# In the Spotlight

## KIUC Makes Headlines Around the World

## 2017 Annual Report

Kaua'i Island Utility Cooperative

Your Touchstone Energy® Cooperative

# Chairman & CEO

*"In 2017 our Board of Directors set an aggressive goal of reaching 70 percent renewable generation by the year 2030. By forging strategic partnerships and pursuing cutting edge technology, we expect to reach that goal nearly a decade early. KIUC is now recognized globally as an industry leader in energy transformation and climate change adaptation."*

*– David Bissell*
*President and Chief Executive Officer*

*"KIUC's incredible journey to success over its first 15 years is attributable to a complete team effort. Your elected board has confidence adopting bold strategic goals because we know we are supported by highly capable and committed staff, along with our member-owners who take pride in our collective work as a responsible steward of our natural resources and our community."*

*– Allan Smith*
*Chairman of the Board*

# 2018 BOARD OF DIRECTORS

## 2018 Executive Board

**Chairman:** Allan Smith

**Vice Chair:** Jan TenBruggencate

**Treasurer:** Peter Yukimura

**Secretary:** Calvin K. Murashige

**Board:** Dee Crowell, David Iha, Janet Kass, Jim Mayfield, Teofilo Phil Tacbian

## 2018 Board Committees

**Executive**
**Chairman:** Jan TenBruggencate
**Members:** Calvin K. Murashige, Allan Smith, Peter Yukimura

**Finance & Audit**
**Chairman:** Peter Yukimura
**Members:** Janet Kass, Jim Mayfield

**Government Relations/Legislative Affairs**
**Chairman:** Teofilo Phil Tacbian
**Members:** Dee Crowell, David Iha

**International**
**Chairman:** David Iha
**Members:** Teofilo Phil Tacbian, Jan TenBruggencate

**Member Relations**
**Chairman:** Calvin K. Murashige
**Members:** Janet Kass, Jan TenBruggencate

**Policy**
**Chairman:** Dee Crowell
**Members:** Jim Mayfield, Calvin K. Murashige

**Strategic Planning**
**Chairman:** Jim Mayfield
**Members:** Dee Crowell, Janet Kass

# KIUC IN THE NEWS


"First in the World" was the headline emblazoned on the front page of The Garden Island newspaper on March 9, 2017. So began a year that would be marked by local, national and international acclaim for a relatively small electric cooperative located on a tiny island in one of the most geographically isolated locations on the planet.

Kaua'i Island Utility Cooperative's historic partnership with Tesla resulted in a huge step forward in what is believed to be the future of renewable energy around the globe: batteries and energy storage.

*Taiwan Public Television interviews David Bissell at the Kapaia Power Station.*

*Tesla facility blessing March 2017.*

*Chief of Operations Mike Yamane with Engadget News.*

The Tesla solar-plus-battery storage facility, located on 50 acres of land leased from Grove Farm in Kapaia, consists of 55,000 solar PV panels that feed energy into 272 Tesla Powerpack batteries. That energy is stored and dispatched during KIUC's evening peak, releasing up to 13 megawatts of solar power over four hours after the sun sets.

All eyes were on Kaua'i for the project blessing, which was held on March 8 and was covered by a CNBC news crew throughout the morning. In the weeks and months that followed, the KIUC-Tesla partnership would be covered by numerous major news outlets, including CNN, HBO Vice News, the Grist and Taiwan Public Television.

Others took notice of KIUC's groundbreaking work as well. A United Nations affiliated organization, the Small Island Developing States Sustainable Energy Initiative (SIDS DOCK), requested a partnership with KIUC on behalf of their 30-plus member countries. The SIDS DOCK collaboration allows KIUC to share information with island nations around the world to promote the goals of sustainable economic development and adaptation to climate change.

Following the devastation of Hurricane Maria in September 2017, KIUC's President and CEO David Bissell was one of 11 industry leaders invited to participate in Puerto Rico's long-term energy transformation efforts.

KIUC's move toward renewables starting in 2010 has been nothing short of remarkable. The transition from being 92 percent dependent on oil in 2010 to operating on a diverse portfolio of hydropower, biomass and solar totaling 44 percent of our energy mix by 2017, proved to be newsworthy and inspirational not just on Kaua'i, but throughout the world.

*KIUC's Ed Nakaya comments on the 25th Anniversary of Hurricane 'Iniki with Hawai'i News Now reporter Ashley Nagaoka.*

*HBO Vice News covered the Tesla opening in April 2017.*

# KIUC LEADING THE WAY

## Streetlight Retrofit Saves Money and Energy

The New Year got off to a bright start when Kaua‘i became the first county in the state to convert all of its streetlights to LED technology in January 2017.

