

**REGULAR MEETING OF THE BOARD OF DIRECTORS
KAUA'I ISLAND UTILITY COOPERATIVE**

Via Video Conference Call

On February 27, 2024

MINUTES

Meeting called to order by Chair Smith at 1:00 p.m.

1. Roll Call

1.1. **Directors present:** Allan Smith (Chair), Jan TenBruggencate (Vice-Chair), Calvin Murashige (Secretary), Peter Yukimura (Treasurer), Dee Crowell, David Iha, Janet Kass, James Mayfield, Teofilo Tacbian; and David Bissell (CEO)

1.2. **Others present:** Stacie Dellamano (CFO), Laurel Loo (General Counsel), Teresa Amoy (Executive Administrator), Beth Amaro (Member Services & Communications Mgr.), Cameron Kruse (Engineering and Technology Mgr.), Lisa Ubay (Mgr. of HR and Safety), Chris Yuh (Mgr. of Finance, Risk & Analytics), Daurice Arruda (Accounting Mgr.), Erin Tsuda (Finance Mgr.), Corinne Cuaresma (Controller), Scott Sato (Energy Services Supervisor), Allison Young (Communications & PR Specialist), Shelley Paik (PA Specialist), Shelsey Francisco (Financial Analyst), Tane Oriol (HR Specialist), Jonah Knapp (Staff Engineer); Members of the press (0) and Member of the public (0)

1.3. **Absent/Excused:** None

2. Approval of the Agenda

2.1. The Board of Directors' Agenda of February 27, 2024, was approved as circulated.

3. Approval of Minutes

3.1. The minutes of January 25, 2024, Regular Board meeting were approved as circulated.

4. President's Report – David Bissell (CEO)

4.1. CEO discussed February's President's Report (report attached). Brief discussion with staff and directors. No action taken.

5. Financial Report – Stacie Dellamano (CFO)

5.1. CFO discussed finance and accounting updates and summarized the Board Financial Report submitted to the Board of Directors (report attached). Discussion ensued with staff and directors. No action taken.

6. NRECA Hawai'i Director Report – Director David Iha update:

- 6.1. Director Iha noted that NRECA at the national level continues to focus on reliability and affordability and is taking the lead in bringing up the issue nationally.
- 6.2. Other issues facing the Northwest electric cooperatives is the proposed agreement to dismantle four dams on the Snake River. NRECA along with some other coalition partners are against that movement which would drive up utility rates for those co-ops who are dependent on hydro power.
- 6.3. Appropriation to increase domestic transformer production. They're trying to increase domestic production of transformers because of the long lead time.
- 6.4. NRECA is focused on the annual meeting (PowerXchange Conference, March 1-6, 2024). Six thousand registrants, in addition, there will be vendors in attendance with an anticipation of approximately 10,000 people.

7. Charitable Foundation Board – Director Teofilo Tacbian update:

- 7.1. The Charitable foundation met on Feb. 13th. Director Tacbian provided a brief update (report attached).
- 7.2. Director Crowell provided an update on the 2023 Charitable Foundation Golf Tournament. This year's tournament was the biggest ever with 166 players. Expenses were up 23%, but revenues were also up as well. Total profits from the tournament were \$16,602.81, which was the most the golf tournament has ever made. Director Crowell thanked all that helped with making the tournament a success.

8. Public Testimony

- 8.1. No public testimony.

9. New Business

9.1. Board Policy 23 Electioneering

- Director Kass introduced policy 23 which the Policy Committee recommends reapproval with no changes.
- **MOTION:** to reapprove policy 23 with no changes.

[Motion: Kass] [Second: TenBruggencate]

IN FAVOR:	Smith, TenBruggencate, Murashige, Yukimura, Mayfield, Tacbian, Iha, Crowell, Kass	Total – 9
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OPPOSED:	None	Total – 0
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EXCUSED:	None	Total – 0
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Motion carried

9.2. Board Policy 24 Funding the KIUC Charitable Foundation

- Director Kass introduced policy 24, noting the committee recommended to the board was conforming changes and inserted defined terms where applicable.
- **MOTION:** that the Board accept these very minor changes in policy 24.
[Motion: Kass] [Second: Murashige]

IN FAVOR:	Smith, TenBruggencate, Murashige, Yukimura, Mayfield, Tacbian, Iha, Crowell, Kass	Total – 9
OPPOSED:	None	Total – 0
EXCUSED:	None	Total – 0

Motion carried

9.3. **Board Approval Request (BAR) – Budget Variance Request for Steam Plant Write Off**

- Director Yukimura introduced the Board Approval Request. The accounting department is requesting a change of 320,000 to write off the unsaleable and unsalvageable parts of the steam plant. The F&A committee approved this request for Board approval.

- **MOTION:** to approve the Board Approval Request.

[Motion: Yukimura] [Second: Kass]

IN FAVOR:	Smith, TenBruggencate, Murashige, Yukimura, Mayfield, Tacbian, Iha, Crowell, Kass	Total – 9
OPPOSED:	None	Total – 0
EXCUSED:	None	Total – 0

Motion carried

9.4. **2023 Corporate Performance Results**

- CFO provided a brief recap on the results and accomplishments that were presented at the F&A Committee meeting. Goal was 100% and ended up at the 97.81%.

- **MOTION:** to approve 2023 Corporate Performance Results.

[Motion: Yukimura] [Second: Iha]

IN FAVOR:	Smith, TenBruggencate, Murashige, Yukimura, Mayfield, Tacbian, Iha, Crowell, Kass	Total – 9
OPPOSED:	None	Total – 0
EXCUSED:	None	Total – 0

Motion carried

9.5. **2024 Corporate Performance Targets**

- CFO provided a brief recap on the 2024 Corporate Performance targets following the Board strategic plan.

- **MOTION:** to adopt the 2024 Corporate Performance Proposal.

[Motion: Yukimura] [Second: Kass]

IN FAVOR:	Smith, TenBruggencate, Murashige, Yukimura, Mayfield, Tacbian, Iha, Crowell, Kass	Total – 9
OPPOSED:	None	Total – 0
EXCUSED:	None	Total – 0

Motion carried

10. Calendar

- 10.1. **March 1-6, 2024** – 2024 NRECA PowerXchange Conference (San Antonio, TX)
- 10.2. **March 16, 2024** – KIUC’s Directors Election Day
- 10.3. **March 19, 2024** – Board Committee Meetings (9:00am, MCR)
- 10.4. **March 26, 2024** – Annual & Regular Board Meeting (1:00pm, TBD)
- 10.5. **March 29, 2024** – HOLIDAY – Good Friday (KIUC Offices Closed)

11. **Executive Session** – At 1:33 p.m. the Board recessed the meeting to enter Executive Session closed to the public on matters limited to those specified in Section II. A. 2. of Board Policy No. 16. The items to be discussed in the Executive Session are matters of a proprietary or financial nature, public disclosure of which could affect on-going or potential negotiations, or legal or administrative proceedings and human resource issues related to the hiring, evaluating, dismissing, or disciplining an officer or employee and a matter requiring legal consultation on issues pertaining to the powers, duties, privileges, immunities, and liabilities of the Board of Directors.

- 11.1. The open session of the Regular meeting was reconvened at 1:49 p.m.
- 11.2. Director TenBruggencate moved to ratify the following decision made in executive session; Director Murashige seconded the motion. All directors present voted in favor and the actions were ratified by unanimous consent:
 - Approval of the Executive Session minutes of January 25, 2024.
 - General Counsel Agreement
 - HCP Site Agreement

12. Adjournment

- 12.1. The meeting was adjourned at 1:50 p.m.

Calvin Murashige

Calvin Murashige (Mar 27, 2024 12:18 HST)

Calvin Murashige
Board Secretary

February 27, 2024

David Bissell, President & CEO

PRESIDENT'S REPORT

PRESIDENT'S REPORT

Safety (January)	Month	2024 YTD	2023 YTD
Recordable Incidents	0	0	3
Availability and Reliability	Month	2024 YTD	2023 YTD
Reportable Outages	5	5	3
Average Outage Hours Per Customer	1.23	1.23	0.34
Efficiency	Month	2024 YTD	
Net Plant Heat Rate	9,023	9,023	
Peak Demand (MW)	73.7	73.7	
Residential Rates			
February 2024	\$0.381/kwh decrease \$0.007 from January		

UPDATE ITEMS

- KIUC rates continue to be lowest in state
- GT-2 transformer repair
- Battery grants and loan award efforts in progress
- Finalizing second round review of Wildfire Mitigation Plan
- Legislative session
 - Wildfire related items primary focus
- Development efforts on new PV and battery projects continue
- WKEP - pump storage only option remains under evaluation

MAHALO!



Kaua'i Island Utility Cooperative

Your Touchstone Energy® Cooperative



Board Financial Report

February 2024



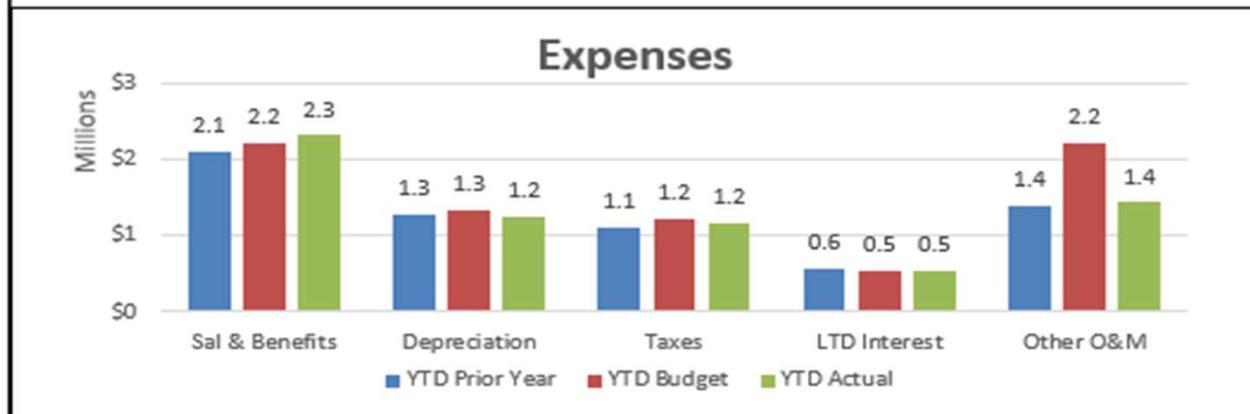
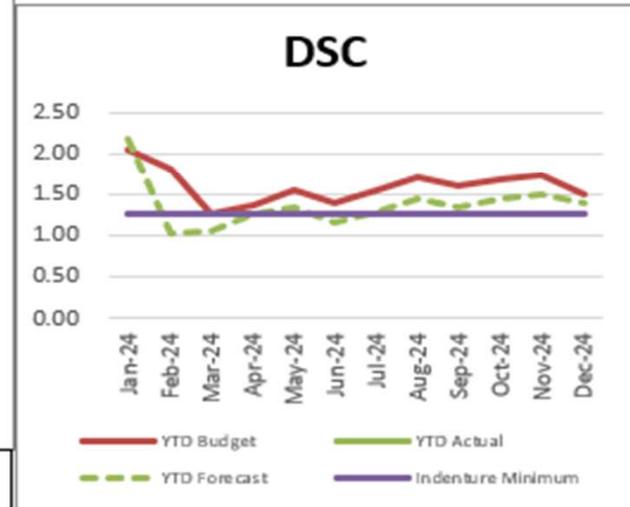
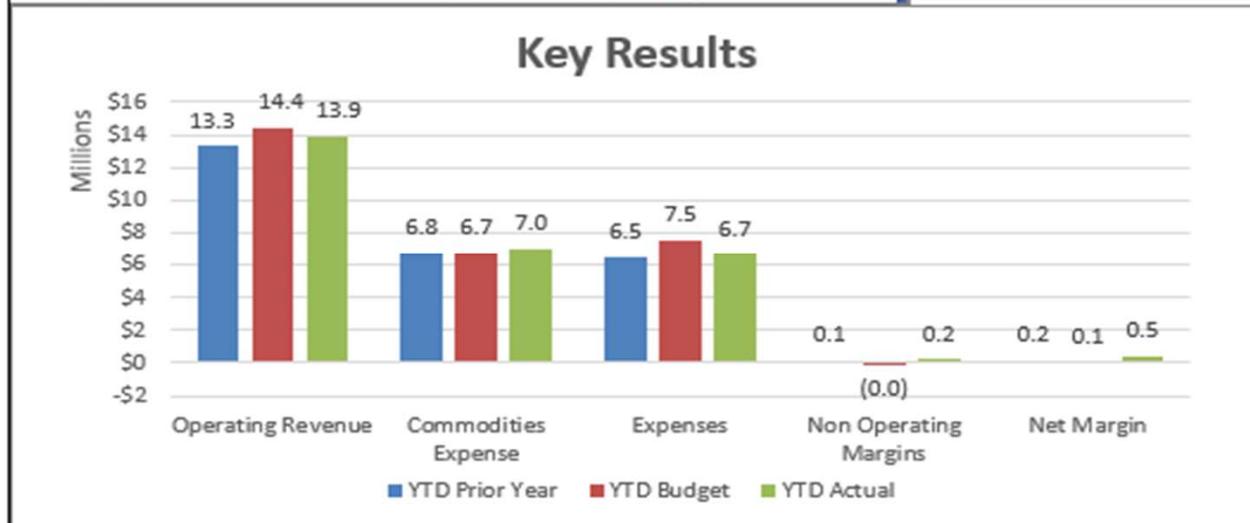
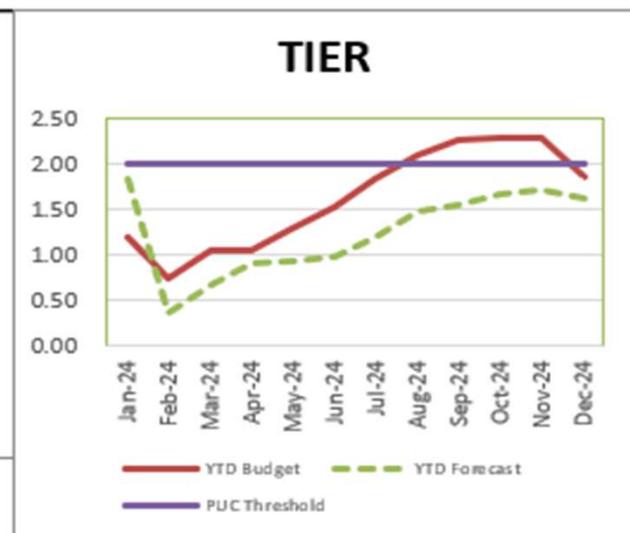
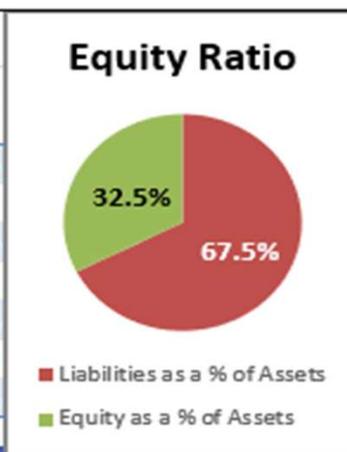
Finance, Accounting, Regulatory and Warehouse Monthly Update

