

Fall 2023

Kaua'i Island Utility Cooperative

Currents

Youth Tour Returns
to Washington, D.C.

Inside:

*Introducing Biodiesel
KIUC's 2022 Annual Report*



Aloha Island Team



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ISLANDER ON THE BEACH #241

Gorgeous fully furnished, turn key Islander on the Beach condominium with kitchenette and gorgeous Ocean and Pool Views! Beautifully decorated in Hawaiian style decor. Almost Oceanfront and located along the gorgeous Coconut Coast in Kapaa with direct access to the bike and walking path along the ocean. Easy access and close proximity to shopping and restaurants and just minutes from downtown Kapaa. \$545,000(fs). Call: Karen L. Agudong, Broker (808) 652-0677.



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IN ESCROW

3535 WAHA ROAD, KALAHEO

2 HOMES with gorgeous OCEAN VIEWS in Kalaheo!

FRONT HOME FEATURES:

- 3 bed, 1 bath interior (with additional toilet, sink and shower in garage)
- Large Picture windows with gorgeous ocean views
- Hardwood floors
- Master Bedroom with window A/C and sliding door leading to enclosed lanai
- 2 Car Oversized garage with storage
- Large Storage area underneath house

BACK HOUSE

- Sold fully furnished
 - 1 bed, 1 bath inside
 - Beautiful Ocean Views!
 - Enclosed Lanai off of the living room, facing the ocean
 - 2 Car Garage (one side is not enclosed) with Laundry room, sink and ½ bath
 - outdoor shower with hot water
- \$1,225,000(fs)

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ON THE COVER

Youth Tour delegates gather in front of the U.S. Capitol. From left are Sarah Morioka, Joveline Alvarez, Bailey Ponce and Leilani Kass.

Save postage, get your *Currents* online

Currents is mailed quarterly to members of Kaua'i Island Utility Cooperative. This issue and back issues also are available online at kiuc.coop.

If you would like to help the cooperative save paper and postage, you can receive *Currents* via email or simply read it on our website. Just send a note to currents@kiuc.coop and we will take you off the mailing list.

We're also open to story ideas, letters and suggestions. And we're always looking for new recipes. Thank you for reading *Currents*.



Only active KIUC members will be mailed KIUC *Currents*. KIUC *Currents* can be found online at kiuc.coop under News and *Currents*.

KIUC is an equal opportunity provider and employer.

Chairman's Message

Mahalo to everyone who attended KIUC's 21st annual meeting at the Kaua'i Philippine Cultural Center. It was our first in-person annual meeting since the pandemic began. At the meeting, we shared updates about KIUC's progress and our strategic plan for the next 10 years.

It's our tradition to hand out bags of rice to attendees after the meeting as a token of our appreciation and donate additional rice to local food banks. This year, KIUC donated 248 pounds of rice to the Hawai'i Foodbank Kaua'i branch. The Hawai'i Foodbank "nourishes our 'ohana today and works to end hunger tomorrow."

While KIUC remains focused on improving our energy security, food security is another issue that, as an island community, we must address. One way we hope to support local agriculture is through the West Kaua'i Energy Project. If completed, the project will allow the Department of Hawaiian Home Lands to reirrigate agricultural lands for beneficiaries, which will provide jobs and food, and supply Kauai with a steady source of renewable energy for 50 years or more.

We hope you are inspired by this issue of Currents as you learn about our achievements of the past few years, our plans for the next decade, and how our co-op cares for the health of the people of Kaua'i by contributing to a circular economy through local partnerships and renewable energy projects.

*Mahalo nui loa,
Allan A. Smith*



Board Actions

Below is a summary of some of the actions taken by the KIUC Board of Directors from May to July 2023.

May 05, 2023

Motion carried, BAR: 2022 retirement plan restatement.

Motion carried, Resolution No. 03-23: pension—2022 board resolution restatement.

Motion carried, BAR: Attorney invoices over CEO approval limit.

Motion carried, Policy No. 31: Safety.

Motion carried, appointment to the National Rural Electric Cooperative Association Region 9 nominating committee: Janet Kass.

Motion carried, appointment to the NRECA Region 9 Resolutions Committee: Dee Crowell.

June 29, 2023

Motion carried, executive session: AES agreement.

July 27, 2023

Motion carried, Policy 9: investment of general funds.

Motion carried, Rural Utilities Service form 740g.

Motion carried, Resolution 04-23: authorizing new RUS loan.



Checking All the Boxes: KIUC's Strategic Plan Update

By Jim Mayfield

Don't you love that feeling of satisfaction when you've checked off everything on your to-do list? I sure do. But after you've checked everything, what's the next step?

Create a new list!

This year, KIUC's board of directors adopted an update to our strategic plan. This was needed because KIUC had essentially already achieved the aggressive goals set in the 2016 strategic plan:

- ❖ Generate at least 70% of electricity by using cost-effective renewable resources by 2030.
- ❖ Manage technology and price risk by adding new renewable generation sources at no more than 10% of Kaua'i's electric use in any single year.
- ❖ Hold controllable cost increases at or below the actual level of inflation and maintain system reliability at 99.96% or better availability.
- ❖ Continue to address the strategic implications of climate change, including reducing the utility's contribution to greenhouse gas emissions, adapting to the direct and indirect effects locally and developing mitigation measures to protect the cooperative's assets.
- ❖ Continue investing in technology to cost-effectively maintain or improve our member service offerings and utility operations, including our smart grid, to continue our transformation toward a 100% renewable future and lower operating costs.

As the chairman of the Strategic Planning Committee, my committee members and I were tasked with leading the

development of our new plan. We looked at what's happening now around the world and future forecasts, considering financial stability, renewable energy, reliability, climate change, cybersecurity and state and federal regulations. There are unique challenges but also exciting opportunities. With those in mind, we came up with the following strategic goals:

1. **Cost of electricity.** *KIUC will deliver reliable electricity at the lowest possible cost.*
2. **Carbon footprint.** *KIUC will contribute to a sustainable Kaua'i.*
3. **Resiliency 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.*

While in 2021 and 2022 KIUC has led the state of Hawai'i in these three measures, we want to continue improving upon them. Under each of these goals is a number of objectives. One of our boldest objectives is to reach 100% renewable generation by 2033, which is 12 years ahead of the state of Hawai'i's mandate.

The reason KIUC became a leader in the utility sector is that we began as a cooperative 20 years ago. We have the autonomy to set our own goals, and it all comes back to benefiting our member-owners—the residents and businesses of Kaua'i.

To read the full strategic plan update, visit KIUC's website at kiuc.coop/strategic-plan. 🌱



Dr. Christopher Orlang & lead CT Technologist R.C. Schnackenberg.

New Scanner Improves Health Care for Kaua'i Residents

Wilcox Medical Center recently installed a new Philips Spectral CT 7500 scanner that produces comprehensive and exceptionally clear images in a short amount of time for a broad range of patients, including children and bariatric patients.

The new, state-of-the-art computerized tomography scanner, together with the high-tech 320-slice CT scanner already at Wilcox, enhances the work of experienced physicians, technologists and radiology team members. It also expands imaging services to more patients on Kaua'i.

Through the latest innovation and advances in CT technology, the scanner collects more imaging data from a single scan to detect, diagnose and monitor conditions such as cancer, heart disease and fractured bones. The

machine generates high-quality images with faster setup times and shorter exam times. This results in a lower dose of radiation as well as a more comfortable overall patient experience.

"The same disease or condition doesn't always appear the same way in every person," says Dr. Christopher Orlang, Wilcox section chief of radiology. "This new CT scanner with advanced technology will help us give a more personalized medical experience to our patients and should reduce the need for multiple tests to get the answer we're looking for. That's the goal of moving forward in medicine."

CT scanning is one of the fastest imaging techniques available, making it ideal for emergency situations, such as trauma accidents, head injuries and stroke patients. Dr. Orlang says the

new equipment at Wilcox can complete most scans in a few minutes—some in less than a minute—and still provide detailed results.

"All of us at Wilcox are dedicated to offering the highest quality health care to everyone on Kaua'i, and this new CT scanner advances our efforts to best serve our community," says Jen Chahanovich, president and CEO of Wilcox Medical Center and CEO of Kaua'i Medical Clinic. "We are always evolving to meet the needs of our community and expanding our services and equipment so Kaua'i residents can receive the care they need, right here at home."

Call 808-245-1030 or visit WilcoxHealth.org/Imaging to learn more about the imaging services at Wilcox. 🌐

In Sync with the Sun

By Janet Kass

“How’s the weather today?”

While this topic is an easy way to start a conversation, weather conditions play a big part in keeping the lights on every day on Kaua’i.

For several years, KIUC has been running on 100% renewable energy for many hours on most sunny days. To accomplish this, we rely heavily on solar power, which is plentiful on most days. However, solar power is intermittent and can fluctuate when clouds pass overhead.

