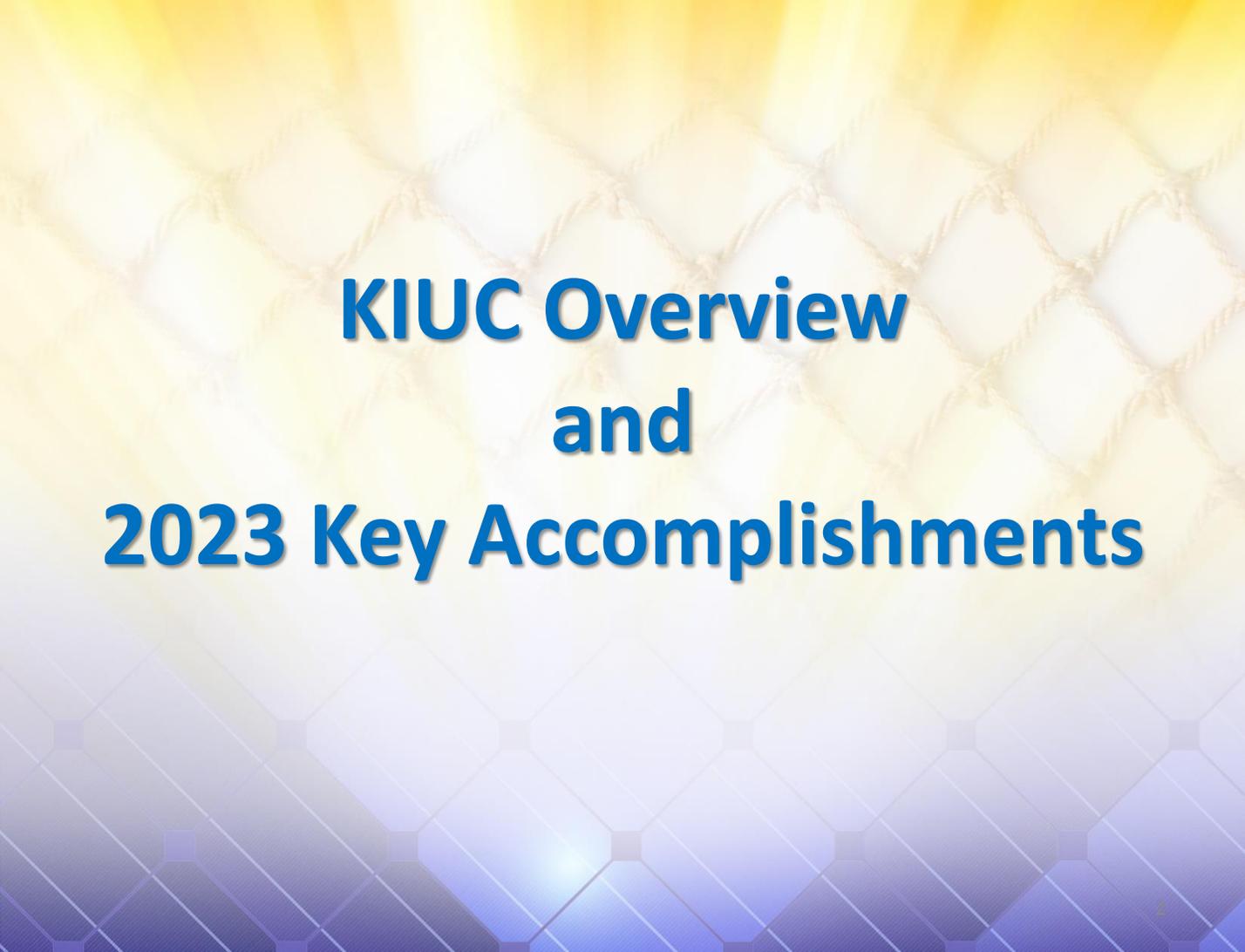




**KIUC 2024 Annual
Membership Meeting**
Wednesday, July 31, 2024
Kaua'i Philippine Cultural Center



**KIUC Overview
and
2023 Key Accomplishments**

KIUC Overview

- 22nd year operating as a cooperative
- One of 900+ electric cooperatives in the United States
- 35,000 member accounts (30,000 residential; 5,000 commercial)
- 9 elected directors
- 140 employees



