

HAWAIIAN ELECTRIC INDUSTRIES INC
Form DEF 14A
March 21, 2011

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
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- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

Hawaiian Electric Industries, Inc.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

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HAWAIIAN ELECTRIC INDUSTRIES, INC. PO BOX 730 HONOLULU, HI 96808-0730

Constance H. Lau
*President and
Chief Executive Officer*

March 21, 2011

Dear Fellow Shareholder:

On behalf of the Board of Directors, it is my pleasure to invite you to attend the Annual Meeting of Shareholders of Hawaiian Electric Industries, Inc. (HEI). The meeting will be held on HEI's premises in Room 805 on the eighth floor of the American Savings Bank Tower, located at 1001 Bishop Street, Honolulu, Hawaii, on May 10, 2011, at 9:30 a.m., local time. A map showing the location of the meeting site appears on page 85 of the Proxy Statement.

The accompanying Notice of Annual Meeting of Shareholders and Proxy Statement describe the items of business to be conducted during the meeting. In addition, we will review significant events of 2010 and their impact on you as a shareholder of HEI. HEI officers and Board members will be available before and after the meeting to talk with you and answer questions.

Of particular importance for your attention, this is the first year in which we will be asking our shareholders to submit an advisory vote on the Company's executive compensation. A description of the Company's executive compensation programs, as well as details of the compensation for the Company's named executive officers, is provided in the Proxy Statement.

As a shareholder of HEI, it is important that your views be represented. **Please help us obtain the quorum needed to conduct business at the meeting by promptly voting your shares.**

The Board and management team of HEI would like to express their appreciation to you for your confidence and support. I look forward to seeing you at the Annual Meeting in Honolulu.

Sincerely,

Recycled

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Hawaiian Electric Industries, Inc.
900 Richards Street
Honolulu, Hawaii 96813

NOTICE OF ANNUAL MEETING

Date and Time	Tuesday, May 10, 2011, at 9:30 a.m., local time.
Place	American Savings Bank Tower, 1001 Bishop Street, 8th floor, Room 805, Honolulu, Hawaii 96813.
Items of Business	<ol style="list-style-type: none">1. To elect three Class III directors for a three-year term expiring at the 2014 Annual Meeting of Shareholders.2. To approve the 2011 Nonemployee Director Stock Plan.3. To hold an advisory vote on the frequency of future advisory votes on HEI's executive compensation.4. To hold an advisory vote on a resolution approving HEI's executive compensation.5. To ratify the appointment of PricewaterhouseCoopers LLP as HEI's independent registered public accounting firm for 2011.
Record Date	March 2, 2011.
Annual Report	The 2010 Annual Report to Shareholders, which is not a part of the proxy solicitation materials, has been mailed or made available electronically along with this Notice and accompanying Proxy Statement.
Proxy Voting	<p>Shareholders of record may appoint proxies and vote their shares in one of four ways:</p> <ul style="list-style-type: none">Via the InternetBy telephoneBy mailIn person <p>Shareholders whose shares are held by a bank, broker or other financial intermediary (i.e., in "street name") should follow the voting instruction card provided by such intermediary.</p> <p>Any proxy may be revoked in the manner described in the accompanying Proxy Statement.</p>
Attendance at Meeting	Only shareholders of record as of the record date are entitled to receive notice of, attend and vote at the Annual Meeting. If your shares are registered in street name, you must bring a letter from your bank or broker or provide other evidence of your beneficial ownership if you plan to attend the Annual Meeting.
Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting of Shareholders to be held on May 10, 2011	The Proxy Statement and Annual Report to Shareholders are available at www.hei.com/proxymatl.html .

By Order of the HEI Board of Directors.

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March 21, 2011

Chester A. Richardson
Senior Vice President, General
Counsel, Secretary and Chief
Administrative Officer

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Proxy Statement

HEI is soliciting proxies for the Annual Meeting of Shareholders scheduled for May 10, 2011, at 9:30 a.m., local time, at the American Savings Bank Tower, 1001 Bishop Street, 8th floor, Room 805, Honolulu, Hawaii. The mailing address of the principal executive offices of HEI is P.O. Box 730, Honolulu, Hawaii 96808-0730.

