

Annual Membership Meeting Wednesday, July 29, 2026



**Kaua'i Island
Utility Cooperative**

Your Touchstone Energy® Cooperative



The power of human connections®

KIUC Overview

- Small integrated utility
 - 73,000 residents and about 25,000 visitors daily
- Kaua'i previously served by investor-owned utility
- Began operating as a cooperative in 2002
- One of 900+ electric cooperatives in the United States
- 35,000 members (30,000 residential; 5,000 commercial)
- Fully regulated by the Hawai'i Public Utilities Commission

KIUC Progress

2002	2026
Rates 70% higher than O'ahu	Rates lowest in the State
Renewable generation: 7.8%	Renewable generation: 52.8%
Equity: 0.0%	Equity: 37.38%

KIUC Financials 2025

- Annual Megawatt Hour Sales up 3.2% compared to 2024
- Annual Revenue: \$177.8 million, down 4.2% compared to 2024
- O&M Expenses: Up 7.7% compared to 2024
- Net Margin: \$6.9 million
- Equity Ratio: 37.58%

KIUC Financials 2026 (YTD)

(through June)

- MWh sales: Down 0.1% vs YTD 2025
- Revenues are 12.2% higher than YTD 2025
- O&M Expenses: Up 1.4% vs YTD 2025
- Commodities*: Up 17.1% vs YTD 2025
- Equity Ratio: 37.38%

**Cost of fuel and purchased power*

Patronage Capital

- Patronage capital is created when KIUC's annual revenues exceed expenses. These net operating margins (i.e., "profits") are allocated annually to members' individual patronage capital accounts proportional to the amount of electricity they purchased throughout the year.
- This is the member's equity in KIUC.