So how do we keep running at 100% renewable when the sun disappears and reappears? You may think you know the answer: batteries. That’s partly the answer. But the most important tool we have in running 100% renewable is our **synchronous condenser, or “syncon.”**

In 2019, KIUC’s largest generator, at Kapaia Power Station, was modified to add the syncon capability. That means the large generator—normally powered by a General Electric LM2500 gas turbine burning liquid fuel—can also operate like a motor powered by the electric grid without using a drop of liquid fuel. Having that generator providing inertia, voltage support and

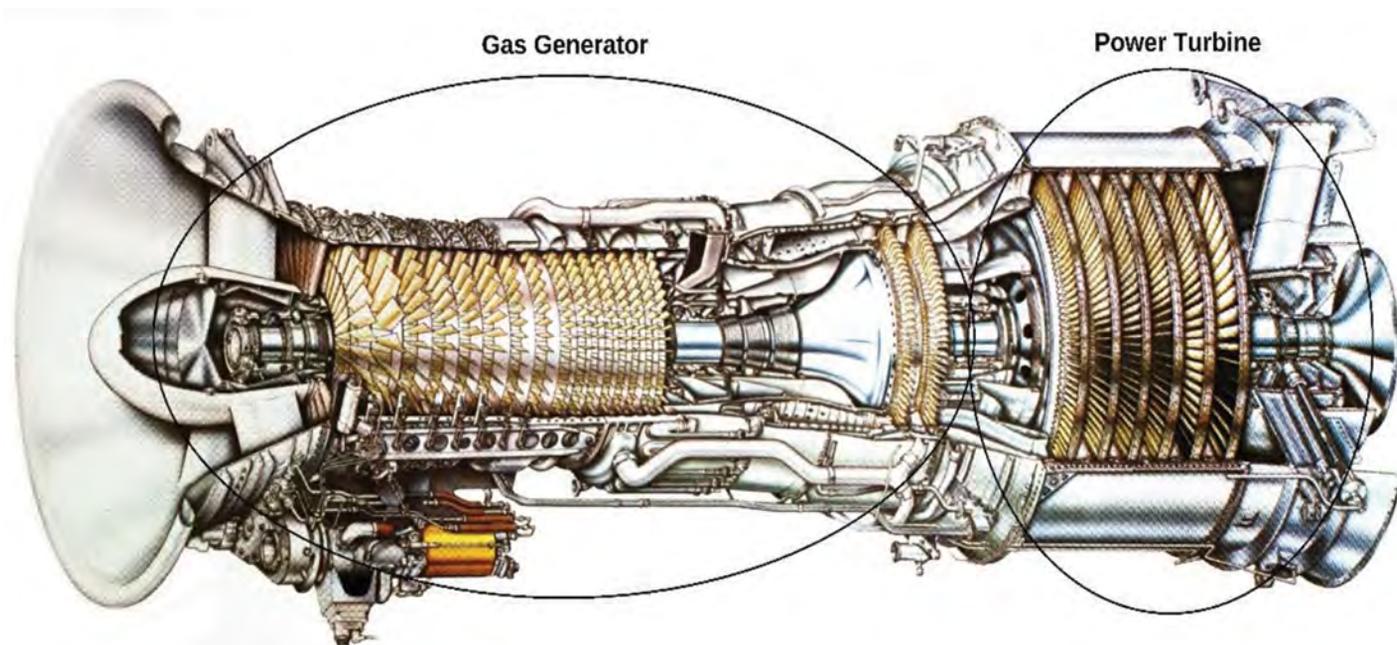
fault current when we’re using 100% renewable energy on sunny days is critical to maintaining reliability in our electric grid.

Brooks Braun, Kapaia Power Station manager, says, “This clutchless syncon is probably the only one of its kind in the world. It makes sense for an island grid.”

We’re really proud of this innovative accomplishment. And yet our board of directors set the goal to reach 100% all day, every day, by 2033. That means we need to find new ways to generate power overnight and when solar power is not the best option.

The development of the West Kaua’i Energy Project and introduction of biodiesel (see page 28) are both important steps to achieve this goal. WKEP, once built, will help keep rates low and supply a quarter of Kauai’s energy needs, with most of it coming to the grid at night. This is important with the expected rise in electricity demand as more electric vehicles hit the road and require charging stations.

The next time someone asks you about the weather, you can provide them with this fun fact: “The sun is shining, and that means Kaua’i’s probably at 100% right now!” ☀



Youth Tour 2023

Following a three-year break due to the COVID-19 pandemic, KIUC selected four juniors to participate in 2023 Youth Tour: Joveline Alvarez of Waimea High, Leilani Kass of Hawai'i Technology Academy, Sarah Morioka of Kapa'a High and Bailey Ponce of Island School. Through the National Rural Electric Cooperative Association's Youth Tour program, students from across the United States travel with their co-ops to meet in Washington, D.C., to learn about history, government and how electric cooperatives work. KIUC partners with Kansas Electric Cooperatives, and we travel together to form the Kansas-Hawai'i delegation. Our delegates were eager to share their experiences.

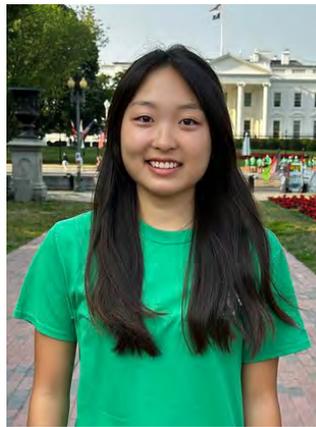


KIUC 2023 Youth Tour delegates by the Potomac River.

Trip of a Lifetime

By Sarah Morioka

Being able to experience Youth Tour 2023 this past June was one of the most exciting and unimaginable things I have ever done. Through this trip of a lifetime, I was able to connect with so many new people, learn more about co-ops and how they serve our community, as well as get a closer look at the way our government functions. Our Kansas-Hawai'i group, although strangers at first, quickly became friends as we explored the treats our nation's capital has to offer. And although nearly impossible, if I had to choose I would say my favorite part of Youth Tour would be the way we saw history unfold before our eyes.



The best way I can describe it is that it felt like I walked straight into a history book. From the marbled floors to the granite pillars up to the intricate painted ceilings, history was strung everywhere throughout the city. I think one of the most surreal moments for me was walking through the National Archives Museum and seeing the historical documents written to form our country. Throughout my years of sitting in many U.S. history classes, I have learned a great deal about what our country stands for and how it came to be; however, actually seeing these documents, yellowed and aged as written by our founding fathers, it felt so real, like I was transported back to 18th century America.

In addition to viewing the founding pieces of our country, Youth Tour also provided us the opportunity to view the parts that support us in the present. We were lucky enough to visit Capitol Hill. Guided by the interns in Sen. Brian Schatz's office, we saw the insides of our Capitol and the behind-the-scenes work that is done to maintain it. We were also given the opportunity to meet with and ask questions of Congresswoman Jill Tokuda, an experience which showed us just how important it is to use our voices.

Being able to be a part of Youth Tour is truly something that comes only once in a lifetime, and I am beyond grateful to KIUC and NRECA to have been presented with this amazing opportunity. I think this trip will remain one of my fondest memories, and I can't help but smile every time I think about the adventure we experienced this past June.

Living in the Moment

By Bailey Ponce

Ever since I went on KIUC's electric co-op Youth Tour, I have taken away many life lessons. I first learned how to make new friends and integrate myself with people from a different culture than Kaua'i's community. I also broadened my knowledge about the history of Kansas and Washington, D.C., as we got to visit numerous memorials and monuments.



My favorite monument was the Washington Monument, as I could see Washington, D.C., from four different perspectives and appreciate the well-crafted architecture of the monument. The tour was very educational, as I got to watch a baseball game, ride a huge boat on the Potomac River and watch a magic show. My favorite experience was the boat ride on the Potomac River, as I got to meet other people on Youth Tour from different states, eat dinner with them and dance with them. However, all of these activities taught me the importance of living in the moment and never wasting a day doing nothing.

Youth Tour also taught me the importance of having good company and making friends with people who will always have your back no matter what. At first, I didn't think I would miss the Youth Tour that much, but now I wish to see my friends from Kansas and Hawai'i and go on another trip with them.



KIUC and Kansas Electric Cooperatives delegates in front of the White House.

Celebrating Diversity and Unity

By Joveline Alvarez

Participating in the 2023 Youth Tour as part of the Kansas-Hawai'i group was an unforgettable and enriching experience. The collaboration between Kaua'i Island Utility Cooperative and Kansas Electric Cooperatives created a unique opportunity to learn from one another and foster lasting friendships across states. As we joined forces, I found immense joy in the diversity of perspectives and cultural exchange that took place during our journey, and it was incredible to witness how electricity cooperatives can bring people together for a common purpose.

During our time in Arlington, Virginia, we had the privilege of watching the Marine Corps Sunset Parade at the Iwo Jima Memorial. The Sunset Parade was an unforgettable performance, featuring the music of "The Commandant's Own," the United States Marine Drum and Bugle Corps and precision drill by the Marine Corps Silent Drill Platoon. As a cadet at Waimea High's Junior Reserve Officers' Training Corps program, I found this experience particularly meaningful. I could appreciate the countless hours of practice and dedication required to achieve such an impressive level of performance. The ceremony also served as a reminder of the sacrifices made by our military personnel and their families to protect our freedoms and uphold our values.

Throughout the trip, we had the opportunity to explore numerous historical landmarks, museums and government institutions; each offering unique insights into the foundation and workings of our nation. This trip was an enriching journey filled with memorable moments. The friendships formed with the Kansas-Hawai'i group and the overall educational experience deepened my understanding of our government and the impact of rural electric cooperatives in our communities. I am incredibly grateful for the opportunity to have been a part of this inspiring and enlightening trip.



Expanding Horizons

By Leilani Kass

Traveling to Washington, D.C., has been an amazing transformative experience, but what really makes Youth Tour special is sharing that adventure with a group of strangers who quickly became my friends.

