

BY THE NUMBERS

KIUC 2018 ANNUAL REPORT

236,800

209.9
MW

92.9
MW

171

77.35
MW

1334

497,918

37,705

77%

117 MW

451,114

\$162.6
million

1,492

\$39 million

14,000

\$35.00

32.8%

99.979%

\$705,000

18,864



**Kaua'i Island
Utility Cooperative**

Your Touchstone Energy® Cooperative



The Big Picture



Kaua'i Island Utility Cooperative is among the youngest of our nation's 900-plus electric cooperatives. Shortly after taking ownership of the utility in 2002, leadership and staff of KIUC set aggressive goals and embarked on a journey that is now being watched and recognized from around the globe.

Moving from less than 10% renewable generation in 2010 to more than 50% renewable as this publication goes to print is just one of KIUC's remarkable achievements. This annual report tells a story that began 17 years ago, but is far from over. Our members make us strong and help us set the pace as we move forward: we appreciate your continued support.

Mahalo nui loa,

Allan A. Smith

Chairman

David J. Bissell

President and Chief Executive Officer

KIUC At A Glance



Generation Capacity

209.9 megawatts (MW)

117 MW

Oil-fired
Generation
Capacity

92.9 MW

Renewable
Generation
Capacity

451,114

Megawatt
Hours Sold
in 2018

Miles of line

171 miles transmission
1,334 miles distribution

37,705

Number of Meters

77%

Residential

\$162.6
million

Total Revenue 2018

77.35 MW

2018 Peak Demand

Putting the Power in Your Hands



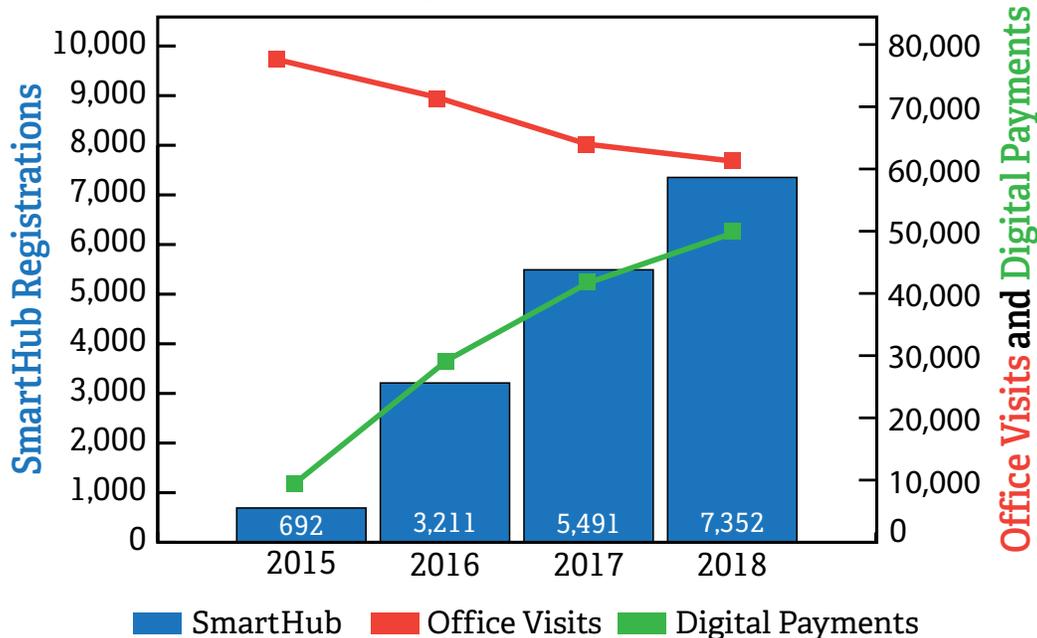
As a not-for-profit cooperative, we are owned by the members we serve. KIUC leadership and staff work hard throughout the year to provide a variety of tools and programs that allow you to better communicate with us, as well as manage your account and your energy use.

We encourage you to explore the options available with our Member Services and Energy Services staff. Members serving members is what makes our cooperative special.

Sincerely,

Maile Alfiler, Member Services Manager

SmartHub Registrations



SmartHub is a great tool offered by KIUC to track and manage your energy use, monitor bill payments and report outages.

The number of KIUC members registered for SmartHub has increased more than tenfold since 2015. During

that period, we also saw an increase in the number online payments being made and a decrease in visits to the KIUC offices.

We place a priority on making your interactions with KIUC as convenient, pleasant and efficient as possible.

