

## **Postcard from the Future: The Energy Transition in Hawai'i**

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### **Abstract**

On December 3, 2014, Hawaiian Electric, a one-hundred year old investor-owned utility, and NextEra Energy, a Florida-based company and owner of the largest renewable energy producer in North America, announced a \$4.3 billion merger. The announcement sent shockwaves throughout the country. Hawai'i leads the country in pursuing aggressive renewable portfolio standards (40% renewable energy production by 2030), and has the potential to provide a global model of how a fossil-fuel dependent state can transition to cleaner sources of energy. As the state embarks on what the former Public Utilities Commission Chair, Hermina Morita, called the most significant transaction in the history of the one-hundred year old utility, the question as to whether this transaction will provide a much-needed boost to advance the energy transition, or will create an opening for regressive energy policies promoted by an outsider, hangs in the air. The question of whether the transaction will aid or impede climate change adaptation efforts also lurks in the background.

This paper breaks new ground. It provides a theoretical entry point for the foregoing discussion, and squarely engages the question of which institutional form—distributed generation, traditional investor-owned utilities, public power generators, or electricity cooperatives—is best suited for the energy transition, particularly in light of climate change. The paper argues that in addition to the substantive shifts in energy production required to stabilize the climate, there must be a concurrent shift to resilient energy institutions that are adaptive and responsive to climate change needs. Ultimately, this paper suggests, the challenges presented by the energy transition offer the unprecedented opportunity to create—consciously—institutions that increase our collective resiliency, rather than rely on outdated institutions that could exacerbate inequality, improperly incentivize risk taking, and contribute to our collective vulnerability. Hawai'i provides fertile ground for this line of inquiry.