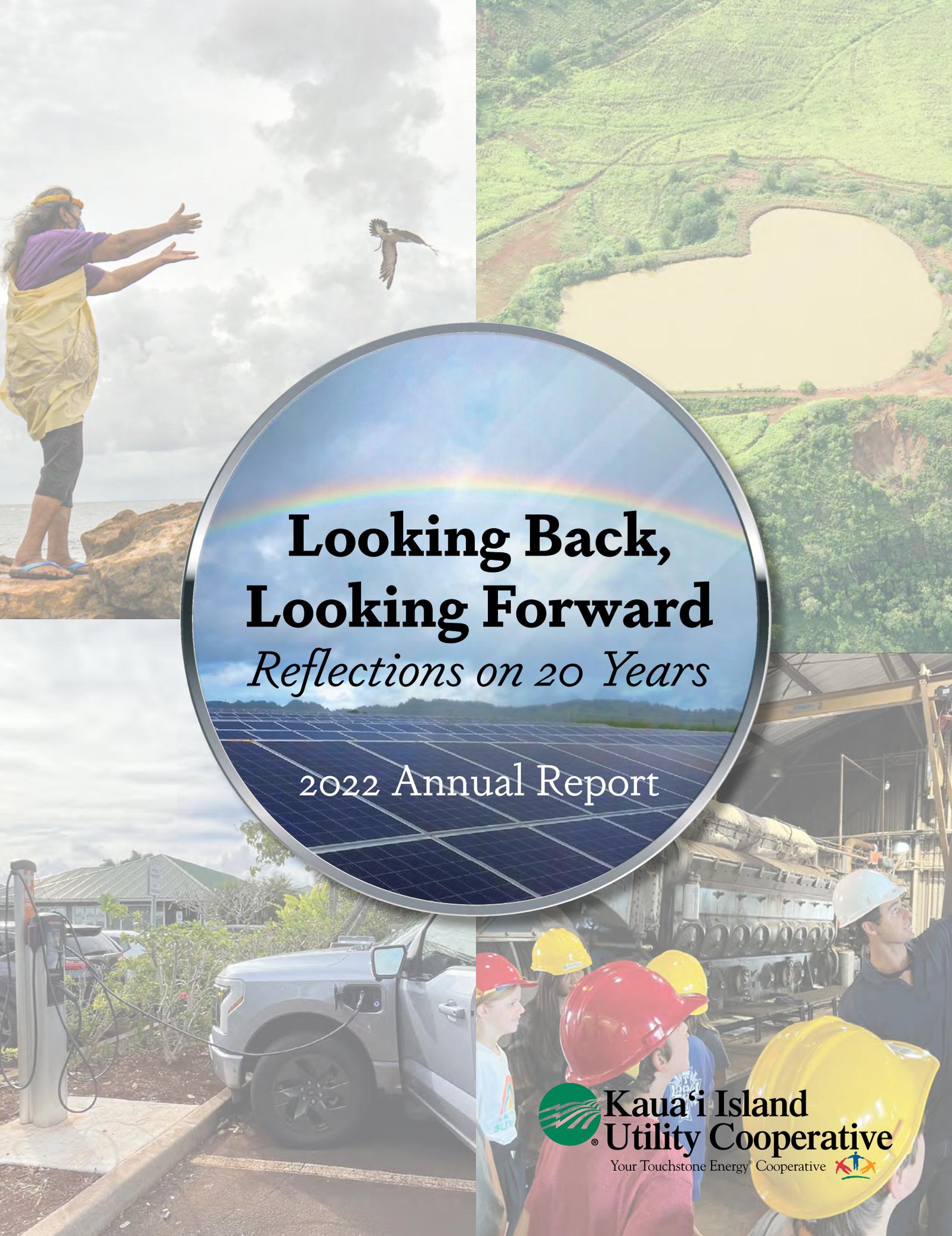
On day one, I didn't know what to expect. In fact, I rarely ever knew what to expect as our trip took us across the United States and all around Washington, D.C. At times there was a bit of a culture shock. Kaua'i, Kansas and D.C. are all very different, but I enjoyed every second of the experiences, especially the ones that pushed me out of my comfort zone. I think they have helped me grow as a person; however, I still am completely unable to line dance despite the efforts of the Kansas girls to teach me.

A part of Youth Tour that I loved was getting the opportunity to meet one of our state representatives, Congresswoman Jill Tokuda, and being able to talk to her. Being young in today's political landscape often feels like being forced to stand on the sidelines of a game that we want to join but can't. It was empowering that Youth Tour offered us the opportunity to get in touch with the people representing us in D.C. We were able to ask pertinent questions and communicate concerns.

Outside of our Kaua'i and Kansas group, I met other young people from all across the United States. At the beginning of our trip, we got enamel pins and were told that pin trading was a big deal during the Youth Tour, and oh boy, was it a big deal! People were fixated on collecting a pin from every state and got incredibly excited about rare pins. There was one pin known as the "Texas waffle" (it was made to look like a waffle in the shape of Texas). You would think that pin was made of gold and diamond not metal and paint! But the pins were more than collectable souvenirs, they were a way to meet everyone, to seek out every group. Pin trading was a fun way to talk to others and make new connections, and now I have 40 pins to remind me of people I met, from California to Maine!

For more photos and videos of the Youth Tour delegates, follow KIUC on social media @kauaicoop. 🌐





Looking Back, Looking Forward

Reflections on 20 Years

2022 Annual Report



**Kauai Island
Utility Cooperative**

Your Touchstone Energy[®] Cooperative 

Aloha!

On November 2, 2002, KIUC first formed as a cooperative. Looking back over the past 20 years, there are so many achievements to celebrate. Looking forward, we continue to strive to be industry leaders as the world adopts new technologies to address new challenges.

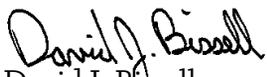
Over the past two decades, we've adapted to high fuel prices, protection of endangered species, hydroelectric power and installing advanced metering infrastructure (AMI). We have always managed to pivot and come up with solutions that are now recognized worldwide.

Our achievements include building \$134 million in equity and returning \$39 million to our members over the years.

During 2022, KIUC made the remarkable achievement of leading the State of Hawai'i with the highest percentage of renewables, the best reliability and the lowest residential rates.

Having reached our renewable energy goals nine years ahead of schedule, our Board of Directors updated our Strategic Plan to reach 100% renewable energy by 2033.

As we continue our leadership forward as a cooperative, we sincerely appreciate our members' commitment to KIUC over the years. We would not be able to do any of this without your support.



David J. Bissell

President and Chief Executive Officer



Allan A. Smith

Chairman of the Board



2022 KIUC at a Glance

**2022 Peak
Demand:
78.1 MW**

**Generation
Capacity:
259.2 MW**

**Number of
Meters:
38,799**
% Residential: 77%

**Renewable
Generation
Capacity:
142.2 MW**

**Miles of Line:
Transmission: 171
Distribution: 1,359**

**Megawatt Hours
Generated in 2022:
527,924**

**Total Revenue 2022:
\$174.8 million**

**Oil Fired
Generation
Capacity:
117 MW**

Renewable Progress

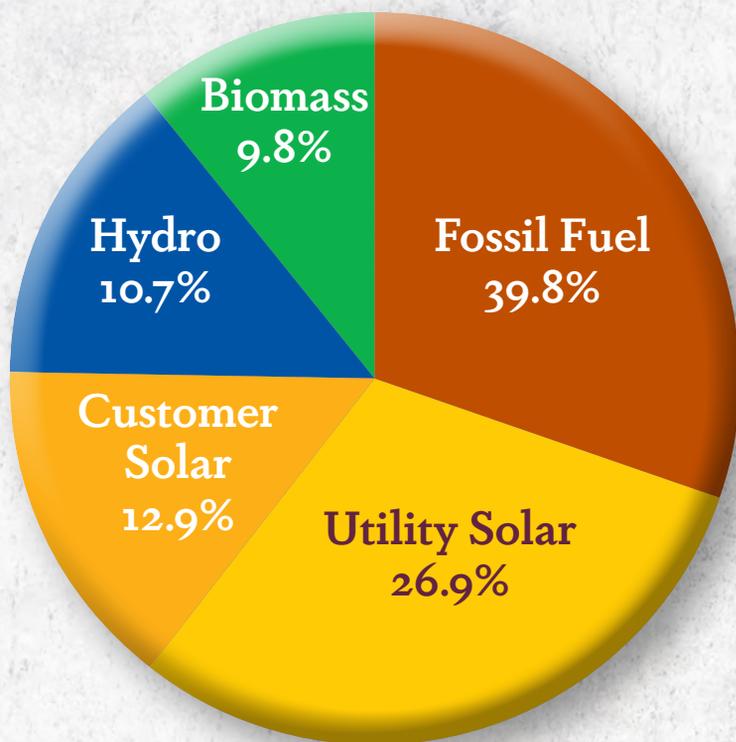
KIUC Leads the State in Renewable Generation

Facts:

- ❖ KIUC renewable percentage for 2022: 60.2%
- ❖ KIUC's Strategic Plan goal was updated to 100% renewable by 2033
- ❖ On sunny days, KIUC routinely reaches 100% renewable generation for five or more hours



2022 Fuel Mix by Source



How does KIUC calculate its renewable percentage?

Every year, KIUC must report its Renewable Portfolio Standard (RPS) to the Hawai'i Public Utilities Commission. In 2022 the Hawai'i Legislature changed how the RPS is calculated. The RPS calculation previously reflected the renewable percentage of electricity that was sold. Under the new formula, RPS is calculated as a percentage of electricity that was generated. Because of this and other factors, the KIUC's RPS dropped from 2021 to 2022, even though we generated roughly the same amount of renewable power in both years.