- Financial Results
 - Income Statement
 - Balance Sheet - Preliminary
- Outstanding Loan Detail Report
- A/R Reports
- Sales Reports – Annual kWh Sales Comparison
- Treasury Management Monthly Discussion
- Finance and Accounting Updates
- 2023 Corporate Performance Targets
- 2024 Corporate Performance Targets

January Scorecard

MWh Sales

Class	YTD Prior Year	YTD Actual	Percent Change
Residential (D)	15,297	15,194	-0.7%
Small Comm (G)	5,063	5,341	5.5%
Large Comm (J)	4,154	4,004	-3.6%
Lrg Pwr Primary (L)	3,675	3,958	7.7%
Lrg Pwr Secondary (P)	7,979	8,505	6.6%
Street Lighting (SL)	58	58	0.6%
Irrigation	137	14	-89.5%
Total	36,362	37,074	2.0%



Liquidity & Available Funding

(In Millions)	YTD Actual
Cash	\$0.1
Short-Term Investments	\$41.6
Cushion of Credit	\$0.0
Total Cash & Investments	\$41.6
Line of Credit Available	\$100.0
Line of Credit Drawn	\$0.0

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General Ledger Financial And Operating Report Electric Distribution

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INCOME STATEMENT FOR JAN 2024

Item	-----Year - To - Date-----			-----Period - To - Date-----	
	Last Year	This Year	Budget	Current	Budget
1. Operating Revenue and Patronage Capital	13,300,457.88	13,930,345.62	14,410,193.00	13,930,345.62	14,410,193.00
2. Power Production Expense	4,416,641.26	4,648,401.81	4,216,079.00	4,648,401.81	4,216,079.00
3. Cost of Purchased Power	3,484,672.50	3,458,992.42	3,751,389.00	3,458,992.42	3,751,389.00
4. Transmission Expense	62,795.86	76,060.29	118,753.00	76,060.29	118,753.00
5. Regional Market Expense	0.00	0.00	0.00	0.00	0.00
6. Distribution Expense - Operation	119,349.48	107,235.73	137,562.00	107,235.73	137,562.00
7. Distribution Expense - Maintenance	417,807.49	422,694.96	456,025.00	422,694.96	456,025.00
8. Customer Accounts Expense	186,279.31	192,195.12	256,175.00	192,195.12	256,175.00
9. Customer Service and Informational Expense	6,491.95	26,127.49	19,999.00	26,127.49	19,999.00
10. Sales Expense	0.00	0.00	0.00	0.00	0.00
11. Administrative and General Expense	1,601,981.76	1,822,852.57	2,235,726.00	1,822,852.57	2,235,726.00
12. Total Operation & Maintenance Expense (2 thru 11)	10,296,019.61	10,754,560.39	11,191,708.00	10,754,560.39	11,191,708.00
13. Depreciation & Amortization Expense	1,284,073.76	1,242,198.41	1,337,221.00	1,242,198.41	1,337,221.00
14. Tax Expense - Property & Gross Receipts	332,133.37	347,801.95	360,255.00	347,801.95	360,255.00
15. Tax Expense - Other	781,841.96	818,725.78	860,640.00	818,725.78	860,640.00
16. Interest on Long-Term Debt	562,940.22	540,244.50	542,000.00	540,244.50	542,000.00
17. Interest Charged to Construction - Credit	0.00	0.00	0.00	0.00	0.00
18. Interest Expense - Other	0.00	0.00	0.00	0.00	0.00
19. Other Deductions	992.31	8,600.00	45,330.00	8,600.00	45,330.00
20. Total Cost of Electric Service (12 thru 19)	13,258,001.23	13,712,131.03	14,337,154.00	13,712,131.03	14,337,154.00
21. Patronage Capital & Operating Margins (1 minus 20)	42,456.65	218,214.59	73,039.00	218,214.59	73,039.00
22. Non Operating Margins - Interest	235,396.75	247,987.12	188,430.00	247,987.12	188,430.00
23. Allowance for Funds Used During Construction	0.00	0.00	0.00	0.00	0.00
24. Income (Loss) from Equity Investments	-115,713.88	-40,721.41	-167,655.00	-40,721.41	-167,655.00
25. Non Operating Margins - Other	32,176.54	28,915.82	12,120.00	28,915.82	12,120.00
26. Generation and Transmission Capital Credits	0.00	0.00	0.00	0.00	0.00
27. Other Capital Credits and Patronage Dividends	0.00	0.00	0.00	0.00	0.00
28. Extraordinary Items	0.00	0.00	0.00	0.00	0.00
29. Patronage Capital or Margins (21 thru 28)	194,316.06	454,396.12	105,934.00	454,396.12	105,934.00
Operating - Margin	194,316.06	454,396.12	105,934.00	454,396.12	105,934.00
Non Operating - Margin	0.00	0.00	0.00	0.00	0.00
Times Interest Earned Ratio - Operating	1.08	1.40			
Times Interest Earned Ratio - Net	1.35	1.84			
Times Interest Earned Ratio - Modified	1.35	1.84			

General Ledger
Financial And Operating Report Electric Distribution

*Preliminary***BALANCE SHEET FOR JAN 2024**

	<u>Last Year</u>	<u>This Year</u>	<u>Variance</u>
ASSETS AND OTHER DEBITS			
1. Total Utility Plant in Service	595,456,054.68	595,636,675.80	180,621.12
2. Construction Work in Progress	13,457,430.21	10,788,276.47	-2,669,153.74
3. Total Utility Plant (1 + 2)	608,913,484.89	606,424,952.27	-2,488,532.62
4. Accum. Provision for Depreciation and Amort.	336,641,858.61	334,378,936.89	-2,262,921.72
5. Net Utility Plant (3 - 4)	272,271,626.28	272,046,015.38	-225,610.90
6. Non-Utility Property (Net)	0.00	0.00	0.00
7. Invest. in Subsidiary Companies	24,068,371.55	21,852,572.70	-2,215,798.85
8. Invest. in Assoc. Org. - Patronage Capital	1,171,785.68	1,272,549.07	100,763.39
9. Invest. in Assoc. Org. - Other - General Funds	831,300.00	666,500.00	-164,800.00
10. Invest. in Assoc. Org. - Other - Nongeneral Funds	0.00	0.00	0.00
11. Invest. in Economic Development Projects	956,943.26	960,359.54	3,416.28
12. Other Investments	0.00	0.00	0.00
13. Special Funds	0.00	0.00	0.00
14. Total Other Property & Investments (6 thru 13)	27,028,400.49	24,751,981.31	-2,276,419.18
15. Cash - General Funds	-3,363,774.08	-2,366,868.61	996,905.47
16. Cash - Construction Funds - Trustee	0.00	0.00	0.00
17. Special Deposits	-23,350.91	-16,535.67	6,815.24
18. Temporary Investments	45,905,997.65	40,919,677.25	-4,986,320.40
19. Notes Receivable (Net)	0.00	0.00	0.00
20. Accounts Receivable - Sales of Energy (Net)	10,173,025.97	11,118,098.83	945,072.86
21. Accounts Receivable - Other (Net)	441,068.30	1,201,087.92	760,019.62
22. Renewable Energy Credits	0.00	0.00	0.00
23. Material and Supplies - Electric & Other	22,794,067.73	22,462,881.00	-331,186.73
24. Prepayments	1,083,213.78	558,246.73	-524,967.05
25. Other Current and Accrued Assets	8,455,020.45	8,640,315.82	185,295.37
26. Total Current and Accrued Assets (15 thru 25)	85,465,268.89	82,516,903.27	-2,948,365.62
27. Regulatory Assets	33,290,158.80	36,408,128.09	3,117,969.29
28. Other Deferred Debits	219,569.63	84,157.65	-135,411.98
29. Total Assets and Other Debits (5 + 14 + 26 thru 28)	418,275,024.09	415,807,185.70	-2,467,838.39

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General Ledger Financial And Operating Report Electric Distribution

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Preliminary

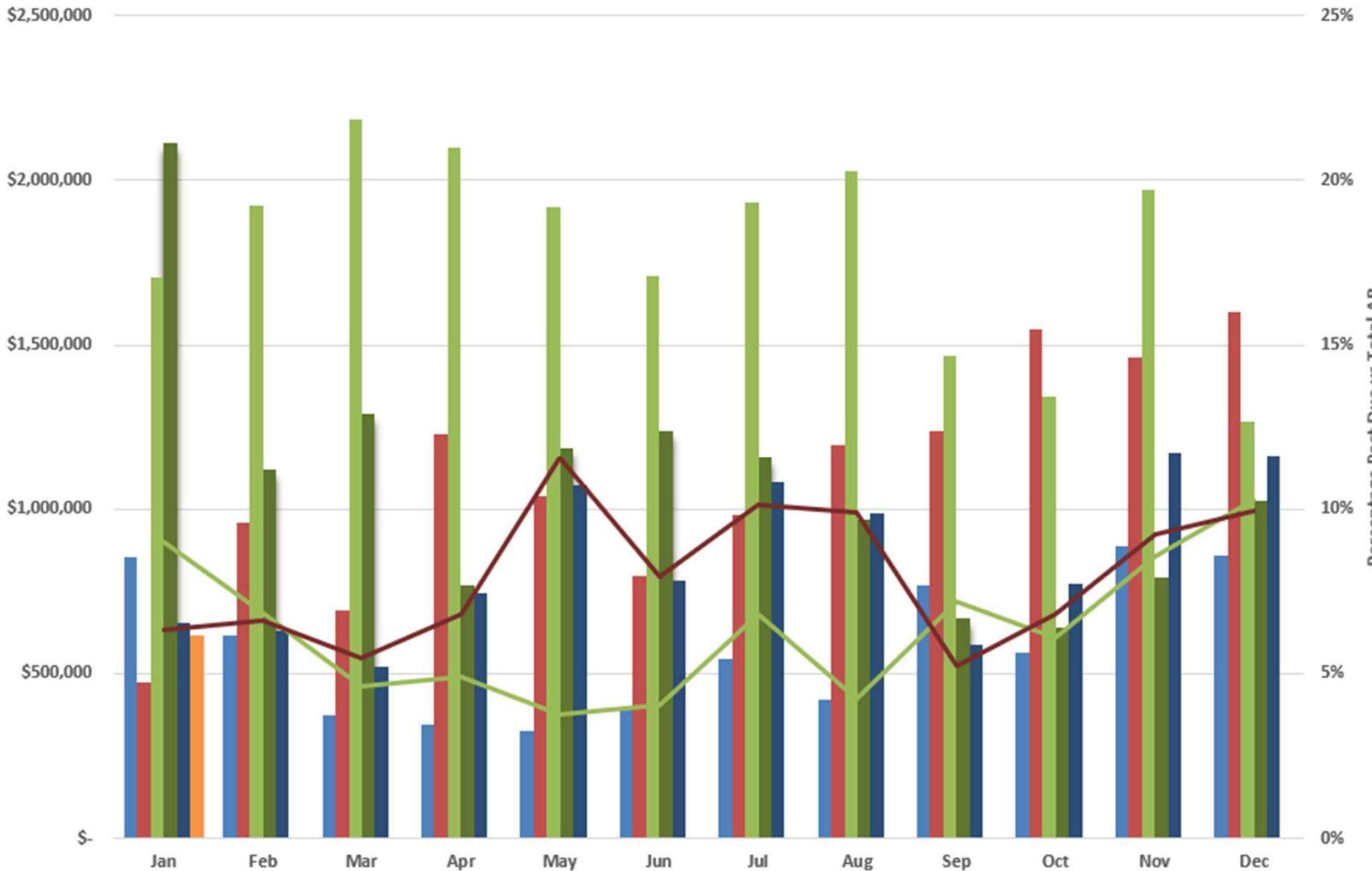
BALANCE SHEET FOR JAN 2024

	Last Year	This Year	Variance
LIABILITIES AND OTHER CREDITS			
30. Memberships	598.94	611.58	12.64
31. Patronage Capital	134,710,074.78	134,461,874.70	-248,200.08
32. Operating Margins - Prior Years	0.00	0.00	0.00
33. Operating Margins - Current Year	194,316.06	454,396.12	260,080.06
34. Non-Operating Margins	0.00	0.00	0.00
35. Other Margins and Equities	63,734.93	274,043.19	210,308.26
36. Total Margins & Equities (30 thru 35)	134,968,724.71	135,190,925.59	222,200.88
37. Long-Term Debt - RUS (Net)	0.00	0.00	0.00
38. Long-Term Debt - FFB - RUS Guaranteed	117,199,374.53	117,199,374.53	0.00
39. Long-Term Debt - Other - RUS Guaranteed	0.00	0.00	0.00
40. Long-Term Debt - Other (Net)	118,162,742.42	118,149,742.19	-13,000.23
41. Long-Term Debt - RUS Econ. Devel. (Net)	0.00	0.00	0.00
42. Payments - Unapplied	-6,295,056.36	-475.45	6,294,580.91
43. Total Long-Term Debt (37 thru 41 - 42)	229,067,060.59	235,348,641.27	6,281,580.68
44. Obligations Under Capital Leases - Noncurrent	13,583,205.15	13,003,196.24	-580,008.91
45. Accumulated Operating Provisions	-1,182.07	-93,167.92	-91,985.85
46. Total Other Noncurrent Liabilities (44 + 45)	13,582,023.08	12,910,028.32	-671,994.76
47. Notes Payable	0.00	0.00	0.00
48. Accounts Payable	6,273,775.48	4,403,231.60	-1,870,543.88
49. Consumers Deposits	1,306,817.73	1,546,703.07	239,885.34
50. Current Maturities Long-Term Debt	13,260,273.37	0.00	-13,260,273.37
51. Current Maturities Long-Term Debt - Econ. Devel.	0.00	0.00	0.00
52. Current Maturities Capital Leases	0.00	0.00	0.00
53. Other Current and Accrued Liabilities	8,769,990.78	8,985,262.08	215,271.30
54. Total Current & Accrued Liabilities (47 thru 53)	29,610,857.36	14,935,196.75	-14,675,660.61
55. Regulatory Liabilities	0.00	0.00	0.00
56. Other Deferred Credits	11,046,358.35	13,161,728.37	2,115,370.02
57. Total Liab. & Other Credits (36+43+46+54 thru 56)	418,275,024.09	411,546,520.30	-6,728,503.79
Current Assets To Current Liabilities	2.89 to 1	5.52 to 1	
Margins and Equities To Total Assets	32.27 %	32.51 %	
Long-Term Debt To Total Utility Plant	37.62 %	38.81 %	

