



**Hawaiian Electric
Maui Electric
Hawai'i Electric Light**

NEWS RELEASE

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Momentum marked 2018 for the Hawaiian Electric Companies

HONOLULU, Dec. 27, 2018 – Progress on renewable energy and resilience continued to drive the transformation of the Hawaiian Electric Companies in 2018.

In 10 years since the creation of the state's Hawai'i Clean Energy Initiative, the companies have reduced fossil fuel use by 19 percent, or 88 million fewer gallons of imported oil a year to generate electricity.

By 2022, fossil fuel use will have been cut in half as more than a dozen wind, solar and battery storage projects now planned or under construction come online in the Hawaiian Electric, Maui Electric and Hawai'i Electric Light service territories. Carbon dioxide emissions will be reduced by 1.6 million tons from today's level.

"We made important progress this year on our journey to 100 percent renewable energy," said Alan Oshima, Hawaiian Electric president and CEO. "We have tremendous momentum as we move into 2019, especially in electrification of transportation and grid-scale energy storage."

A highlight: Nearly 4,000 new private rooftop solar systems came online in 2018 for a total of about 77,000 systems. One of every three single-family homes on O'ahu has rooftop solar, the highest percentage in the U.S.

And the year was noteworthy for something that happened outside Hawai'i. Thirty Hawaiian Electric, Maui Electric and Hawai'i Electric Light employees volunteered to work in fire-devastated Northern California to help Pacific Gas & Electric Company restore power to customers affected by the Camp Fire. It was the first time Hawai'i utilities had been asked to send crews to the mainland under a mutual assistance agreement.

Working long days in unfamiliar territory and weather, sleeping triple-bunked in a trailer, these crews embodied "aloha" and received the heartfelt thanks of local residents who noted how far our crews had traveled to help.

"We are extremely proud and grateful to these 30 individuals and those who supported them here at home," Oshima said. "They exemplify our employees at their best - diligence, a can-do attitude and aloha for customers."

Other 2018 highlights:

New renewable energy projects

In 2018, the companies laid the foundation for the largest surge in renewable energy in Hawai'i history with solar-plus-storage projects and a major wind project that together, pending

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regulatory approval, will add 325 megawatts of clean electric generation across O‘ahu, Maui, Moloka‘i and Hawai‘i Island.

These projects will provide stable, long-term pricing in place of the volatile pricing of fossil fuels. The two solar-plus-storage projects on Maui and two on Hawai‘i Island will be the largest grid-scale solar facilities ever on those islands.

Collectively, these projects will displace about 59 million gallons of oil when they come online. In 2018, the companies used 363 million gallons of oil to generate electricity.

These projects are in addition to nearly 200 MW of new renewable generation planned or under construction: three Clearway (formerly NRG) solar projects, Na Pua Makani wind and West Loch Solar on O‘ahu, the Hū Honua biomass project on Hawai‘i Island and the Moloka‘i New Energy Partners solar-plus-storage project.

Also, two new solar projects on Maui totaling nearly 6 MW came into service in 2018.

Resilience involves communities

Kīlauea’s volcanic eruptions on Hawai‘i Island and Hurricanes Lane and Olivia across the island chain brought home the importance of resilience – the ability to withstand, rapidly recover and adapt to changing conditions and damage from climate change and other disruptions.

In addition to dealing with actual emergencies and hardening systems, Hawaiian Electric Companies lead our communities in discussing resilience. As part of a long-term effort to involve individuals and those responsible for resilience to prepare and prioritize for future challenges, the companies are organizing community-level discussions.

With community leaders, emergency managers, first responders and critical infrastructure owners, these conferences discuss risks and vulnerabilities for specific regions in the companies’ service territory. These events will continue in 2019.

Hardening the electric grid continues year around on all our islands and includes work to replace wooden or aging transmission structures with stronger steel designs. To increase resilience and reliability in the urban core of Honolulu, crews upgraded 400 potentially defective underground splices - coupling devices that connect high voltage cables to lower voltage circuits). The work -- from Hawai‘i Convention Center, through Ward and Kaka‘ako to Chinatown -- reduced risks of prolonged, unplanned outages for customers and danger for crews that work in manholes. New poles in Chinatown were also installed.

The U.S. Army and Hawaiian Electric also dedicated the new 50-MW Schofield Generating Station, a flexible fuel plant that is making the O‘ahu grid more resilient, reliable and renewable-ready. On eight acres in Central O‘ahu, it is safer from potential impacts of storms, tsunami and rising sea levels, and in an emergency can be used as a microgrid powering critical facilities.

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More join electric vehicle revolution

As the U.S. reached 1 million and Hawai'i reached 8,000 plug-in electric vehicles in 2018, Hawaiian Electric Companies issued an Electrification of Transportation Strategic Roadmap describing actions to reduce dependence on imported fossil fuel for transportation and benefits for EV owners, non-users and the community.

The roadmap also described hundreds of millions of dollars in potential benefits to individuals and the state's economy by "filling up" on solar energy instead of imported fossil fuels. Hawai'i is rated second by Forbes magazine for charging infrastructure and fifth in EV adoption per capita.