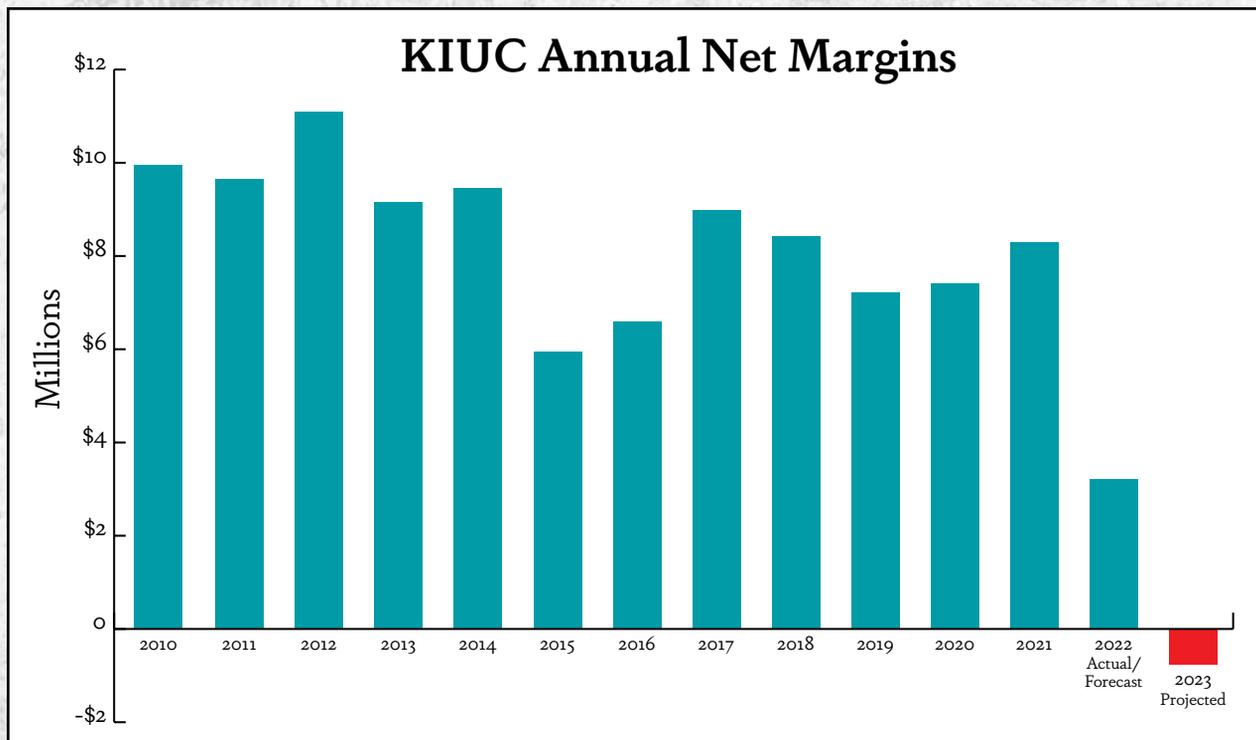
2022 Rate Case

For the second time in its 20-year history, in late 2022 KIUC filed for an increase in rates with the Hawai'i Public Utilities Commission (PUC).

Since the last base rate increase in 2010, the Consumer Price Index (CPI) has risen a cumulative total of around 36% in Hawai'i. While KIUC has managed to keep its controllable costs below the inflation rate, electricity sales haven't kept pace. There's a growing gap between expenses and revenues; sales have increased only 5% since 2010. Inflation, along with escalating costs associated with endangered species compliance and more than \$80

million invested in necessary improvements to the grid and IT infrastructure, have created pressure on KIUC's balance sheet over time.

As a not-for-profit organization, KIUC must maintain a comfortable net margin, which is the money left over from sales after subtracting expenses. In the past few years margins have decreased to the point that KIUC is in danger of no longer meeting lender requirements, thus creating the need for a rate increase request. For more information on the rate case, visit www.kiuc.coop/ratecase.



Note that the margins reported in this graph for 2020, 2021 and 2022 include Lost Gross Margins (LGM) KIUC has been allowed to accrue due to a loss in sales from COVID 19.

Did You Know?

Did you know in 2022 KIUC personnel conducted 149 home energy audits to help members reduce their bills? Contact our Energy Services team for tips on how to manage your energy use: energyservices@kiuc.coop



The cooperative begins operations with zero percent equity and the highest electric rates in the state.

Reflecting Back 20-Year Co-

Plans are developed to improve reliability and diversify energy resources.

A study to evaluate the feasibility of renewable generation on Kaua'i is completed.

2007

The KIUC Board of Directors releases its first Strategic Plan, including a goal to reach 50% renewable generation by 2023.



Kaua'i's first utility-scale solar farm (REC Solar, Kapa'a) begins selling power to KIUC.



The Kapaia Power synchronous condenser is installed, allowing the grid to run on 100% renewable energy on sunny days.

2002



KIUC holds its first Board of Directors election and conducts its first Annual Membership Meeting in 2003.

2012

By 2011, KIUC has retired \$25.4 million in patronage capital to members.

Back On Our -op Journey



KIUC is named the “Electric Cooperative of the Year” by the Smart Electric Power Association in 2021.

2017



er Station turbine is enabled to run in condenser mode, allowing KIUC to run renewable energy for multiple hours



Global renewable leader AES is selected to develop a second solar+storage project in Lāwa’i; when completed it is the world’s largest such facility.

The 12-megawatt Kōloa and Anahola solar projects are built and placed into service.

In 2017, the KIUC Board updates its renewable goal to 70% renewable by 2030, and KIUC partners with Tesla to open the world’s first utility-scale solar+storage project in Kapaia.

2022



As of 2022, KIUC has retired \$39 million in Patronage Capital to its members, and boasts the highest percentage renewables, best reliability and lowest residential rates in the State of Hawai’i.



KIUC introduces SmartHub, an online customer information system that enables tracking and management of members’ energy use.



Installation of advanced metering infrastructure (AMI) is completed.



Community Support

KIUC returned full-force to community and educational events with partners such as the Kaua'i Community Science Center (KCSC) and AES. We participated in school science fairs, career days, field trips, town festivals, provided speeches and forums for local nonprofit organizations, sponsored and attended fundraisers and continued our Calendar of Student Art Contest.

Kaua'i non-profit organizations were also supported by a variety of KIUC programs:

Community Support in 2022

Sharing of Aloha Grants

\$24,000

- ❖ Alaka'i O Kaua'i Charter School
- ❖ Big Brothers Big Sisters of Kaua'i
- ❖ Friendship Club
- ❖ Hawai'i Children's Theater
- ❖ Ke Kula Ni'ihau O Kekaha
- ❖ Swim Kaua'i Aquatics

Community Support and Sponsorships

\$124,160

- ❖ Kaua'i United Way
- ❖ E Ola Mau Na Leo O Kekaha
- ❖ The Bridge – Kaua'i to College
- ❖ Mokihana Club
- ❖ YWCA of Kaua'i
- ❖ Alzheimer's Association
- ❖ Kaulana Kilauea
- ❖ American Red Cross of Hawai'i
- ❖ Kōloa Plantation Days

KIUC Charitable Foundation

\$25,800

- ❖ Kaua'i Economic Opportunity
- ❖ Catholic Charities of Hawai'i
- ❖ Kumu's Cupboard
- ❖ University of Hawai'i Foundation
- ❖ Kapa'a Middle School Choir Booster Club



West Kaua‘i Energy Project

KIUC continued to pursue its most ambitious renewable project to date, the West Kaua‘i Energy Project (WKEP). Designed as a hybrid solar and pumped storage hydro facility, WKEP will meet up to 25% of Kaua‘i’s energy needs, provide long-duration storage capability, and deliver irrigation water for state-owned agricultural lands. The project is being developed by AES: a global leader in the deployment of large-scale solar and hydro technology. Government support at all levels is critical to the success of renewable projects. The passage of the Inflation Reduction Act by Congress in August 2022 was critical to the extension of incentive tax credits (ITC), which will keep the cost of electricity as low as possible for KIUC members.



KIUC CEO David Bissell explains to Congressional leaders why the ITC is critical for the development of large renewable projects.

Habitat Conservation Plan

In collaboration with U.S. Fish and Wildlife Service and the State of Hawai‘i Department of Land and Natural Resources Division of Forestry and Wildlife, developed a draft Habitat Conservation Plan (HCP) to minimize and mitigate adverse effects on state and federally listed threatened and endangered species from the continued operation of existing and new KIUC infrastructure. An HCP is required because some KIUC infrastructure necessary to utility operations, including aerial powerlines and streetlights, is known to result in incidental take of certain state and federally listed species, including:

- ❖ Three seabird species: Newell’s shearwater (‘ā‘ō), Hawaiian petrel (‘ua‘u) and the Band-rumped storm-petrel
- ❖ Five waterbird species: Hawaiian goose (nēnē), Hawaiian coot (‘ālae ke‘ōke‘ō), Hawaiian duck (koloa maoli), Hawaiian stilt (ae‘ō), and the Hawaiian gallinule (‘ālae ‘ula)
- ❖ The green sea turtle (honu)

Developing and publishing the HCP for public comment, which occurred in early 2023, is an important step for KIUC to ensure compliance with the National Environmental Policy Act and the Hawai‘i Environmental Policy Act.



Hawaiian Petrel chick receives care from the Save our Shearwaters program.



2022 KIUC Board of Directors: (from left) Cal Murashige, David Iha, Jan TenBruggencate, Allan A. Smith, Dee Crowell, Peter Yukimura, Phil Tacbian, Jim Mayfield, Janet Kass.

2022

Board of Directors

Chair: Allan A. Smith
Vice Chairman: Jan TenBruggencate
Treasurer: Peter Yukimura
Secretary: Cal Murashige
 Dee Crowell
 David Iha
 Janet Kass
 Jim Mayfield
 Phil Tacbian

2022 Board Committees

Executive

Chair: Jan TenBruggencate
Members: Cal Murashige, Allan A. Smith, Peter Yukimura

Finance & Audit

Chair: Peter Yukimura
Members: Stacie Dellamano, Janet Kass, Jim Mayfield, Cal Murashige, Allan A. Smith

**Government Relations/
Legislative Affairs**

Chair: Phil Tacbian
Members: Beth Amaro, David Bissell, David Iha, Jim Mayfield, Peter Yukimura

International

Chair: David Iha
Members: Dee Crowell, Allan A. Smith, Phil Tacbian, Peter Yukimura

Member Relations

Chair: Dee Crowell
Members: Beth Amaro, Cal Murashige, Allan A. Smith, Phil Tacbian

Policy

Chair: Janet Kass
Members: David Bissell, Dee Crowell, Laurel Loo, Cal Murashige, Phil Tacbian, Jan TenBruggencate

Strategic Planning

Chair: Jim Mayfield
Members: David Bissell, Dee Crowell, David Iha, Janet Kass, Brad Rockwell, Allan A. Smith

Loan Review

Chair: Phil Tacbian
Members: Janet Kass

Summary of Operations

For the period 01/01/2022 – 12/31/2022

Financial Results for 2022 found KIUC kilowatt hour (kWh) sales are getting back to “normal” or pre-pandemic sales levels. KIUC experienced a rebound in kWh sales, but unfortunately, like many businesses, this rebound comes after 2 ½ years of low sales. KIUC is now faced with additional hurdles as cost pressures on our electrical system continue to grow, as spurred by inflation and supply chain delays. With flat sales and increasing costs since our last rate increase in 2010, KIUC has filed with the Hawai‘i Public Utility Commission an application to request a rate increase, which could take effect towards the end of 2023.