KAUAI ISLAND UTILITY COOPERATIVE
NOTES, BONDS, AND OTHER INDEBTEDNESS
YEARS ENDED DECEMBER 31, 2023 AND 2024

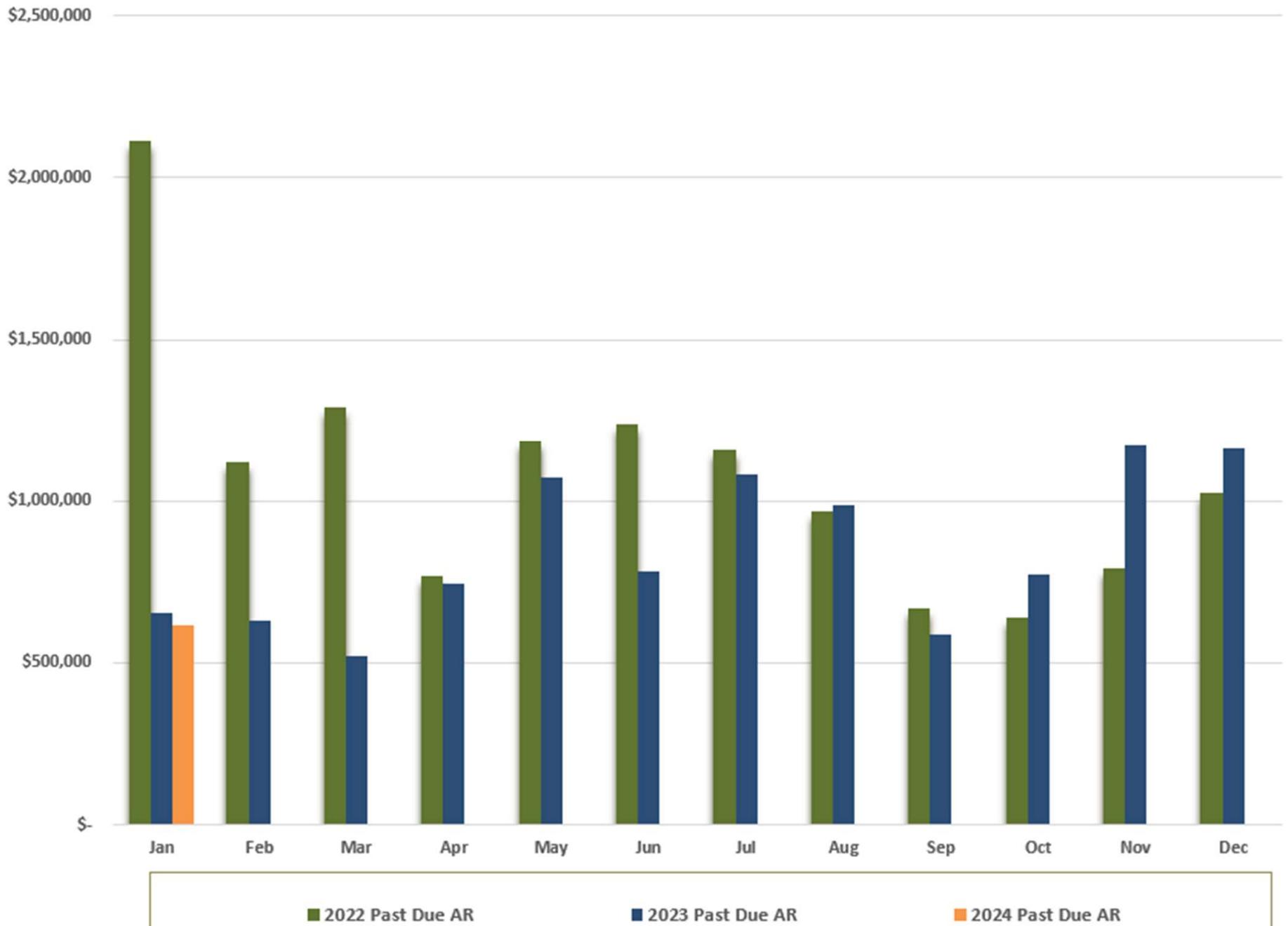
LINE NO.	LENDER	DATE OF NOTE	DATE OF ISSUE	DATE OF MATURITY	INTEREST RATE	LOAN #	ORIGINAL AMOUNT	BALANCE AT 12/31/2023	2023 INTEREST EXPENSE	PROJECTED BALANCE AT 12/31/2024	PROJECTED 2024 INTEREST EXPENSE
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
1	CFC	12/17/03	12/18/03	09/30/23	3.690%	HI001-9005	\$ 8,240,000	\$ -	\$ 7,612	\$ -	\$ -
2	CFC	04/30/19	04/30/19	03/31/35	2.550%	HI001-9014-001	103,133,717	72,704,840	1,930,366	67,052,336	1,788,214
3	CFC	02/06/20	02/25/20	12/31/49	2.760%	HI001-9019B	26,500,000	24,226,770	679,552	23,579,920	662,002
4							<u>137,873,717</u>	<u>96,931,610</u>	<u>2,617,529</u>	<u>90,632,257</u>	<u>2,450,216</u>
5	FFB	06/01/04	10/19/04	12/31/23	2.837%	B8 - 1-1	8,240,000	-	10,185	-	-
6	FFB	06/01/04	10/19/04	12/31/23	2.574%	B8 - 1-2	8,240,000	-	9,234	-	-
7	FFB	06/01/04	10/19/04	12/31/23	4.430%	B8 - 1-3	16,480,000	-	35,673	-	-
8							<u>32,960,000</u>	<u>-</u>	<u>55,092</u>	<u>-</u>	<u>-</u>
9	FFB	07/01/11	06/07/12	12/31/42	2.424%	C8#1 - 2-1	8,716,000	6,262,788	155,277	5,995,975	148,560
10	FFB	07/01/11	10/23/12	12/31/42	2.604%	C8#1 - 2-2	1,606,000	1,162,799	30,956	1,114,101	29,639
11	FFB	07/01/01	06/24/13	12/31/42	3.259%	C8#1 - 2-3	9,100,000	6,770,327	225,194	6,504,071	216,192
12	FFB	07/01/11	11/25/13	12/31/42	2.662%	C8#1 - 2-4	2,689,000	1,928,409	52,473	1,848,092	50,254
13	FFB	07/01/11	03/18/14	12/31/42	3.334%	C8#1 - 2-6	5,198,000	3,941,994	134,111	3,788,091	128,788
14	FFB	07/01/11	08/07/14	12/31/42	3.023%	C8#1 - 2-7	5,731,000	4,340,285	133,992	4,165,662	128,514
15	FFB	07/01/11	05/08/15	12/31/42	2.665%	C8#1 - 2-8	4,213,000	3,208,446	87,402	3,074,855	83,705
16	FFB	07/01/11	09/18/15	12/31/42	2.715%	C8#1 - 2-9	748,000	574,669	15,946	550,855	15,275
17	FFB	01/15/15	10/29/15	12/31/42	2.558%	C8#2 - 3-1	6,000,000	4,611,482	120,612	4,417,504	115,460
18	FFB	01/15/15	01/12/16	12/31/42	2.636%	C8#2 - 3-2	35,586,552	27,600,650	743,748	26,448,249	712,208
19							<u>79,587,552</u>	<u>60,401,849</u>	<u>1,699,711</u>	<u>57,907,457</u>	<u>1,628,596</u>
20	FFB	12/01/17	04/24/18	12/31/51	3.199%	D8 - 4-1	22,192,000	20,365,770	658,583	19,895,814	642,298
21	FFB	12/01/17	10/22/18	12/31/51	3.437%	D8 - 4-2	5,707,000	5,255,619	182,503	5,138,616	178,139
22	FFB	12/01/17	06/06/19	12/31/51	2.578%	D8 - 4-3	4,776,000	4,341,053	113,293	4,231,193	110,239
23	FFB	12/01/17	06/22/20	12/31/51	1.326%	D8 - 4-4	3,992,000	3,620,494	48,759	3,510,802	47,200
24	FFB	12/01/17	10/08/21	12/31/51	2.087%	D8 - 4-5	7,889,000	7,494,384	158,532	7,290,648	153,959
25	FFB	12/01/17	05/19/22	12/31/51	3.236%	D8 - 4-6	3,450,000	3,341,179	109,287	3,264,506	106,598
26	FFB	12/01/17	08/29/22	12/31/51	3.422%	D8 - 4-7	12,706,000	12,379,027	428,003	12,102,814	417,747
27							<u>60,712,000</u>	<u>56,797,525</u>	<u>1,698,961</u>	<u>55,434,394</u>	<u>1,656,180</u>
28	COBANK	02/06/20	02/22/21	02/20/51	2.900%	00102606 T01	18,119,000	17,004,406	506,035	16,590,382	495,406
29	COBANK	02/06/20	02/10/22	02/10/52	3.330%	3455702 T01-DS	4,900,000	4,720,774	161,090	4,618,994	158,147
30							<u>23,019,000</u>	<u>21,725,180</u>	<u>667,125</u>	<u>21,209,376</u>	<u>653,553</u>
31	Total Long Term Debt						\$ 334,152,269	\$ 235,856,165	\$ 6,738,418	\$ 225,183,483	\$ 6,388,545

YOY > 30 days vs Total AR

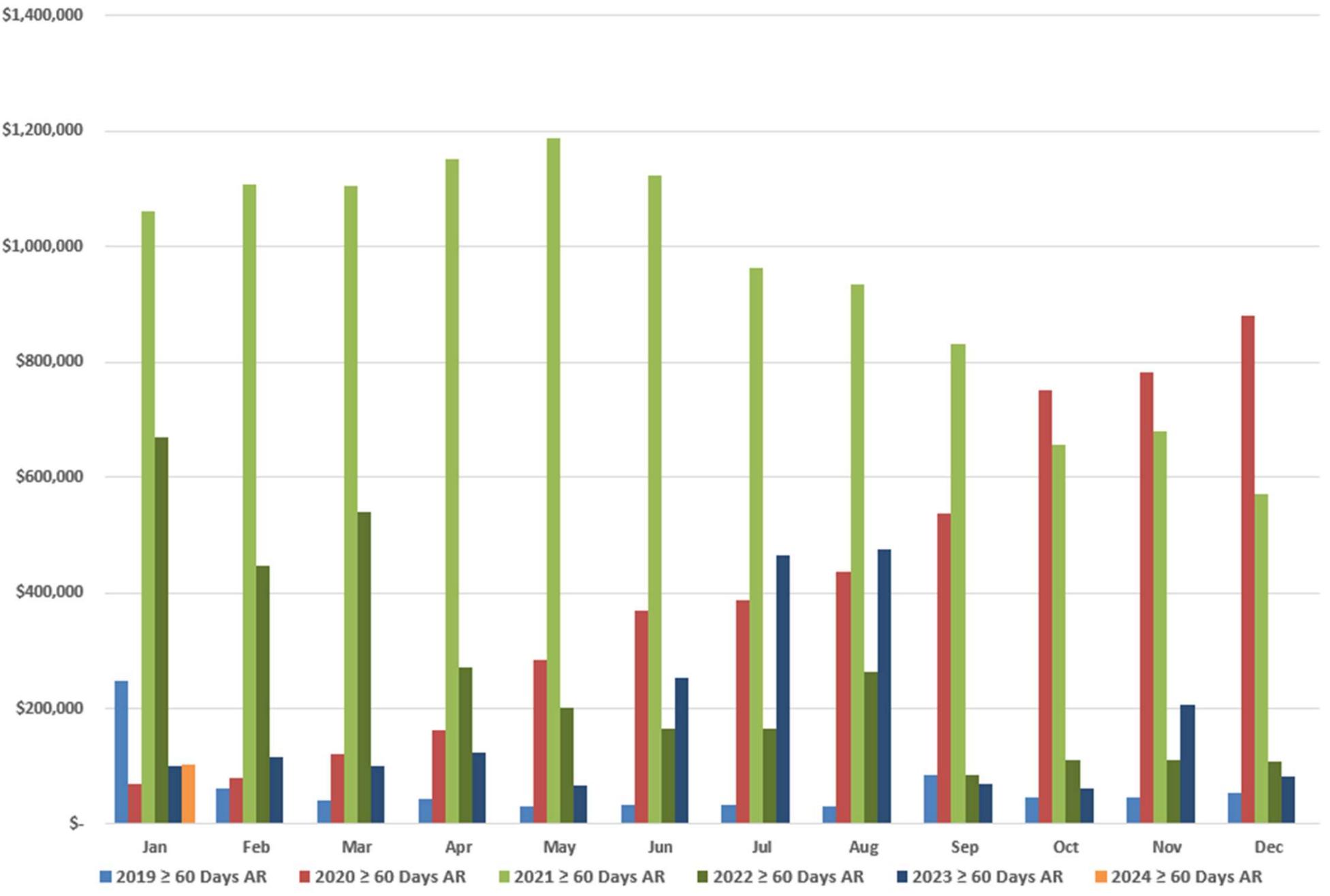


■ 2019 Past Due AR
 ■ 2020 Past Due AR
 ■ 2021 Past Due AR
 ■ 2022 Past Due AR
■ 2023 Past Due AR
 ■ 2024 Past Due AR
 — 2019 % Past Due vs Total AR
 — 2023 % Past Due vs Total AR