Number of Rooftop Photovoltaic Systems Installed

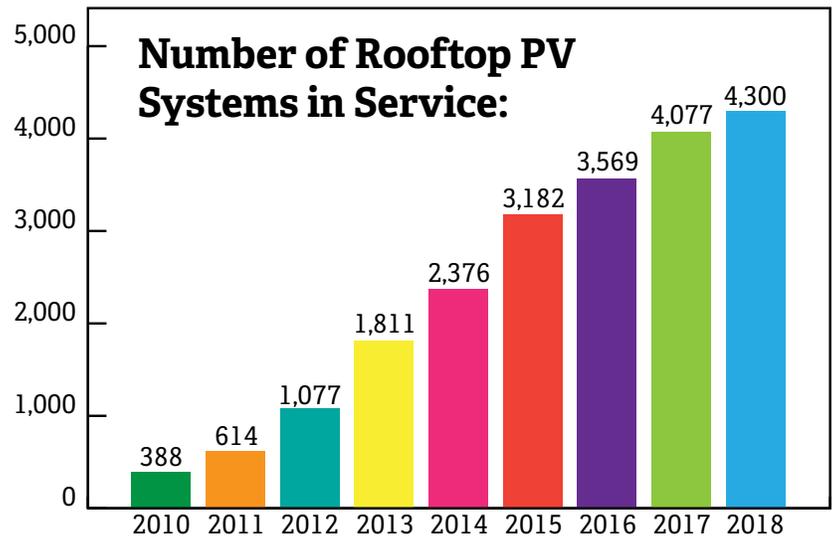


31.3 MW in 2018

11% of Sales in 2018

3,963 Residential Rooftops

337 Commercial Rooftops



Pono Home Energy Efficiency Program

The Pono Home program is a partnership with County of Kauai designed to perform energy and water saving retrofits for low and moderate income residents.

Pono Home assisted 73 houses and positively impacted more than 185 Kauai residents by installing:

1,492 LED's of varying wattages

42 low flow showerheads

64 aerators, both kitchen and bathroom

119 seven outlet smart power strips



"With just \$28,000 in funding, we accomplished annual savings of 113,616 kWh and 645,004 gallons of water, while reducing CO2 emissions by 197,692 pounds. That's remarkable and a great win for the people of Kauai."

– Scott Cooney, Chief Executive Officer, Pono Home

Staying Connected



Keeping members informed is a high priority for us at KIUC. Over the past few years we've increased our use of social media, and in 2018 revamped our website to provide as much information as possible to the public. Stay connected with us via our online resources, Currents magazine or direct communication via phone or email.

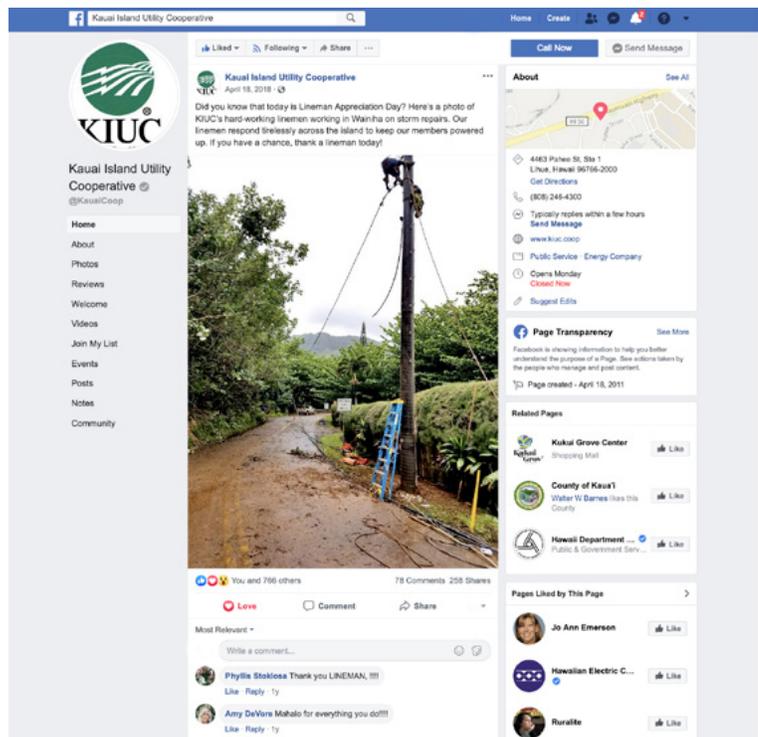
We look forward to hearing from you!