Strategic Plan 2023-2033

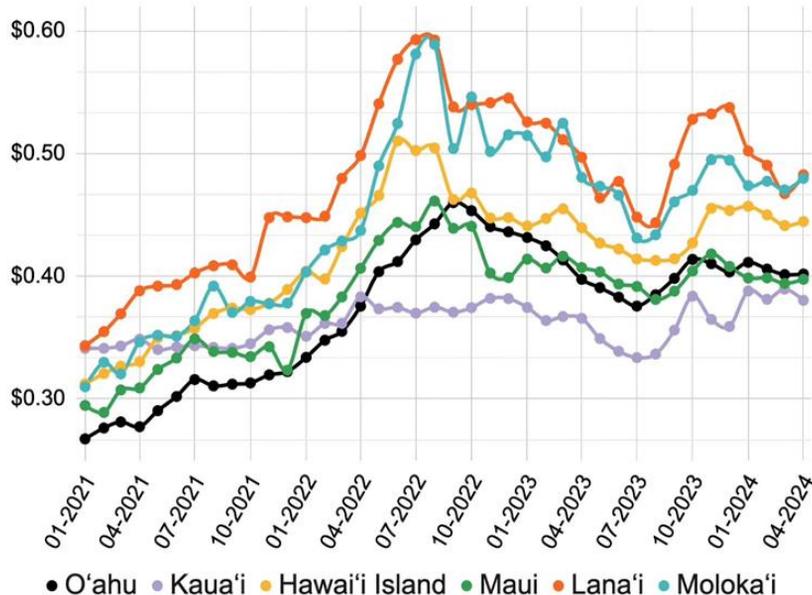
- **Goal 1: Cost of Electricity** – *KIUC will deliver electricity at the lowest possible cost.*
- **Goal 2: Carbon Footprint** – *KIUC will contribute to a sustainable Kauai.*
- **Goal 3: Resilience and Reliability** - *KIUC will become more resilient, improve reliability, and be better able to handle operational challenges and threats from cybersecurity, local climate change impacts, and natural disasters such as hurricanes and floods.*

Goal: 100% Renewable by 2033

2023 Key Accomplishments

Goal 1: Cost of Electricity

3+ Years of Avg Cost/kWh - 2021 through 4/24



2023 Key Accomplishments

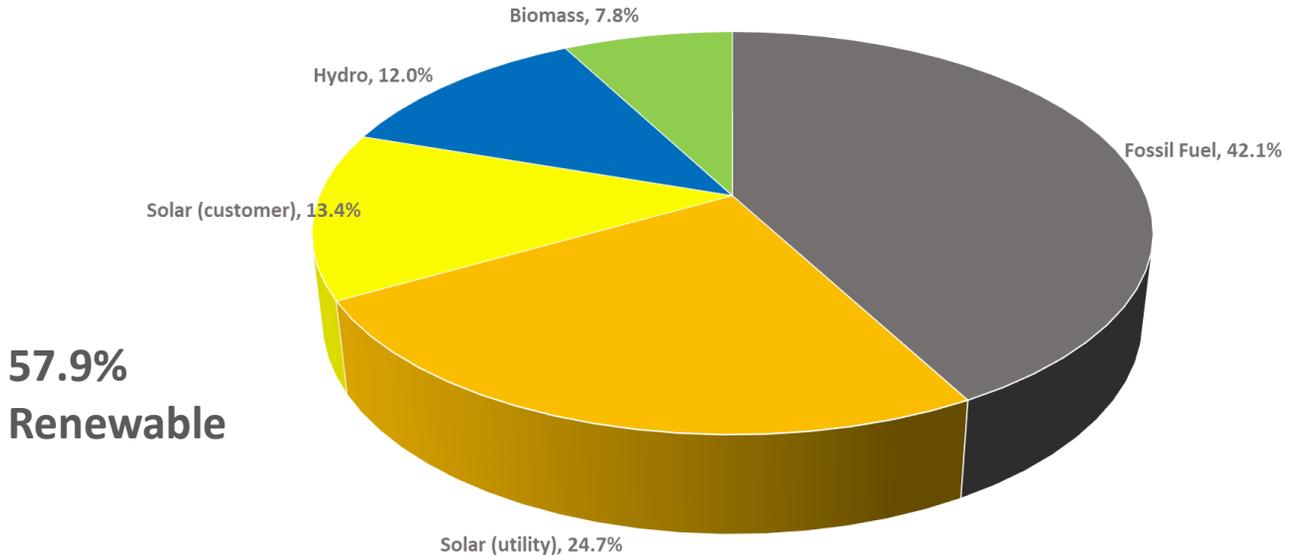
Goal 1: Cost of Electricity

Cost saving measures

- Reducing staffing levels from 161 full-time employees in 2009 to 140 today
- Replacing fossil fuel generation with renewables
- Restructuring existing debt service in 2020 leading to up to \$5 million in savings annually

