



Hawaiian Electric
Maui Electric
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NEWS RELEASE

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Hawaiian Electric Companies propose plan for modernizing electric grids

- *Faster outage restoration*
- *More information for customers to control electric bills*
- *Greater integration of renewable energy*
- *More efficient power production and delivery*

HONOLULU, March 31, 2016 – With the next generation of the energy grid, customers will have more information to control their electric bills. More renewable energy will be integrated, producing and delivering power will be more cost-efficient, and power outages will be restored faster. That's the goal of the smart grid project – a core part of the Hawaiian Electric Companies' overall modernization plans – submitted to the Hawai'i Public Utilities Commission (PUC) today for its review.

The Companies are requesting permission to install smart grid technology for more than 455,000 customers on O'ahu, Hawai'i Island and in Maui County. The project will consist of a modern wireless communication network, smart meters and enhanced technology that will upgrade the existing electric grid to be more automated and energy efficient. The system will improve outage detection and restoration. In addition, smart meters will provide electricity usage information to help customers better manage their bills, and enable automated services such as remote meter reads and move-in/move-out requests.

Customers will also have access to a personalized energy portal, easily accessible on computers and mobile devices, to give them more control over their energy use and electric bills. Smart grids will provide system operators and engineers with data and tools needed to help achieve Hawai'i's 100 percent renewable electricity goal by improving the safe and reliable integration of greater amounts of renewable energy.

"Modernizing our electric grid is a critical part of our commitment to better serve our customers and achieve a clean energy future for Hawai'i," said Alan Oshima, Hawaiian Electric president and CEO. "This investment will lay the technological foundation to enable us to provide our customers with better service, more options to manage their bills, more renewable energy and other services in the future."

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Hawaiian Electric started the development of the smart grid program in 2014 by upgrading portions of the electric grid that serve approximately 5,000 customers in Moanalua Valley and sections of Pearl City, Diamond Head, Kaimukī, Kāhala, and Waikīkī. This initial phase engaged both residential and commercial customers, and demonstrated the effectiveness of the technology across areas of diverse physical terrain.

Under the proposal submitted today customers will be informed ahead of meter installation and, despite the benefits, can choose not to upgrade to a smart meter. Under Hawaiian Electric's proposal, similar to the program implemented by the Kaua'i Island Utility Cooperative and other utilities across the country, residential customers who choose not to have a smart meter installed would pay a monthly charge of about \$15 to help pay for the cost of continued manual reading and maintenance of their non-standard meters.

The \$340 million Smart Grid Foundation Project is a key building block of an overall smart grid roadmap for Hawai'i. The project must be reviewed and approved by the PUC, with input from the Hawai'i Division of Consumer Advocacy. If approved by the PUC, installation of smart meters is expected to begin as early as 2017 on O'ahu and 2018 on Hawai'i Island and in Maui County.

NextEra Energy: Support for smart grid in Hawai'i and lower costs for customers

Assuming approval of the proposed merger with NextEra Energy, smart meter installations across the Hawaiian Electric Companies' service territories will be accelerated by two years and customers will benefit from implementation costs that are an estimated \$22 million lower, resulting from NextEra Energy's extensive smart grid technology expertise and experience, particularly in the area of system integration.

NextEra Energy subsidiary Florida Power & Light (FPL) was an early leader in the installation and use of smart grid technology, installing smart meters for 4.8 million customers in Florida. Over the past five years, smart grid technology has helped FPL improve its service reliability by more than 25 percent. In 2015, FPL was recognized for its industry-leading reliability with the 2015 ReliabilityOne™ National Reliability Excellence Award by PA Consulting Group, an international firm that analyzes electric utility performance across the United States.

Collaborating with community and industry partners

To answer questions and inform customers about the power of a smarter grid, Hawaiian Electric is collaborating with other organizations, like the Blue Planet Foundation, Kanu Hawaii, Hawaii Energy, and IBEW Local 1260.

Blue Planet is currently collaborating with Hawaiian Electric on a smart grid technology pilot project to test how detailed energy information can affect customer behavior.

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“If done right, a smart grid will become a key piece of Hawai‘i’s clean energy future,” said Blue Planet Foundation Executive Director Jeff Mikulina. “Modernizing the grid has been a priority for Blue Planet because it can enable more customer choices and control over energy bills.”

Mikulina added: “Like much of the technology in our lives today, we believe that a smarter grid can become a platform for innovative solutions from a variety of companies. Ultimately, this can mean more local, renewable, affordable energy. We look forward to reviewing Hawaiian Electric’s proposal and working toward these goals.”

Nicole Brodie, executive director of Kanu Hawaii, an organization focused on environmental sustainability through individual commitment, said, “We firmly believe smart meters can help bring a bit more equity and solutions to electricity customers who have been chronically underserved.”

Brian Ahakuelo, IBEW Local 1260 business manager and financial secretary, said, “Renewable resources such as solar and wind power are just part of our state’s energy future. A smart grid will provide the foundation for other programs, such as taking advantage of advances in energy storage, greater adoption of electric vehicles, and expanded programs that will help customers take greater control of their energy use.”

James Gariepy, Leidos vice president of energy efficiency services, added: “We believe that smart grid initiatives are an essential component to address Hawai‘i’s energy challenges, and we anticipate that engagement and collaboration will continue as all stakeholders move forward to Hawai‘i’s Smart Grid of the future.”

Smart grid technology has matured with more than 50 million smart meters installed across the country. Silver Spring Networks, Inc. (NYSE: SSNI), a leading smart grid platform and solutions provider, will provide the communications network and is a strategic partner in this effort to modernize Hawai‘i’s electric systems.

“Hawai‘i faces unique challenges in meeting its energy needs in an environmentally sustainable and cost-effective manner,” said Mike Bell, president and CEO of Silver Spring Networks.

“Hawaiian Electric has put forth a bold plan that will serve the people of Hawai‘i for generations to come. We are honored to be a partner in this effort.”

For more information, call (808) 440-4977.

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