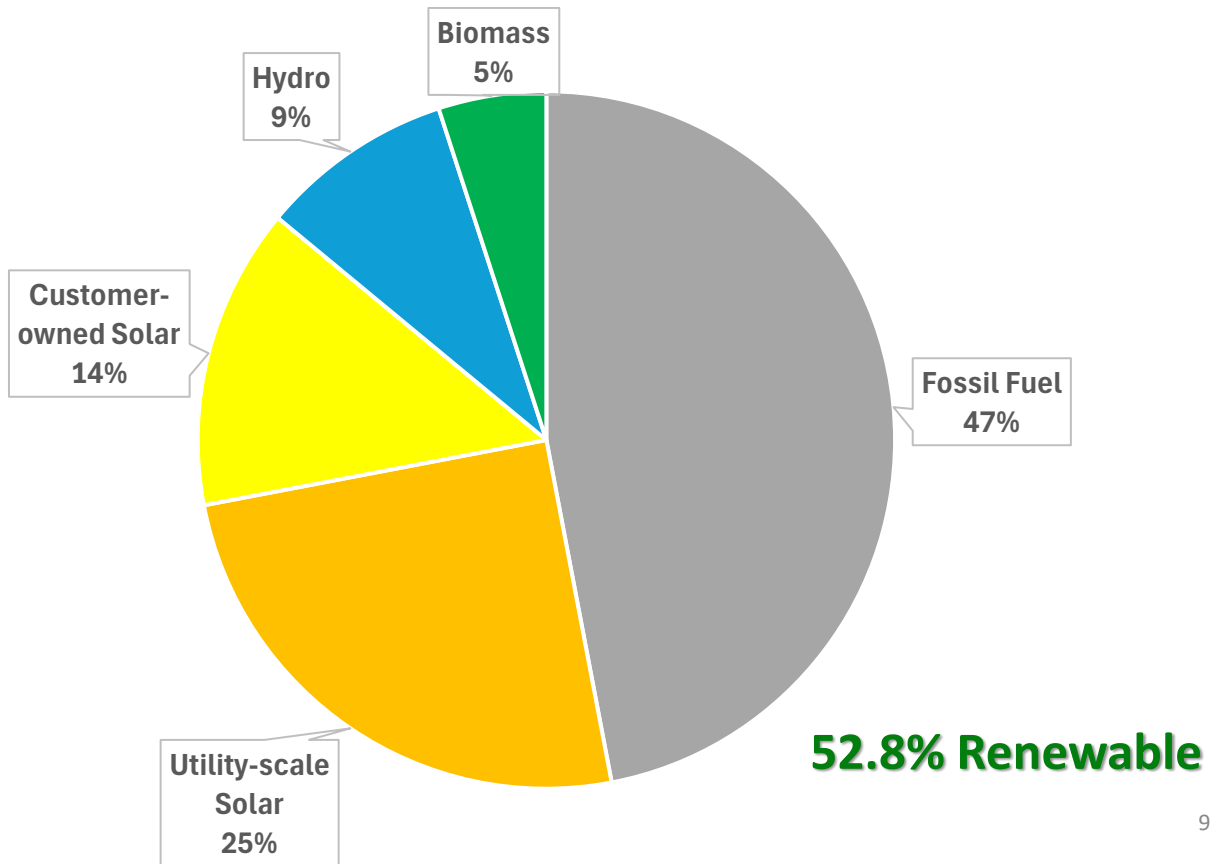
Patronage Capital

- Total Pat Cap retired to date: \$39.1 million
- 2025 was the first time the Board approved retirement of “old” Pat Cap (all Pat Cap earned in 2002 and a portion of 2003)
- FIFO (“First in First Out”) retirements likely to be routine in coming years

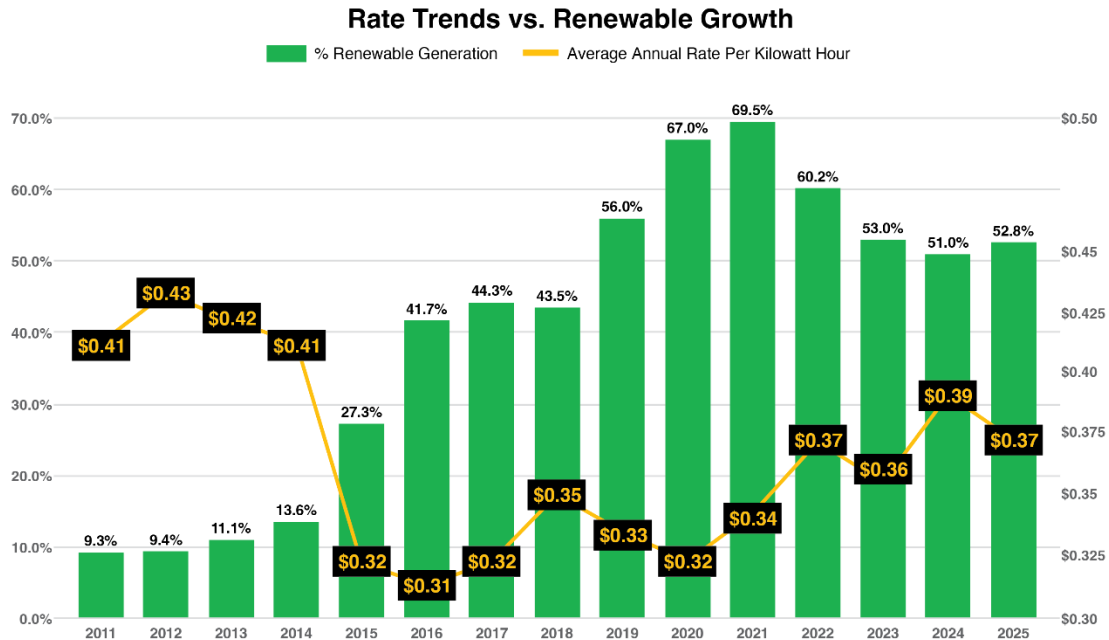
Patronage Capital

- 2025: Total of \$2.7 million retired
 - Largest retirement since 2018
 - \$1 million = 2025 margin
 - \$1.7 million = 2002 and a portion of 2003
- Your refund was reported as a credit on your May billing statement

KIUC Fuel Mix 2025



Renewable Energy and Rates



Renewable Energy and Rates

May 2026 Example



Without KIUC's utility-scale solar projects, the average member's electric bill would have been \$41 higher



If KIUC's renewable percentage had been 0%, the average member's monthly bill would have been \$52 higher

New Renewable Projects

AES Mānā Solar+Storage (35MW)