The project, a partnership between KIUC and the County of Kaua‘i, involved the retrofit of the county’s 2,900 streetlights and the state’s 582 streetlights and is expected to save the county approximately $400,000 annually. The new lights also have a much longer lifespan, require less maintenance, and can be monitored and controlled remotely.

The project is one of several that have resulted from a memorandum of understanding (MOU) that was signed in 2013 by the Mayor and KIUC’s President and CEO David Bissell, affirming a commitment to collaborate on sustainable projects that benefit the people of Kaua‘i and Ni‘ihau. Senator Ron Kouchi was an early champion of the retrofit.

“We are pleased to collaborate with KIUC on this important project,” said Mayor Bernard Carvalho, Jr. “It’s part of our commitment to work closely with our local utility to reduce Kaua‘i’s dependence on fossil fuels and lower the cost of energy for our residents.”

## Pumped Storage Hydro

A groundbreaking agreement signed in April by KIUC and a number of other parties was widely lauded for immediately restoring continuous flows in the Waimea River, as well as enabling a significant renewable energy project, and providing water for Hawaiian homesteading and farming.

The agreement between the State Department of Hawaiian Homelands, the Agribusiness Development Corporation, the Kekaha Agriculture Association, the community group Pō‘ai Wai Ola hui and KIUC is now considered a model for a holistic approach in dealing with complex water issues.

KIUC is taking initial exploratory steps in developing at 25 megawatt (MW) pumped storage hydro project that involves the rehabilitation of three reservoirs in Waimea, along with infrastructure upgrades that will benefit DHHL and ADC as well.

“Historically, Hawai’i’s highly contentious water disputes have taken many years, if not decades to settle. Due to the incredible work by all parties involved, this settlement was reached and finalized a little more than a year after mediation began,” said Suzanne Case, Chair of the State Department of Land and Natural Resources.

When complete, the pumped storage hydro facility is expected to meet a full 15 percent of Kaua‘i’s energy needs.

## AES x2

KIUC’s groundbreaking work on solar plus storage continued in 2017, with two new purchase power agreements (PPA) for utility scale facilities negotiated with industry leader AES Distributed Energy. In Lāwa‘i, AES is constructing a 20 MW storage system that will discharge for up to five hours during evening peak for a total of 100 megawatt hours of power. That system is expected to be operational by the end of 2018.

A second PPA was negotiated with AES for a 14 MW solar facility in conjunction with a 70 megawatt hours (MWh) battery energy storage system to be housed on-base at Pacific Missile Range Facility – Barking Sands.

The PPA price for both systems is roughly 11 cents per kilowatt hour (kWh), which is well below the current price of oil, and is locked in for a 25-year period.

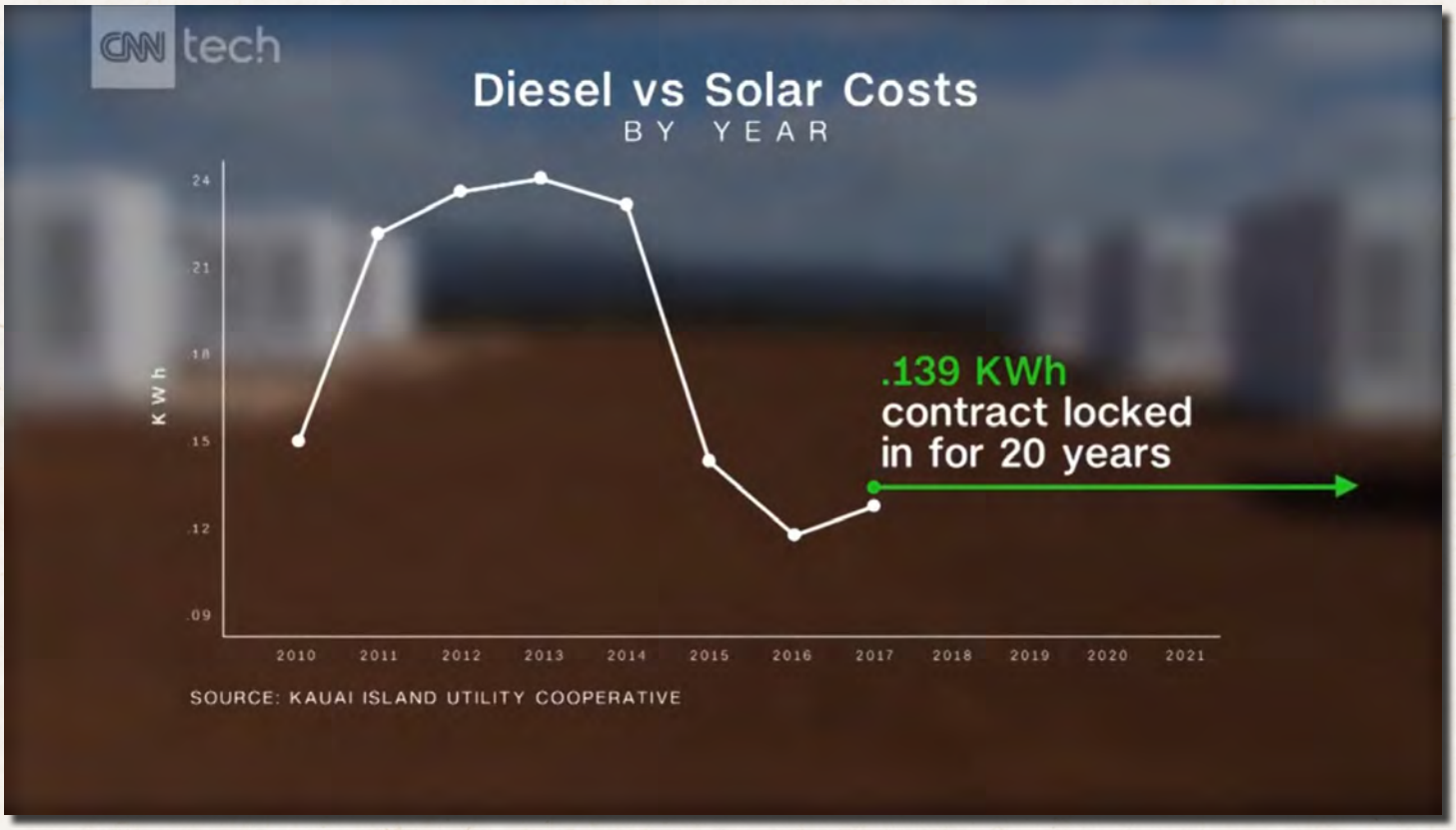
“By the end of 2019, KIUC will be able to supply roughly 65 percent of Kaua‘i’s night time peak load with stored solar generated energy. To be able to accomplish this in a cost effective manner was just a dream a few years ago,” stated Bissell. “The partnerships between KIUC’s engineers and those of some of the best renewable energy companies in the world is making the impossible a reality.”