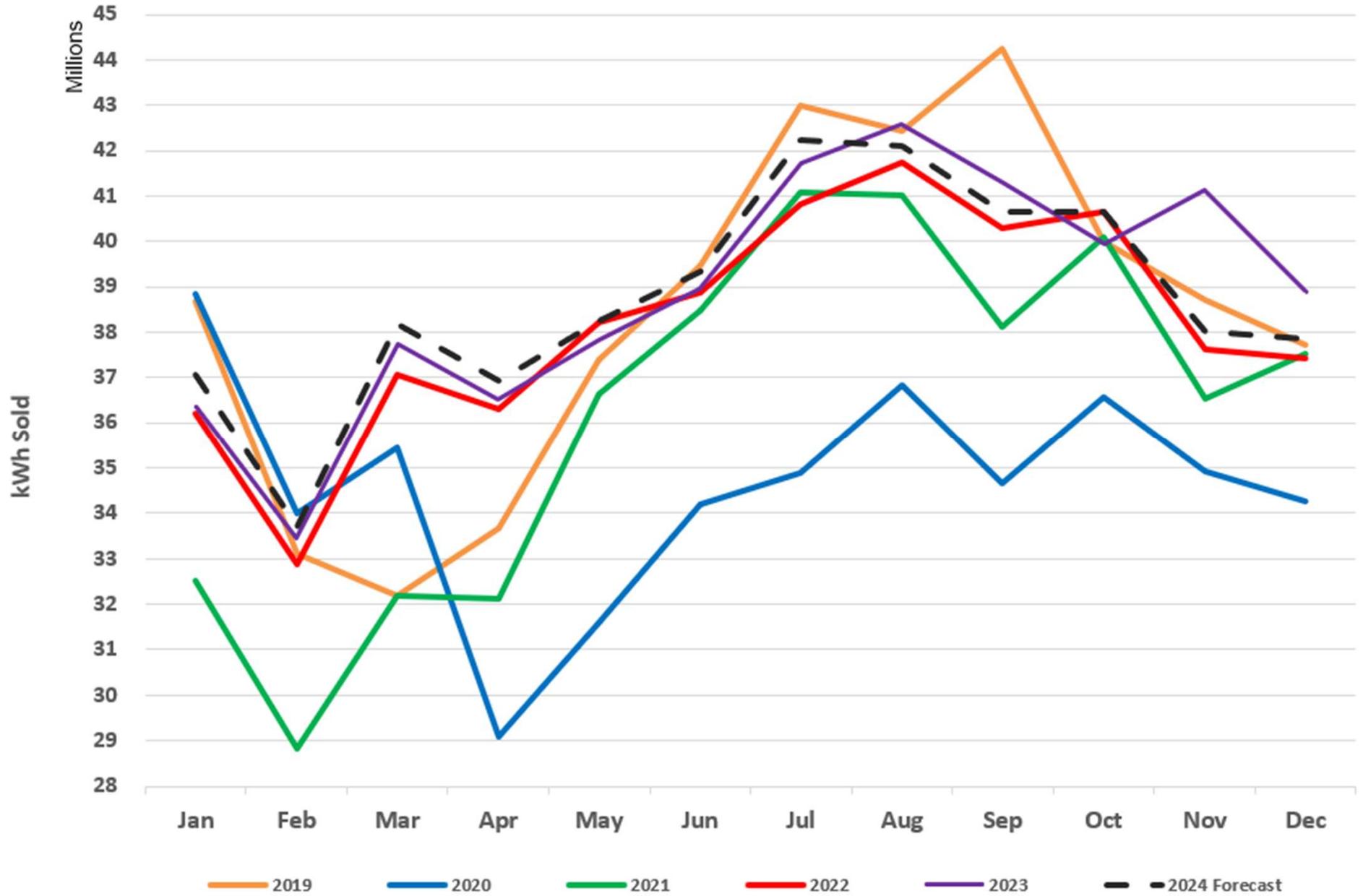
YOY > 30 days vs Total AR



YOY \geq 60 Days



Total kWh Sold



Treasury Management – Monthly Discussion

- Ratings:
 - 2/8 BOH Meeting and confirmed no changes in Money Market Fund Rating
- Current Summary Of Investments:
- **\$31.5M** Dreyfus Funds – AAA Rating Money Market Fund very ST
 - Government MM Fund – Treasury Only
 - Stable Value type of money market (heavily regulated and makes it difficult to break the dollar)
 - 4.98% Interest Rate
- **\$5.01M** CFC Daily and Monthly Commercial Paper – ST to Medium Term Investment – Daily to Monthly A2 Moody and S&P A-
 - Daily Fund \$4.9M 4.60% - Over \$5M transfer in progress.
- **\$4.97M** CoBank Commercial Paper Investment – AA- Moody and S&P
 - 60-day Investment – 4.30%
- **\$257,775** Central Pacific Bank – Backup Checking in NISC if needed
 - Backup for Checking in Money Market (unlimited) account
 - 4.04%

Questions?

NRECA Board Update

January 2024



- ◆ NRECA continues to aggressively advocate for reliable and affordable electricity. Recent highlights include:
 - ◇ Jim Matheson penned an [op-ed](#) and participated in multiple media [interviews](#) to address how our national energy policy is threatening reliable and affordable electricity.
 - ◇ An industry coalition that includes NRECA sent a [letter](#) urging Congress to approve funding to hasten production of transformers and other crucial electric grid equipment. Additionally, NRECA is publicly [supporting](#) the Distribution Transformer Efficiency and Supply Chain Reliability Act, a bipartisan Senate bill that seeks to prevent electric cooperatives from having to wait even longer to acquire distribution transformers.
 - ◇ Matheson participated in a panel discussion at the United States Energy Association's 20th State of the Energy Industry [Forum](#), where he pointed to public policy as a risk to electric reliability.
 - ◇ To publicize the real-world effects of EPA's power plant proposal, NRECA launched a video [series](#) featuring generation and transmission co-ops discussing potential impacts of the proposed regulations.

- ◆ At a [hearing](#) of the House Energy and Commerce Subcommittee on Energy, Climate and Grid Security, Matheson testified about a controversial legal settlement over the federal government's operation of the lower Snake River dams. He told the panel that efforts to breach the four lower Snake River dams in Washington state threaten the future of the region's power supply, putting dozens of Northwest electric cooperatives and their consumer-members at risk. Watch a clip of the [testimony](#).

- ◆ NRECA filed [comments](#) with the Department of Energy regarding proposed changes under the National Environmental Policy Act provisions that apply to DOE-funded projects. NRECA supported changes that will allow more co-op projects a streamlined review and encouraged DOE to consider further ways to streamline the process.

- ◆ NRECA [announced](#) the participants of a \$4 million project to advance grid resiliency. Five electric co-ops will launch NRECA and DOE's Community-Integrated Distributed Energy Resilience (CIDER) Initiative by deploying software to coordinate with the grid and optimize behind-the-meter resources.

- ◆ As part of a series of cybersecurity [guidebooks](#) for cooperative job roles, NRECA released one geared toward Human Resources and Benefits Administration Professionals.

NRECA Board of Directors

NRECA Update

February 2024

Advocacy for Reliability & Affordability

NRECA continues the drumbeat of reliability and affordability:

- Jim Matheson penned an op-ed and participated in media interviews as well as the USEA State of the Energy Industry Forum to address energy policy.



Matheson speaks during the USEA State of Energy Industry Forum at the National Press Club in Washington, D.C.

Advocacy continued...

- An industry coalition including NRECA sent a letter encouraging funding for transformer production.
- NRECA launched a video series, featuring G&Ts, on the impacts of proposed EPA regulations.



Cooperative Energy CEO Jeff Bowman and Buckeye Power CEO Pat O'Loughlin are featured in NRECA's EPA impact videos.

Testifying for Reliable Electricity



At a recent hearing, Matheson testified on the efforts to breach the four lower Snake River dams in Washington state.

Matheson testifies about the importance of the lower Snake River dams in providing hydropower to Northwest co-ops.

Future Forward

- NRECA picked five co-ops for Community-Integrated Distributed Energy Resilience (CIDER) Initiative.
- As part of a series of cybersecurity guidebooks for cooperative job roles, NRECA released one for HR and Benefits Administration professionals.





Report of KIUC Charitable Foundation

To KIUC Board of Directors

2/27/2024

The Charitable Foundation Board met on 2/13/24

The following reports were received:

Treasurer reported an ending balance of \$73,718.54

KEO - Catholic Charities no assist for the mo.

The Board approved \$5,000 to KEO.

In the Makana program we had 445 participating and year end total contributions were \$3,595.00

Golf Tournament- Dee Crowell.

T. Phil Tacbian, President

KIUC BOARD POLICY NO. 23
ELECTIONEERING

PURPOSE OF POLICY:

This policy prohibits electioneering with KIUC resources.

POLICY CONTENT:

KIUC respects the right of its members and employees and other individuals to both free speech and the right to participate in the political process as private citizens. It does not, however, support the use of KIUC owned or leased property or KIUC-controlled information, such as employee or member information, to promote the election of a particular candidate for any government or KIUC elective office or the interests of a particular political party. It is the policy of KIUC that electioneering, which means working actively for any candidate or political party, shall not be permitted, either on KIUC property or using KIUC information.

Adopted on this ~~xx23~~²³rd day of ~~Month~~September,
202~~4~~1.

Revised: ~~09/23/2021~~

Revised: 09/23/2021

Reviewed: 04/24/2018

Reviewed: 07/26/2016

Reviewed: 07/29/2014

Revised: 09/27/2011

Original Adoption: 10/31/2006

Calvin Murashige
Secretary

~~KAUAI ISLAND UTILITY COOPERATIVE ("KIUC")~~
KIUC BOARD POLICY NO. 24
FUNDING THE KIUC CHARITABLE FOUNDATION

PURPOSE OF POLICY:

The purpose of this policy is to govern the funding of the KIUC Charitable Foundation (the "Foundation").

POLICY CONTENT:

I. Objectives

The Foundation is organized exclusively to benefit charitable, scientific, educational, and public purposes and entities. Examples include, but are not limited to:

- Assisting local non-profit and other community organizations which contribute to Kaua'i's quality of life.
- Supporting and encouraging KIUC employees and directors to assume active roles in the community via local non-profit and other community organizations which contribute to Kaua'i's quality of life.
- Making grants and/or loans to non-profit entities or needy individuals in furtherance of the purposes of the organizations.
- Applying for private and public grants and funding to accomplish the purposes of the corporation.
- Transacting any or all lawful activities for which nonprofit corporations may be incorporated under Chapter 414D, Hawaii Revised Statutes.

II. Foundation Funding

It is the policy of this Board ~~of Directors~~ to fund the charitable activities of the Foundation from:

- A. Unclaimed patronage capital refunds, as those funds are reported annually to State of Hawaii Director of Finance in accordance with the requirements of the Hawaii Revised Statutes HRS §421C-41 that exempts KIUC from the provisions of HRS Chapter 523A dealing with "Unclaimed Property". In the event KIUC successfully issues any refunds more than five years after they become unclaimed, that amount will be deducted from the next annual set of unclaimed funds paid to the Foundation in accordance with this policy.
- B. The Makana Program, a community support program which enables members to donate to local charities and service organizations by allowing KIUC to round up electric bills to the next highest dollar. All monthly contributions are transferred

to the Foundation.

III. Guidance

- A. Patronage capital refunds will be deemed unclaimed when a refund check is not cashed and/or is returned to KIUC as unclaimed or undeliverable; provided that even after such funds are deemed unclaimed KIUC will continue such reasonable efforts as it believes are appropriate to locate the owners of such funds.
- B. The Makana Program is a voluntary program where participants opt-in by authorizing KIUC to include a round-up charge to the next dollar on their monthly electric bill until such time the customer chooses to be removed from the program. The participant will also have the option to make a one-time donation or add an additional monthly amount to the program.

RESPONSIBILITY:

The responsibility for implementing this policy is assigned as follows:

- A. The CEO has the responsibility for accounting for Foundation funding.
- B. The CEO has the responsibility to transfer funds to the Foundation in accordance with this policy.
- C. The CEO has the responsibility to report annually to the Board ~~of Directors~~ the amount of Foundation funds including the amounts transferred to the Foundation in the period covered by the report.
- D. The Board ~~of Directors~~, with the advice of CEO, has the responsibility for reviewing the Foundation funds and transfers to the Foundation for compliance with this policy.

Adopted on this ~~16th~~27th day of ~~February~~December, 2021, 2024.

Revised: ~~12/16/2021~~02/27/2024

Revised: 12/16/2021

Reviewed: 12/19/2018

Reviewed: 03/28/2017

Reviewed: 05/26/2015

Revised: 11/27/2012

Revised: 08/26/2008

Original Adoption: 12/19/2006

Calvin Murashige
Secretary

BOARD APPROVAL REQUEST FORM

Requestor

Department **Accounting**

Date **2/13/2024**

Name Chris Yuh

Title: Manager

Program/Project Name **Write-off of steam plant material**

Project Dates (if any) _____

Deadline(s) _____

Description of Request (attach documentation if needed)

It is requested of the Board to approve a budget variance request of \$320,000 to expense the write-off of obsolete steam plant inventory. Due to the age of the material, it was also deemed unusable elsewhere and not salvageable.

Financial Impact

Fiscal Year: 2024

Budgeted? _____ Unbudgeted? X

O&M X Capital _____ (if NEW, attach Capital Justification Sht)

Original Budget Amt _____

Additional/Change **\$ 320,000**

Revised Budget Amt **\$ 320,000**

Required (Initials)

CEO Review: DB

Committee Referral/Action

Committee F&A

Meeting Date: 2/13/2024

Committee Recommendations: _____

Cmte Chairperson Presiding: Peter Yukimura

Board Action

Board Workshop _____

Wrkshp Date: _____

Board Meeting Date _____

Action Taken: _____

1st/2nd: _____

Other Info: _____

Res No. _____

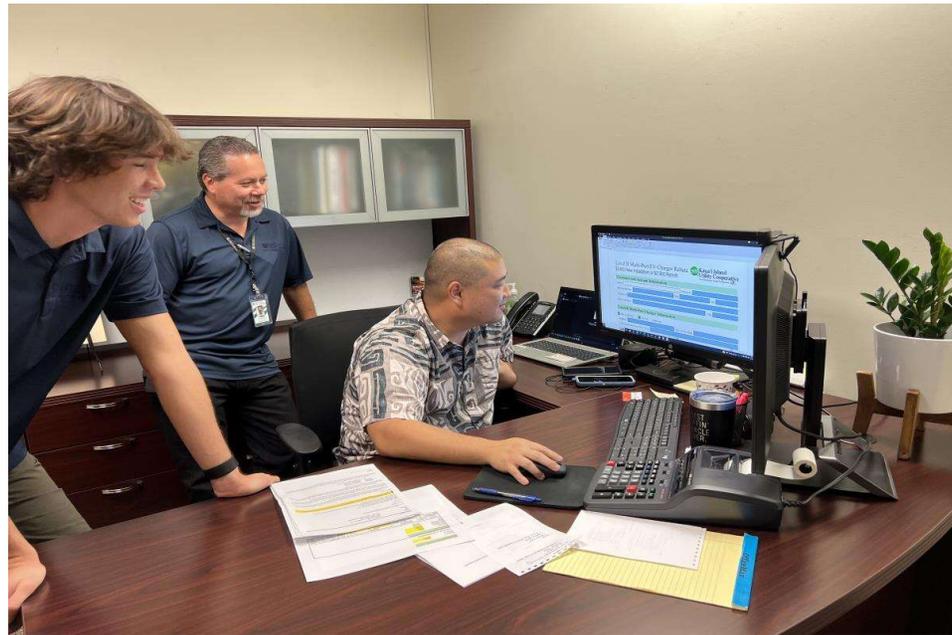
File Date & Location _____

2023 Recap of Corporate Performance Targets and 2024 Presentation of Targets



STRATEGIC PLAN 2023-2033

Goal 1: Cost of Electricity - *KIUC will deliver electricity at the lowest possible cost.*



STRATEGIC PLAN 2023-2033

Goal 2: Carbon Footprint – *KIUC will contribute to a sustainable Kauai.*



STRATEGIC PLAN 2023-2033

Goal 3: Resilience and Reliability - *KIUC will become more resilient, improve reliability, and be better able to handle operational challenges and threats from cybersecurity, local climate change impacts, and natural disasters such as hurricanes and floods.*





Waimea Light Parade 2023 - Thank you walkers!!

