Companies, and toward making utilities the transmitters of power, rather than the generators of it;

and

WHEREAS, the Council shares several of the concerns expressed in H.R. 158, H.D. 2, and recognizes the value of publicly-owned electric utilities, specifically the fundamental, underlying understanding that publicly-owned electric utilities are:

- Created to serve the public interest;
- Not-for-profit entities that exist to provide essential services to their community member-customers;
- Able to provide reliable electric power at the lowest reasonable cost;
- Focused on serving the local community;
- Measured by how much money stays in the community; and
- Subject to open meetings and public records laws;

and

WHEREAS, a municipally owned electric utility is a proven utility ownership model, with approximately 2,000 public power utilities providing for the electric power needs of over 45 million Americans; and

WHEREAS, Sacramento Municipal Utility District, among other large public power utilities, has proven its ability not only to serve its customers in a safe and reliable manner at the lowest reasonable costs, but to undertake innovative clean energy and energy efficiency measures; and

WHEREAS, the City's municipal utility, the Board of Water Supply, has successfully managed Oahu's water resources and distribution system since 1929 to fulfill its mission to "provide a safe, dependable and affordable water supply now and into the future"; and



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WHEREAS, significant cost savings may result from combining administration and billing for electric usage with water and sewer usage, as is done by the city of Austin, Texas; and

WHEREAS, the Hawaii Island Energy Cooperative has been formed and is exploring the potential merits of cooperative ownership for electric utility service on the island of Hawaii; now, therefore,

BE IT RESOLVED by the Council of the City and County of Honolulu that it hereby declares its intent to consider all options regarding the provision of electric service, including the investigation of municipal or cooperative public ownership on the island of Oahu; and

BE IT FURTHER RESOLVED, that the Council requests the assistance of the City Administration, including the Departments of Budget and Fiscal Services, Corporation Counsel and the Board of Water Supply, to work with the Council to explore the feasibility of municipal ownership of the electrical utility on Oahu; and



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BE IT FINALLY RESOLVED that copies of this Resolution be transmitted to the Chair of the Hawaii Public Utilities Commission, the State Senate President, the Speaker of the State House of Representatives, the Governor, the Mayor, the Managing Director, the Director of Budget and Fiscal Services, the Corporation Counsel, and the Chair of the Board of Water Supply.

INTRODUCED BY:

[Handwritten signature]

DATE OF INTRODUCTION:

JUL 24 2015

Honolulu, Hawaii

Councilmembers

02:08 PM 15 JUL 2015

CITY CLERK RECEIVED

CITY COUNCIL
CITY AND COUNTY OF HONOLULU
HONOLULU, HAWAII
CERTIFICATE

RESOLUTION 15-214

Introduced: 07/24/15

By: ERNEST MARTIN

Committee: EXECUTIVE MATTERS AND
LEGAL AFFAIRS

Title: RESOLUTION DECLARING THE COUNCIL'S INTENT TO CONSIDER ALL OPTIONS REGARDING THE PROVISION OF ELECTRIC SERVICE, INCLUDING THE INVESTIGATION OF ELECTRIC UTILITY PUBLIC OWNERSHIP ON THE ISLAND OF OAHU.

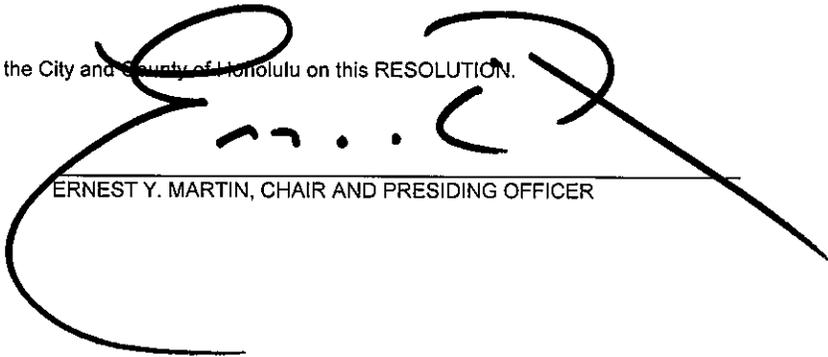
Voting Legend: * = Aye w/Reservations

11/17/18	EXECUTIVE MATTERS AND LEGAL AFFAIRS	RESOLUTION DEFERRED IN COMMITTEE.
01/12/16	EXECUTIVE MATTERS AND LEGAL AFFAIRS	CR-9(16) – RESOLUTION REPORTED OUT OF COMMITTEE FOR ADOPTION.
01/27/16	COUNCIL	CR-9(16) AND RESOLUTION 15-214 WERE ADOPTED. 9 AYES: ANDERSON, ELEFANTE, FUKUNAGA, KOBAYASHI, MANAHAN, MARTIN, MENOR, OZAWA, PINE.

I hereby certify that the above is a true record of action by the Council of the City and County of Honolulu on this RESOLUTION.



GLEN I. TAKAHASHI, CITY CLERK



ERNEST Y. MARTIN, CHAIR AND PRESIDING OFFICER