## RUS Loan Approved

In November the good news arrived that KIUC would receive a $60 million loan from the U.S. Department of Agriculture Rural Utilities Service to help pay for capital improvement projects that will be ongoing for the next two to three years.

"Low-cost funding for our system enhancements helps keep our rates as low as possible," said KIUC's President and CEO David Bissell. "Electric utilities are very capital-intensive, and we've been able to continue to upgrade our electrical grid without a base rate increase since 2010 because of this access to low-cost capital. That's one of the significant benefits of being a member-owned cooperative."

Some of the projects the loan will fund are: relocating the Kapa'a baseyard to a higher elevation in Anahola as a climate mitigation measure, upgrading and replacing battery systems at Kōloa and Port Allen solar facilities to enhance reliability, grid hardening by selectively replacing and undergrounding lines, transformers and poles throughout the island, and IT upgrades to improve operability and functionality of the smart grid system.

# AWARDS AND MEMBER BENEFITS

## KIUC Wins Big

KIUC was recognized by the Smart Electric Power Alliance for having more energy storage watts per customer than any utility in the nation in 2017, and was ranked fifth in the nation in total annual megawatts of storage.

2018 TOP 10 SEPA

**UTILITY ENERGY STORAGE RANKINGS**
**ANNUAL WATTS-PER-CUSTOMER**

| | | |
|---|---|---|
| 1 | Kauai Island Utility Cooperative | 415.3 W/C |
| 2 | Tucson Electric Power | 50.0 W/C |
| 3 | Maui Electric | 36.5 W/C |
| 4 | San Diego Gas & Electric | 31.7 W/C |
| 5 | Glendale Water & Power | 22.9 W/C |
| 6 | American Samoa Power Authority | 20.4 W/C |
| 7 | Hawaii Electric Light Company | 16.4 W/C |
| 8 | Southern California Edison | 11.1 W/C |
| 9 | Green Mountain Power | 10.6 W/C |
| 10 | City Utilities of Springfield, MO | 8.8 W/C |


## Saving Members Time and Money

More and more KIUC members are paying their bills, tracking their usage, and reporting outages online by using the Smart Hub and other online services offered by KIUC. In fact, the proportion of payments made either online or via the new customer service kiosk was up 44.5 percent in 2017 versus the previous year. By the end of 2017, nearly 5,500 KIUC members were signed up for Smart Hub.

KIUC issued roughly 2,600 rebates for energy efficient appliances and 71 rebates for new solar water heater installation. Our Energy Services staff conducted 41 home visits for efficiency consultations, and worked with 80 large customers on commercial retrofit programs throughout 2017.

## Board Approves Patronage Capital Retirements

Excellent financial results in 2017 led to the Board of Directors deciding to return $3.2 million in patronage capital retirements to its members.