2023 Key Accomplishments

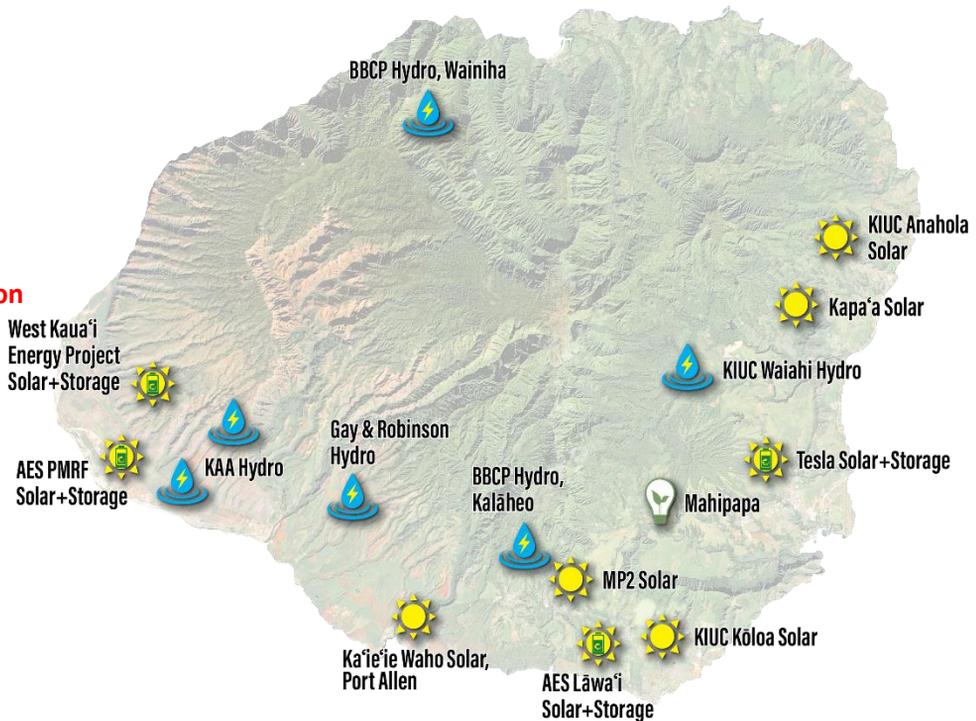
Goal 2: Carbon Footprint



2023 Key Accomplishments

Goal 2: Carbon Footprint

Under consideration



2023 Key Accomplishments

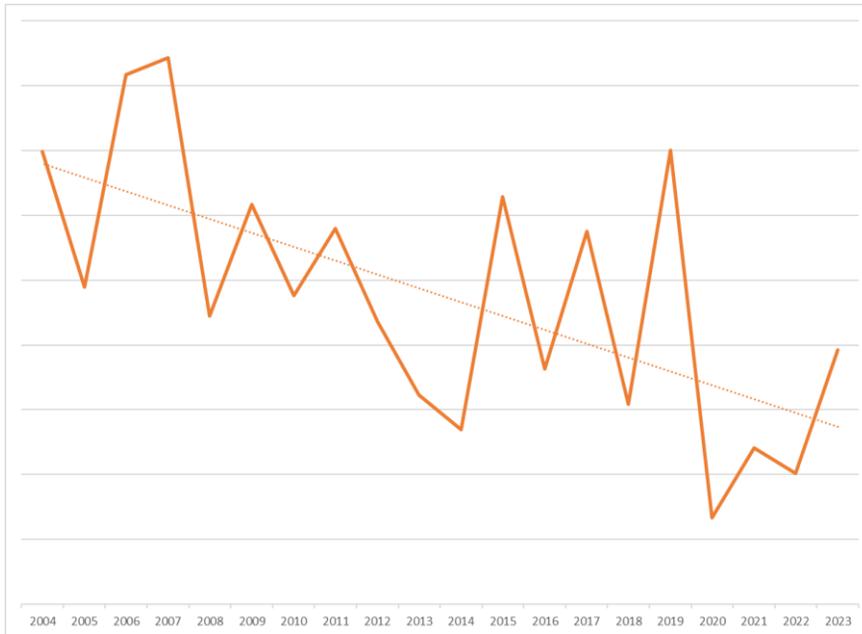
Goal 3: Resilience and Reliability

- Anahola Service Center
- Fiberglass poles
- Installation of AMI and OMS
- Cyber Security
- Micro grids



2023 Key Accomplishments

Goal 3: Resilience and Reliability



SYSTEM AVERAGE INTERRUPTION FREQUENCY INDEX (SAIFI): The number of customer interruptions per customer served during the year.

Financial Results

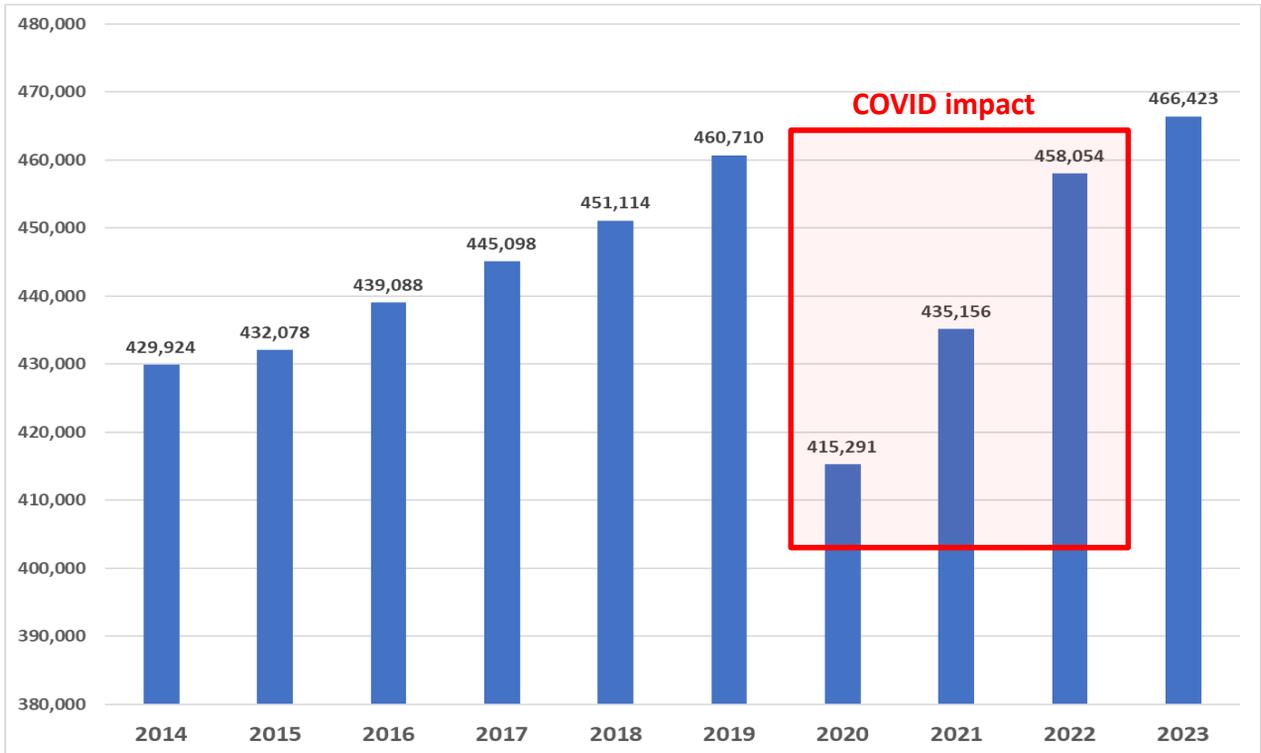
2023 Financial Highlights

- 2% increase in electricity sales over prior year
- Net margin \$4.26 million, up slightly from prior year
- \$423 million in assets, flat compared to prior year