Warmest regards,

Beth Tokioka, Communications Manager

Getting Social

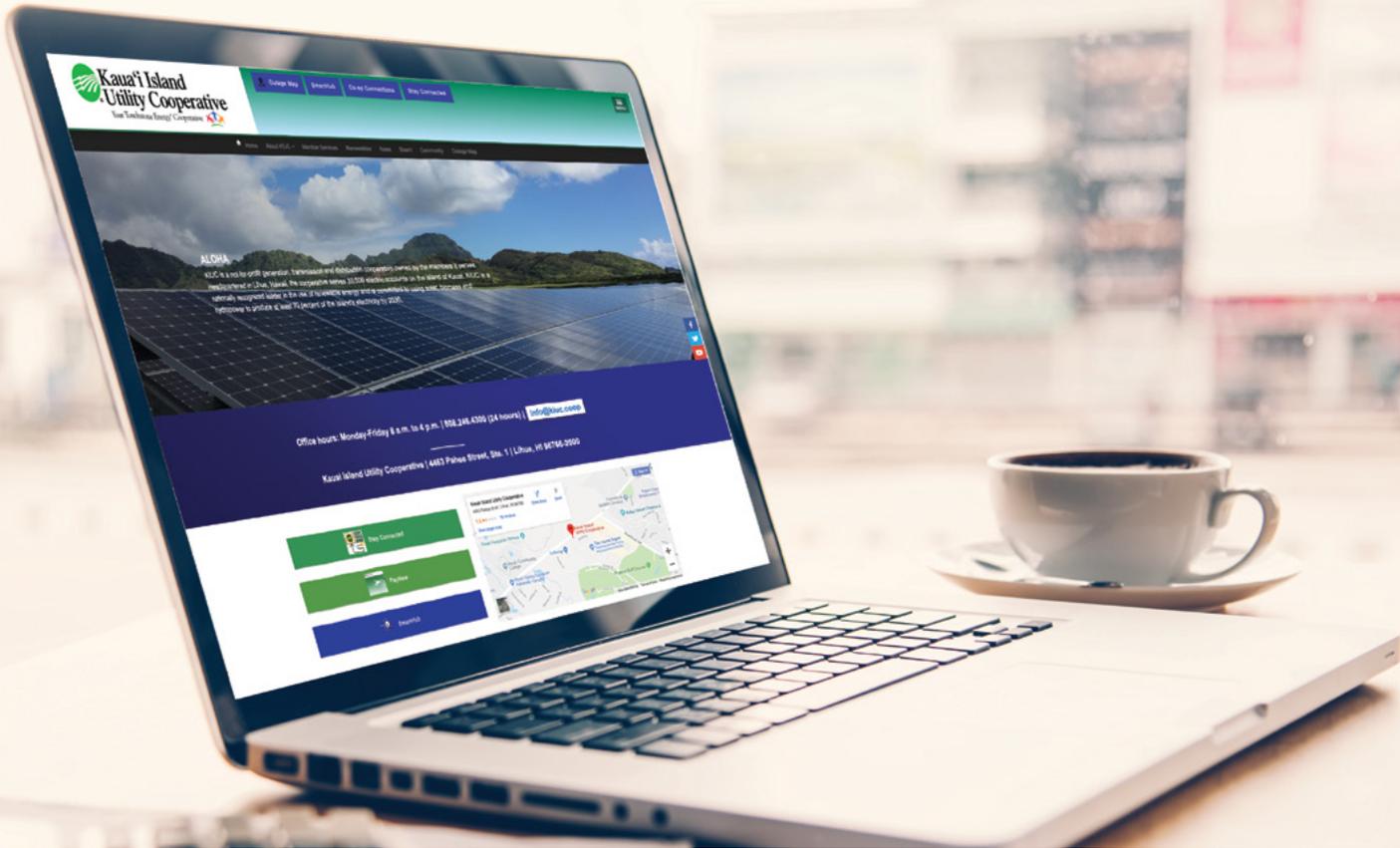
In 2018 KIUC's Facebook page continued to serve as a primary source of up-to-date information on coop activities, outages and more.



@KIUC
1,719 followers

Total Impressions
236,800

Twitter also played a vital role in keeping our members informed.



KIUC.coop

KIUC's website is a great source of information, and underwent a complete redesign in 2018: offering more information, greater functionality and greater ease of navigation both on desktop and mobile devices.

Top three pages visited
on the KIUC website:



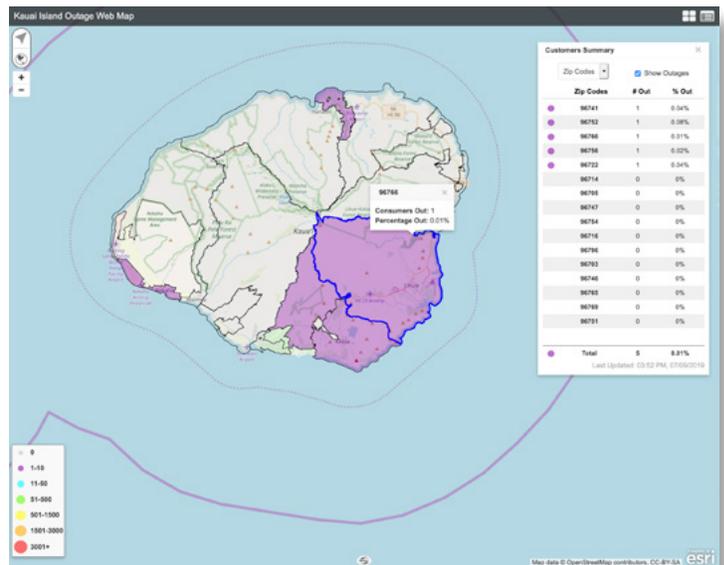
Member Services



Outage Map



Employment Information



A new feature on the KIUC website is the outage map. Since its launch in September 2018, the outage map is being accessed on average 200 times per month by our members.

Watching the Pocketbook



One of the most important advantages of being a cooperative is we are not profit-driven. Our goal is to minimize expenses and budget appropriately so that our financial needs are met. Should we have excess earnings come December 31, that money is returned to our member-owners via patronage capital: either by a credit to your individual equity account, or in the form of a check or bill-credit when our Board of Directors chooses to “retire” patronage capital.

Since 2002, KIUC has progressed from being 100% debt financed to having more than 30% equity today. Our strong financial position is attributable to many factors, such as:

- ❖ Rate stabilization due to the volatile cost of diesel being replaced by stable, lower-priced renewables
- ❖ Taking advantage of the collective purchasing power of more than 900 cooperatives nationwide
- ❖ Access to minimal cost of capital from lenders such as Cooperative Finance Corporation and the Rural Utilities Service

A strong cooperative contributes to a strong community. We are delighted to serve our members and support our island home.