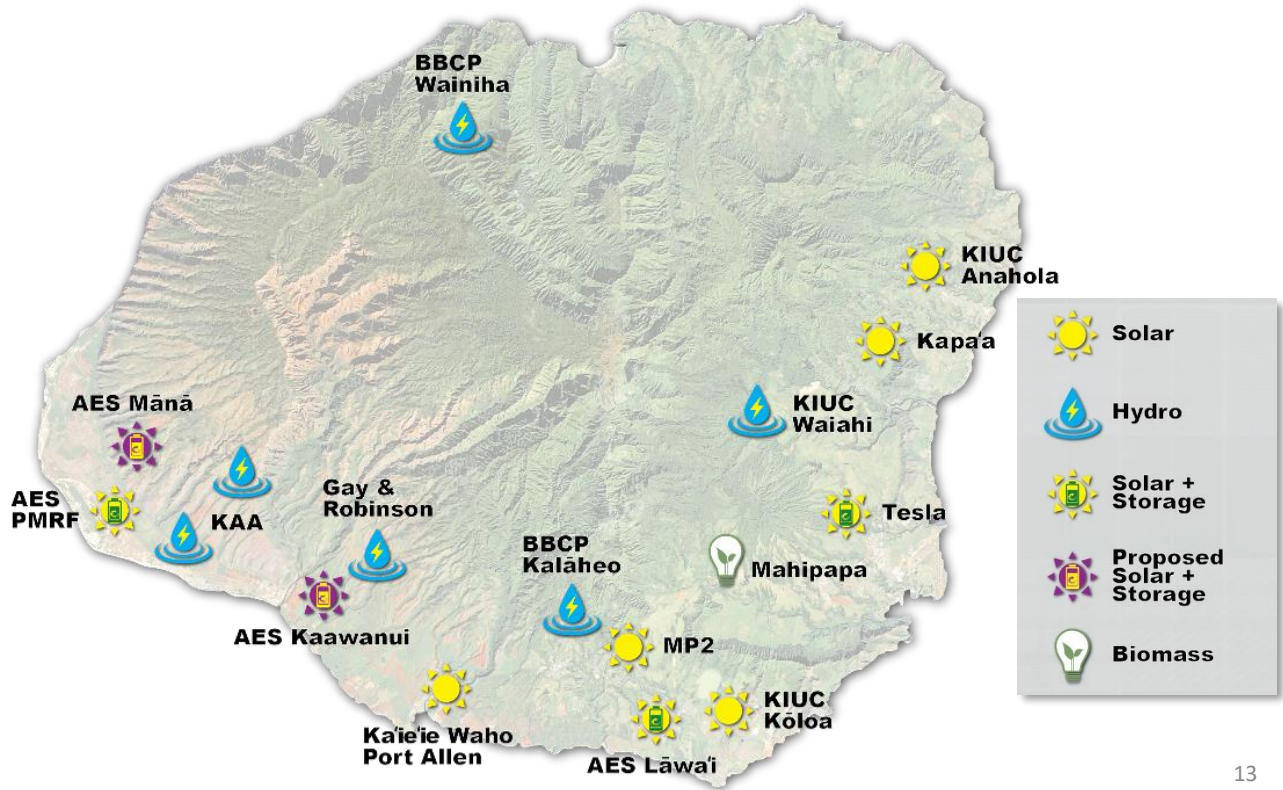
Site: Agribusiness Development Corporation land

AES Kaawanui Solar (43MW)

Site: Gay & Robinson land

- Expected date of operation: Late 2029
- Renewable boost: Up to 90%
- First year total savings: \$13.4 million
- 25-year term total savings: \$800 million

KIUC Renewable Resources



Enhanced Grid Resiliency

Distributed generating resources offer potential microgrid capabilities under the “right” circumstances



Enhanced Grid Resiliency



Endangered Species Compliance

- Habitat Conservation Plan
 - \$6 million expense in 2025; \$6 million est. 2026
 - Progressing towards 2026 approval of federal permit
 - 50-year term



