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PUC Approves KIUC's Participation in Smart Grid Project

Līhu'e, Kaua'i, Hawai'i – October 4, 2011 - In its Decision and Order issued last week the Public Utilities Commission of the State of Hawai'i approved Kaua'i Island Utility Cooperative's request to commit funds to participate in a national smart grid demonstration project, which will bring advanced meter technology to every household on Kaua'i.

The National Rural Electric Cooperative Association's national demonstration project is designed to assist rural utilities like KIUC, implement technologies that make the electricity grid more efficient and reliable. The total cost of the project is approximately \$11.9 million, half of which will be funded by the American Reinvestment and Recovery Act (ARRA).

In the application, filed late in October of 2010, KIUC requested commission approval to commit approximately \$6 million in funds to participate in The Smart Grid Project which the utility explained was part of a demonstration project "involving 27 electric cooperatives throughout the nation," but the project also represents a key component of KIUC's own long-term strategic plan.

"We are a small island grid and upgrading our electrical grid with smart meters and related technology can make our system more efficient and help integrate new smart appliances, electric cars, and other new and evolving technologies over the coming years. New technology can ultimately result in our members saving money if we are able to better control our islands energy demand and be able to defer investing in baseload conventional generation," said Mike Yamane, KIUC Chief of Operations and lead engineer on the project.

KIUC will be replacing about 33,000 electric meters with smart meters, along with an enhanced communications infrastructure that will allow two-way communications between

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those meters and KIUC. According to the decision and order, the new infrastructure will allow KIUC to conduct remote meter readings, detect outages at the household level, as well as demonstrate the effectiveness of load control and demand response systems and allow the utility to evaluate alternate rate designs.

KIUC management points to several benefits to utilizing smart meters, including improved meter accuracy; billing date flexibility; real-time energy consumption monitoring; faster outage restoration and the potential for energy efficiency.

KIUC anticipates installation for the project to begin early in 2012. The five-year process will include an expected two years of installation of new meters at members' homes and installing communications infrastructure to assess smart grid effectiveness, and three years for data gathering and analysis.

Since November 2009, the co-op has been ramping up their community outreach for the project, including two inserts in September / October bills, a section at www.kiucenewablesolutions.coop, several stories in the utility's magazine, KIUC Currents, and a series of quarterly meetings this year.

Two informal informational meetings are planned for the last quarter of 2011. One on October 26, 2011 and one on December 8, 2011 from 6 p.m. to 7 p.m. in KIUC's main conference room at the Hana Kukui building, 4463 Pahe'e Street in Līhu'e.

Kaua'i Island Utility Cooperative (KIUC) is a not-for-profit generation, transmission and distribution cooperative owned and controlled by the members it serves. Headquartered in Līhu'e, Kaua'i, Hawai'i, the cooperative currently serves more than 32,000 electric accounts throughout Kaua'i. Committed to reinventing how Kaua'i is powered, KIUC is aggressively pursuing diversification of its energy portfolio to include a growing percentage of hydropower, photovoltaic, bio-fuel, and biomass. For more information on Kaua'i Island Utility Cooperative, visit www.kiuc.coop. For more information on Smart Grid and renewable energy, visit www.kiucenewablesolutions.coop.

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