Patronage capital is money that the cooperative has left over after paying all of its expenses and meeting its lenders' expectations for financial stability. At the end of the year, money is credited to each member's patronage capital account according to the amount the member paid for electricity.

This is the member's equity in KIUC.

"A rural electric cooperative exists solely to provide its members with electricity," Board Chair Allan Smith explained. "In a co-op, margins don't belong to the company; they belong to the individual members who paid money on their monthly bills."

The amount of each individual member's retirement is based on the amount paid for energy used. For 2017, the average amount to be returned is about $44, based on usage of 500 kWh per month.

## Strategic Plan

The KIUC Board of Directors started the year by setting a new aggressive renewable energy goal of 70 percent generation by 2030, replacing the previous goal of 50 percent by 2023. The Strategic Plan Update 2016-2030 also includes goals such as holding controllable cost increases at or below the cost of inflation, maintaining system reliability of 99.96 or better and addressing the strategic implications of climate change.


*KIUC's 2017 Board of Directors with David Bissell and Mayor Bernard P. Carvalho, Jr.*


*Habitat for Humanity workday July 2017.*

## Caring for Our Community

KIUC's Sharing of Aloha program provided $24,000 in grants to Kaua'i non-profit groups in 2017. Recipients included numerous preschools, public and private schools, sports teams, community events and scholarship programs. KIUC employees also took part in a workday at Habitat for Humanity's 'Ele'ele project in July.

In keeping with decades of tradition, the Board of Directors provided matching funds for donations raised from KIUC employees for Kaua'i United Way. The total for 2017 was $56,421, which placed KIUC in the #2 slot for corporate giving for KUW's annual campaign. KUW provides vital funding for 26 social service agencies, and all money raised stays on Kaua'i.

*KIUC funds the Save our Shearwaters program in partnership with the Kaua'i Humane Society.*


*Cop on Top/Special Olympics August 2017.*

# SUMMARY OF OPERATIONS

## *For the period 01/01/2017 through 12/31/2017*

*CNN reporter Stephanie Elam interviews KIUC Chairman David Bissell in March 2017.*

A slight jump in energy use during 2017 was met by KIUC's newest renewable power source: the Tesla solar storage project. Fluctuations in diesel pricing are increasingly buffered by KIUC's expanding portfolio of long-term renewable energy purchase power agreements, which are being negotiated at well below the current cost of oil. By the end of 2017, KIUC had shifted approximately 3,411 megawatt hours of generation from fossil fuel to renewable energy compared to 2016.

The cooperative is working hard to reduce costs, operate efficiently and effectively, and preserve a strong financial position, while maintaining safety and reliability. Revenues, expenses, and net margins totaled $147.8 million, $138.8 million, and $9.0 million, respectively, for the twelve-month period ending December 31, 2017.