Way to go Makani and Tracie for representing KIUC in the 2023 Kauai United Way campaign!! As The Garden Island quoted from Makani's speech...."No sked give from da heart"





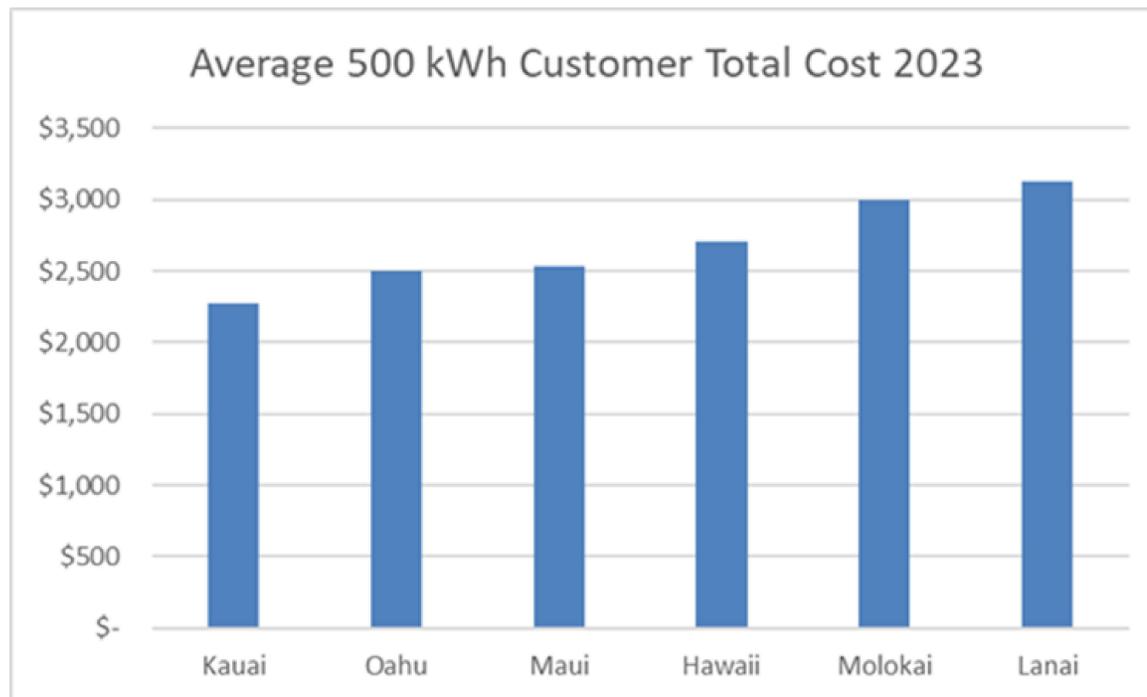
Key 2023 Accomplishments

- ▶ Rate case - Interim rates in place
- ▶ Labor agreement reached with IBEW - 4 years
- ▶ Lowest rates in state for entire year
- ▶ HCP strike minimization
 - ▶ Diverters installed on 182 spans
 - ▶ Static line removed from 177 spans
 - ▶ 29 spans removed
 - ▶ 8 spans reconfigured
- ▶ Awarded significant federal funds for various projects

Key 2023 Accomplishments Continued...

- ▶ New RUS Loan Application Submitted
- ▶ Secured new renewable project sites
- ▶ T&D crews move to Anahola Service Center
- ▶ KPS major boiler overhaul completed
- ▶ Cybersecurity framework adopted
 - ▶ Implementation in process
- ▶ Anahola BESS decommissioned
 - ▶ Batteries recycled (Industry first)

Key 2023 Accomplishments Continued...



2023 Corporate Performance Targets

- ▶ Minimum Requirements for 2023 Targets:
 - ▶ No Payout if Financial Covenants Not Met
 - ▶ With 2023 Unaudited Financials all Financial Covenants have been met
 - ▶ **Minimum Requirement: Achieved**
 - ▶ No Payout to individual NBU Employees if Service Requirements not met
 - ▶ Either attend 2 KIUC Events or attend 1 KIUC event and 1 seat on a Community Organization Board
 - ▶ **Minimum Requirement: Achieved - All employees**

Carbon Footprint

2023 Corporate Performance Targets										
%	Strategic Goal	%	Outcome	YTD Actual / Forecast	Level [Payout]				Projected Level	Weighted Level
					0 [0%]	1 [75%]	2 [100%]	3 [125%]		
25%	Carbon Footprint	10%	DSM & Efficiency Measures	2450	1,925 MWh	2,200 MWh	2,450 MWh	2,700 MWh	2.00	0.050
		15%	KRS1 & KRS2 Curtailment	285	> 2,000 MWh	1,500 MWh	1,000 MWh	500 MWh	3.00	0.113
		15%	Electric Vehicle Adoption Support	Completed 5 improvements	Less than 3 improvements	Complete 3 improvements	Complete 4 improvements	Complete 5 improvements	3.00	0.113
		30%	New Renewable Project and Utilization of Biodiesel Fuel	Completed 3 improvements	Less than 2 improvements	Complete 2 improvements	Complete 3 improvements	Complete 4 improvements	2.00	0.150
		30%	West Kauai Energy Project	Completed 3 improvements	Less than 2 improvements	Complete 2 improvements	Complete 4 improvements	Complete 6 improvements	1.50	0.113

EV Charger Rebate Program



Pacific Biodiesel added to mix in 2023



Resiliency and Reliability

25%	Resiliency and Reliability	20%	Average Service Availability (ASA) - based on sustained outages	99.95	< 99.96	99.96	99.97	99.98	0.00	0.000
		20%	North Shore Resiliency and No Island Wide Outage	Completed 2 improvements	Less than 2 improvements	Complete 2 improvements	Complete 3 improvements (including #5)	Complete 4 improvements (including #5)	1.00	0.050
		20%	Physical Review and Implementation of Assets for Security	Completed 4 improvements	Less than 2 improvements	Complete 2 improvements	Complete 3 improvements	Complete 5 improvements	2.50	0.125
		20%	Develop a Plan to Move or Upgrade Electrical Equipment threatened by Climate Change	Completed 1 Improvements	Not Completed	Complete 1 improvements	Complete 2 improvements	Complete 4 improvements	1.00	0.050
		20%	IT, Cyber Security & Improvement of System Practices to prevent/mitigate the impacts of cyber-attacks	Completed 9 improvements	Less than 6 improvements	Complete 6 improvements	Complete 8 improvements	Complete 10 improvements	2.50	0.125

Resiliency and Reliability

Resiliency and Reliability	<u>Average Service Availability (ASA) - based on sustained outages</u> 99.9539 through December	
Resiliency and Reliability	<u>North Shore Resiliency and No Island Wide Outages</u> 1) PUC approval Kilohana Switchyard 2) PUC approval Kilohana - Hanahanapuni transmission line 3) PUC approval Hanalei Tap - Princeville Sub. 4) RFP for Megapack at Wainiha and or Princeville Substation 5) No island wide outages	
Resiliency and Reliability	<u>Physical Review and Implementation of Assets for Security</u> 1) Establish MOU with law enforcement, fire & first responder - not doing this 2) Create a key lock control system procedure 3) Implement security signage at all facilities 4) Create procedures for security processes such as entering and exiting KIUC facilities 5) Re-examine physical security of Kapaa sub following personnel move to Anahola (including elimination of walk through gate)	
Resiliency and Reliability	<u>Develop a Plan to Move or Upgrade Electrical Equipment threatened by Climate Change</u> 1) Pick a potential alternative site for Kapaa Substation - not able to complete this year 2) Assess short term risks of hurricane or other threats to substation 3) Possibility of Hesco Barriers around substation 4) Move all personnel and equipment out of Kapaa Sub and cleaning completed	
Resiliency and Reliability	<u>IT, Cyber Security & Improvement of System Practices to prevent/mitigate the impacts of cyber-attacks</u>	red completed items - updated 1/2/24
	1) Complete CIS Control 1: Inventory and Control of Enterprise Assets 2) Complete CIS Control 2.1 - 2.5: Inventory and Control of Software Assets 3) Complete CIS Control 6.1 - 6.5: Access Control Management 4) Complete CIS Control 7.1, 7.3, 7.4, 7.5 and 7.7: Continuous Vulnerability Management 5) Complete CIS Control 12.4: Network Infrastructure Management 6) Complete CIS Control 14.1-14.8: Security Awareness and Skills Training 7) Complete CIS Control 15.1: Service Provider Management 8) Commission App Suite or similar technology to conduct field Tailgates for field personnel. 9) Upgrade or replace existing Electronic Document Management System (EDMS). 10) Commission L&G IWR Radios to allow non-AMI network IED's to securely utilize the existing AMI mesh radio system for status and control operations.	

Environmental Health & Safety

2023 Corporate Performance Targets				Level [Payout]				Projected Level	Weighted Level	
%	Strategic Goal	%	Outcome	YTD Actual / Forecast	0 [0%]	1 [75%]	2 [100%]			3 [125%]
25%	Environmental Health & Safety	25%	Habitat Conservation Plan & HCP improvements	Completed 1 improvements	Only 1 Completed	Complete 1 improvement (including #1)	Complete 2 improvements (including #1)	Complete 3 improvements (including #1)	1.00	0.063
		25%	Implement Safety Strategic Plan /Complete other improvements safety corporate goals	Completed 6 improvements	Less than 4 improvements	Complete 4 improvements	Complete 6 improvements	Complete 8 improvements	2.00	0.125
		20%	Total Case Incident Rate (TCIR) Safety Metrics	2.8	> 5	5	3	0	2.00	0.100
		20%	Lost Time Rate (LTR) Safety Metrics	2.8	> 4	4	2	0	1.00	0.050
		10%	Actions for Improvements of Environmental Violations resulting in no fines	Training Completed	n/a	Training Completed	n/a	0 Violations	3.00	0.075

Environmental Health & Safety

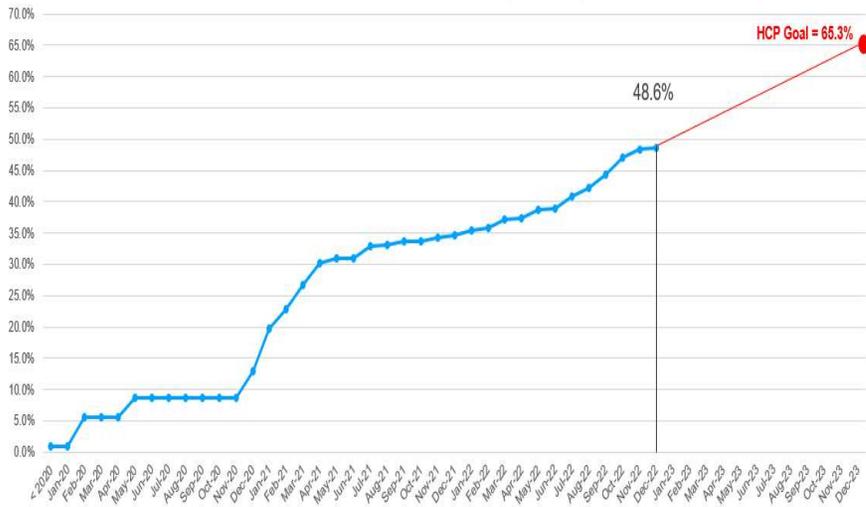
Environmental Health & Safety	<p><u>Habitat Conservation Plan & HCP improvements</u></p> <p>1) Have HCP Published in the Federal Register 2) Select a new fence site (replacement for Manoa) 3) Begin Construction of Fencing on NTBG site 4) Complete Minimization to HCP requirements getting to 65%</p>
Environmental Health & Safety	<p><u>Implement Safety Strategic Plan /Complete other improvements safety corporate goals</u></p> <p>1) Update Safety Manual 2) Safety Strategic Plan - Complete assessment and implement recommendations as appropriate 3) Develop and implement new chemical management system (GHS) 4) Upgrade Alertus employee mass notification system to have access to advanced features 5) Upgrade security access control system 6) Implement security access control to PBX & Video & Main Conference Rooms 7) NISC Electronic tailboard implementation 8) Company vehicle tracking through GPS System</p>
Environmental Health & Safety	<p><u>Total Case Incident Rate (TCIR) Safety Metrics</u></p> <p>see measures above</p>
Environmental Health & Safety	<p><u>Lost Time Rate (LTR) Safety Metrics</u></p> <p>see measures above</p>
Environmental Health & Safety	<p><u>Actions for Improvements of Environmental Violations resulting in no fines</u></p> <p>No Violations to qualify for the 3 Trainings conducted for shift crews on the air and water permits for each plant to qualify for a 1</p>



Environmental Health & Safety - HCP Strike Reduction Year End 2022 and 2023

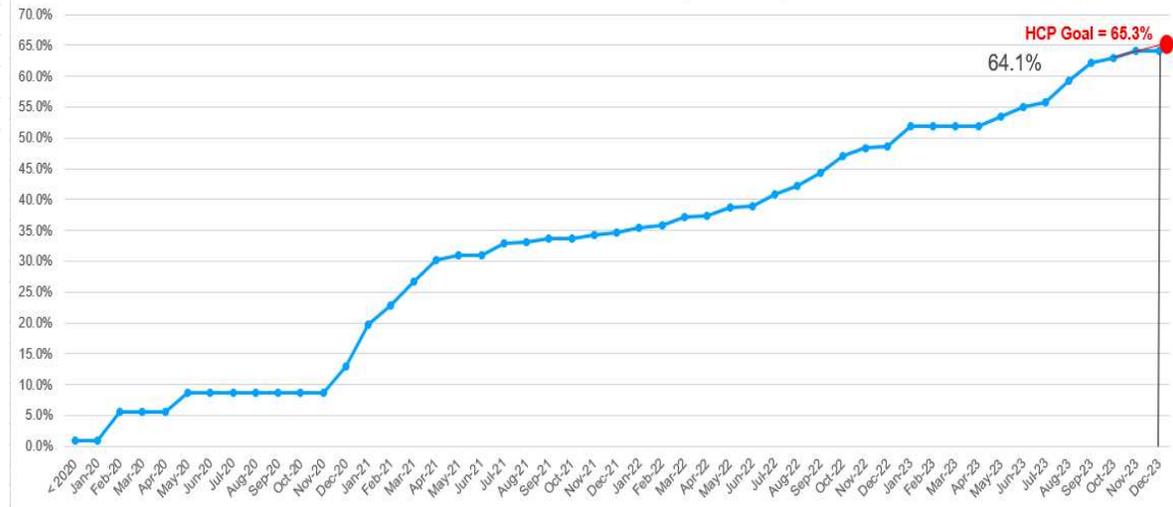
2022

Minimization Strike Reduction % (Life-to-date)