Wildfire Mitigation

- Investments include grid hardening, fire prevention, disaster response capability enhancement, vegetation management
 - **\$18 million invested since 2023; increasing to \$55 million by the end of 2027**
- Wildfire Mitigation Plan approved by Hawai'i Public Utilities Commission in May 2026 (to be updated every two years)
- Cost recovery allowed via tariff rider: application expected to be submitted this year



Federal Grants



**TOTAL AWARDS
CONFIRMED:**
4



**TOTAL COST OF
PROJECTS:**
\$43 million



**TOTAL KIUC
CONTRIBUTION:**
\$15.7 million



**Converting steam
generator at Port
Allen to synchronous
condenser**



**Upgrade of Port
Allen control room**



**Installing fire-safe
fuses and arresters
in high priority fire-
prone areas**



**Adding Battery
Energy Storage
Systems to utility-
scale solar facilities**

Member Service Enhancements

- After-hours call center: Cooperative Resource Corporation
- Everbridge emergency notification service
- New rebate: Power backup device for personal medical equipment



Energy Services Programs

- Energy efficiency programs: resulted in 2.3 million kilowatt hours of residential energy savings and 1 million kilowatt hours of commercial energy savings
- 1,169 appliance rebates processed
- 319 HALE home energy audits conducted
- 61 commercial projects completed with more than \$600,000 in cost covered by KIUC



Call 808.246.4300 or email energyservices@kiuc.coop

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
- Funds Catholic Charities and Kaua'i Economic Opportunity for utility payment assistance



KIUC Charitable Foundation

2025 Grants: \$16,517

University of Hawai'i Foundation (scholarships)

State of Hawai'i Department of Education

Kaua'i North Shore Food Pantry

Kaua'i Police Activities League

Kekahu Foundation (KKCR)

2026 Grants (YTD): \$10,302

University of Hawai'i Foundation (scholarships)

Kekaha Foundation

Herbie Gives

Komohana Westside Girls Basketball Club

State of Hawai'i Department of Education

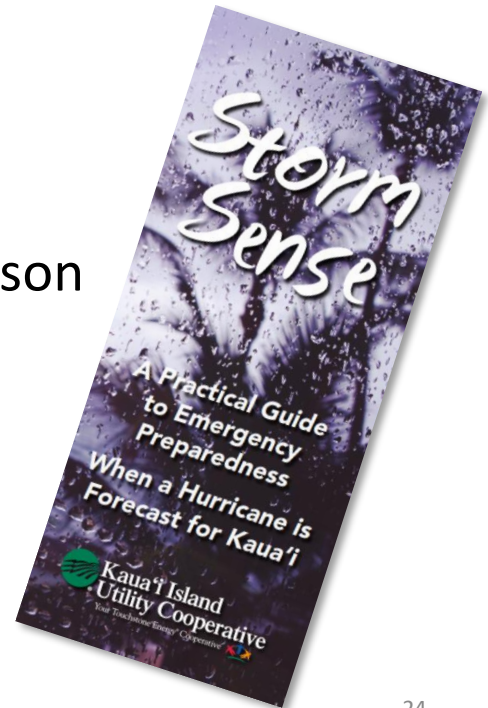
Kaua'i Search and Rescue

Disaster Preparation

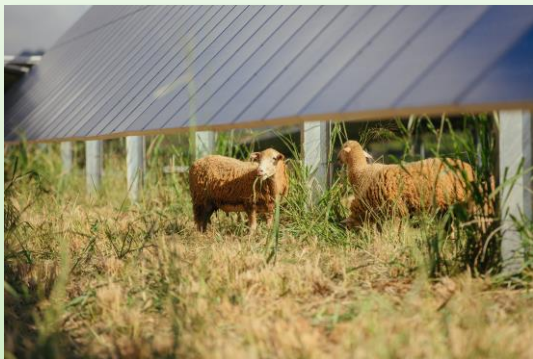
- Increased pole and transformer inventories
 - Target level of one month of supplies on hand for storm crews
 - 1,000 poles
- Currently have 1,047 poles in stock
 - Storm reserve plus change out support
 - 50% of pole inventory composite

Emergency Preparation

- Members should always be prepared for potential extended power outages during extreme weather
- We are officially in hurricane season
- See Storm Sense area on our website (KIUC.coop) for more information on emergency preparation



Mahalo!



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