2023 Financial Highlights

- Equity of \$139 million, up \$4 million from prior year
- Equity to Asset ratio is 32.8%
- Long Term Debt \$225 million, down \$4.5 million from prior year as debt pay down continues

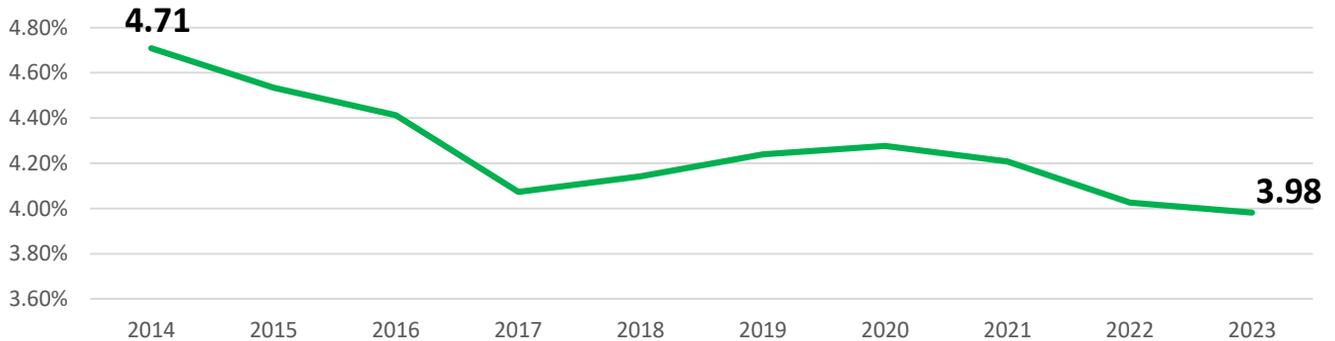
Kilowatt Hour (kWh) Sales (thousands)