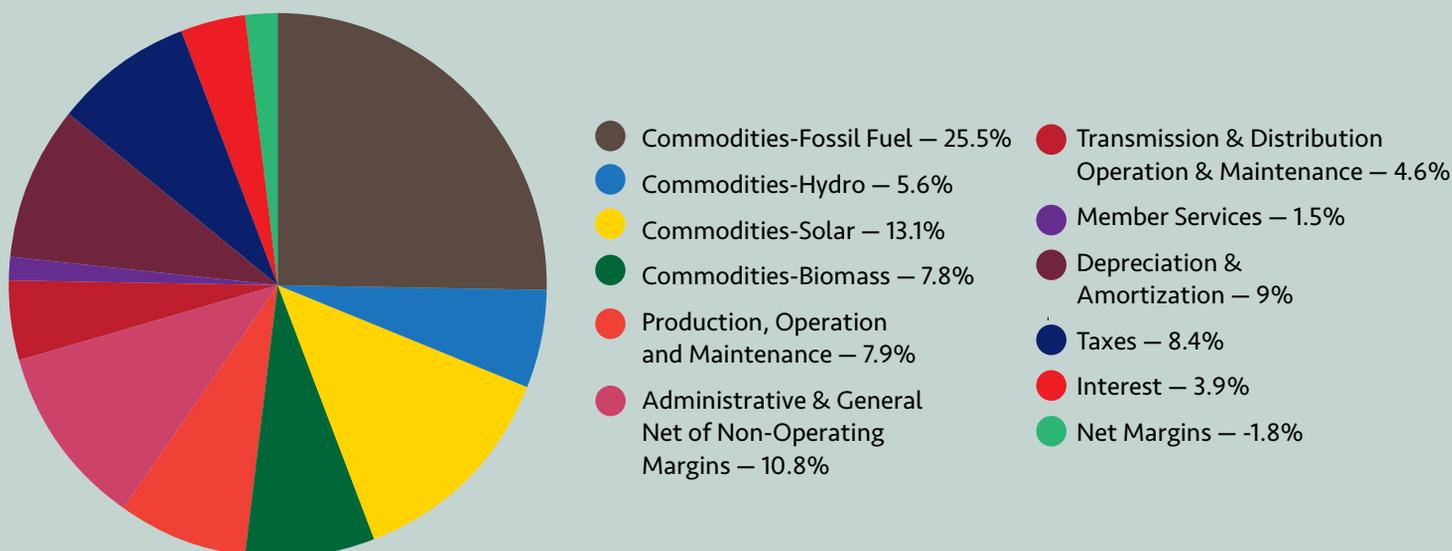
KIUC has continued to provide electric service to all areas of Kaua‘i with more renewable generation sources providing more stable prices than any other island in Hawai‘i. It has been the mission of the KIUC team to reduce costs in various areas in order to operate efficiently and effectively and continue to maintain a strong financial position. The cooperative’s financial team continues to work closely with its lenders and regulators in order to mitigate the financial effects of the coronavirus pandemic and low sales. Revenues, expenses, and net margins totaled \$174.8 million, \$171.6 million, and \$3.2 million respectively, for the period ending December 31, 2022.

The cost of power generation is the largest expense for KIUC, totaling \$104.7 million or 60% of revenues. Commodities, which are fuel and purchased power costs, are the largest component of power generation totaling \$91 million or 52% of revenues. Currently, fossil fuel is the largest component of

commodities totaling \$44.6 million or 25.5% of revenues. Other commodities include hydro power totaling \$9.9 million or 5.6% of revenues, solar power totaling \$22.9 million or 13.1% of revenues, and biomass power totaling \$13.6 million or 7.8% of revenues. The remaining \$13.7 million or 7.9% of revenues represents the cost of operating and maintaining the generating units.

The cost of operating and maintaining the electric lines totaled \$8.1 million or 4.6% of total revenues. The cost of servicing our members totaled \$2.7 million or 1.5% of revenues. The cost of keeping our members informed totaled \$0.9 million or 0.5% of revenues. Administrative and general costs, which include legislative and regulatory expenses, engineering, executive, human resources, safety and facilities, information services, financial and corporate services, and board of director expenses, totaled \$18.9 million or 10.8% of revenues.

Being very capital intensive, depreciation and amortization of the utility plant costs \$15.7 million or 9.0% of revenues. Although not subject to federal income taxes, state and local taxes amounted to \$14.7 million or 8.4% of revenues. Interest on long-term debt, at a very favorable sub-5% interest rate, totals \$6.8 million or 3.9% of revenues. Non-operating net margins added \$0.8 million to overall net margins. Revenues less total expenses equal margins of \$3.2 million or 1.8% of revenues. Margins are allocated to consumer members and paid when appropriate.



Consolidated Balance Sheet

ASSETS	December 31,	
	2022	2021
UTILITY PLANT AT COST		
Electric Plant in Service	622,741,450	601,314,359
Electric Plant Acquisition Cost	54,852,453	54,852,453
Accumulated Depreciation and Amortization	(361,294,369)	(348,254,760)
Net Electric Plant in Service	316,299,534	307,912,052
Construction Work in Progress	13,245,623	11,836,079
Net Utility Plant	329,545,157	319,748,131
OTHER INVESTMENTS		
Investments in Subsidiary Companies	-	-
Investments in Associated Organizations	2,025,070	1,939,951
Rural Economic Development Loans	967,434	607,500
Other Investments [if maturity ≥ 1 yr]	-	-
Total Other Investments	2,992,504	2,547,451
CURRENT ASSETS		
Cash & Cash Equivalents	36,833,446	23,160,983
Restricted Cash & Cash Equivalents	1,284,552	1,647,885
Other Investments [if maturity < 1 yr]	10,000,000	5,000,000
Accounts and Notes Receivable (Less allowance for doubtful accounts of \$569,999 in 2021 and \$879,696 in 2020)	13,052,112	12,039,505
Accrued Unbilled Revenue	9,279,755	8,871,471
Energy Rate Adjustment Clause	89,426	-
Inventories	22,484,856	19,059,947
Other Current and Accrued Assets	1,391,134	2,964,115
Total Current Assets	94,415,281	72,743,906
POST-RETIREMENT BENEFIT ASSET	20,606	214,503
DEFERRED DEBITS	34,343,173	34,289,805
Total Assets	461,316,721	429,543,796
EQUITIES AND LIABILITIES		
EQUITIES AND MARGINS		
Memberships	598	583
Patronage Capital & Margins - Current Year	134,713,705	133,560,252
Capital Account - KRS2H	-	-
Other Equity	1,139,315	1,048,231
Post-retirement Benefit Obligation Gain (Loss)	(1,076,791)	(864,936)
Controlling Equity Interest	134,776,827	133,744,130
Capital Account - A&B KRS II LLC	17,724,051	17,775,258
Non-Controlling Equity Interest	17,724,051	17,775,258
Total Equities and Margins	152,500,878	151,519,388
LONG-TERM DEBT	244,571,747	226,146,530
POST-RETIREMENT BENEFIT OBLIGATION	1,188,420	-
ASSET RETIREMENT OBLIGATION	2,957,920	2,846,406
CURRENT LIABILITIES		
Current Maturities of Long-Term Debt	13,795,833	14,422,637
Line of Credit	13,583,205	-
Accounts Payable	8,008,222	9,668,620
Energy Rate Adjustment Clause	-	626,354
Consumer Deposits	1,263,231	1,367,898
Accrued Employee Compensation	2,663,499	2,714,642
Accrued Taxes	8,904,990	7,426,175
Other Current and Accrued Liabilities	969,597	1,516,527
Total Current Liabilities	49,188,577	37,742,853
DEFERRED CREDITS	10,909,179	11,288,619
Total Liabilities, Equities, and Margins	461,316,721	429,543,796
Equity Percentage	33.06%	35.27%