Aloha,

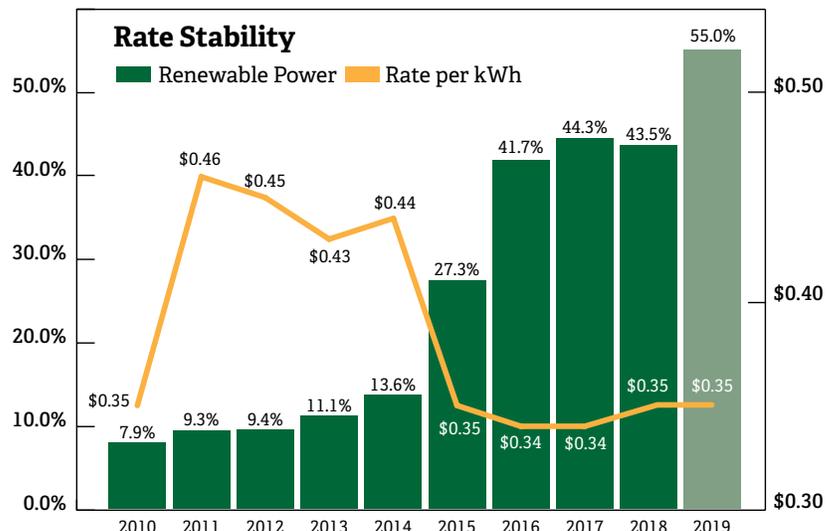
Karissa Jonas, Chief Financial Officer

Lisa Ubay, Human Resources and Safety Manager

Rick Eckert, Financial Planning and Strategy Manager

Stabilizing Rates

Volatility in the crude oil market has caused significant fluctuations in KIUC's rate per kWh. However, rates were relatively stable between 2015 and 2018, in part due to the increasing percentage of the cooperative's power being supplied by lower cost renewables with stable, long-term pricing. This trend continues through mid-year 2019.





Patronage Capital Retirements

Patronage capital credits come from the money a cooperative has left over, called margins, after paying all of its expenses in a given year. At the end of the year, the margins are allocated and credited to each member's patronage capital account according to the amount paid for energy used. When KIUC's finances permit, that money is returned to members in the form of patronage capital retirements.

\$2.5 million

Amount to be retired to members based on 2018 financial results

\$39 million

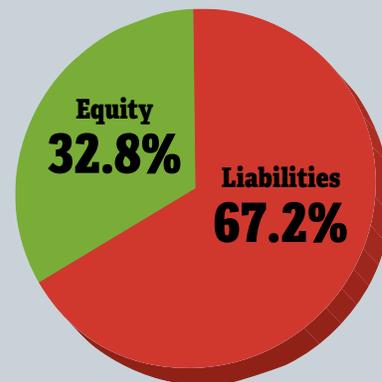
Total amount of patronage capital retirements through 2018

\$35.00

Average patronage capital retirement for member using 500 kWh of electricity per month

Keeping an Eye on Costs

Managing expenses is critical to an electric cooperative in its mission to provide the most affordable rates to its members. Primarily due to strategic deployment of technology, KIUC has been able to reduce its employee count over the past ten years without sacrificing customer service.



Equity

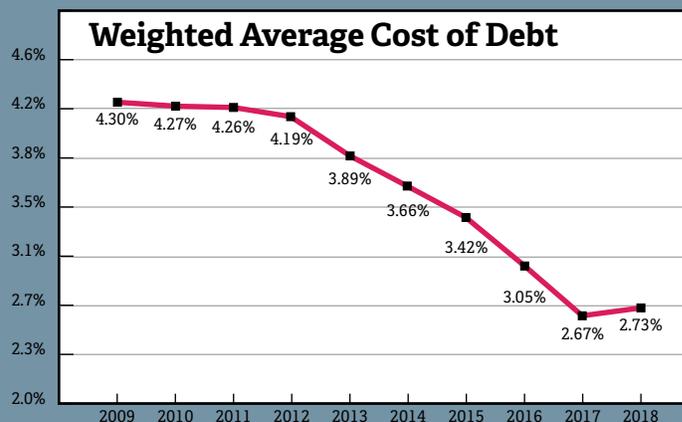
When KIUC purchased Kaua'i Electric 17 years ago, the cooperative was 100% debt financed with zero equity.

Today, our equity ratio is more than 32%. That's the portion of the utility that KIUC members own outright and free of debt.

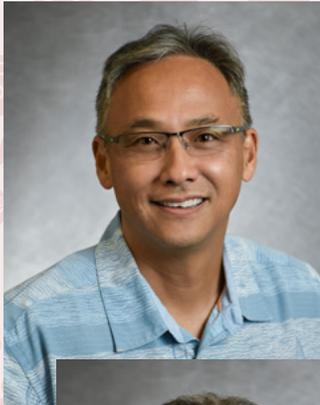
Debt Service

KIUC's weighted average cost of debt is the average interest rate we're paying on the money we borrow. When the cooperative was formed the cost of debt was more than 4%.

As a cooperative with access to low-cost capital, KIUC was able to reduce its debt service significantly, which saves money for our member-owners.



Keeping You Powered



At the core of KIUC's mission is to provide safe, reliable power to our members. Our operations, power generation and transmission & distribution teams work around the clock to insure that you have electricity when you need it. When outages occur, we stand ready to respond and take pride in restoring you as quickly as possible.

KIUC's grid includes a wide variety of power inputs: from conventional generators to solar, biomass and hydro-powered renewable facilities. Each has its own unique characteristics, strengths and vulnerabilities. Keeping these moving parts working in synch while seamlessly delivering power to our members is not an easy task.