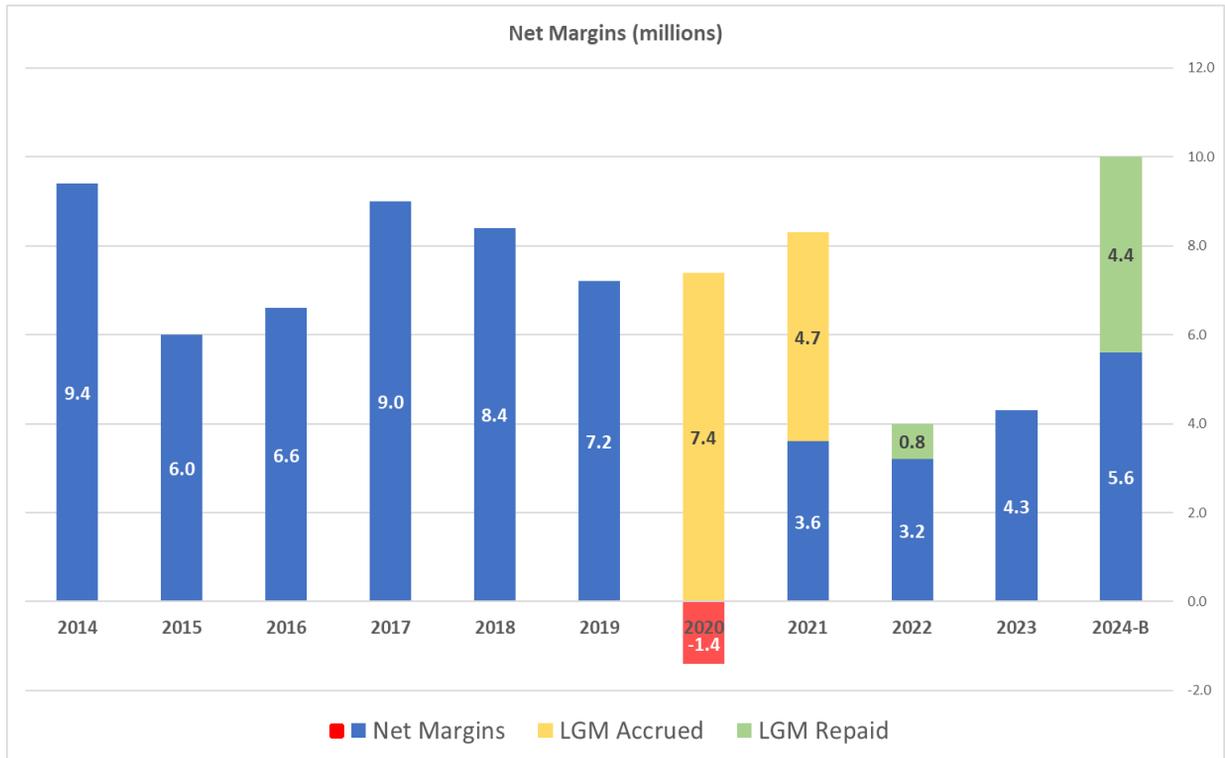
Utility Plant



Weighted Average Cost of Capital



Annual Margins



2024 Actual + Projection

- Interim rate increase 7.95% effective 01/11/2024
- January - May electricity sales are 0.4% higher than prior year
- Net margin through May: \$1.7 million, compared to **(\$168,000)** for same period in 2023
- Financial outlook for 2024 positive \$5.6 million (after \$4.4 million charge for COVID related regulatory asset)

Project Updates

New Renewable Projects

- Received first delivery of Pacific Biodiesel in June 2023
- Solar + Battery RFP in progress



West Kaua‘i Energy Project

- Development of full project as presented in environmental assessment has been discontinued