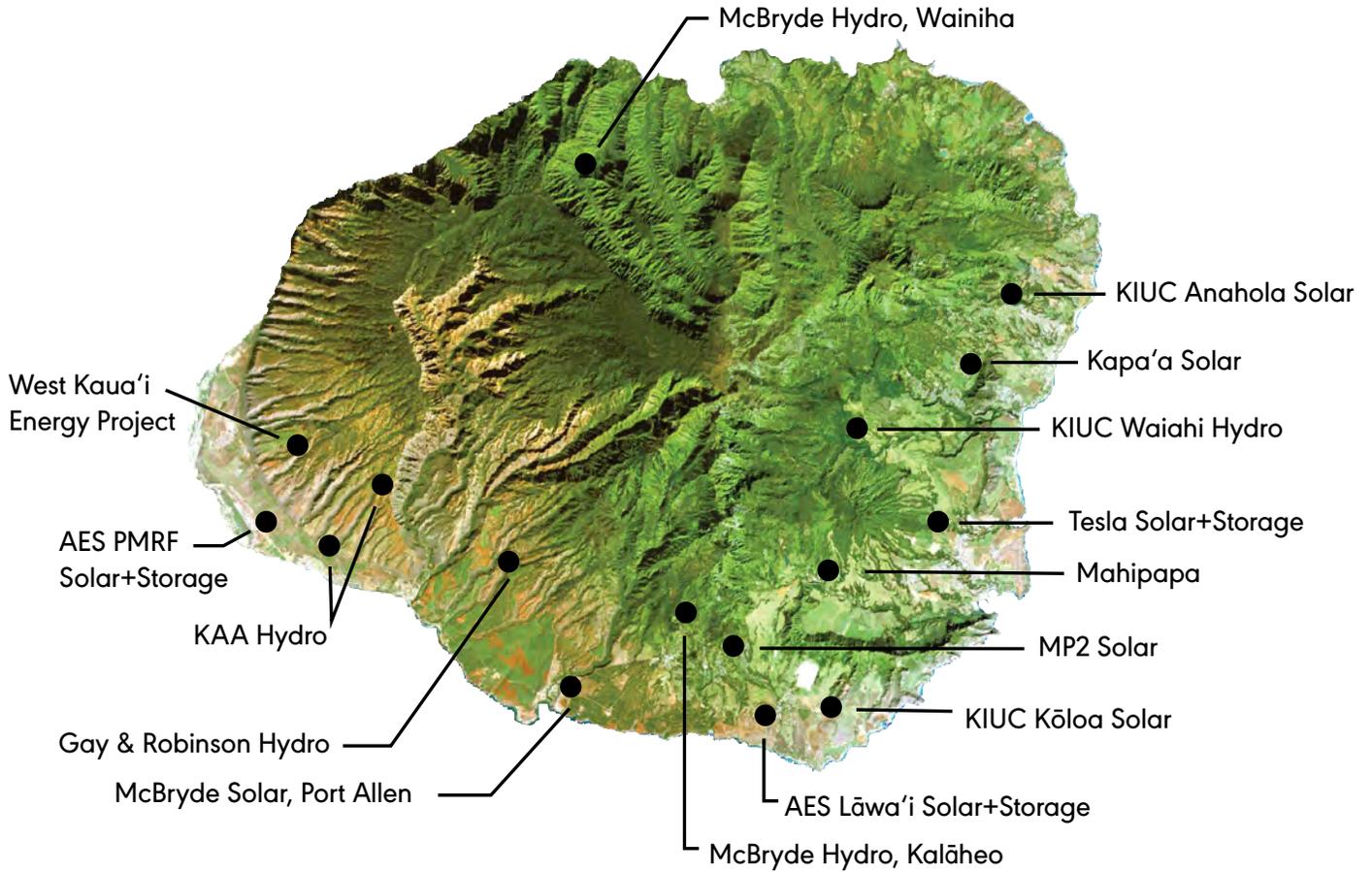
Consolidated Statement of Income and Patronage Capital

	Year Ended December 31,	
	2022	2021
	Amount	Amount
OPERATING REVENUES		
Residential	75,465,976	67,665,717
Irrigation	718,357	177,137
Commercial and Industrial	98,190,496	85,127,144
Public Street and Highway Lighting	692,840	683,855
Sale for Resale - RUS Borrower	-	(0)
Other Operating Revenues	(259,743)	5,133,601
Total Operating Revenues	174,807,926	158,787,454
OPERATING EXPENSES		
Power Cost	99,522,277	82,538,182
Transmission - Operation	549,624	483,850
Transmission - Maintenance	584,049	980,318
Distribution - Operation	1,998,178	1,727,764
Distribution - Maintenance	4,409,535	4,803,586
Customer Accounts	2,151,284	2,203,646
Customer Service and Information	281,668	272,391
Administrative and General	21,789,908	20,137,954
Depreciation and Amortization	19,014,017	18,808,331
Taxes	14,746,541	13,373,251
Accretion Expense	111,515	106,236
Other Interest Expense	-	-
Total Operating Expenses	165,158,596	145,435,509
OPERATING MARGINS - Before Interest	9,649,330	13,351,945
INTEREST ON LONG-TERM DEBT	7,397,917	7,210,177
OPERATING MARGINS	2,251,413	6,141,768
NONOPERATING MARGINS		
Interest Income	637,522	492,373
Capital Credits	201,912	240,619
Loss from Subsidiaries	-	-
Other Nonoperating Income (Expense)	74,892	1,409,090
Total Nonoperating Margins	914,326	2,142,082
EXTRAORDINARY ITEMS	-	-
NET MARGINS	3,165,739	8,283,850
Net Loss (Margins) Attributed to Non-Controlling Interest	7,020	13,002
NET MARGINS - COOPERATIVE	3,172,759	8,296,852

Statement of Cash Flows

	December 31,	
	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Margins	3,172,759	8,296,852
Adjustments to Reconcile Net Margins to Net Cash from Operating Activities		
Depreciation and Amortization	19,584,279	19,347,205
Accretion Expense	111,515	106,236
Noncash Lease Expense	135,716	-
Interest Earned on Cushion of Credit	(57,357)	(444,499)
Capital Credits	(201,912)	(240,619)
Income Attributable to Non-Controlling Equity Interest	(7,020)	(13,002)
Forgiveness of PPP Loan	-	(2,881,250)
Change in Assets and Liabilities:		
Accounts and Notes Receivable	(1,420,891)	(2,679,770)
Energy Rate Adjustment Clause	(715,780)	635,187
Inventories and Other Current Assets	(1,851,928)	(3,676,732)
Deferred Debits	(53,368)	(6,515,255)
Post Retirement Benefit Obligations	1,170,462	(37,910)
Payables and Accrued Expenses	(1,210,139)	869,525
Deferred Credits	(379,440)	415,717
Net Cash from Operating Activities	18,276,896	13,181,685
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to Utility Plant, net	(12,977,431)	(16,395,848)
Grant Funds & Tax Credits applied to Utility Plant	-	-
Rural Economic Development Loans	(359,934)	(270,000)
Other Investments	(4,883,207)	(4,887,687)
Net Cash from Investing Activities	(18,220,572)	(21,553,535)
CASH FLOWS FROM FINANCING ACTIVITIES		
Borrowings from Long-Term Debt	21,056,000	26,008,000
Payments on Long-Term Debt	(5,830,800)	(11,138,445)
Net Activity on Line of Credit	-	-
Contributions from Non-Controlling Equity Interest	-	(52,252)
Capital Distributions Paid to Investor	(44,187)	13,002
Memberships	15	18
Other Equities	91,084	64,157
Retirement of Patronage Capital	(2,019,306)	(1,296,457)
Net Cash from Financing Activities	13,252,806	13,598,023
CHANGE IN CASH AND CASH EQUIVALENTS	13,309,130	5,226,173
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	24,808,888	19,582,695
CASH AND CASH EQUIVALENTS - END OF YEAR	38,117,998	24,808,868

KIUC Renewable Map



	Type	MW	% of Generation
Active In Use			
KIUC, Kōloa	Solar	12.0	4.4
KIUC, Anahola	Solar	12.0	4.8
Mahipapa	Biomass	6.7	10.6
McBryde, Port Allen	Solar	6.0	2.4
McBryde, Wainiha/Kalaheo	Hydro	6.0	4.0
KIUC, Waiahi	Hydro	1.5	0.8
Gay & Robinson, Olokele	Hydro	7.3	6.7
KAA, Waimea/Kekaha	Hydro	1.5	0.1
Kapa'a Solar	Solar	1.0	0.4
Tesla Solar+Storage	Solar	13.0	4.6
AES Lāwa'i Solar+Storage	Solar	20.0	7.0
AES PMRF Solar+Storage	Solar	14.0	5.7
MP2, 'Ōma'ō	Solar	0.3	0.1
Customer Solar	Solar	46.4	5.1

Under Development			
West Kaua'i Energy Project	Hydro	24.0	22.7

Total Renewable Energy in Service 2022
142.2 MW/67%

Potential Renewable Energy in Service 2025
166.2 MW/85%

Vision, Mission and Culture

Vision – Improve the quality of life for KIUC’s members and Kaua’i

Mission – Be an energy solutions leader by:

- ❖ Safely providing reliable power that is fairly and competitively priced
- ❖ Encourage conservation and efficient use of energy resources
- ❖ Increasing sustainable power supply and environmental stewardship

Culture – The culture is shaped by several elements, all critical to KIUC’s success. KIUC embraces the Seven Cooperative Principles and a Hawaiian-based values system, derived from an employee-adopted set of shared values called Ho’oka’ana Waiwai.

7 Cooperative Principles

Voluntary and Open Membership

Cooperatives are voluntary organizations, open to all persons able to use their services and willing to accept the responsibilities of membership, without gender, social, racial, political, or religious discrimination.

Democratic Member Control

Cooperatives are democratic organizations controlled by their members, who actively participate in setting policies and making decisions. The elected representatives are accountable to the membership.

Members’ Economic Participation

Members contribute equitably to, and democratically control, the capital of their cooperative. At least part of that capital is usually the common property of the cooperative. Members usually receive limited compensation, if any, on capital subscribed as a condition of membership.

Members allocate surpluses for any or all of the following purposes: developing the cooperative, possibly by setting up reserves, part of which at least would be indivisible; benefiting members in proportion to their transactions with the cooperative; and supporting other activities approved by the membership.

Autonomy and Independence

Cooperatives are autonomous, self-help organizations controlled by their members. If they enter into agreements with other organizations, including governments, or raise capital from external sources, they do so on terms that ensure democratic control by their members and maintain their cooperative autonomy.

Education, Training and Information

Cooperatives provide education and training for their members, elected representatives, managers, and employees so they can contribute effectively to the development of their cooperatives. They inform the general public, particularly young people and opinion leaders, about the nature and benefits of cooperation.

Cooperation Among Cooperatives

Cooperatives serve their members most effectively and strengthen the cooperative movement by working together through local, national, regional, and international structures

Concern for Community

While focusing on member needs, cooperatives work for the sustainable development of their communities through policies accepted by their members.