Our staff has risen to the challenge: facility improvements, information technology enhancements and focus on cybersecurity help us significantly improve our ability to provide you with uninterrupted power 24 hours a day. It's a continual process that is embraced by each of our dedicated team members.

Mahalo,

Mike Yamane, Chief of Operations

Carey Koide, Transmission and Distribution Manager

Tree Trimming

Since 2010, KIUC has spent

\$12.6 million

on tree trimming

25%

of tree trimming budget spent on transmission line clearing

75%

of tree trimming budget spent on distribution line clearing

Reliability

2018: 99.979%

Average hours of outage per customer: 1.83

Average duration of outage: 23 minutes

Average Outage Hours Per Customer

Maui: 7.94

Hawai'i Island: 3.85

O'ahu: 2.06

Kaua'i: 1.83

Kaua'i ranked first in the state of Hawai'i for 2018.

Compared to other islands:

11% lower than O'ahu

52% lower than Hawai'i Island

76% lower than Maui

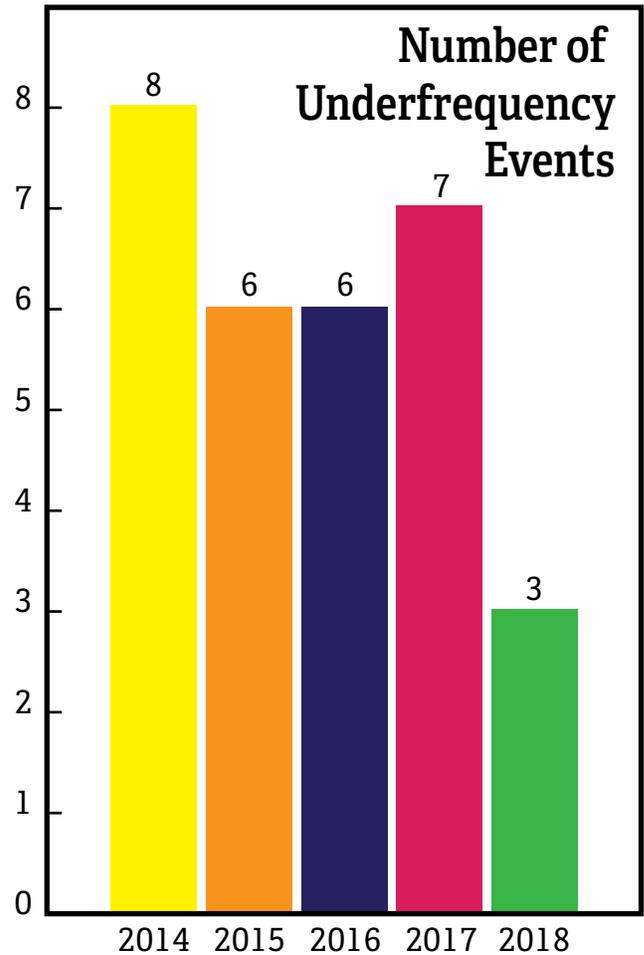
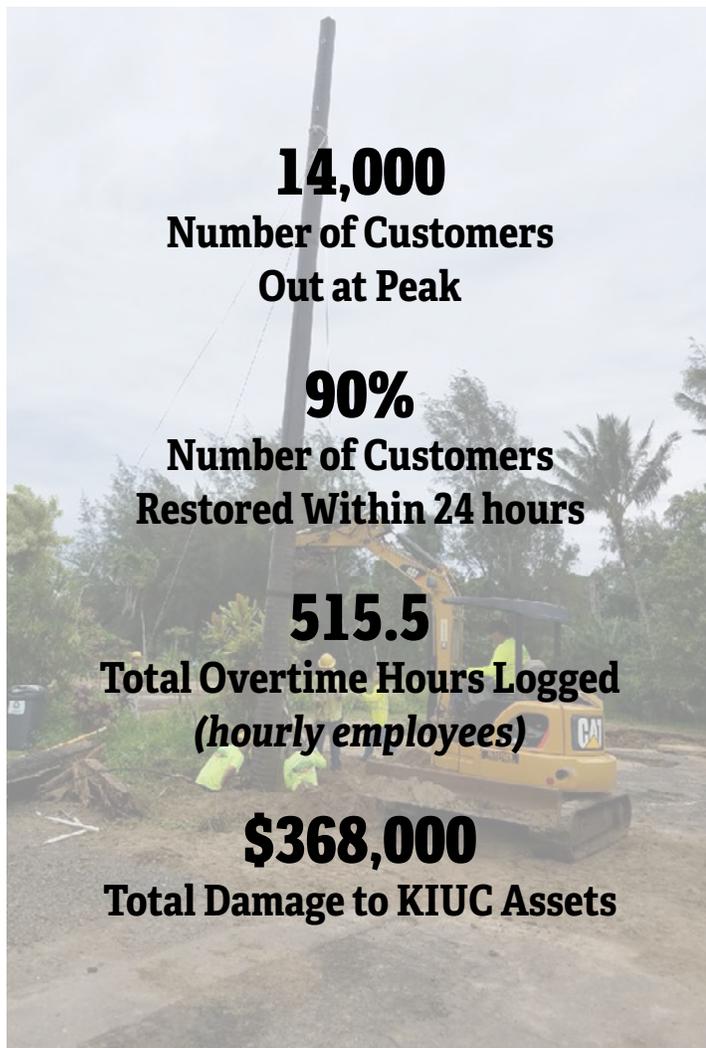
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Batteries Making an Impact

Underfrequency events impact grid stability and potentially cause “load shedding” in order to prevent an islandwide blackout. In 2014, KIUC began installing battery energy storage systems to support utility scale solar fields, which is contributing to a downward trend in underfrequency events.