- Potential for scaled back project:
 - Solar + battery storage only



Federal Funding

- Total received 2022-2023: \$25 million
- Three projects:
 - Kaua‘i North Shore Resiliency Project: \$1 million (using battery storage to mitigate the impact of outages in remote areas)
 - Utility Solar Grid Forming Technology: \$21 million (adding battery storage to three existing solar facilities)
 - Synchronous Condenser Conversion Technology: \$3 million (converting a generator at Port Allen Generation Station to run without diesel to provide grid stability during periods of 100% renewable, and upgrading control room at PAGS)

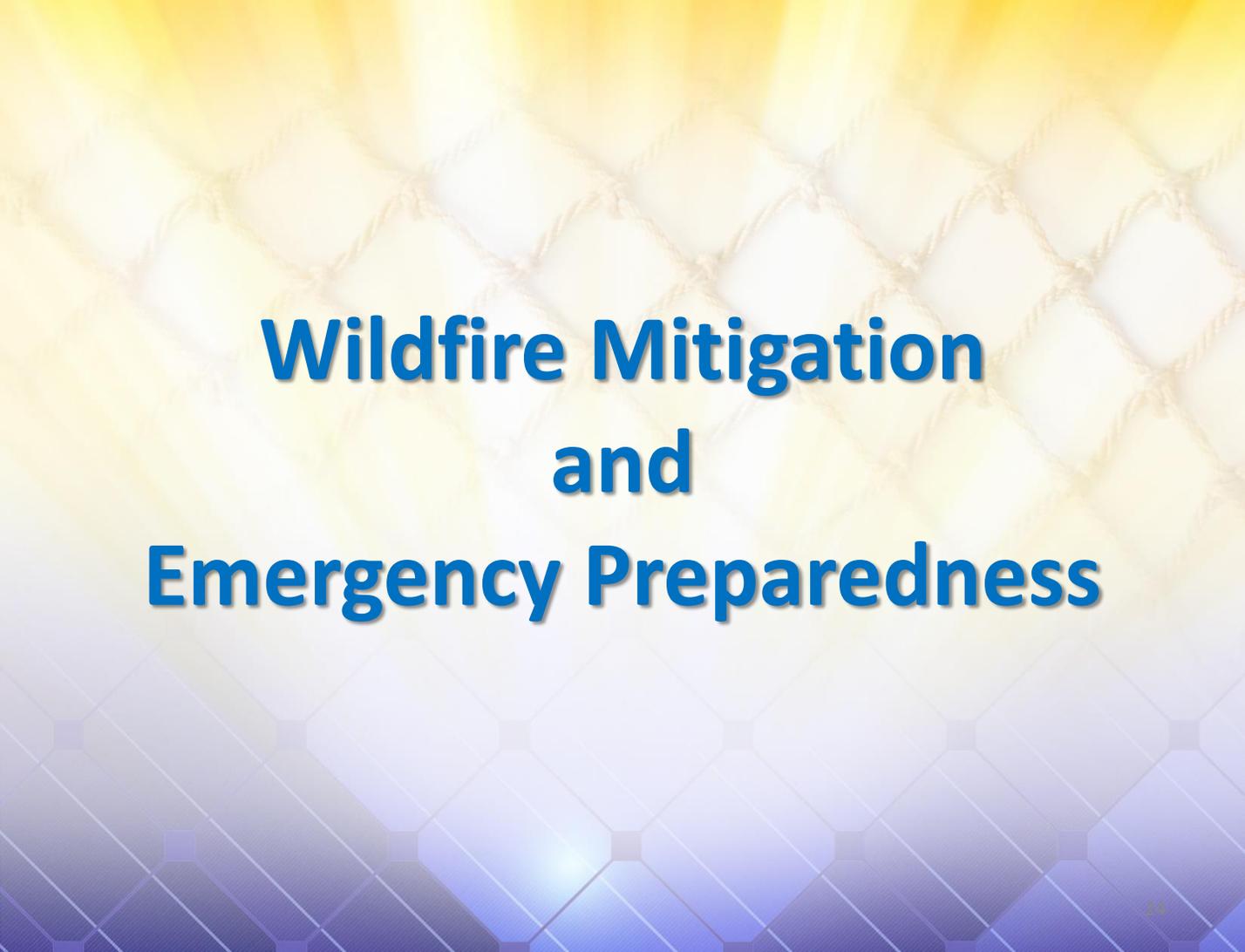
Additional \$13,300,000 in requests pending

