CONTACT: Darren Pai, 808.223-9932   FOR IMMEDIATE RELEASE
darren.pai@hawaiianelectric.com

May electric bills lower, 1 year after oil price surge
Bill decrease ranges from $6 on Oʻahu to $30 less on Lānaʻi

HONOLULU, May 3, 2023 – Typical residential electric bills on all five islands served by Hawaiian Electric are now lower than a year ago, when a global surge in oil prices drove rates higher.

Typical bills in Hawaiʻi are settling closer to the level they were before the Russian invasion of Ukraine spiked oil prices and elevated electric rates starting in the spring of 2022. Oʻahu bills in May are $6.54 lower than May 2022 but are still about 9% higher than before the oil price surge, with some of the increase attributable to the discontinuation of burning lower-cost coal for power generation last year. Most of the reduction in electric bills can be attributed to prices stabilizing and declining in global oil markets in recent months.

Island	May 2022	May 2023
Oʻahu (500 kWh)	$208.73	$202.19
Hawaiʻi (500 kWh)	$241.26	$221.83
Maui (500 kWh)	$223.53	$210.60
Lānaʻi (400 kWh)	$226.35	$195.65
Molokaʻi (400 kWh)	$205.10	$198.42

The Public Utilities Commission regulates the formula for rates, which include fuel costs that fluctuate with world markets. Hawaiian Electric makes no profit on the fuels used to generate electricity. Under a fuel-cost risk-sharing regulatory mechanism, the company's shareholders may be required to pay some of the cost when oil prices surge, resulting in a slightly lower rate for customers.

By the end of the decade, Hawaiian Electric expects the level of renewable resources on its grids to reach at least 70%, better insulating customers from oil price volatility. An example is the AES Corporation's Waikoloa Solar + Storage project which came online in April, providing lower-cost renewable energy to customers on Hawaiʻi Island. It is expected to reduce typical residential bills for Hawaiʻi Island customers by about $5 a month starting in June.

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