Resiliency/Emergency Response

The torrential rains of April 14-15, 2018 on Kauai’s north shore set a new record for the most rainfall during a 24-hour period in the United States. Damage was significant, primarily on Kauai’s north, east and south sides, and KIUC crews worked throughout the day and night to respond to outages as conditions permitted.



Hurricane Lane

Because KIUC is a not-for-profit cooperative, we are able to apply for reimbursement of up to 75% of FEMA-eligible costs. FEMA has yet to determine how much of the cost of the April 2018 flood will be reimbursed to KIUC. However, we did receive FEMA funds related to costs associated with Hurricane Lane in August 2018:

Total Damage: \$59,279

\$51,466

Eligible for FEMA Reimbursement

\$38,599

Approved FEMA Reimbursement

Leading the Way



The strategic direction forged by our Board of Directors beginning in 2008 has launched us to more than 50% renewable in 10 short years. This has not gone unnoticed: KIUC is nationally and internationally known as an innovative trailblazer in renewable technology.

In 2018 we had the first full year of production from the Tesla solar plus storage facility, which was like no other when it was opened. KIUC ended 2018 with an impressive 43.5% renewable generation, in spite of unusual weather patterns that did not allow us to maximize either our solar or hydro resources.

The AES Lāwaʻi solar plus storage facility was constructed during 2018, and two other renewable projects took important steps forward: a second AES solar plus storage array at the Pacific Missile Range Facility in Kekaha and the West Kauaʻi Energy Project, which will utilize pumped storage hydro coupled with solar.

Moving closer to our strategic goal of 70% renewable by 2030 and the State of Hawaiʻi mandate of 100% renewable by 2045 is good for our members and for the environment. Best of all, the strides we're making are paving the way for other utilities around the globe.