2023

Minimization Strike Reduction % (Life-to-date)





Cost of Electricity

2023 Corporate Performance Targets										
%	Strategic Goal	%	Outcome	YTD Actual / Forecast	Level [Payout]				Projected Level	Weighted Level
					0 [0%]	1 [75%]	2 [100%]	3 [125%]		
25%	Cost of Electricity	20%	Regulatory Dockets for Financial Improvement and NPV Department Savings	Completed 6 improvements	Less than 3 Completed	Complete 3 improvement	Complete 6 improvements	Complete 9 improvements	2.00	0.100
		20%	Create Additional Synchronous Condenser	2 Levels Only	Not Completed	N/A	Need Established for Additional Condenser	Condenser More Efficient than Kapaia	2.00	0.100
		15%	Sales Heat Rate	9484	> 9850	9800	9750	9700	3.00	0.113
		15%	Lowest Rates in the State	12	0 months	1 month	3 months	5 months or >	3.00	0.113
		15%	Seek and Secure Federal Grants	Completed 4 improvements	Not Completed	Complete 1 improvement	Complete 3 improvements	Complete 4 improvements	3.00	0.113
		15%	Headquarter Purchase Assessment and BOD Approval for Recommendation moving forward	Completed Level 2 improvement	Not Completed	N/A	level 2 if done and approved	N/A	2.00	0.075

Cost of Electricity

Cost of Electricity	Regulatory and Dockets for Financial Improvements and NPV Department Savings			
	1) Update the Connection Fee Tariff			
	2) Update bill charges to include late fee and interest on delinquent accounts			
	3) Update call out policy, charges and after hour fees			
	4) Update nonstandard meter Tariff and Wording			
	5) Work on Schedule Q Rate to move away from calc. tied to fuel			
	6) Application to PUC for RUS Loan or CoBank/CFC Loan			
	7) Interim Rates Approved and Implemented			
	NPV Savings/Revenue Generation from each department of 100k (NPV) or more		Efficiency Savings / New Revenue or Docket Changes	in \$
	8) PROD	Water Permit Fee for Waiahi terminated - \$60,000/year		\$ 60,000
	9) T&D			\$ -
	10) FCS/Warehouse/Exec/Board/HCP	KRS 2 Audit unnecessary, Insurance Savings, Rent at Warehouse - duplicate pest invoice		\$ 156,000
	11) MS/Comm/ES	Curents Mailing Savings		\$ 45,000
	12) HR/Safety/Facilities		Total Efficiency Savings/New Revenue or Docket Changes	
	13) Eng/IT	Cancelled ISP Savings		\$ 85,000
				\$ 346,000
Cost of Electricity	Create Additional Synchronous Condenser			
	1) Make a determination of the need at Port Allen for a syn con			
	2) No operational issues with sycon at Kapaia -			
	3) Implement a synchronous Condenser at Port Allen			
	2 Levels only as stated above (along with these 3)			
Cost of Electricity	Sales Heat Rate			
	ERAC Target HR: ERAC Efficiency Factor	9,850		
	2023 YTD Actual Sales HR	9,484		
	Variance in HR [Btu / kWh]	366		
	2023 YTD Actual KIUC Weighted kWh Sales	218,609,114		
	2023 YTD Actual Fuel Cost [in \$ / MMBtu]	\$ 19.97		
	Total savings due to lower HR	\$ 1,597,816		
Cost of Electricity	Lowest Rates in the State			
	measurements above	Done!		
Cost of Electricity	Seek and Secure Federal Grants			
	1) Apply for grants of at least \$20M (Full Application Submitted)			
	2) Apply for grants of at least \$50M (Full Application Submitted)			
	3) Apply for grants of at least \$75M (Full Application Submitted)			
	4) Apply and receive initial acceptance on grant application over \$20M			
Cost of Electricity	Headquarter Purchase Assessment and BOD Approval for Moving Forward			
	measurements above			



2023 Corporate Performance Targets

%	Strategic Goal	%	Outcome	YTD Actual / Forecast	Level (Payout)				Projected Level	Weighted Level
					0 [0%]	1 [75%]	2 [100%]	3 [125%]		
25%	Carbon Footprint	10%	DSM & Efficiency Measures	2450	1,925 MWh	2,200 MWh	2,450 MWh	2,700 MWh	2.00	0.050
		15%	KRS1 & KRS2 Curtailment	285	> 2,000 MWh	1,500 MWh	1,000 MWh	500 MWh	3.00	0.113
		15%	Electric Vehicle Adoption Support	Completed 5 improvements	Less than 3 improvements	Complete 3 improvements	Complete 4 improvements	Complete 5 improvements	3.00	0.113
		30%	New Renewable Project and Utilization of Biodiesel Fuel	Completed 3 improvements	Less than 2 improvements	Complete 2 improvements	Complete 3 improvements	Complete 4 improvements	2.00	0.150
		30%	West Kauai Energy Project	Completed 3 improvements	Less than 2 improvements	Complete 2 improvements	Complete 4 improvements	Complete 6 improvements	1.50	0.113
25%	Resiliency and Reliability	20%	Average Service Availability (ASA) - based on sustained outages	99.95	< 99.96	99.96	99.97	99.98	0.00	0.000
		20%	North Shore Resiliency and No Island Wide Outage	Completed 2 improvements	Less than 2 improvements	Complete 2 improvements	Complete 3 improvements (including #5)	Complete 4 improvements (including #5)	1.00	0.050
		20%	Physical Review and Implementation of Assets for Security	Completed 4 improvements	Less than 2 improvements	Complete 2 improvements	Complete 3 improvements	Complete 5 improvements	2.50	0.125
		20%	Develop a Plan to Move or Upgrade Electrical Equipment threatened by Climate Change	Completed 1 Improvements	Not Completed	Complete 1 improvements	Complete 2 improvements	Complete 4 improvements	1.00	0.050
		20%	IT, Cyber Security & Improvement of System Practices to prevent/mitigate the impacts of cyber-attacks	Completed 9 improvements	Less than 6 improvements	Complete 6 improvements	Complete 8 improvements	Complete 10 improvements	2.50	0.125
25%	Environmental Health & Safety	25%	Habitat Conservation Plan & HCP improvements	Completed 1 improvements	Only 1 Completed	Complete 1 improvement (including #1)	Complete 2 improvements (including #1)	Complete 3 improvements (including #1)	1.00	0.063
		25%	Implement Safety Strategic Plan /Complete other improvements safety corporate goals	Completed 6 improvements	Less than 4 improvements	Complete 4 improvements	Complete 6 improvements	Complete 8 improvements	2.00	0.125
		20%	Total Case Incident Rate (TCIR) Safety Metrics	2.8	> 5	5	3	0	2.00	0.100
		20%	Lost Time Rate (LTR) Safety Metrics	2.8	> 4	4	2	0	1.00	0.050
		10%	Actions for Improvements of Environmental Violations resulting in no fines	Training Completed	n/a	Training Completed	n/a	0 Violations	3.00	0.075
25%	Cost of Electricity	20%	Regulatory Dockets for Financial Improvement and NPV Department Savings	Completed 6 improvements	Less than 3 Completed	Complete 3 improvement	Complete 6 improvements	Complete 9 improvements	2.00	0.100
		20%	Create Additional Synchronous Condenser	2 Levels Only	Not Completed	N/A	Need Established for Additional Condenser	Condenser More Efficient than Kapaia	2.00	0.100
		15%	Sales Heat Rate	9484	> 9850	9800	9750	9700	3.00	0.113
		15%	Lowest Rates in the State	12	0 months	1 month	3 months	5 months or >	3.00	0.113
		15%	Seek and Secure Federal Grants	Completed 4 improvements	Not Completed	Complete 1 improvement	Complete 3 improvements	Complete 4 improvements	3.00	0.113
		15%	Headquarter Purchase Assessment and BOD Approval for Recommendation moving forward	Completed Level 2 improvement	Not Completed	N/A	level 2 if done and approved	N/A	2.00	0.075
<div style="display: flex; justify-content: space-between;"> 100% Projected Total Weighted Level 1.91 </div> <div style="display: flex; justify-content: space-between;"> Projected Payout 97.81% </div>										

2024 - What's Next to Accomplish?!

- ▶ Wildfire Mitigation
- ▶ Cyber Security Efforts
- ▶ New Construction Work Plan
- ▶ New PPAs
- ▶ WKEP Amendment
- ▶ Regulatory Strategic Plan
- ▶ HCP Fencing Site Build Out
- ▶ Continued Safety Efforts and Improvement
- ▶ Equity Management - including Capital Credit Retirement Plan

2024 Corporate Performance Targets

- ▶ Minimum Requirements for 2024 Targets:
 - ▶ No Payout if Financial Covenants Not Met
 - ▶ Community Service Requirement
 - ▶ 2 KIUC Events and 1 parade OR
 - ▶ 1 KIUC Parade and 1 seat on Community Organization Board

Carbon Footprint

2024 Corporate Performance Targets										
					Level [Payout]					
%	Strategic Goal	%	Project Description	YTD Actual / Forecast	0 [0%]	1 [75%]	2 [100%]	3 [125%]	Projected Level	Weighted Level
25%	Carbon Footprint	10%	DSM & Efficiency Measures		1,066 MWh	1,341 MWh	1,591 MWh	1,841 MWh	2.00	0.050
		10%	KRS1 & KRS2 Curtailment		> 1,250 MWh	1,000 MWh	750 MWh	500 MWh	2.00	0.050
		10%	Electrification Support		Less than 4	Complete 4	Complete 5	Complete 6	2.00	0.050
		50%	Renewable Projects		No new PPA	New Executed PPA	New Executed PPA and WKEP PPA Amended Executed or 3 improvements	New Executed PPA and WKEP PPA Amended Executed and 3 improvements	2.00	0.250
		20%	New Generation Review and Recommendation		Less than 2	Complete 2	Complete 3	Complete 4	2.00	0.100

Carbon Footprint

Carbon Footprint	<u>DSM & Efficiency Measures</u>
	Commercial DSM
	Residential Energy Efficiency Programs
	Total
Carbon Footprint	<u>KRS1 & KRS2 Curtailment (in MWh)</u>
	2024 YTD MWh Curtailment- KRS1
	2024 YTD MWh Curtailment- KRS2
	Total YTD MWh Curtailment
Carbon Footprint	<u>Electrification Support</u>
	1. Implement a residential EV Charger Rebate Program - on KIUC website/promotion/ready to distribute
	2. Load Forecast Updated with EV Vehicle Sales and Capital Requirements
	3. Participate in Drive Electric Hawaii quarterly meetings - all 4 attended
	4. Support Community-based electric vehicle outreach/education at a minimum of 4 events
	5. Develop a KIUC Equipment Electrification Plan
	6. In 2025 Budget Implement Part of the Equipment Electrification Plan
Carbon Footprint	<u>Renewable Projects - Improvements</u>
	1. Revised and Implement new Plan for awarded CDS \$1M
	2. BESS Awarded from DOE
	3. PUC Submission of G07 Project for BESS
Carbon Footprint	<u>New Generation Review and Recommendation</u>
	1. Production Model & Engineering and Cost Study Complete
	2. Site Layout Plan Completed and Approved by DB
	3. Financial Analysis Completed and integrated into New CWP
	4. CEO and BOD presentation and go/no go decision to more forward with air permit modeling

Resiliency and Reliability

2024 Corporate Performance Targets				Level [Payout]				Projected Level	Weighted Level	
%	Strategic Goal	%	Project Description	YTD Actual / Forecast	0 [0%]	1 [75%]	2 [100%]			3 [125%]
25%	Resiliency and Reliability	25%	Average Service Availability (ASA) - based on sustained outages		< 99.93	99.94	99.95	99.96	2.00	0.125
		25%	Wildfire Mitigation		Less than 2	Complete 2 including #1	Complete 3 including #1	Complete 4 including #1	2.00	0.125
		25%	Construction Work Plan Extension and New Long Range Plan		Less than 3	Complete 3	Complete 3	Complete 4	2.00	0.125
		25%	IT, Cyber Security & Improvement of System Practices to prevent/mitigate the impacts of cyber-attacks		Less than 9	Complete 9	Complete 11	Complete 12	2.00	0.125

Resiliency and Reliability

Resiliency and Reliability	<p><u>Average Service Availability (ASA) - based on sustained outages</u></p> <p>Statistical Targets Above</p>
Resiliency and Reliability	<p><u>Wildfire Mitigation</u></p> <ol style="list-style-type: none"> 1. BKI Wildfire Mitigation Plan Process Complete for Current Work Plan 2. Pole Inspection and Pole Change Out Program Drafted (including all pole assemblies) 3. Weather Stations Installed and Circuit Deenergization Protocol Done 4. Tracking of Wilfire Mitigation Expenses Implemented and Automated in NISC
Resiliency and Reliability	<p><u>Construction Work Plan Extension and New Long Range Plan</u></p> <ol style="list-style-type: none"> 1. Written 1 Year Extension of 2021-2024 Construction Work Plan 2. Update Load Forecast for 2024 based on 2023 Sales Numbers 3. Update New Long Range Plan and Present to Board 4. Implement 1 Year CWP into Captial Budget for 2025
Resiliency and Reliability	<p><u>IT Cyber Security & Improvement of System Practices to prevent/mitigate the impacts of cyber-attacks</u></p> <ol style="list-style-type: none"> 1. Complete CIS Control 2.6-2.7: Inventory and Control of Software Assets 2. Complete CIS Control 3.1-3.6: Data Protection 3. Complete CIS Control 2.1-5.6: Account Management 4. Complete CIS Control 6.6-6.7: Access Control Management 5. Complete CIS Control 9: Email and Web Browser Protections 6. Complete CIS Control 10: Malware Defenses 7. Complete CIS Control 11: Data Recovery (replace legacy end of life system - cohesity/nexsan) 8. Complete CIS Control 12.1 - 12.3, 12.5-12.8: Network Infrastructure Management 9. Implement Phishing Campaigns 10. Commission SDWAN technology to provide seamless ISP failover of Internet Services 11. Implement IoT Gateway and Gridstream Integration Suite to enable T&D distribution automation devices, i.e. IED's, to communicate over AMI RF network 12. Implement NISC Operations Analytics with primary focus for initial implementation of MDM Measurements and OA Dashboards

