



Hawaiian Electric



STATE OF HAWAII
PUBLIC UTILITIES COMMISSION

NEWS RELEASE

FOR IMMEDIATE RELEASE

Shift and Save rate pilot program kicks off with selection of 17,000 randomly selected participants

Utility and regulators collaborate on 1-year pilot of time-of-use

HONOLULU, July 27, 2023 – Customers randomly selected to participate in a pilot program to test time-of-use rates, which have the potential to reduce bills and cut greenhouse gas emissions from power generation, will begin receiving notifications the week of July 31.

The pilot program was developed collaboratively by Hawaiian Electric, the state Consumer Advocate and representatives of the solar industry and reviewed and authorized for implementation by the Public Utilities Commission (PUC). The pilot program will enroll about 15,000 residential and 1,700 business customers on O’ahu, Maui and Hawai’i Island who were selected at random to represent various types of energy users, including those with rooftop solar.

The 1-year pilot program, called Shift and Save, starts Oct. 1 and includes only about 4% of Hawaiian Electric’s customers. Rates for all other customers remain unchanged. Hawaiian Electric will notify customers selected for the pilot by email or postal mail. Information and links to online resources to educate customers about the pilot will be provided. If customers don’t receive notice, they are not enrolled. Customers selected for the pilot can choose not to participate.

The purpose of Shift and Save is to encourage customers to shift electricity use from the evening and overnight period when energy is generated by expensive fossil fuels to the daytime period when solar energy is abundant and less expensive. If the pilot is successful in shifting energy usage behavior, Hawai’i will reduce its dependence on fossil fuels even further, cut greenhouse gas emissions, make its electric grids more reliable and resilient and, over time, drive down costs for all customers.

	Daytime (9 a.m. to 5 p.m.)	Evening Peak (5 p.m. To 9 p.m.)	Overnight (9 p.m. to 9 a.m.)
O’ahu	19 cents per kilowatt-hour	57 cents per kilowatt-hour	38 cents per kilowatt-hour
Maui	20 cents per kWh	59 cents per kWh	39 cents per kWh
Hawai’i Island	22 cents per kWh	66 cents per kWh	44 cents per kWh

The pilot daytime rate plus lower modified surcharges is about half the current effective residential rate. Rates are valid seven days a week and are adjusted annually.

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The evening peak is the highest rate because it reflects the cost of generating electricity in the hours after the sun sets and demand surges. Hawaiian Electric typically ramps up power production during this period, mainly by the use of expensive fossil-fueled generators.

“Time-of-use rates are a critical tool to help Hawai‘i reach its 100% clean energy goals,” said Leo Asuncion, chair of the PUC. “By shifting energy use to the daytime when solar is abundant and cheaper, customers are directly helping lower our state’s use of fossil fuels while also potentially lowering their bills.”

Modeled on similar programs in other states, Shift and Save represents a fundamental change in the way residential customers are billed for their energy use, which is currently set at a fixed kilowatt-hour rate.

“Transforming our energy system has to go beyond how we generate electricity,” Asuncion said. “By using technology, we can also transform our one-size-fits-all rate structure, something that’s been around for more than a century. We’ll have rates that give customers choice and provide price signals based on the availability and cost of resources.”

Residential and commercial customers participating in the pilot will be protected from an unanticipated increase in their bills for the first six months of the pilot program with a “bill protection” credit. During the first six-months of the test period, residential bills will be capped at no more than a \$10 increase compared to what would have been charged on the existing rate for the same month, giving customers time to adjust their energy-use habits. Commercial bill increases for those in the pilot will be capped at no more than a 4% increase compared to what would have been charged on the existing rate for the same month. Hawaiian Electric doesn’t make or lose any money based on bill increases or decreases under Shift and Save.

A typical household using 500 kilowatt-hours of electricity a month could save \$4 to \$5 by shifting only about 10% of its use from the evening peak to daytime hours. The more use that’s shifted, the higher the savings.

“This pilot will let us see how these rates work in real life, in real households and businesses paying real bills,” said Jim Kelly, vice president of government and community relations for Hawaiian Electric. “Customers will now have some rate options and by changing habits and thinking about when they use electricity, they can potentially save money and take action on climate change.”

The PUC will oversee analysis of customer data gathered by Hawaiian Electric and will ultimately determine how the program may roll out to all customers starting in late 2024 or 2025.

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