Aloha,

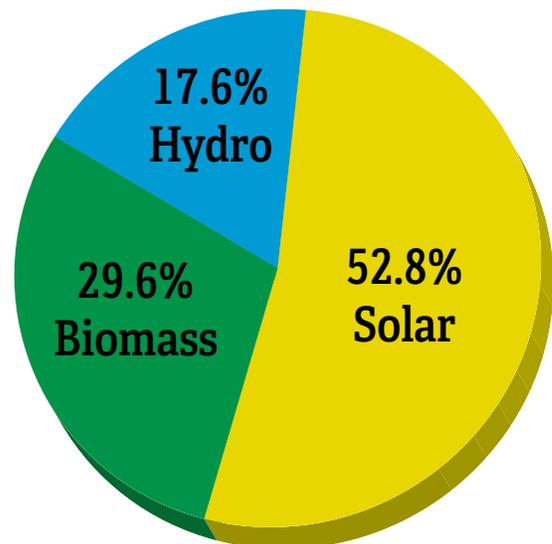
Brad Rockwell, Power Supply Manager

Renewable Portfolio

12.7 million
Gallons of Diesel Avoided

100%
Highest Achieved
Renewable Generation

Renewables by Type*



*Based on percentage of sales

Solar Generation

Utility Scale = **77.4%**

Rooftop = **22.6%**

Tesla Battery Storage

21 months in operation

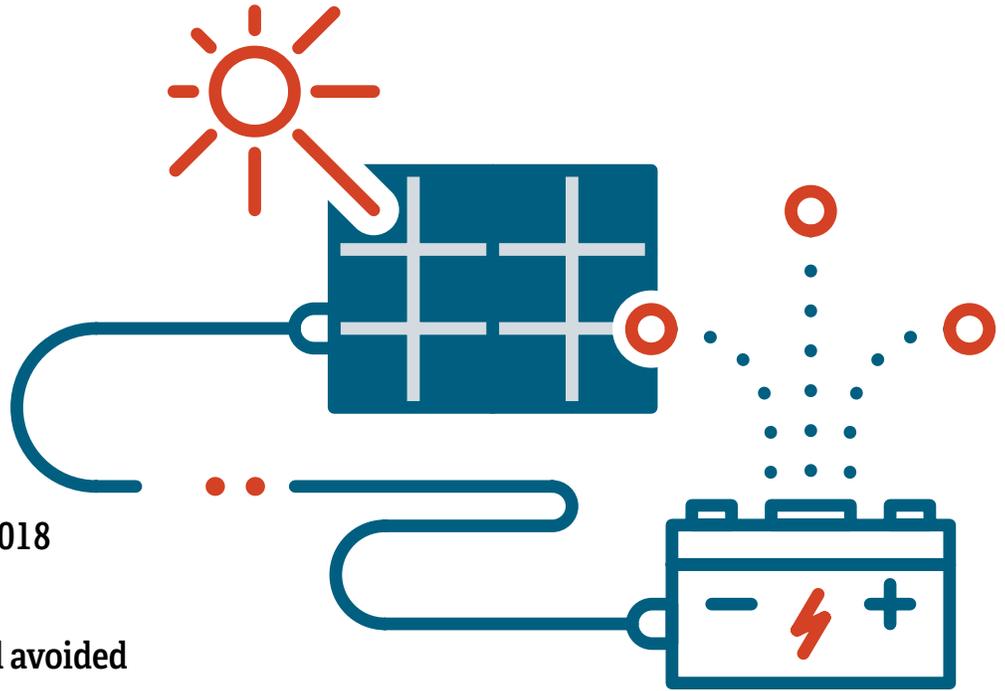
Meets **20%** of
nighttime peak demand

18,864 MWh produced in 2018

4.2% of sales

1.4 million gallons of diesel avoided

\$705,000 saved versus cost of diesel



Accolades



Smart Electric
Power Alliance

#1 Annual Storage Watts Per Customer

#5 Annual Megawatts of Storage



Corporate
Member
of the Year



Associate
Member
of the Year



KAUA'I UNITED WAY

**Top Employee Giving Group
2018 Total: \$35,000**

2018 Board of Directors

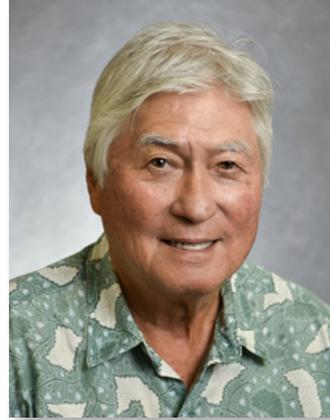
Executive Board



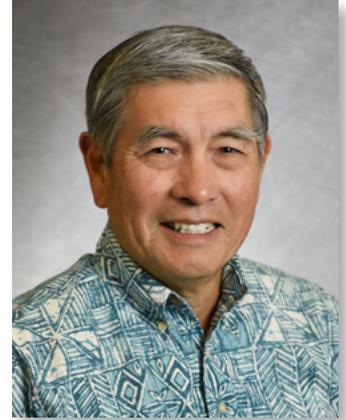
Allan Smith
Chairman



Jan TenBruggencate
Vice Chair



Peter Yukimura
Treasurer



Calvin K. Murashige
Secretary

Board of Directors



Dee Crowell



David Iha



Janet Kass



Jim Mayfield



Teofilo Phil Tacbian

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

**79 years
and 9 months**

*Total years of collective
experience on KIUC Board.*

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,
Peter Yukimura

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

Summary of Operations

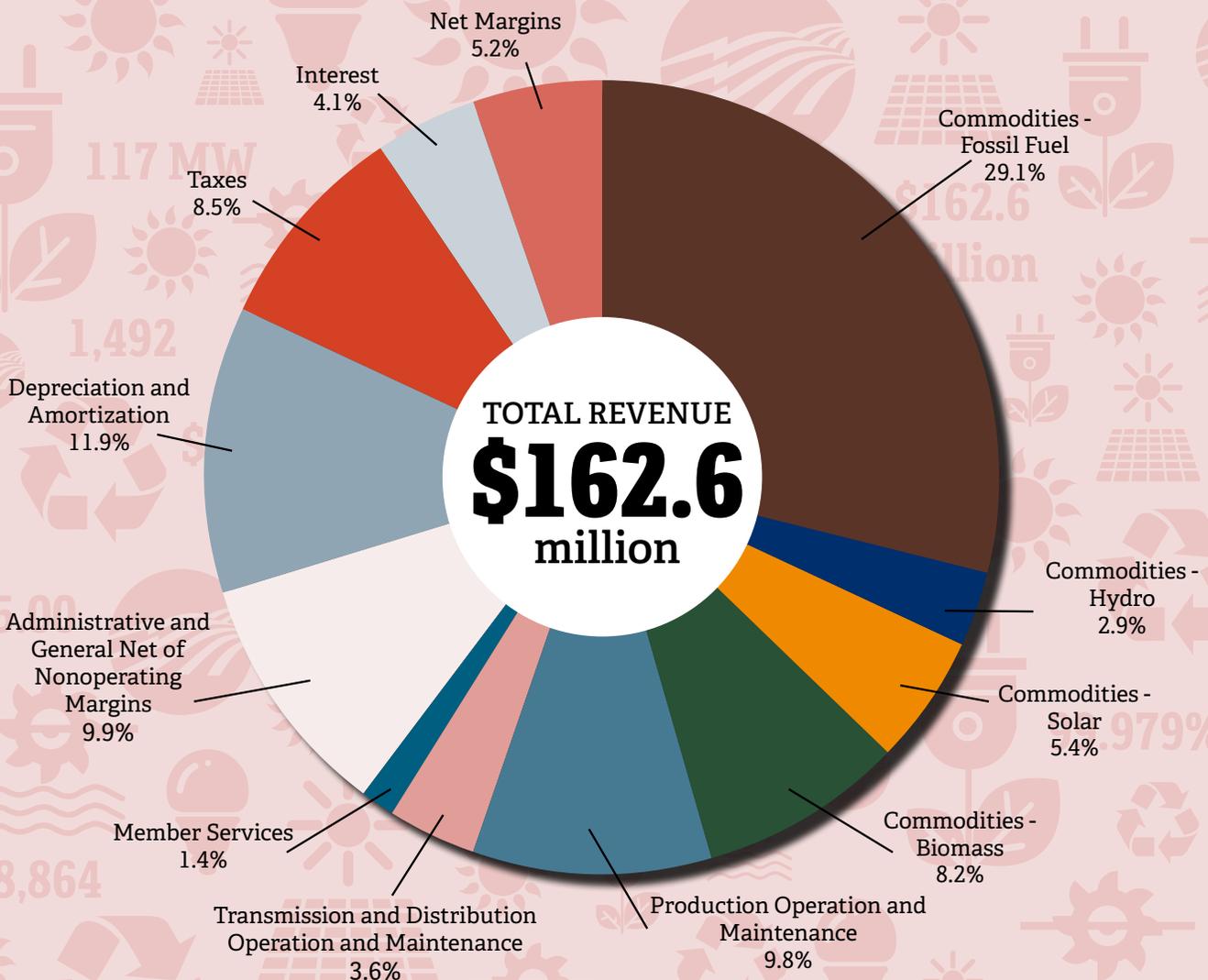
For the period 01/01/2018 through 12/31/2018

