



**FOR IMMEDIATE RELEASE**

***Paniolo Power Files Motion to Consolidate Merger, PSIP Dockets***

**(KAMUELA, HAWAII, MARCH 9, 2015)**—Paniolo Power Company, LLC, a subsidiary of Parker Ranch, Inc., filed a motion today to merge two of the most important cases currently before the Hawaii Public Utilities Commission into one docket—the Hawaiian Electric Companies’ (HECO)-NextEra acquisition and the HECO clean energy plan.

The Change of Control docket addresses NextEra Energy, Inc.’s proposed acquisition of the HECO Companies. The PSIP docket addresses HECO’s long-term clean energy strategy and transition plan.

“The issues in both the Change of Control and the PSIP dockets are inextricably linked,” said Jose Dizon, General Manager of Paniolo Power. “HECO’s lack of focus on customer value has led it to continue to use oil-fired power plants, with the associated high fuel prices that are passed on to the ratepayers.”

Understanding the destructive effects of fuel volatility, Dizon added, the PUC in April 2014 issued harsh guidance to the Hawaiian Electric Companies to accelerate power plant retirements and aggressively pursue clean energy sources.

“Just how exactly the newly merged companies plan to implement their transformational clean energy plan is pertinent to both dockets,” said Dizon. “Questions about competition and the future shape of Hawaii’s energy industry are also at issue. We think that it is time to challenge the merits of the monopoly.”

The PUC recently announced that it would decide on four major dockets before it rules on the proposed merger—the PSIPs, connecting more rooftop solar, HECO’s decoupling mechanism and its demand response program.

“Consolidating the merger and the PSIP dockets into one would save the Commission, the ratepayers, and the parties’ involved significant time and expense by hearing one case instead of two or more,” Dizon said. “Both dockets are in the very early stages of the review process. A consolidation would not delay NextEra’s desire to have a PUC decision in 12 to 18 months.”

“Hawaii’s clean energy transformation could be accelerated by the earlier retirement of oil-fired power plants, and that could be worth well over \$1 billion to the ratepayers and the state’s economy,” said Neil “Dutch” Kuyper, Chief Executive Officer of Parker Ranch, Inc. “HECO’s failure to diversify its generation sources in the past and to accelerate the pursuit of renewable

sources in its latest plans seems attributable to its monopoly status. Its failure to focus on customer value and what the customer wants is troubling.”

“It seems the direction from the PUC and feedback from the marketplace has fallen on deaf ears,” added Kuyper. “Accelerating Hawaii’s clean energy transformation would likely raise the issues related to the possibility of stranded assets.”

The PUC rejected the Hawaiian Electric Companies’ Integrated Resource Plans in April 2014 and ordered the state’s largest utility to submit PSIPs with direction provided by the PUC. The PSIP plans were submitted to the PUC in August 2014. The PUC opened the PSIP Docket in August 2014 as well.

The PUC recently allowed 28 parties to intervene in the Change of Control docket. The commission has yet to rule on the motions to intervene in the PSIP docket.

“Paniolo Power believes that these questions should be on the table during the review of the merger,” said Kuyper. “What portion of the potentially stranded assets should be borne by shareholders? Why should the ratepayers be responsible for all of these costs?”

#### **About Parker Ranch, Inc. and Parker Ranch Foundation Trust**

Parker Ranch was established in 1847 and remains one of the largest and oldest cattle ranches in the United States. In 1992, following the death of sixth generation Parker descendant Richard Palmer Kaleioku Smart, it became owned by the charitable Parker Ranch Foundation Trust. PRFT’s mission is focused on the sustainability of the Waimea community, the hometown of Parker Ranch, by providing perpetual support for PRFT’s four Waimea-based beneficiaries: North Hawai’i Community Hospital (an affiliate of The Queen’s Health Systems), Hawai’i Preparatory Academy, Parker School Trust Corporation and the Richard Smart Fund of the Hawai’i Community Foundation. Parker Ranch, Inc., established in 1995 and wholly-owned by PRFT, continues cattle ranching and is proactively leveraging its and the trust’s extensive land and natural resources to support the trust’s beneficiaries, achieve a secure energy future, expand the sustainability of local food systems, and facilitate the general betterment of the Waimea area. To learn more, visit [www.parkerranch.com](http://www.parkerranch.com) and [www.prft.org](http://www.prft.org).

#### **About Paniolo Power Company, LLC**

Paniolo Power Company, LLC is a subsidiary of Parker Ranch, Inc., one of the largest and oldest cattle ranches in the United States. Paniolo Power was established in April 2014 to pursue community-based and reasonably priced clean energy for the Waimea and Kohala communities as well as for Hawai’i Island. Paniolo Power is leveraging Parker Ranch resources to develop affordable, renewable energy to increase Hawai’i Island’s energy security. To learn more, visit [www.paniolopower.com](http://www.paniolopower.com).

#### **Media Contact:**

Ashley L. Kierkiewicz

[alk@hastingsandpleadwell.com](mailto:alk@hastingsandpleadwell.com)

(808) 989-4004

###