



**Hawaiian
Electric**

NEWS RELEASE

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Hawaiian Electric proposes no increase in O‘ahu rates

HONOLULU, May 28, 2020 – Hawaiian Electric today revised its pending rate request and will now seek no increase in its rates on O‘ahu.

In its August 2019 application to the Public Utilities Commission (PUC), the company had requested a 4.1 percent increase in revenues, or \$77.5 million. The increase was sought to help pay for operating and capital costs, including upgrades to strengthen the grid and integrate more renewable energy.

The zero rate increase is described in a settlement between the company and the state Division of Consumer Advocacy filed with the PUC. The agreement is subject to regulatory approval.

By cutting its rate request to zero even as it continues to invest in and maintain the electric system, the company is committing to reduce costs and work more efficiently to blunt the impact of the COVID-19 pandemic on customers and on Hawai‘i’s economy. With falling oil prices and no change to base rates, lower bills for residential and business customers could aid the state’s economic recovery.

Hawaiian Electric has begun a comprehensive, 3-year cost reduction program that uses technology and resources shared across five islands to work more efficiently while improving service to customers. The company has committed to reduce costs by at least \$25 million a year by the end of 2022.

Since 2013, Hawaiian Electric has spent more than \$1 billion replacing and upgrading equipment to improve the efficiency and resilience of the O‘ahu power grid. Even without the rate increase, that work will continue, with many grid improvements aimed at accelerating the switch from fossil fuel generation to a portfolio of renewable energy resources.

“The decision to hold the line on rates doesn’t change the commitment to achieve our renewable energy goals and to build on our strong customer satisfaction levels,” said Scott Seu, president and CEO of Hawaiian Electric. “We’ll live within our means and make it work. This is the right thing to do as communities reopen and business activities pick up.”

The last rate review for O‘ahu was filed in 2016 and resulted in a decrease to customer rates overall, largely due to the pass-through of savings from federal tax law changes.

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