The approximate mailing date for this Proxy Statement, form of proxy and Annual Report to Shareholders is March 21, 2011. The 2010 Annual Report to Shareholders accompanying this Proxy Statement is not considered proxy soliciting material.

About the Meeting

Who can attend the meeting?

Attendance will be limited to:

shareholders of record (i.e., shareholders who own shares registered in their own name on the books of HEI);

beneficial owners of HEI Common Stock having evidence of ownership and entitled to vote at the meeting;

authorized representatives of absent shareholders; and

invited guests of management.

If you own shares of HEI Common Stock in the name of a bank, brokerage firm or other holder of record, you must show proof of ownership. This may be in the form of a letter from the holder of record or a recent statement from the bank or broker showing ownership of HEI Common Stock.

Any person claiming to be an authorized representative of a shareholder must produce written evidence of the authorization.

What are shareholders being asked to vote on?

Proposal No 1: Election of three Class III directors for a three-year term expiring at the 2014 Annual Meeting of Shareholders.

Proposal No 2: Approval of the 2011 Nonemployee Director Stock Plan (attached as Appendix A).

Proposal No 3: Advisory vote on the frequency of future advisory votes on HEI's executive compensation.

Proposal No 4: Advisory vote on a resolution approving HEI's executive compensation.

Proposal No 5: Ratification of the appointment of PricewaterhouseCoopers LLP (PwC) as HEI's independent registered public accounting firm for 2011.

Voting Procedures

Electronic Access to Proxy Materials

HEI provides shareholders the option to access its proxy materials via the Internet. In keeping with our efforts to conserve natural resources, this method of delivery reduces the amount of paper necessary to produce these materials and reduces the costs associated with the printing and mailing of these materials to shareholders. On March 21, 2011, a Notice of Internet Availability of Proxy Materials

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(Notice) will be mailed to certain shareholders and our proxy materials will be posted on the website referenced in the Notice (www.ViewMaterial.com/HEI). As more fully described in the Notice, shareholders may choose to access our proxy materials on the website referred to in the Notice or may request to receive a printed set of our proxy materials. The Notice and website will provide information regarding how to request to receive proxy materials in printed form by mail or electronically by e-mail on an ongoing basis.

If you currently receive our proxy materials in printed form and would like to receive them electronically in the future, please so indicate on the enclosed proxy, if voting by mail, or by following the instructions provided when using the telephone or Internet voting options described under "How do shareholders vote?" below.

Who is eligible to vote?

Only persons who own shares of HEI Common Stock as of the close of business on March 2, 2011 (the proxy record date) are entitled to vote.

How many shares are outstanding and entitled to vote?

On March 2, 2011, 94,915,883 shares of HEI Common Stock were outstanding. Each shareholder is entitled to one vote for each share held. Under the Bylaws of HEI, shareholders do not have cumulative voting rights in the election of directors.

What constitutes a quorum?

A quorum is needed to conduct business at the Annual Meeting. A majority of the shares of HEI Common Stock outstanding on March 2, 2011 and entitled to vote, and present in person or by proxy at the Annual Meeting, constitutes a quorum. Abstentions and broker votes of uninstructed shares on routine matters (such as ratification of the appointment of the independent registered public accounting firm) will be counted in the number of shares present in person or by proxy for purposes of determining a quorum. A quorum established for one purpose will apply for all purposes at the Annual Meeting.

How do shareholders vote?

Whether or not you plan to attend the Annual Meeting, please take the time to vote. You may vote via the Internet, by touchtone telephone or by mail before the Annual Meeting, or in person at the Annual Meeting. The Internet and telephone procedures are designed to authenticate your vote and confirm that your voting instructions are followed. If you vote via the Internet or by telephone, follow the instructions on the Notice or card you received by mail. If you vote by telephone, you will receive additional recorded instructions, and if you vote via the Internet, you will receive additional instructions at the Internet website. You will need to have the control number on your Notice or proxy/voting instruction card, as applicable, available.

