



**Hawaiian  
Electric**

## NEWS RELEASE

FOR IMMEDIATE RELEASE

### **Hawaiian Electric approved to take over electric systems at 12 U.S. Army facilities on O‘ahu**

**HONOLULU, Nov. 2, 2020** – The Public Utilities Commission (PUC) has approved Hawaiian Electric’s acquisition of the electric distribution systems serving 12 U.S. Army installations on O‘ahu, including Schofield Barracks, Wheeler Army Airfield, Tripler Army Medical Center, Fort Shafter and Army housing areas.

In a decision issued on Oct. 30, the commission approved a 50-year contract for Hawaiian Electric to own, operate, maintain and upgrade the electric distribution systems serving Army bases, installations and facilities. The PUC said it found the contract to be “reasonable and in the public interest.” Non-Army customers will not pay for any of the services or work performed under the contract.

The PUC is requiring regular reports on Hawaiian Electric’s activities and investments in fulfillment of the contract as well as the review of major projects planned on behalf of the Army.

The U.S. Defense Logistics Agency valued the contract at \$638.5 million over 50 years. Hawaiian Electric was one of several bidders for the contract, which was awarded by the agency in October 2019 after a competitive process that began in 2016.

The contract is part of the Army’s Utilities Privatization Program, an Army-wide effort that leverages industry expertise and financing to upgrade and sustain utilities for safe and efficient mission support. Hawaiian Electric provides electricity to the Army, which in turn distributes the electricity to its facilities and bills its users.

With regulatory approval received, the company and the Army will start a one-year transition period, with the takeover of the system in late 2021. During that time, the Army will identify and prioritize capital improvements and aging distribution infrastructure replacement projects. The cost of the improvements and maintenance will be paid by the Army through a special billing separate from its regular monthly bill for electricity.

Docket No. 2019-0349 can be found on the PUC website at <https://dms.puc.hawaii.gov/dms/>.

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