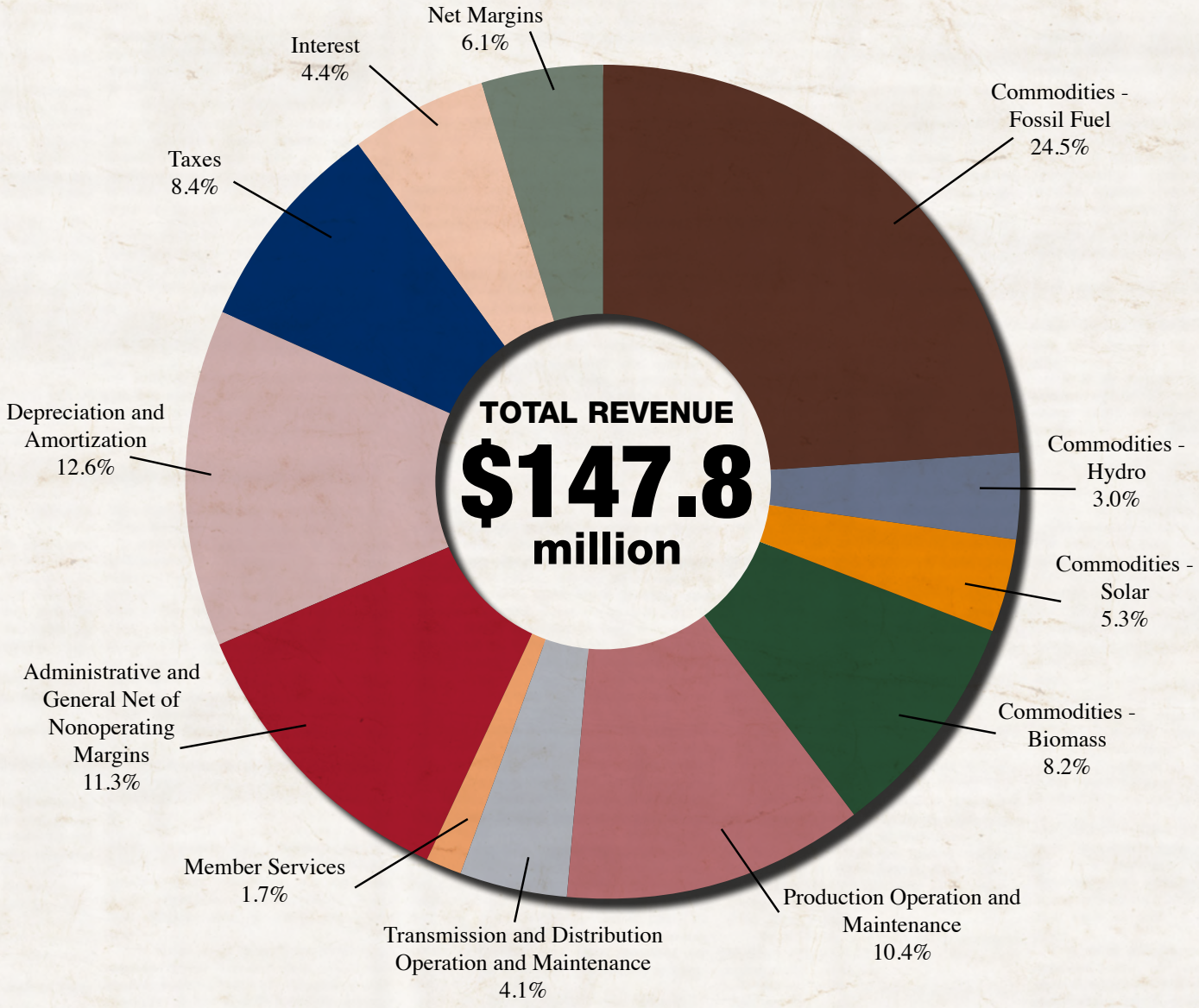
As is the case for all electric utilities, the cost of power generation is KIUC's largest expense, totaling $76.0 million or 51.4 percent of revenues. Commodities, which are fuel and purchased power costs, are the largest component of power generation totaling $60.6 million. Currently, fossil fuel is the largest component of commodities, followed by biomass, solar and hydropower. The remaining $15.4 million represents the cost of operating and maintaining the generating units.

Expenses related to operating and maintaining the electric lines totaled $6.1 million, while the cost of servicing our members was approximately $2.5 million. Administrative and general costs, which include legislative and regulatory expenses, engineering, executive, human resources, communications, safety and facilities, information services, financial and corporate services, and board of director expenses, ended the year at $17.5 million.

The utility business is extremely capital intensive. KIUC's depreciation and amortization of the utility plant totaled $18.6 million in 2017. Although not subject to federal income taxes, state and local taxes amounted to $12.4 million last year. Interest on long-term debt, at a very favorable sub-5 percent interest rate, totals $6.4 million. Non-operating net margins added $0.7 million to overall net margins. Revenues less total expenses equal margins of $9.0 million or 6.1 percent of total revenue. Margins are allocated to consumer members and paid when appropriate.

The direct and non-direct financial benefits of our cooperative structure to KIUC members is significant. Since 2002, KIUC has returned $37.3 million to members in the form of Patronage Capital Retirements and billing credits. In addition, KIUC contributed $71,586 to local nonprofits and community organizations in 2017.

Furthermore, the indirect financial benefits (i.e., ownership) include patronage capital that is held by KIUC on behalf of its members to potentially be distributed at future dates as determined by the KIUC Board of Directors. This amounts to $111.4 million in indirect financial benefits to KIUC members as of December 31, 2017.


Net Margins
6.1%
Interest
4.4%
Taxes
8.4%
Commodities -
Fossil Fuel
24.5%
Depreciation and
Amortization
12.6%
TOTAL REVENUE
$147.8
million
Commodities -
Hydro
3.0%
Commodities -
Solar
5.3%
Administrative and
General Net of
Nonoperating
Margins
11.3%
Commodities -
Biomass
8.2%
Member Services
1.7%
Transmission and Distribution
Operation and Maintenance
4.1%
Production Operation and
Maintenance
10.4%