Hawaiian Electric proposed an e-Bus pilot program with lower charging costs to encourage electric bus fleets across the state. The company now coordinates an e-Bus working group of state and county transportation officials and private bus operators. It is supporting a year-long trial of alternative-fuel buses at the Daniel K. Inouye International Airport as shuttles between terminals and the interim consolidated rent-a-car facility. The company will also begin a three-year electric school bus pilot in 2019 with Electric Power Research Institute.

By 2023, it's expected more than 130 e-buses will be on the road in the Hawaiian Electric Companies' service territory, eliminating use of 1.3 million gallons of fuel annually as well as 15,000 tons of carbon dioxide.

The companies continue adding publicly accessible EV fast chargers across the state (two more on O'ahu and the first fast charger on Moloka'i are in the works) and the Hawaiian Electric mobile app for smart phones now shows where to find the utility's fast chargers across the islands. An interactive map shows nearby chargers type and location, with driving instructions.

Customer self-generation and a grid to support it

Many Hawai'i residents hope to join the 77,000-plus customers using private rooftop solar and the Hawaiian Electric Companies continue working to make that choice available to more families. New programs launched in 2018 made it possible: 1) for customers to get credit on electric bills for electricity sent to the grid only during peak demand hours; 2) get credit for sending electricity to the grid while allowing utilities to limit it, if necessary, for grid stability; 3) and for present net metering customers to add capacity and energy storage if new equipment does not send electricity to the grid.

The Smart Electric Power Alliance honored Hawaiian Electric, Maui Electric and Hawai'i Electric Light as the 2018 SEPA Power Players Investor-Owned Utilities of the Year for the companies' grid modernization efforts. Here's why:

To integrate existing and new customer-sited and grid-scale renewable energy, Hawaiian Electric is modernizing the electric grid for the 21st century. In 2018, the utilities received approval to start a \$205-million, strategic, grid modernization plan, developed with the greatest stakeholder input ever.

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The first phase in 2019, pending regulatory approval, includes:

- Advanced meters so customers can join new private solar and other programs like demand response which offer customers financial incentives to manage electricity use in coordination with their utility
- A data management system with an online portal so customers can monitor and manage energy usage
- A telecommunications network for advanced meters and field devices that is more effective and less expensive than existing limited cellular service in use now

The Hawaiian Electric Companies also launched the long-awaited community solar program, called Community-Based Renewable Energy, to soon allow customers on all islands who cannot take advantage of private rooftop solar to be part of the “solar revolution” and get credit on their electric bill.

Sole ownership of 120,000 utility poles

Regulators approved the transfer of sole managing ownership of 120,000 utility poles on O‘ahu, Maui, Molokai, Lāna‘i and Hawai‘i Island to the Hawaiian Electric Companies. The poles had been jointly owned by the utilities and Hawaiian Telcom in an arrangement dating back nearly 100 years.

As part of the transfer, over the next 10 years the companies will remove more than 14,000 unsightly “double poles,” where a new pole has been installed but the stub of an old pole remains.

Sole ownership by the Hawaiian Electric Companies will also simplify placing equipment by cable TV and wireless communication companies and for the utilities to add grid modernization devices on poles.

Helping protect customers from scams

Hawaiian Electric Companies – cooperating with other local utilities, consumer protection agencies and law enforcement, and the national Utilities United against Scams campaign – took the lead to warn of the growing number and sophistication of criminal enterprises trying to separate customers from their money. If in doubt, the best, short advice for any demand for immediate payment or account information is “Just hang up.”

Making Hawai‘i a better place

Hawaiian Electric Companies’ tradition of supporting communities, totaling more than \$1 million per year, always adapts to meet present challenges. Just a few examples:

The volcanic eruption, storms, wildfires and others disasters (including a devastating typhoon that hit Saipan) increased challenges for organizations that help in recovery. The Hawaiian

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Electric Industries Charitable Foundation (including Hawaiian Electric, Maui Electric, Hawai'i Electric Light, HEI, Inc.; and American Savings Bank) annual contribution to the Red Cross was increased to \$30,000.

For the first time, a campaign across all three companies, with HEI Foundation matching, raised \$12,000 for Hope Lodge, the American Cancer Society's free home-away-from-home serving cancer patients and caregivers who come to Honolulu for treatment.

Money helps, and so does people power.

- More than 60 Hawaiian Electric employees and families volunteered to help local non-profit Mālama Pūpūkea-Waimea with the Native Hawaiian Plant Coastal Restoration Project, removing 300 pounds of invasive weeds and shrubs, planting 500 native plants, and clearing 50 pounds of rubbish from the shoreline to prevent erosion and restore coral and marine ecosystem at Shark's Cove.
- Hawai'i Electric Light employees and families volunteered to clean up Honokea Loko, a Hawaiian fishpond in Hilo, and the Hawai'i Wildlife Center grounds in Kapa'au.
- More than 100 Maui Electric employees and families volunteered to help the 9th annual Keiki Tilapia Tournament at Kā'anapali, raising over \$15,000 for Maui United Way.

Learn more at www.HawaiianElectric.com. Search for "Sustainability Report," "Key Performance Metrics," or subjects like "Resilience," "Electrification of Transportation," etc.

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