

FEB 19 2016

SENATE RESOLUTION

EXPRESSING THE LEGISLATURE'S RECOGNITION OF HAWAII ISLAND ENERGY COOPERATIVE'S ORGANIZATIONAL EFFORTS AND DESIRE TO BRING THE BENEFITS OF THE COOPERATIVE FORM OF OWNERSHIP TO THE CRITICAL ELECTRIC UTILITY INFRASTRUCTURE OF HAWAI'I ISLAND AND REQUESTING THE PUBLIC UTILITIES COMMISSION TO ASSESS THE FEASIBILITY OF APPROVING AN ENERGY COOPERATIVE MODEL FOR HAWAI'I ISLAND.

1 WHEREAS, the Hawaii Island Energy Cooperative is a non-
2 profit cooperative association formed by community and business
3 leaders on Hawai'i Island to explore the potential merits of a
4 community-based, cooperative ownership structure for electric
5 utility service on the Big Island; and

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7 WHEREAS, the Hawaii Island Energy Cooperative is a non-
8 profit cooperative association organized under chapter 421C,
9 Hawaii Revised Statutes, relating to consumer cooperative
10 associations; and

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12 WHEREAS, Hawaii Island Energy Cooperative's purpose is to:

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14 (1) Supply, produce, generate, purchase, market, sell,
15 promote the use of, and transmit or distribute
16 electric energy and other forms of energy; and

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18 (2) Provide services relating to or incidental to
19 paragraph (1); and

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21 WHEREAS, Hawaii Island Energy Cooperative is made up of
22 leaders on the Island of Hawai'i; and

23
24 WHEREAS, Hawaii Island Energy Cooperative is pursuing the
25 potential merits of a cooperative ownership structure for
26 electric utility service on the Island of Hawai'i; and

27
28 WHEREAS, section 269-31, Hawaii Revised Statutes, defines
29 an "electric cooperative" as a cooperative association or entity
30 that is:



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- (1) Owned by its members;
- (2) Formed pursuant to chapter 421C, Hawaii Revised Statutes;
- (3) Operated on a not-for-profit basis;
- (4) Authorized pursuant to a legislatively granted franchise or other legislative authority to manufacture, sell, furnish, and supply electric light, electric current, or electric power to its members or a designated service area; and
- (5) Governed by a board of directors who are members of the electric cooperative and who are democratically elected by members of the electric cooperative pursuant to applicable bylaws; and

WHEREAS, Hawaii Island Energy Cooperative has the potential to highlight the benefits of cooperative ownership as compared to shareholder ownership, including:

- (1) Local, democratic control over critical infrastructures and public institutions on the Hawai'i Island;
- (2) Community-based and community-chosen priorities;
- (3) Potentially lower electricity costs through tax-exempt status;
- (4) Improved and greater overall energy independence and sustainability; and
- (5) Development of and emphasis on island-produced fuels to provide an energy source for electric generation and transportation sectors; now, therefore,

BE IT RESOLVED by the Senate of the Twenty-eighth Legislature of the State of Hawaii, Regular Session of 2016, that the Legislature expresses its recognition of Hawaii Island



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1 Energy Cooperative's organizational efforts and desire to bring
2 the benefits of a cooperative form of ownership to the critical
3 electric utility infrastructure of Hawai'i Island; and
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5 BE IT FURTHER RESOLVED that the Public Utilities Commission
6 is requested to consider the feasibility of approving an energy
7 cooperative model for Hawai'i Island; and
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9 BE IT FURTHER RESOLVED that certified copies of this
10 Resolution be transmitted to the Chair of the Public Utilities
11 Commission, Mayor of the County of Hawaii, and the Hawaii Island
12 Energy Cooperative.
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OFFERED BY:

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