Altec
600 MAX

# Balance Sheet

*December 31, 2017 and 2016*

| | December 31, 2017 | December 31, 2016 |
|---|---|---|
| **ASSETS** | | |
| UTILITY PLANT AT COST | | |
| Electric Plant in Service | $ 541,587,292 | $ 531,571,236 |
| Electric Plant Acquisition Cost | 54,852,453 | 54,852,453 |
| Accumulated Depreciation and Amortization | (290,182,705) | (277,043,994) |
| Net Electric Plant in Service | 306,257,040 | 309,379,695 |
| Construction Work in Progress | 4,779,354 | 10,497,169 |
| Net Utility Plant | 311,036,394 | 319,876,864 |
| OTHER INVESTMENTS | | |
| Investments in Associated Organizations | 1,336,331 | 1,035,816 |
| Rural Economic Development Loans | 960,426 | 1,162,866 |
| Total Other Invesments | 2,296,757 | 2,198,682 |
| CURRENT ASSETS | | |
| Cash & Cash Equivalents | 11,376,600 | 11,059,315 |
| Restricted Cash & Cash Equivalents | 2,484,517 | 2,267,151 |
| Accounts and Notes Receivable (Less allowance for doubtful accounts of $225,000 in 2017 and $225,000 in 2016) | 9,846,528 | 10,066,400 |
| Accrued Unbilled Revenue | 7,954,977 | 7,560,590 |
| Inventories | 14,379,607 | 13,796,978 |
| Other Current Assets | 1,354,861 | 1,340,101 |
| Total Current Assets | 47,397,090 | 46,090,535 |
| POST-RETIREMENT BENEFIT ASSET | - | 864,300 |
| DEFERRED DEBITS | 11,799,858 | 11,436,894 |
| Total Assets | $ 372,530,099 | $ 380,467,275 |
| **EQUITIES AND LIABILITIES** | | |
| EQUITIES | | |
| Memberships | $ 515 | $ 499 |
| Patronage Capital | 111,417,571 | 102,596,914 |
| Other Equity | 646,973 | 577,525 |
| Post-retirement Benefit Obligation Gain (Loss) | (1,515,500) | (194,000) |
| Controlling Equity Interest | 110,549,559 | 102,980,938 |
| Capital Account - A&B KRS II LLC | 20,400,187 | 21,517,825 |
| Non-Controlling Equity Interest | 20,400,187 | 21,517,825 |
| Total Equities | 130,949,746 | 124,498,763 |
| LONG -TERM DEBT, Less Current Maturities | 192,756,653 | 208,649,723 |
| POSTRETIREMENT BENEFITS OBLIGATION | 596,600 | - |
| ASSET RETIREMENT OBLIGATIONS | 2,450,209 | 2,362,254 |
| CURRENT LIABILITIES | | |
| Current Maturities of Long-Term Debt | 15,194,997 | 14,802,318 |
| Line of Credit | 3,000,000 | 5,308,600 |
| Accounts Payable | 5,176,835 | 5,276,775 |
| Energy Rate Adjustment Clause | 4,588 | 355,924 |
| Consumer Deposits | 1,481,759 | 1,674,548 |
| Accrued Employee Compensation | 1,976,448 | 1,839,328 |
| Accrued Taxes | 6,525,850 | 6,185,140 |
| Other Current and Accrued Liabilities | 622,477 | 611,585 |
| Total Current Liabilities | 33,982,954 | 36,054,218 |
| DEFERRED CREDITS | 11,793,937 | 8,902,317 |
| Total Liabilities and Equities | $ 372,530,099 | $ 380,467,275 |