- ***Wildfire Mitigation***
- ***Princeville Underground Improvements***

Other Priority Projects

- Habitat Conservation Plan



The background features a golden rope net pattern on a yellow-to-white gradient, transitioning into a blue-to-purple gradient with a diamond-shaped grid pattern at the bottom.

Wildfire Mitigation and Emergency Preparedness

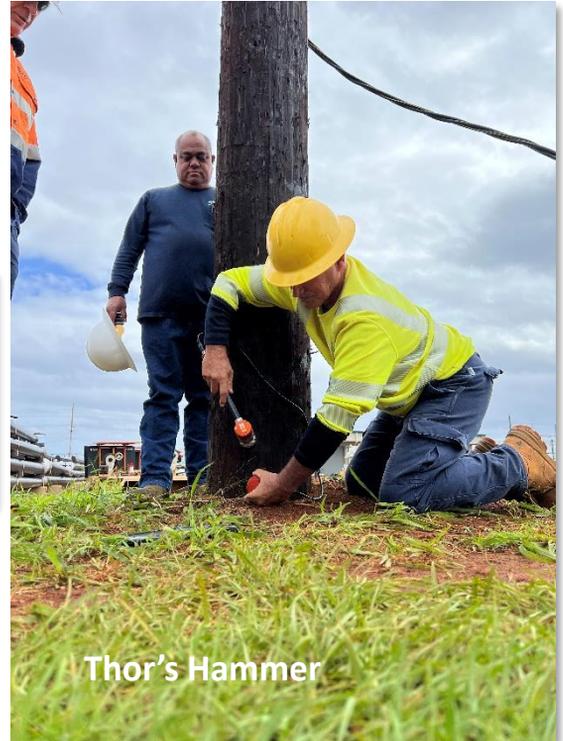
Wildfire Mitigation

Wildfire Mitigation
Plan completed in May

www.kiuc.coop/wildfire



PoleHawk Drone



Thor's Hammer

Electric Service Impact?



Emergency Preparation

- Members should always be prepared for potential extended power outages during extreme weather
- See Storm Sense area on our website www.kiuc.coop for more information on emergency preparation



The Cooperative Difference

Financial Benefits

- Access to low-cost federal funding for system improvements through USDA's Rural Utility Service loans
- FEMA cost reimbursement for restoration costs incurred during presidentially declared disaster (up to 75%)



KIUC Charitable Foundation

- Separate 501c3
- Collects unclaimed refunds which would be turned over to the state
- Other funding sources
 - Annual fundraising golf tournament
 - Makana Program



KIUC Charitable Foundation

2024 Grants: \$11,658

Kaua‘i Economic Opportunity

Kaua‘i Search and Rescue

University of Hawai‘i Foundation

2023 Grants: \$21,700

Kaua‘i Search and Rescue

Kaua‘i Pop Warner Association

Growing Our Own Teachers Kaua‘i



Mahalo!