Shareholders who vote via the Internet or by telephone should *not* mail the proxy/voting instruction card.

1. **BY INTERNET:** You may vote on-line by following the instructions in the Notice or by accessing the Internet at www.cesvote.com. Specific instructions regarding how to record and confirm your vote will be available on the website.
2. **BY TELEPHONE:** You may vote by touchtone telephone by following the instructions in the Notice or by calling 1-888-693-8683. Once connected, you will be prompted to record and confirm your vote.

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3. BY MAIL: Please mark your vote and sign, date and promptly return the proxy in the postage-paid envelope provided. If you return the signed proxy but do not mark the boxes showing how you wish to vote, your votes will be cast following the recommendations of management on all proposals. If you wish to have someone other than the individuals listed on the enclosed proxy vote your shares at the meeting, cross out all three names and insert the name of another person to vote your shares at the meeting.
4. IN PERSON: You may vote your shares by attending the Annual Meeting and voting in person.

How do shareholders vote if their shares are held in street name?

If your shares are held in "street name" (that is, through a broker, trustee or other holder of record), you will receive a voting instruction card or other information from your broker or other holder of record seeking instruction as to how your shares should be voted. *If you do not provide such instruction, your broker or nominee may vote your shares at its discretion on your behalf on routine matters, but not on nonroutine matters.* The ratification of the appointment of HEI's independent registered public accounting firm is considered a routine matter. The election of directors, the approval of the 2011 Nonemployee Director Stock Plan, the advisory vote on the frequency of advisory votes on executive compensation and the advisory vote on executive compensation are considered nonroutine matters. **Please provide instructions to your broker on how to vote your shares on all five proposals to ensure that your shares will be voted on all proposals at the Annual Meeting.**

You may not vote shares held in "street name" at the Annual Meeting unless you obtain a legal proxy from your broker or holder of record.

How do shareholders vote if their shares are held in the Dividend Reinvestment and Stock Purchase Plan, the HEI Retirement Savings Plan or the American Savings Bank 401(k) Plan?

If you own shares held in the Dividend Reinvestment and Stock Purchase Plan, the HEI Retirement Savings Plan (including shares previously received under the Tax Reduction Act Stock Ownership Plan) or the American Savings Bank 401(k) Plan, the respective plan trustees will vote those shares according to your directions. For all of these plans, the respective trustees will vote all the shares of HEI Common Stock for which they receive no voting instructions in the same proportion as they vote shares for which they receive instruction.

Can shareholders change their vote?

If you vote by any of the methods described above, you may revoke your proxy or vote at any time before the Annual Meeting in one of three ways:

submit a properly signed proxy with a later date or vote again at a later time by telephone or Internet;

notify the Corporate Secretary of HEI in writing; or

vote in person at the Annual Meeting (if your shares are registered in your name on HEI's books or, if your shares are held in "street name" and you have a legal proxy from your broker or other holder of record).

How many votes are required?

If a quorum is present at the Annual Meeting, then:

Directors will be elected by a plurality of the votes cast. Plurality means that the persons receiving the highest number of votes are elected. There will be no abstentions for this matter

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since your options are to vote either "FOR" or to "WITHHOLD" your vote for a nominee. Although the election of directors is considered a nonroutine matter, broker nonvotes (i.e., when your broker or other holder of record does not vote your shares on a nonroutine matter because you have not provided instructions regarding how to vote on that matter) will not affect the outcome of this matter.

The 2011 Nonemployee Director Stock Plan will be approved if the majority of votes cast are in favor of such approval, so long as the total votes cast represent more than 50% of all shares entitled to vote. Abstentions will be considered votes cast and will have the same effect as voting against approval of the 2011 Nonemployee Director Stock Plan. Broker nonvotes will have no effect on the outcome of the vote on the 2011 Nonemployee Director Stock Plan, except that they will not count as votes cast for purposes of determining whether the total votes cast represent more than 50% of the shares entitled to vote.