Environmental Health & Safety

2024 Corporate Performance Targets										
%	Strategic Goal	%	Project Description	YTD Actual / Forecast	Level [Payout]				Projected Level	Weighted Level
					0 [0%]	1 [75%]	2 [100%]	3 [125%]		
25%	Environmental & Safety	25%	Habitat Conservation Plan & HCP improvements		None Completed	Complete 1	Complete 2	Complete 3	2.00	0.125
		25%	Implement Safety Strategic Plan /Complete other improvements safety corporate goals		Less than 4	Complete 4 including #5	Complete 5 including #5	Complete 6 including #5	2.00	0.125
		25%	Total Case Incident Rate (TCIR) Safety Metrics		> 4	4	2	0	2.00	0.125
		25%	Lost Time Rate (LTR) Safety Metrics		> 2	2	1	0	2.00	0.125

Environmental Health & Safety

Environmental & Safety	<u>Habitat Conservation Plan & HCP improvements</u>						
	1. Finalize Terms for Upper Manoa Valley (UMV) or new Fencing Site						
	2. Begin Construction of Fencing at UMV or new site						
	3. Have HCP Published in the Federal Register or State Register						
Environmental & Safety	<u>Implement Safety Strategic Plan /Complete other improvements safety corporate goals</u>						
	1. Explore chain lock replacements to remove the need for physical keys and convert to electronic system						
	2. Implement Hearing Conservation Program - Power Plants including updating policy, hearing testing, procuring PPEs, training and T&D Noise exposure assessment.						
	3. Safety to take over FR Clothing Program - Review and implement position specific groups and allowances						
	4. Update Fire Escape Program - update and post maps, integrate with KFD mapping system, communicate to all employees						
	5. Upgrade employee mass notification system to have access to advanced features						
	6. Create log of safety training and programs and delivery requirements for KIUC functional areas.						
Environmental & Safety	<u>Total Case Incident Rate (TCIR) Safety Metrics</u>						
	see measures above						
Environmental & Safety	<u>Lost Time Rate (LTR) Safety Metrics</u>						
	see measures above						

Cost of Electricity

2024 Corporate Performance				Level [Payout]				Projected Level	Weighted Level	
%	Strategic Goal	%	Project Description	YTD Actual / Forecast	0 [0%]	1 [75%]	2 [100%]			3 [125%]
25%	Cost of Electricity	20%	Regulatory Strategy and Goals Completed with BOD Approval		None Completed	Complete 1	Complete 2	Complete 3	2.00	0.100
		20%	RUS Loan Fund Application Process Complete		Less than 2 Completed	Complete 2	Complete 3	Complete 4	2.00	0.100
		20%	Sales Heat Rate		> 9750	9750	9600	9500	2.00	0.100
		20%	Equity Management Plan Process Complete		Less than 4 Completed	Complete 4	Complete 5	Complete 6	2.00	0.100
		20%	Hana Kukui Building Acquisition		Less than 2 Completed	Complete 2	Complete 3	Complete 4	2.00	0.100

Cost of Electricity

Cost of Electricity	<p><u>Regulatory Strategy and Goals Completed with BOD Approval</u></p> <ol style="list-style-type: none"> 1. Comprehensive board workshop held (1/2 to full day, with outside experts) on regulatory strategies 2. Regulatory Strategy Plan approved by board 3. At least one significant item from Regulatory Strategy Plan implemented or pursued via PUC filing
Cost of Electricity	<p><u>RUS Loan Fund Application Process Complete</u></p> <ol style="list-style-type: none"> 1. PUC Waiver of Approval Completed 2. RUS Loan Review Process Q&A Completed 3. RUS Loan Closing Completed 4. 219s Submitted to RUS and 605 Updated Ready for Loan Reimbursement
Cost of Electricity	<p><u>Sales Heat Rate</u></p> <p>see measures above</p>
Cost of Electricity	<p><u>Equity Management Plan Process</u></p> <ol style="list-style-type: none"> 1. Update 10 Year Financial Forecast for 2025-2035 2. Update Necessary Financial Ratios for Comparison to like Cooperatives 3. Equity Management Plan goals established by BOD - Capital Credits, Equity %, Cash Reserves 4. Simplified EMP Plan Approved by Senior Staff 5. Presentation and EMP Plan presented to BOD and Approved 6. Update Board Policy to Reflect Changes as a result of new EMP
Cost of Electricity	<p><u>Hana Kukui Building Acquisition</u></p> <ol style="list-style-type: none"> 1. Appraisal Completed for Land and Building 2. Negotiations Started with G&I Watamull LP 3. Real Estate Contract for Purchase of Hana Kukui Land and Building Presented to Watamull LP 4. Real Estate Contract signed for Hana Kukui Land and Building

2024 Corporate Performance Targets

% Strategic Goal	% Project Description	YTD Actual / Forecast	Level [Payout]				Projected Level	Weighted Level
			0 [0%]	1 [75%]	2 [100%]	3 [125%]		
25% Carbon Footprint	10% DSM & Efficiency Measures		1,066 MWh	1,341 MWh	1,591 MWh	1,841 MWh	2.00	0.050
	10% KRS1 & KRS2 Curtailment		> 1,250 MWh	1,000 MWh	750 MWh	500 MWh	2.00	0.050
	10% Electrification Support		Less than 4	Complete 4	Complete 5	Complete 6	2.00	0.050
	50% Renewable Projects		No new PPA	New Executed PPA	New Executed PPA and WKEP PPA Amended Executed or 3 improvements	New Executed PPA and WKEP PPA Amended Executed and 3 improvements	2.00	0.250
	20% New Generation Review and Recommendation		Less than 2	Complete 2	Complete 3	Complete 4	2.00	0.100
25% Resiliency and Reliability	25% Average Service Availability (ASA) - based on sustained outages		< 99.93	99.94	99.95	99.96	2.00	0.125
	25% Wildfire Mitigation		Less than 2	Complete 2 including #1	Complete 3 including #1	Complete 4 including #1	2.00	0.125
	25% Construction Work Plan Extension and New Long Range Plan		Less than 3	Complete 3	Complete 3	Complete 4	2.00	0.125
	25% IT, Cyber Security & Improvement of System Practices to prevent/mitigate the impacts of cyber-attacks		Less than 9	Complete 9	Complete 11	Complete 12	2.00	0.125
25% Environmental & Safety	25% Habitat Conservation Plan & HCP improvements		None Completed	Complete 1	Complete 2	Complete 3	2.00	0.125
	25% Implement Safety Strategic Plan /Complete other improvements safety corporate goals		Less than 4	Complete 4 including #5	Complete 5 including #5	Complete 6 including #5	2.00	0.125
	25% Total Case Incident Rate (TCIR) Safety Metrics		> 4	4	2	0	2.00	0.125
	25% Lost Time Rate (LTR) Safety Metrics		> 2	2	1	0	2.00	0.125
25% Cost of Electricity	20% Regulatory Strategy and Goals Completed with BOD Approval		None Completed	Complete 1	Complete 2	Complete 3	2.00	0.100
	20% RUS Loan Fund Application Process Complete		Less than 2 Completed	Complete 2	Complete 3	Complete 4	2.00	0.100
	20% Sales Heat Rate		> 9750	9750	9600	9500	2.00	0.100
	20% Equity Management Plan Process Complete		Less than 4 Completed	Complete 4	Complete 5	Complete 6	2.00	0.100
	20% Hana Kukui Building Acquisition		Less than 2 Completed	Complete 2	Complete 3	Complete 4	2.00	0.100

100%		Projected Total Weighted Level						2.00	
		Projected Payout						100.00%	

2023 Corporate Performance Targets

%	Strategic Goal	%	Outcome	YTD Actual / Forecast	Level [Payout]				Projected Level	Weighted Level
					0 [0%]	1 [75%]	2 [100%]	3 [125%]		
25%	Carbon Footprint	10%	DSM & Efficiency Measures	2450	1,925 MWh	2,200 MWh	2,450 MWh	2,700 MWh	2.00	0.050
		15%	KRS1 & KRS2 Curtailment	285	> 2,000 MWh	1,500 MWh	1,000 MWh	500 MWh	3.00	0.113
		15%	Electric Vehicle Adoption Support	Completed 5 improvements	Less than 3 improvements	Complete 3 improvements	Complete 4 improvements	Complete 5 improvements	3.00	0.113
		30%	New Renewable Project and Utilization of Biodiesel Fuel	Completed 3 improvements	Less than 2 improvements	Complete 2 improvements	Complete 3 improvements	Complete 4 improvements	2.00	0.150
		30%	West Kauai Energy Project	Completed 3 improvements	Less than 2 improvements	Complete 2 improvements	Complete 4 improvements	Complete 6 improvements	1.50	0.113
25%	Resiliency and Reliability	20%	Average Service Availability (ASA) - based on sustained outages	99.95	< 99.96	99.96	99.97	99.98	0.00	0.000
		20%	North Shore Resiliency and No Island Wide Outage	Completed 2 improvements	Less than 2 improvements	Complete 2 improvements	Complete 3 improvements (including #5)	Complete 4 improvements (including #5)	1.00	0.050
		20%	Physical Review and Implementation of Assets for Security	Completed 4 improvements	Less than 2 improvements	Complete 2 improvements	Complete 3 improvements	Complete 5 improvements	2.50	0.125
		20%	Develop a Plan to Move or Upgrade Electrical Equipment threatened by Climate Change	Completed 1 Improvements	Not Completed	Complete 1 improvements	Complete 2 improvements	Complete 4 improvements	1.00	0.050
		20%	IT, Cyber Security & Improvement of System Practices to prevent/mitigate the impacts of cyber-attacks	Completed 9 improvements	Less than 6 improvements	Complete 6 improvements	Complete 8 improvements	Complete 10 improvements	2.50	0.125
25%	Environmental Health & Safety	25%	Habitat Conservation Plan & HCP improvements	Completed 1 improvements	Only 1 Completed	Complete 1 improvement (including #1)	Complete 2 improvements (including #1)	Complete 3 improvements (including #1)	1.00	0.063
		25%	Implement Safety Strategic Plan /Complete other improvements safety corporate goals	Completed 6 improvements	Less than 4 improvements	Complete 4 improvements	Complete 6 improvements	Complete 8 improvements	2.00	0.125
		20%	Total Case Incident Rate (TCIR) Safety Metrics	2.8	> 5	5	3	0	2.00	0.100
		20%	Lost Time Rate (LTR) Safety Metrics	2.8	> 4	4	2	0	1.00	0.050
		10%	Actions for Improvements of Environmental Violations resulting in no fines	Training Completed	n/a	Training Completed	n/a	0 Violations	3.00	0.075
25%	Cost of Electricity	20%	Regulatory Dockets for Financial Improvement and NPV Department Savings	Completed 6 improvements	Less than 3 Completed	Complete 3 improvement	Complete 6 improvements	Complete 9 improvements	2.00	0.100
		20%	Create Additional Synchronous Condenser	2 Levels Only	Not Completed	N/A	Need Established for Additional Condenser	Condenser More Efficient than Kapaia	2.00	0.100
		15%	Sales Heat Rate	9484	> 9850	9800	9750	9700	3.00	0.113
		15%	Lowest Rates in the State	12	0 months	1 month	3 months	5 months or >	3.00	0.113

	15%	Seek and Secure Federal Grants	Completed 4 improvements	Not Completed	Complete 1 improvement	Complete 3 improvements	Complete 4 improvements	3.00	0.113
	15%	Headquarter Purchase Assessment and BOD Approval for Recommendation moving forward	Completed Level 2 improvement	Not Completed	N/A	level 2 if done and approved	N/A	2.00	0.075
								Projected Total Weighted Level	1.91
								Projected Payout	97.81%
100%									

Detailed Requirements:

No Payout if we are in default on loan contracts or if indenture loan targets are not met

Community Service Requirement:

- 2 KIUC Events or
- 1 KIUC Event & 1 Seat on Community Organization board (e.g. KEDB, Rotary, Humane Society etc.)

Carbon Footprint

DSM & Efficiency Measures

in MWh

Commercial DSM	684.8	through December
Residential Energy Efficiency Programs	1765.6	through December
Total	2450.4	

Carbon Footprint

KRS1 & KRS2 Curtailment (in MWh)

YTD MWh

2023 YTD MWh Curtailment- KRS1	117.50	through December
2023 YTD MWh Curtailment- KRS2	167.92	through December
Total YTD MWh Curtailment	285.42	

Carbon Footprint

Electric Vehicle Adoption Support

1. Distribute at least 75% of the budget for Commercial EV charger rebates or if money is unspent through 3rd quarter, this budget can be spent on development or promotion of EV charger programs
2. Evaluate use of KIUC-owned EV chargers at Hana Kukui and Anahola and develop recommendations for future EV charger deployment at KIUC facilities
3. Develop a residential EV charger rebate program
4. Work with the County of Kauai to establish a public EV charger owners group for the purposes of collaboration, information sharing and assisting entities interested in installing public EV chargers
5. Conduct an educational webinar on what to consider when installing a public EV charger - Webinar Conducted 6/1

Carbon Footprint

Develop New Renewable Project and Biodiesel Conditions [5% or more of generation mix]

- 1) File appropriate application for new Renewable Project to PUC (5% or more of generation mix)
- 2) Obtain Site for 2nd Project
- 3) Implement New Biodiesel Fuel Contract or alternative if PUC denies current Application
- 4) Implement New Biodiesel Fuel Usage per Contract

Carbon Footprint

West Kauai Energy Project

- 1) Respond to Earth Justice litigation and develop a litigation plan
- 2) Complete Land Agreements with all involved parties
- 3) Transition the Project to AES
- 4) Maintain regular dialogue with key project partners (e.g., DHHL, ADC, KAA)
- 5) Conduct community outreach at least quarterly
- 6) Begin Water Lease Process

Resiliency and Reliability

Average Service Availability (ASA) - based on sustained outages

99.9539 through December

Resiliency and Reliability

North Shore Resiliency and No Island Wide Outages

- 1) PUC approval Kilohana Switchyard
- 2) PUC approval Kilohana - Hanahanapuni transmission line
- 3) PUC approval Hanalei Tap - Princeville Sub.
- 4) RFP for Megapack at Wainiha and or Princeville Substation
- 5) No island wide outages

Resiliency and Reliability

Physical Review and Implementation of Assets for Security

- 1) Establish MOU with law enforcement, fire & first responder - not doing this
- 2) Create a key lock control system procedure
- 3) Implement security signage at all facilities
- 4) Create procedures for security processes such as entering and exiting KIUC facilities
- 5) Re-examine physical security of Kapaa sub following personnel move to Anahola (including elimination of walk through gate)

Resiliency and Reliability

Develop a Plan to Move or Upgrade Electrical Equipment threatened by Climate Change

- 1) Pick a potential alternative site for Kapaa Substation - not able to complete this year
- 2) Assess short term risks of hurricane or other threats to substation
- 3) Possibility of Hesco Barriers around substation
- 4) Move all personnel and equipment out of Kapaa Sub and cleaning completed

Resiliency and Reliability

IT, Cyber Security & Improvement of System Practices to prevent/mitigate the impacts of cyber-attacks

red completed items - updated 1/2/24

- 1) Complete CIS Control 1: Inventory and Control of Enterprise Assets
- 2) Complete CIS Control 2.1 - 2.5: Inventory and Control of Software Assets
- 3) Complete CIS Control 6.1 - 6.5: Access Control Management
- 4) Complete CIS Control 7.1,7.3,7.4, 7.5 and 7.7: Continuous Vulnerability Management
- 5) Complete CIS Control 12.4: Network Infrastructure Management
- 6) Complete CIS Control 14.1-14.8: Security Awareness and Skills Training
- 7) Complete CIS Control 15.1: Service Provider Management
- 8) Commission App Suite or similar technology to conduct field Tailgates for field personnel.
- 9) Upgrade or replace existing Electronic Document Management System (EDMS).
- 10) Commission L&G IWR Radios to allow non-AMI network IED's to securely utilize the existing AMI mesh radio system for status and control operations.