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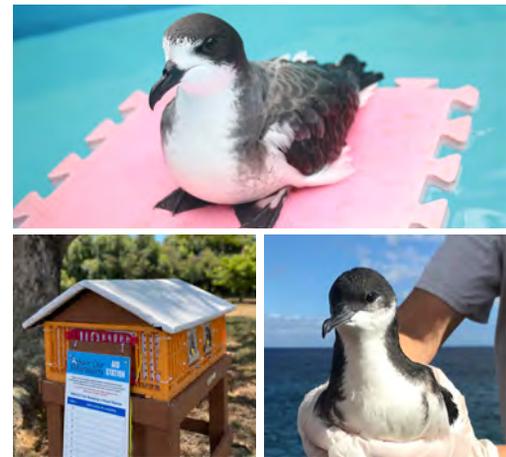
Save Our Shearwaters

SEPT. 15-DEC. 15



This time of year, seabirds leave their nests at night and are guided by the light of the moon out to sea. Unfortunately, these birds can be attracted to artificial light by mistake and end up grounded. Once grounded they are often unable to regain flight, and become vulnerable to a variety of threats (e.g. predation, contamination, vehicle collisions).

Save Our Shearwaters rehabilitates all native Hawaiian birds and the Hawaiian Hoary Bat. If you find a grounded bird, please drop the bird off at the nearest Aid Station (listed below). Each bird receives a full assessment by SOS staff. Even seemingly healthy birds may need care before they are able to survive at sea!



CALL (808) 635-5117 OR GO TO SAVEOURSHEARWATERS.ORG FOR ASSISTANCE

AID STATION LOCATIONS

NORTH

KĪLAUEA MEDICAL GROUP
HANAIEI FIRE STATION
HANAIEI LIQUOR STORE

EAST

KAIĀKEA FIRE STATION
KAPA'A FIRE STATION
SOS(7370KUAMO'ORD)

CENTRAL-SOUTH

LĪHU'E FIRE STATION
KŌLOA FIRE STATION

WEST

WAIMEA FIRE STATION
HANAPĒPĒ FIRE STATION
KALĀHEO FIRE STATION

  @SAVEOURSHEARWATERS



We Say Bio, You Say Diesel: Partners in Clean Energy



Pacific Biodiesel and KIUC leadership were on hand to celebrate the partnership.



The first delivery of Pacific Biodiesel arrives at Kapaia Power Station.

In June, KIUC received its first delivery of biodiesel. Locally produced by Pacific Biodiesel Technologies, which owns and operates the biodiesel refinery on Hawai'i Island, the biodiesel will be used to partially fuel KIUC's largest generator at Kapaia Power Generation Station.

The biodiesel contract allows KIUC to test the use of biodiesel storage



Biodiesel can be kept in existing tanks for long-duration storage.

and use at generating stations while further reducing the use of fossil fuel for electricity generation.

"In the future, biodiesel may be a critical source of renewable energy as part of KIUC's accelerated pathway to 100% renewable energy by 2033," says David Bissell, KIUC president and CEO.

Pacific Biodiesel produces biodiesel primarily from recycling used cooking oil from Kaua'i and statewide restaurants, as well as farming sunflowers and other crops as a feedstock.

Earlier this year, members of the KIUC team toured the Pacific Biodiesel refinery, which produces 5.5 million gallons every year.

"We enjoyed showing them our processing plant and the quality of biodiesel that they will be receiving," says Jenna Long, Pacific Biodiesel director of operations. "We are excited to have them as new partners."

Pacific Biodiesel was founded on Maui in 1995. It is the nation's longest-operating biodiesel producer and established the first retail biodiesel pump in America. Today, with nearly 100 employees statewide, the company is the only commercial producer of liquid biofuels in Hawai'i.

Throughout its history, Pacific Biodiesel's mission has remained constant: to promote a clean, sustainable energy future through the community-based production of renewable fuels.

"Pacific Biodiesel is the poster child for the circular economy, using local resources and creating local jobs to produce products for our local community," says Robert King, Pacific Biodiesel founder and president.

To learn more about our partners at Pacific Biodiesel Technologies, visit www.biodiesel.com. 🌱

Biodiesel:

- ❖ Is a clean-burning renewable fuel made using natural vegetable oils and fats.
- ❖ Is made through a chemical process that converts oils and fats of natural origin into fatty acid methyl esters. Biodiesel is NOT vegetable oil.
- ❖ Is an alternative to petroleum diesel fuel.
- ❖ Does not require modifications to a diesel engine to be used.
- ❖ Reduces exhaust emissions compared to petroleum diesel fuel.
- ❖ Lowers toxicity compared to petroleum diesel fuel.
- ❖ Is safer to handle compared to petroleum diesel fuel.
- ❖ Is biodegradable.



MODERNIZING HHSC KAUA'I REGION .

The New SMMH Imaging Department at Samuel Mahelona Memorial Hospital

**NEW
MODERN
CLEAN**

COMING FALL 2023

New CT Scan Suite: Canon Aquilion Prime SP CT Scanner



New Imaging Department Registration Lobby

E Komo Mai!

We are so excited to welcome our east/north community to our new SMMH Imaging Department!

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NOW OPEN!

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Delivers enhanced patient comfort and optimized workflow. Versatile and intuitive. Precisely designed to withstand high volume throughput in medical imaging centers and large orthopedic facilities. The OTC 18T performs exceptionally well in a broad range of radiographic studies.

COMING FALL 2023

Canon Aquilion Prime SP CT Scanner -

An advanced imaging technology that can better detect diseases at an early stage, where a wider array of effective treatment options may be available.

BENEFITS TO OUR COMMUNITY

This is instrumental in elevating the level of care by providing imaging services closer to our east/north community and provide our patients with the best possible care, using state-of-the-art medical equipment in a professional, caring and timely manner.



New Radiology Suite

.. CONTINUES!

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Our board-certified radiologists and expert technologists work together to provide prompt, accurate results so that treatment can begin. The team is committed to our patients' health and well-being, taking time to explain procedures every step of the way.



Photo L to R: Kristyn Vasconcelles, Alegna Bolosan, Jodie Kona, Dr. Chris Orlang, Lani Taeza and Owana Botelho



Christopher Orlang, MD
Lead Radiologist



Lani Taeza, R.T.(R)(CT)(M)
Regional Director of
Imaging Services

All of our imaging specialists are certified in Multi-modalities

- ★ ARRT-American Registry of Radiologic Technologists: Radiography, Computed Tomography and Mammography
- ★ ARDMS- American Registry of Diagnostic Medical Sonographers: (Ultrasound) General, Vascular, OB/Gyn and Echo
- ★ Our Mammography Department is accredited by the American College of Radiology and certified by the FDA under the Mammography Quality Standards Act.

For questions or to schedule an appointment call the
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4800 Kawaihau Road , Kapa'a, HI 96746

Outpatient Hours
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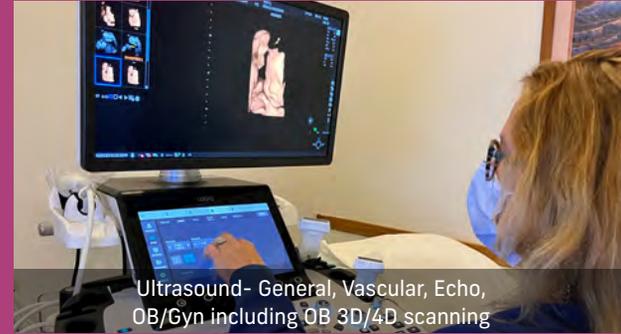
Thank you for trusting your care to us!
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- ★ We provide diagnostic and therapeutic procedures such as drainages and needle biopsies.

A HARVEST OF FLAVORS



LAMB SALAD

- | | |
|--------------------------------------|--|
| 2 pounds lamb, cut into cubes | 1 tray strawberries, washed, hulled and sliced |
| 1 tablespoon mustard seeds | 1 avocado, cubed |
| 1 tablespoon fennel seeds | 1 tray spring mix greens |
| 1 tablespoon cumin seeds | ½ cup goat cheese, crumbled |
| ½ teaspoon crushed red pepper flakes | ¼ cup olive oil |
| 1 teaspoon sea salt | ¼ cup balsamic vinegar |
| 2 tablespoons avocado oil | |

Use a mortar and pestle to combine mustard seeds, fennel seeds, cumin seeds, crushed red pepper flakes and sea salt. Sprinkle over lamb chunks and massage into the meat. Let stand for about an hour before heating a skillet with avocado oil. Add lamb chunks to the skillet, and brown on each side about 1 to 2 minutes to your preferred doneness. Set aside.

In a large salad bowl, add the spring mix. Top with avocado, strawberries, goat cheese and lamb. Drizzle with the olive oil and balsamic vinegar.

ROASTED EGGPLANT

- | | |
|------------------------------|---------------------|
| 2 large, round eggplants | 1 teaspoon sea salt |
| 1 bunch thyme | Parchment paper |
| ¼ cup extra-virgin olive oil | |

Heat oven to 425 F.

Wash eggplants and cut into ¾-inch slices. Place in a bowl with water, and soak for about 5 minutes. Remove from bowl and pat dry. Line a baking sheet with parchment paper. Cut eggplant slices into cubes, and drizzle with olive oil, thyme leaves and salt.

Bake for 40 minutes. When halfway done, flip eggplant pieces.





PEANUT BUTTER TOFU STIR-FRY

- | | |
|--------------------------------------|-------------------------------|
| 1 package firm tofu | 2 tablespoons peanut butter |
| 2 tablespoons sesame oil,
divided | 2 tablespoons lime juice |
| 4 tablespoons shoyu | 1 to 2 teaspoons gochujang |
| 3 tablespoons Kaua'i honey | 1 pound green beans, trimmed. |

Heat oven to 400 F.

Line a baking sheet with parchment paper. Wrap tofu in a clean towel and set something heavy on top, such as a cast-iron skillet, to press out excess moisture.