# Statement of Income and Patronage Capital

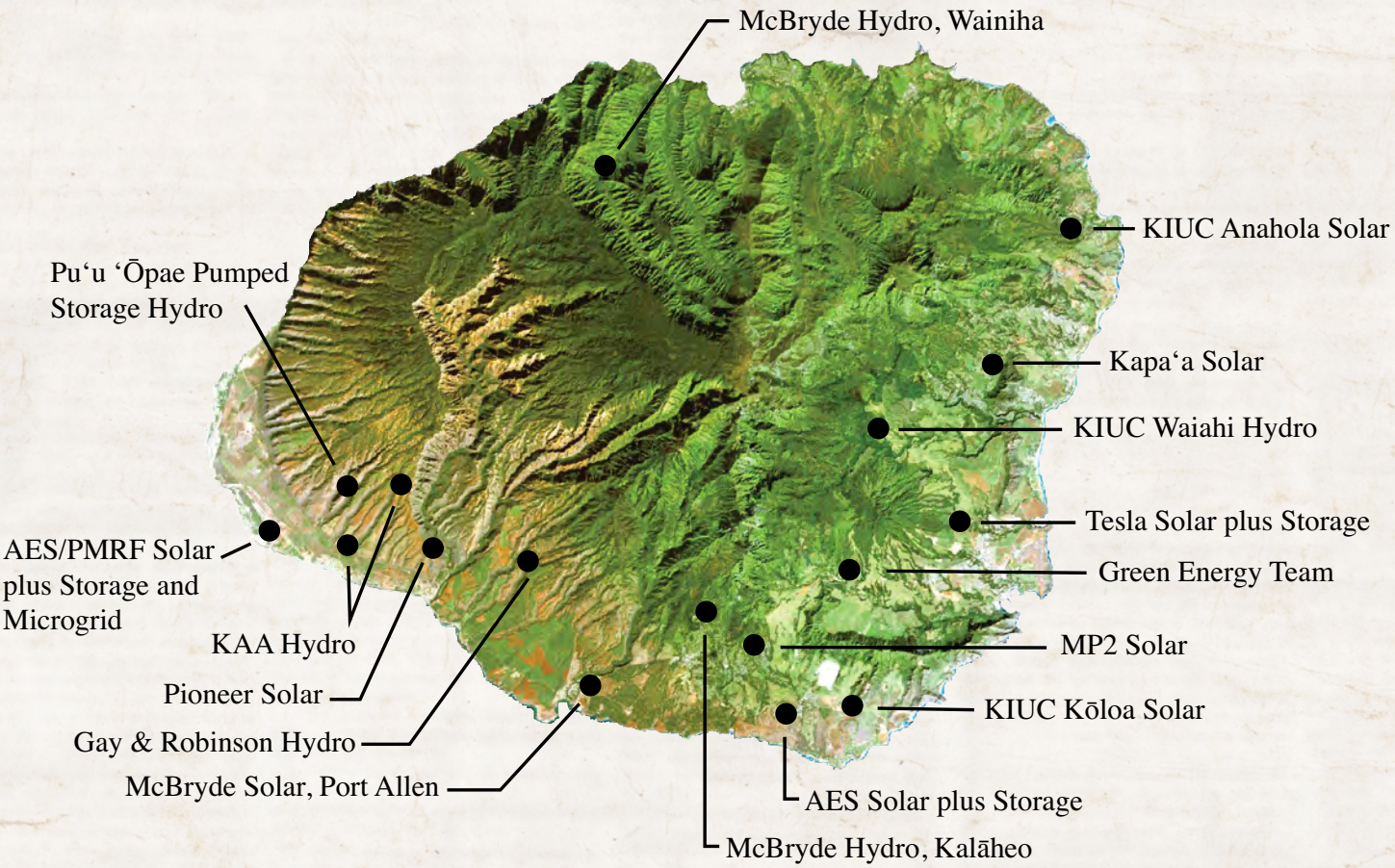
*For the years ended December 31, 2017 and 2016*

| | Year Ended December 31, | |
|---|---|---|
| | 2017 | 2016 |
| OPERATING REVENUES | | |
| Residential | $ 58,459,375 | $ 55,787,616 |
| Irrigation | 143,182 | 16,264 |
| Commercial and Industrial | 88,065,085 | 85,934,227 |
| Public Street and Highway Lighting | 708,102 | 1,268,893 |
| Other Operating Revenues | 474,044 | 491,563 |
| Total Operating Revenues | 147,849,788 | 143,498,563 |
| OPERATING EXPENSES | | |
| Power Cost | 76,031,389 | 74,024,340 |
| Transmission - Operation | 380,737 | 383,830 |
| Transmission - Maintenance | 595,295 | 776,727 |
| Distribution - Operation | 1,370,681 | 1,380,267 |
| Distribution - Maintenance | 3,723,289 | 3,389,191 |
| Customer Accounts | 2,031,531 | 1,555,263 |
| Customer Service and Information | 434,316 | 442,917 |
| Administrative and General | 17,513,329 | 16,927,136 |
| Depreciation and Amortization | 18,589,648 | 18,472,511 |
| Taxes | 12,456,979 | 12,060,249 |
| Accretion Expense | 87,955 | 84,005 |
| Other Interest Expense | 115,851 | 533,276 |
| Total Operating Expenses | 133,331,000 | 130,029,712 |
| **OPERATING MARGINS - Before Interest** | **14,518,788** | **13,468,851** |
| INTEREST ON LONG-TERM DEBT | 6,451,639 | 7,657,491 |
| **OPERATING MARGINS** | **8,067,149** | **5,811,360** |
| NONOPERATING MARGINS | | |
| Interest Income | 752,621 | 683,733 |
| Capital Credits | 318,974 | 143,430 |
| Other Nonoperating Income (Expense) | (152,751) | 36,996 |
| Total Nonoperating Margins | 918,844 | 864,159 |
| **NET MARGINS** | **8,985,993** | **6,675,519** |
| Net Loss (Margins) Attributable to Non-controlling Interest | (2,083) | (78,602) |
| **NET MARGINS - COOPERATIVE** | $ 8,983,910 | $ 6,596,917 |
| **PATRONAGE CAPITAL - BEGINNING OF YEAR** | $ 102,596,914 | $ 96,389,604 |
| Allocation of Net Margins | 8,983,910 | 6,596,917 |
| Patronage Capital Retired | (163,253) | (389,607) |
| PATRONAGE CAPITAL - END OF YEAR | $ 111,417,571 | $ 102,596,914 |