Environmental Health & Safety

Habitat Conservation Plan & HCP improvements

- 1) Have HCP Published in the Federal Register
- 2) Select a new fence site (replacement for Manoa)
- 3) Begin Construction of Fencing on NTBG site
- 4) Complete Minimization to HCP requirements getting to 65%

Environmental Health & Safety

Implement Safety Strategic Plan /Complete other improvements safety corporate goals

- 1) Update Safety Manual
- 2) Safety Strategic Plan - Complete assessment and implement recommendations as appropriate
- 3) Develop and implement new chemical management system (GHS)
- 4) Upgrade Alertus employee mass notification system to have access to advanced features
- 5) Upgrade security access control system

- 6) Implement security access control to PBX & Video & Main Conference Rooms
- 7) NISC Electronic tailboard implementation
- 8) Company vehicle tracking through GPS System

Environmental Health & Safety **Total Case Incident Rate (TCIR) Safety Metrics**
see measures above

Environmental Health & Safety **Lost Time Rate (LTR) Safety Metrics**
see measures above

Environmental Health & Safety **Actions for Improvements of Environmental Violations resulting in no fines**
No Violations to qualify for the 3
Trainings conducted for shift crews on the air and water permits for each plant to qualify for a 1

Cost of Electricity **Regulatory and Dockets for Financial Improvements and NPV Department Savings**
1) Update the Connection Fee Tariff
2) Update bill charges to include late fee and interest on delinquent accounts
3) Update call out policy, charges and after hour fees
4) Update nonstandard meter Tariff and Wording
5) Work on Schedule Q Rate to move away from calc. tied to fuel
6) Application to PUC for RUS Loan or CoBank/CFC Loan
7) Interim Rates Approved and Implemented

NPV Savings/Revenue Generation from each department of 100k (NPV) or more

- 8) PROD
- 9) T&D
- 10) FCS/Warehouse/Exec/Board/HCP
- 11) MS/Comm/ES
- 12) HR/Safety/Facilities
- 13) Eng/IT

Water Permit Fee for Waiahi terminate

KRS 2 Audit unnecessary, Insurance Savings, Rent at Warehouse - duplicate pest invoice
Curents Mailing Savings

Cancelled ISP Savings

Efficiency Savings / New Revenue or Docket Changes

in \$

\$	60,000
\$	-
\$	156,000
\$	45,000
	Total Efficiency Savings/New Revenue or Docket Changes
\$	85,000
\$	346,000

Cost of Electricity **Create Additional Synchronous Condenser**
1) Make a determination of the need at Port Allen for a syn con
2) No operational issues with sycon at Kapaia -
3) Implement a synchronous Condenser at Port Allen
2 Levels only as stated above (along with these 3)

Cost of Electricity **Sales Heat Rate**
ERAC Target HR: ERAC Efficiency Factor 9,850
2023 YTD Actual Sales HR 9,484
Variance in HR [Btu / kWh] 366
2023 YTD Actual KIUC Weighted kWh Sales 218,609,114
2023 YTD Actual Fuel Cost [in \$ / MMBtu] \$ 19.97
Total savings due to lower HR \$ 1,597,816

Cost of Electricity **Lowest Rates in the State**
measurements above Done!

Cost of Electricity **Seek and Secure Federal Grants**

- 1) Apply for grants of at least \$20M (Full Application Submitted)
- 2) Apply for grants of at least \$50M (Full Application Submitted)
- 3) Apply for grants of at least \$75M (Full Application Submitted)
- 4) Apply and receive initial acceptance on grant application over \$20M

Cost of Electricity

Headquarter Purchase Assessment and BOD Approval for Moving Forward
measurements above

2024 Corporate Performance Targets

%	Strategic Goal	%	Project Description	YTD Actual / Forecast	Level [Payout]				Projected Level	Weighted Level
					0 [0%]	1 [75%]	2 [100%]	3 [125%]		
25%	Carbon Footprint	10%	DSM & Efficiency Measures		1,066 MWh	1,341 MWh	1,591 MWh	1,841 MWh	2.00	0.050
		10%	KRS1 & KRS2 Curtailment		> 1,250 MWh	1,000 MWh	750 MWh	500 MWh	2.00	0.050
		10%	Electrification Support		Less than 4	Complete 4	Complete 5	Complete 6	2.00	0.050
		50%	Renewable Projects		No new PPA	New Executed PPA	New Executed PPA and WKEP PPA Amended Executed or 3 improvements	New Executed PPA and WKEP PPA Amended Executed and 3 improvements	2.00	0.250
		20%	New Generation Review and Recommendation		Less than 2	Complete 2	Complete 3	Complete 4	2.00	0.100
25%	Resiliency and Reliability	25%	Average Service Availability (ASA) - based on sustained outages		< 99.93	99.94	99.95	99.96	2.00	0.125
		25%	Wildfire Mitigation		Less than 2	Complete 2 including #1	Complete 3 including #1	Complete 4 including #1	2.00	0.125
		25%	Construction Work Plan Extension and New Long Range Plan		Less than 3	Complete 3	Complete 3	Complete 4	2.00	0.125
		25%	IT, Cyber Security & Improvement of System Practices to prevent/mitigate the impacts of cyber-attacks		Less than 9	Complete 9	Complete 11	Complete 12	2.00	0.125
25%	Environmental & Safety	25%	Habitat Conservation Plan & HCP improvements		None Completed	Complete 1	Complete 2	Complete 3	2.00	0.125
		25%	Implement Safety Strategic Plan /Complete other improvements safety corporate goals		Less than 4	Complete 4 including #5	Complete 5 including #5	Complete 6 including #5	2.00	0.125
		25%	Total Case Incident Rate (TCIR) Safety Metrics		> 4	4	2	0	2.00	0.125
		25%	Lost Time Rate (LTR) Safety Metrics		> 2	2	1	0	2.00	0.125
25%	Cost of Electricity	20%	Regulatory Strategy and Goals Completed with BOD Approval		None Completed	Complete 1	Complete 2	Complete 3	2.00	0.100
		20%	RUS Loan Fund Application Process Complete		Less than 2 Completed	Complete 2	Complete 3	Complete 4	2.00	0.100
		20%	Sales Heat Rate		> 9750	9750	9600	9500	2.00	0.100
		20%	Equity Management Plan Process Complete		Less than 4 Completed	Complete 4	Complete 5	Complete 6	2.00	0.100
		20%	Hana Kukui Building Acquisition		Less than 2 Completed	Complete 2	Complete 3	Complete 4	2.00	0.100
100%				Projected Total Weighted Level					2.00	
				Projected Payout					100.00%	

Detailed Requirements:

**No Payout if KIUC in default on loan contracts or indenture loan targets not met
Community Service Requirements Must Be Met at Individual Level for Payout:**

- 3 KIUC Events including 1 Parade or
- 1 KIUC Parade & 1 Seat on Community Organization board (e.g. KEDB, Rotary, Humane Society etc.)

Carbon Footprint

DSM & Efficiency Measures

- Commercial DSM
- Residential Energy Efficiency Programs
- Total**

in MWh

- 807.8
- 783.6
- 1591.4**

Targets

- 807.8
- 783.6
- 1591.4**

Carbon Footprint

KRS1 & KRS2 Curtailment (in MWh)

- 2024 YTD MWh Curtailment- KRS1
- 2024 YTD MWh Curtailment- KRS2
- Total YTD MWh Curtailment**

YTD MWh

-
-
-

Carbon Footprint

Electrification Support

- 1. Implement a residential EV Charger Rebate Program - on KIUC website/promotion/ready to distribute
- 2. Load Forecast Updated with EV Vehicle Sales and Capital Requirements
- 3. Participate in Drive Electric Hawaii quarterly meetings - all 4 attended
- 4. Support Community-based electric vehicle outreach/education at a minimum of 4 events
- 5. Develop a KIUC Equipment Electrification Plan
- 6. In 2025 Budget Implement Part of the Equipment Electrification Plan

Carbon Footprint

Renewable Projects - Improvements

- 1. Revised and Implement new Plan for awarded CDS \$1M
- 2. BESS Awarded from DOE
- 3. PUC Submission of G07 Project for BESS

Carbon Footprint

New Generation Review and Recommendation

- 1. Production Model & Engineering and Cost Study Complete
- 2. Site Layout Plan Completed and Approved by DB
- 3. Financial Analysis Completed and integrated into New CWP
- 4. CEO and BOD presentation and go/no go decision to move forward with air permit modeling

Resiliency and Reliability

Average Service Availability (ASA) - based on sustained outages

Statistical Targets Above

Resiliency and Reliability

Wildfire Mitigation

- 1. BKI Wildfire Mitigation Plan Process Complete for Current Work Plan
- 2. Pole Inspection and Pole Change Out Program Drafted (including all pole assemblies)
- 3. Weather Stations Installed and Circuit Deenergization Protocol Done
- 4. Tracking of Wildfire Mitigation Expenses Implemented and Automated in NISC

Resiliency and Reliability

Construction Work Plan Extension and New Long Range Plan

- 1. Written 1 Year Extension of 2021-2024 Construction Work Plan
- 2. Update Load Forecast for 2024 based on 2023 Sales Numbers
- 3. Update New Long Range Plan and Present to Board

4. Implement 1 Year CWP into Capital Budget for 2025

Resiliency and Reliability

IT Cyber Security & Improvement of System Practices to prevent/mitigate the impacts of cyber-attacks

1. Complete CIS Control 2.6-2.7: Inventory and Control of Software Assets
2. Complete CIS Control 3.1-3.6: Data Protection
3. Complete CIS Control 2.1-5.6: Account Management
4. Complete CIS Control 6.6-6.7: Access Control Management
5. Complete CIS Control 9: Email and Web Browser Protections
6. Complete CIS Control 10: Malware Defenses
7. Complete CIS Control 11: Data Recovery (replace legacy end of life system - cohesity/nexsan)
8. Complete CIS Control 12.1 - 12.3, 12.5-12.8: Network Infrastructure Management
9. Implement Phishing Campaigns
10. Commission SDWAN technology to provide seamless ISP failover of Internet Services
11. Implement IoT Gateway and Gridstream Integration Suite to enable T&D distribution automation devices, i.e. IED's, to communicate over AMI RF network
12. Implement NISC Operations Analytics with primary focus for initial implementation of MDM Measurements and OA Dashboards

Environmental & Safety

Habitat Conservation Plan & HCP improvements

1. Finalize Terms for Upper Manoa Valley (UMV) or new Fencing Site
2. Begin Construction of Fencing at UMV or new site
3. Have HCP Published in the Federal Register or State Register

Environmental & Safety

Implement Safety Strategic Plan /Complete other improvements safety corporate goals

1. Explore chain lock replacements to remove the need for physical keys and convert to electronic system
2. Implement Hearing Conservation Program - Power Plants including updating policy, hearing testing, procuring PPEs, training and T&D Noise exposure assessment.
3. Safety to take over FR Clothing Program - Review and implement position specific groups and allowances
4. Update Fire Escape Program - update and post maps, integrate with KFD mapping system, communicate to all employees
5. Upgrade employee mass notification system to have access to advanced features
6. Create log of safety training and programs and delivery requirements for KIUC functional areas.

Environmental & Safety

Total Case Incident Rate (TCIR) Safety Metrics

see measures above

Environmental & Safety

Lost Time Rate (LTR) Safety Metrics

see measures above

Cost of Electricity

Regulatory Strategy and Goals Completed with BOD Approval

1. Comprehensive board workshop held (1/2 to full day, with outside experts) on regulatory strategies
2. Regulatory Strategy Plan approved by board
3. At least one significant item from Regulatory Strategy Plan implemented or pursued via PUC filing

Cost of Electricity

RUS Loan Fund Application Process Complete

1. PUC Waiver of Approval Completed
2. RUS Loan Review Process Q&A Completed
3. RUS Loan Closing Completed
4. 219s Submitted to RUS and 605 Updated Ready for Loan Reimbursement

Cost of Electricity

Sales Heat Rate

see measures above

Cost of Electricity

Equity Management Plan Process

1. Update 10 Year Financial Forecast for 2025-2035
2. Update Necessary Financial Ratios for Comparison to like Cooperatives
3. Equity Management Plan goals established by BOD - Capital Credits, Equity %, Cash Reserves
4. Simplified EMP Plan Approved by Senior Staff
5. Presentation and EMP Plan presented to BOD and Approved
6. Update Board Policy to Reflect Changes as a result of new EMP

Cost of Electricity

Hana Kukui Building Acquisition

1. Appraisal Completed for Land and Building
2. Negotiations Started with G&I Watamull LP
3. Real Estate Contract for Purchase of Hana Kukui Land and Building Presented to Watamull LP
4. Real Estate Contract signed for Hana Kukui Land and Building