Unwrap tofu and cut into small cubes. Arrange on the lined baking sheet in an even layer. Bake for 30 minutes or until dried out and slightly crispy on the edges.

In the meantime, to a small mixing bowl, add 1 tablespoon sesame oil, shoyu, maple syrup, peanut butter, lime juice and gochujang. Whisk to combine. Set aside.

Add baked tofu to the sauce, and marinate for 5 minutes.

Heat a large skillet over medium heat. Once hot, remove the tofu from the marinade and add to the skillet. Set aside the remaining marinade to be added to the vegetables at the end for flavor.

Cook for 5 minutes, stirring occasionally, until browned on all sides and slightly caramelized. Remove tofu from pan and set aside. Add to the skillet the remaining sesame oil, green beans and the rest of the marinade.

Cover to steam for about 4 to 5 minutes or until green beans are slightly tender. Remove lid, increase heat to medium high, and add remaining marinade and tofu. Cook for an additional 1 to 2 minutes, stirring frequently. Remove from heat. Serve as is or with rice.

ORECCHIETTE PASTA WITH SAUSAGE AND BROCCOLI

- 1 tray Italian sausage, casings removed
- 1 box orecchiette pasta
- 1 pound broccoli florets
- 5 cloves garlic
- ¼ cup Parmesan/Romano cheese
- 2 tablespoons olive oil, divided
- Salt, to taste
- Pepper, to taste

In a pan, saute Italian sausage in 1 tablespoon olive oil. After browning for 5 to 8 minutes, remove from heat and set aside. Boil a large pot of water and sprinkle some salt into it. Once boiling, add the pasta. When it boils again, add the broccoli.

Cook the pasta al dente according to the package instructions. Remove 1 cup of the pasta water, and set aside. Drain broccoli and pasta. Return the pot to the stove. Set to high heat, and add 1 tablespoon olive oil and garlic. Cook until the garlic is golden. Add pasta, broccoli and sausage to the pot. Mix well. Add remaining olive oil, cheese, salt and pepper. Add about 1/3 cup of the pasta water, and mix well. Add more if needed to reach desired consistency.



Low Carbon foods are good for the planet by reducing greenhouse gas emissions.





Calling all Student Artists! It's time for the 2024 Calendar of Student Art!!

KIUC will be accepting artwork submissions for the 2024 calendar electronically.
No physical submissions will be accepted, but most of our traditional rules apply.

For more information, please visit the Calendar of Student Art page on
KIUC's website kiuc.coop/calendar-contest.

The deadline is Wednesday, October 11, 2023.



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Questions? email info@kuaicsc.org or call 808-431-4332.

JOIN US!



What Is a Statement of Operations?

KIUC's **statement of operations** is a financial report that tells our financial story. It explains how much money the co-op made and spent during a specific period. We publish ours four times a year.

Imagine the co-op has a piggy bank. During the year, money comes into the bank from sales of electricity, which is called revenue. But the co-op doesn't get to keep all the money. It must pay for various costs to run smoothly. The co-op covers these expenses by taking money out of the bank for electrical generation, materials, administrative costs, endangered species compliance, rent and other operations. The statement of operations shows how much money came into the bank (revenue) and how much money went out of the bank to cover all the costs (expenses).

The key numbers on the operating statement are below.

Revenues, expenses and net margins totaled \$81.04 million, \$81.07 million and (\$0.03) million respectively, for the six-month period ending June 30, 2023. This means the co-op did not take in enough revenue to cover its costs during the first half of the year, posting roughly a \$30,000 loss. KIUC anticipates its financial results will improve once the Hawai'i Public Utilities Commission acts on the pending rate increase request. Rate case information can be found at kiuc.coop/ratecase.

Similar to other electric utilities, the cost of power generation is the largest expense, totaling \$48.2 million or 59.4% of revenues. Commodities, which are fuel and purchased power costs, are the largest component of power generation, totaling \$41.3 million or 51% of revenues. Fossil fuel is the largest single component of commodities, totaling \$18.7 million

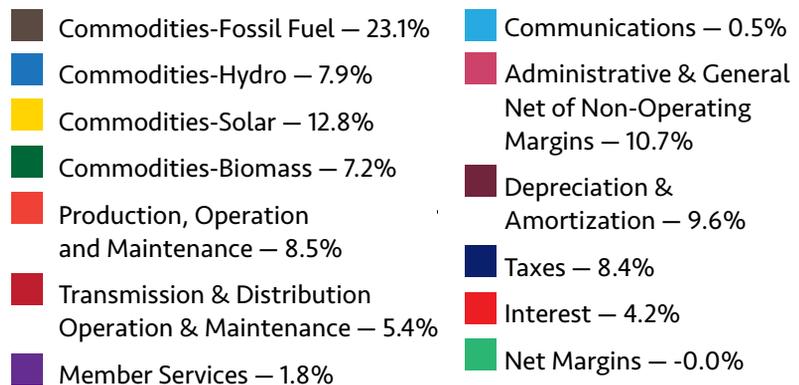
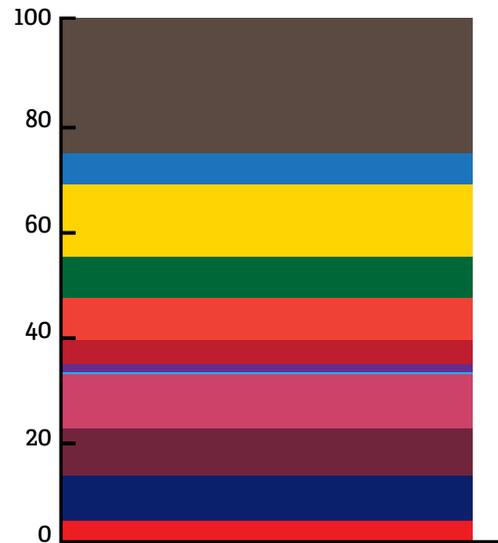
or 23.1% of revenues. Our renewable sources combined (hydro, biomass and solar) comprise 27.9% of our commodities expense.

The cost of operating and maintaining the electric lines totaled \$4.4 million or 5.4% of total revenues. The cost of servicing our members totaled \$1.4 million or 1.8% of revenues. The cost of keeping our members informed totaled \$0.4 million or 0.5% of revenues. Administrative and general costs, which include legislative and regulatory expenses, engineering, executive, human resources, safety and facilities, information services, financial

and corporate services, and board of director expenses, totaled \$9.7 million or 12% of revenues.

Being capital intensive, depreciation and amortization of the utility plant costs \$7.8 million or 9.6% of revenues. Although not subject to federal income taxes, state and local taxes amounted to \$6.8 million or 8.4% of revenues. Interest on long-term debt, at a favorable sub-5% interest rate, totals \$3.4 million or 4.2% of revenues. Nonoperating net margins (e.g., interest income) added \$1 million to overall net margins and buffered net losses due to lagging electricity sales. 🌱

PERCENTAGE OF TOTAL REVENUE



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2nd Assistant Treasurer: Janet Kass
Secretary: Cal Murashige
1st Assistant Secretary: Phil Tacbian
2nd Assistant Secretary: Dee Crowell
NRECA National Director: David Iha

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Members: Cal Murashige, Allan A. Smith,
Peter Yukimura

Finance & Audit

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Members: Stacie Dellamano, Janet Kass,
Jim Mayfield, Cal Murashige, Allan A. Smith

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Members: Dee Crowell, Allan A. Smith,
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Jan TenBruggencate

Strategic Planning

Chairman: Jim Mayfield
Members: David Bissell, Dee Crowell, David Iha,
Janet Kass, Brad Rockwell, Allan A. Smith

Loan Review

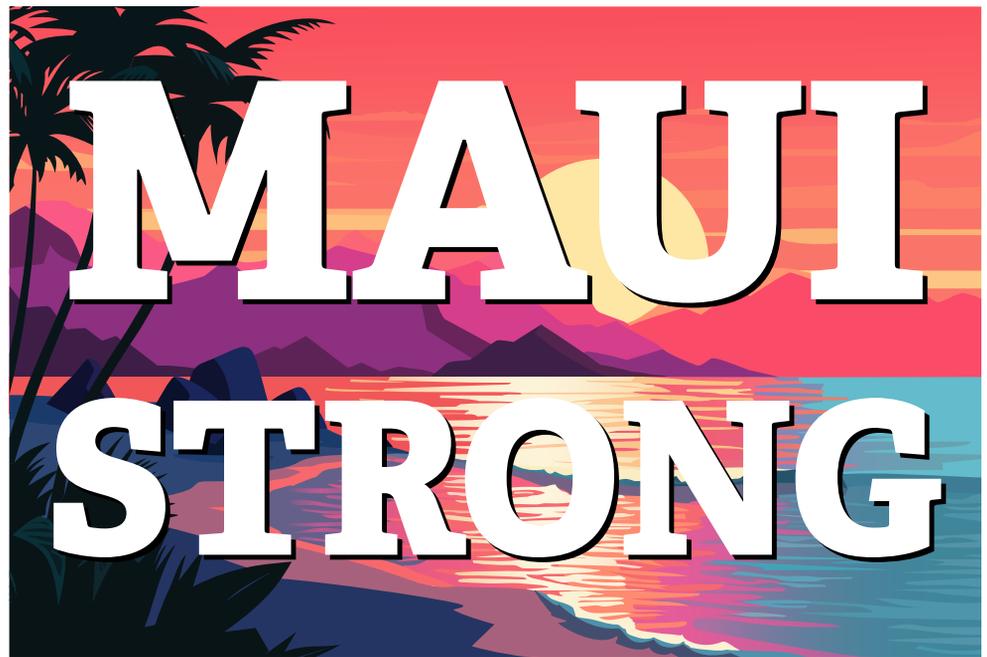
Chairman: Phil Tacbian
Members: Janet Kass



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Hawai'i Salvation Army

hawaii.salvationarmy.org