# Statement of Cash Flows

*For the years ended December 31, 2017 and 2016*

| | December 31, 2017 | December 31, 2016 |
|---|---|---|
| OPERATING ACTIVITIES | | |
| Net Margins | $ 8,983,910 | $ 6,596,917 |
| Adjustments to Reconcile Net Margins to Net Cash from Operating Activities | | |
| Depreciation and Amortization | 19,112,913 | 19,004,772 |
| Accretion of Asset Retirement Obligation | 87,955 | 84,005 |
| Interest Earned on Cushion of Credit | (700,416) | (666,463) |
| Capital Credit Allocations | (318,974) | (143,430) |
| Net Margins Attributable to Non-controlling Equity Interest | 2,083 | 78,602 |
| Change in Assets and Liabilities: | | |
| Accounts Receivable and Unbilled Revenue | (174,515) | (1,604,363) |
| Energy Rate Adjustment Clause | (351,336) | (903,685) |
| Inventories and Other Current Assets | (597,389) | 832,858 |
| Deferred Debits | (362,964) | (927,092) |
| Post Retirement Benefit Obligation | 139,400 | 453,100 |
| Payables and Accrued Expenses | (252,803) | (1,114,250) |
| Deferred Credits | 2,891,620 | (2,164,067) |
| Net Cash from Operating Activities | 28,459,484 | 19,526,904 |
| INVESTING ACTIVITIES | | |
| Additions to Utility Plant, net | (12,151,941) | (12,855,132) |
| Grant Funds and Tax Credit Applied to Utility Plant | 2,328,294 | 18,691,400 |
| Rural Economic Development Loans | 202,440 | (289,116) |
| Other Investments | 18,459 | (2,606) |
| Net Cash from (used for) Investing Activities | (9,602,748) | 5,544,546 |
| FINANCING ACTIVITIES | | |
| Borrowings from Long-Term Debt | - | 166,082,640 |
| Principal Payments on Long-Term Debt | (14,799,975) | (143,736,500) |
| Net Activity on Line of Credit | (2,308,600) | (54,191,400) |
| Distribution to Non-controlling Equity Interest | (1,119,721) | (1,263,744) |
| Memberships | 16 | 16 |
| Other Equities | 69,448 | 180,084 |
| Retirement of Patronage Capital | (163,253) | (389,607) |
| Net Cash (used for) Financing Activities | (18,322,085) | (33,318,511) |
| CHANGE IN CASH AND CASH EQUIVALENTS | 534,651 | (8,247,061) |
| CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR | 13,326,466 | 21,573,527 |
| CASH AND CASH EQUIVALENTS - END OF YEAR | $ 13,861,117 | $ 13,326,466 |
| SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION | | |
| Cash Paid During the Year for: | | |
| Interest | 6,567,490 | 8,190,767 |
| Income Taxes | 4,079 | 25,500 |
| Noncash Investing Activities: | | |
| Liabilities Incurred for Utility Plant Additions | 448,796 | 495,599 |




| | Type | MW | % of Sales |
|---|---|---|---|
| **ACTIVE IN USE** | | | |
| KIUC, Kōloa | Solar | 12.0 | 4.6 |
| KIUC, Anahola | Solar | 12.0 | 4.6 |
| Green Energy Team | Biomass | 6.7 | 10.4 |
| McBryde, Port Allen | Solar | 6.0 | 2.4 |
| McBryde, Wainiha | Hydro | 4.0 | 3.3 |
| KIUC, Waiahi | Hydro | 1.5 | 1.5 |
| McBryde, Kalāheo | Hydro | 2.0 | 1.0 |
| Gay & Robinson, Olokele | Hydro | 1.3 | 0.8 |
| KAA, Waimea/Kekaha | Hydro | 1.5 | 0.4 |
| Pioneer, Waimea | Solar | 0.3 | 0.1 |
| Kapa‘a Solar | Solar | 1.0 | 0.4 |
| Tesla Solar Storage | Solar | 13.0 | 3.3 |
| MP2, ‘Ōma‘o | Solar | 0.3 | 0.1 |
| Customer Solar | Solar | 29.9 | 11.5 |
| **UNDER CONSTRUCTION/PERMITTING** | | | |
| Gay & Robinson, Olokele | Hydro | 6.0 | 4.2 |
| AES Lāwa‘i Solar Storage | Solar | 20.0 | 11.0 |
| AES PMRF | Solar | 14.0 | 7.0 |
| **UNDER CONSIDERATION** | | | |
| Westside Pumped Hydro Storage | Hydro | 25.0 | 14.0 |

**Total Renewable Energy in Service 2017**

**91.5 MW/44.4%**

**Potential Renewable Energy in Service 2025**

**156.5 MW/80%**

# Vision, Mission and Culture

**Vision** — Improve the quality of life for KIUC's members and on 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.

Kaua'i Island Utility Cooperative®
Your Touchstone Energy® Cooperative

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