Since the votes on executive compensation and frequency of votes on executive compensation are advisory only, no minimum number of votes cast is required. Brokers may not vote on these proposals without your instructions because these proposals are considered nonroutine matters. For the proposal concerning how frequently shareholders wish to have advisory votes on HEI's executive compensation, your options are to vote for a frequency of every "1 YEAR," "2 YEARS," "3 YEARS" or "ABSTAIN." For the proposal to adopt a resolution approving HEI's executive compensation, your options are to vote "FOR," "AGAINST" or "ABSTAIN."

The appointment of HEI's independent registered public accounting firm will be ratified if more votes are cast in favor than against such ratification. Abstentions and broker nonvotes will not affect the outcome of this matter.

Who will count the votes and are the votes confidential?

Corporate Election Services will act as tabulator for broker and bank proxies as well as for proxies of the other shareholders of record. Your identity and vote will not be disclosed to persons other than those acting as tabulators except:

as required by law;

to verify the validity of proxies and the voting results in the case of a contested proxy solicitation; or

when you write a comment on the proxy form.

Could other matters be decided at the Annual Meeting?

HEI knows of no business to be presented at the 2011 Annual Meeting other than the items set forth in this Proxy Statement. If other business is properly brought before the Annual Meeting, or any adjournment or postponement thereof, the persons named on the enclosed proxy will vote your stock in accordance with their best judgment, unless authority to do so is withheld by you in your proxy.

What happens if the Annual Meeting is postponed or adjourned?

If the Annual Meeting is postponed or adjourned, your proxy will remain valid and may be voted at the postponed or adjourned meeting. You will still be able to change or revoke your proxy until it is voted at the Annual Meeting.

Director Nominees for Election and Continuing Directors

Nominees for Class III Directors Whose Terms Expire at the 2014 Annual Meeting

Peggy Y. Fowler, age 59, director nominee for 2011 Annual Meeting

Ms. Fowler brings a wealth of knowledge and experience to HEI. Her prior positions in managing utility operations and leading a large public company as its chief executive officer impart significant expertise to the Board. Her recent experience serving on the board of a mainland bank holding company will strengthen the Board's capabilities in overseeing the subsidiary bank operations.

Business experience and other public company and HEI affiliate directorships since 2006

Director and Audit Committee Member, Hawaiian Electric Company, Inc., since 2009

Co-Chief Executive Officer, Portland General Electric Company (PGE), 2009

President and Chief Executive Officer, PGE, 2000-2008

Director, PGE, since 1998

Director, Umpqua Holdings Corporation, since 2009, and Chair of Budget and Compensation Committees, since April 2010

Skills and qualifications for HEI Board service

35 years of executive leadership, financial oversight and utility operations experience from serving at PGE in senior officer positions, including Chief Operating Officer, President and Chief Executive Officer.

Breadth of proven management, leadership, analytical and technical skills, including crisis management, risk assessment, strategic planning and public relations skills, demonstrated especially by her leadership of PGE after the 2001 bankruptcy of its parent company, Enron Corp., through its independence from Enron in 2006 and by her recognition as Oregon's Most Admired CEO in a 2005 *Portland Business Journal* survey and as Portland's First Citizen in 2007 by the Portland Metropolitan Association of Realtors, an annual award honoring civic achievement and business leadership.

Expertise in financial oversight, regulatory compliance and corporate governance matters gained from her experience as President (1997-2000), CEO (2000-2008) and Chair (2001-2004) of PGE, her service as a director for PGE and the Portland Branch of the Federal Reserve Bank of San Francisco, a director and member of the Nominating and Corporate Governance Committee for The Regence Group (BlueCross BlueShield health insurance provider in Idaho, Oregon, Utah and Washington), and a director and chair of the Budget and Compensation Committees and member of the Loan and Investment Committee for Umpqua Holdings

Corporation (publicly traded ba