Community Discussion on Utility Ownership Models
Workshop Handout

Who owns the Utility?

Investor-Owned Utility (IOUs)
Owned by investors

Municipal Utility (munis)
Owned by the county/state government

Cooperative Utility (co-ops)
Owned by the Customers

Individual Utility
No Change (except Kauai)

New Parent
Similar to Proposed NextEra Merger

Public-Private Partnership
Government takes Majority Ownership
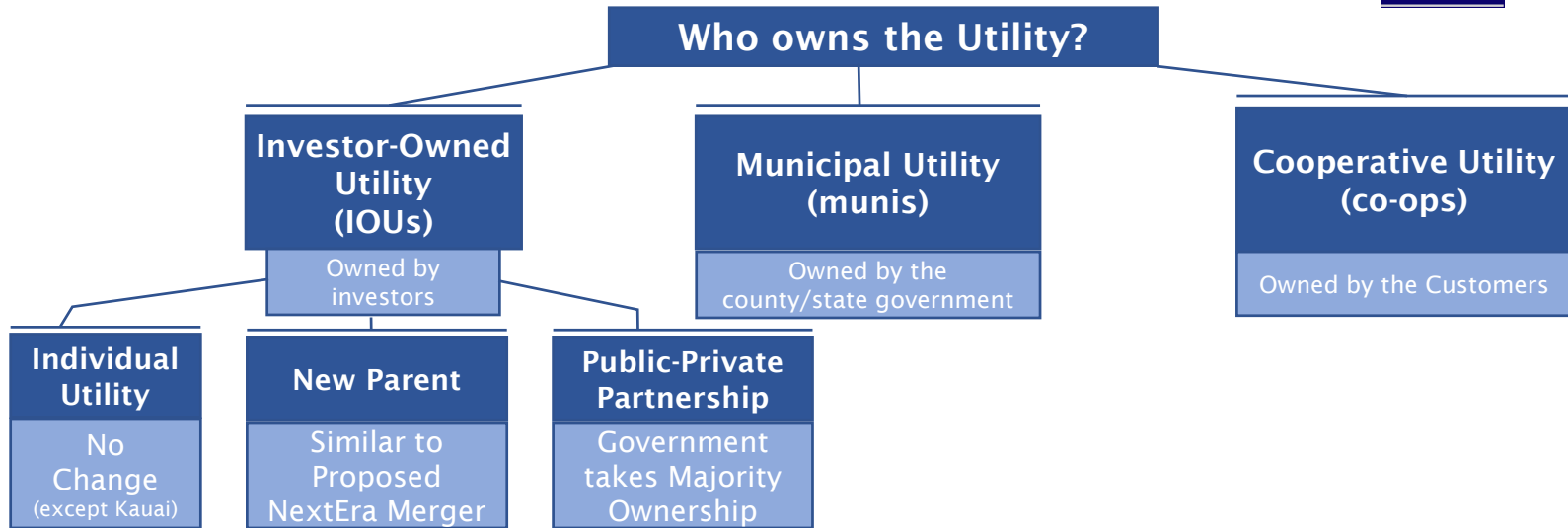
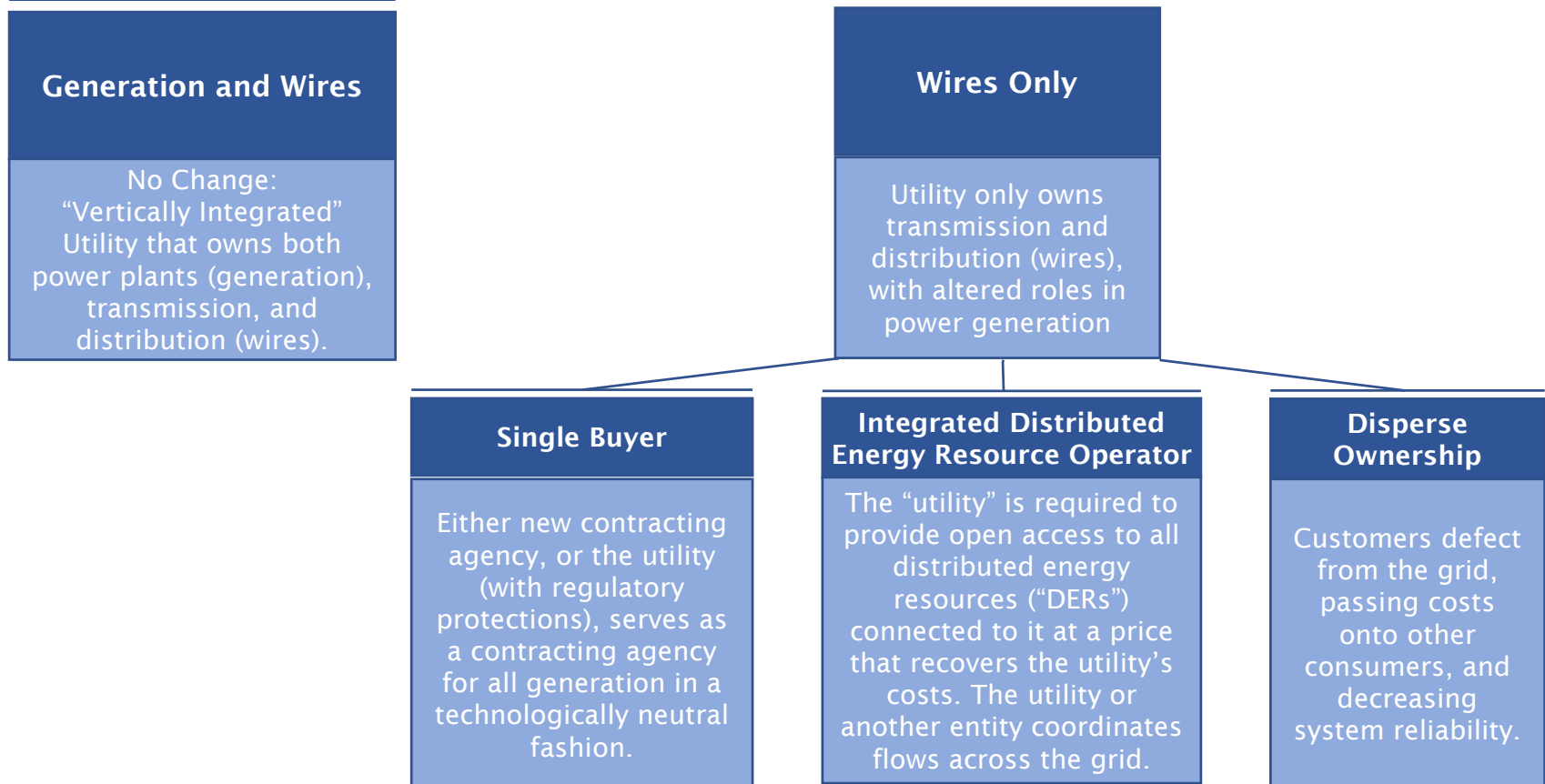|	Investor-Owned	Municipal	Cooperative
Access to Capital	Typically best access to capital through private markets	May be limited by municipal credit rating and bond capacity; can utilize tax-exempt debt	Low-cost lending available through federal and cooperative programs, but is limited
Degree of Customer Influence	Indirect, structured through utility oversight	Semi-direct, leadership elected or appointed by political leaders	Direct elections of utility board members
Profit motivation	For profit	Profits partly fund city budget	Returns profits to members
Regulator	PUC	Local/state government	Self or PUC for some co-ops
Stability of Utility Leadership	Generally stable	Subject to impact from political officeholders	May vary significantly depending on board leadership

Please do not hesitate to send any additional feedback to the following email address:
dbedt.utilitybizmodstudy@hawaii.gov

What does the Utility own?

Generation and Wires

No Change: "Vertically Integrated" Utility that owns both power plants (generation), transmission, and distribution (wires).

Wires Only

Utility only owns transmission and distribution (wires), with altered roles in power generation

Single Buyer

Either new contracting agency, or the utility (with regulatory protections), serves as a contracting agency for all generation in a technologically neutral fashion.

Integrated Distributed Energy Resource Operator

The "utility" is required to provide open access to all distributed energy resources ("DERs") connected to it at a price that recovers the utility's costs. The utility or another entity coordinates flows across the grid.

Disperse Ownership

Customers defect from the grid, passing costs onto other consumers, and decreasing system reliability.

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