KIUC ended 2018 in a strong financial position: revenues were up 10% from the prior year and there was a 1.4% increase in electricity usage by members. The increase in revenue can be attributed primarily to increased fossil fuel prices and a decrease in solar energy production due to prolonged periods of inclement weather. Renewable production from biomass, solar and hydro reached 43.5% in spite of these challenges. Construction of the AES Lāwā'i dispatchable solar facility, completed at the close of 2018, promises to propel Kaua'i beyond the 50% mark in renewable production in 2019.

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 \$162.6 million, \$154.2 million, and \$8.4 million, respectively, for the 12-month period ending December 31, 2018.

As is the case for all electric utilities, the cost of power generation is KIUC's largest expense, totaling \$90.2 million or 55.4% of revenues. Commodities, which are fuel and purchased power costs, are the largest component of power generation totaling \$74.2 million. Currently, fossil fuel is the largest component of commodities, followed by biomass, solar and hydropower. The remaining \$16.0 million represents the cost of operating and maintaining the generating units.

The below chart summarizes expenditures by type.



Balance Sheet

December 31, 2018 and 2017

| | December 31, | |
|---|-----------------------|-----------------------|
| | 2018 | 2017 |
| Assets | | |
| UTILITY PLANT AT COST | | |
| Electric Plant in Service | \$ 547,695,291 | \$ 541,587,292 |
| Electric Plant Acquisition Cost | 54,852,453 | 54,852,453 |
| Accumulated Depreciation and Amortization | (306,950,384) | (290,182,705) |
| Net Electric Plant in Service | 295,597,360 | 306,257,040 |
| Construction Work in Progress | 15,598,523 | 4,779,354 |
| Net Utility Plant | 311,195,883 | 311,036,394 |
| OTHER INVESTMENTS | | |
| Investments in Associated Organizations | 1,515,565 | 1,336,331 |
| Rural Economic Development Loans | 832,479 | 960,426 |
| Total Other Investments | 2,348,044 | 2,296,757 |
| CURRENT ASSETS | | |
| Cash & Cash Equivalents | 17,821,710 | 11,376,600 |
| Restricted Cash & Cash Equivalents | 2,623,304 | 2,484,517 |
| Other Investments | 5,000,000 | - |
| Accounts and Notes Receivable (Less allowance for doubtful accounts of \$125,000 in 2018 and \$225,000 in 2017) | 10,804,057 | 9,846,528 |
| Accrued Unbilled Revenue | 8,620,834 | 7,954,977 |
| Inventories | 15,051,310 | 14,379,607 |
| Other Current Assets | 1,643,155 | 1,354,861 |
| Total Current Assets | 61,564,370 | 47,397,090 |
| DEFERRED DEBITS | | |
| | 13,974,299 | 11,799,858 |
| Total Assets | \$ 389,082,596 | \$ 372,530,099 |
| Equities and Liabilities | | |
| EQUITIES | | |
| Memberships | \$ 533 | \$ 515 |
| Patronage Capital | 116,290,932 | 111,417,571 |
| Other Equity | 766,937 | 646,973 |
| Post-retirement Benefit Obligation Gain (Loss) | (1,399,334) | (1,515,500) |
| Controlling Equity Interest | 115,659,068 | 110,549,559 |
| Capital Account - A&B KRS II LLC | 19,304,898 | 20,400,187 |
| Non-Controlling Equity Interest | 19,304,898 | 20,400,187 |
| Total Equities | 134,963,966 | 130,949,746 |
| LONG -TERM DEBT, Less Current Maturities | | |
| | 204,211,945 | 192,756,653 |
| POSTRETIREMENT BENEFITS OBLIGATION | | |
| | 452,257 | 596,600 |
| ASSET RETIREMENT OBLIGATIONS | | |
| | 2,542,345 | 2,450,209 |
| CURRENT LIABILITIES | | |
| Current Maturities of Long-Term Debt | 15,710,813 | 15,194,997 |
| Line of Credit | - | 3,000,000 |
| Accounts Payable | 6,098,780 | 5,176,835 |
| Energy Rate Adjustment Clause | 756,880 | 4,588 |
| Consumer Deposits | 1,898,031 | 1,481,759 |
| Accrued Employee Compensation | 2,068,306 | 1,976,448 |
| Accrued Taxes | 7,832,897 | 6,525,850 |
| Other Current and Accrued Liabilities | 566,234 | 622,477 |
| Total Current Liabilities | 34,931,941 | 33,982,954 |
| DEFERRED CREDITS | | |
| | 11,980,142 | 11,793,937 |
| Total Liabilities and Equities | \$ 389,082,596 | \$ 372,530,099 |

Statement of Income and Patronage Capital

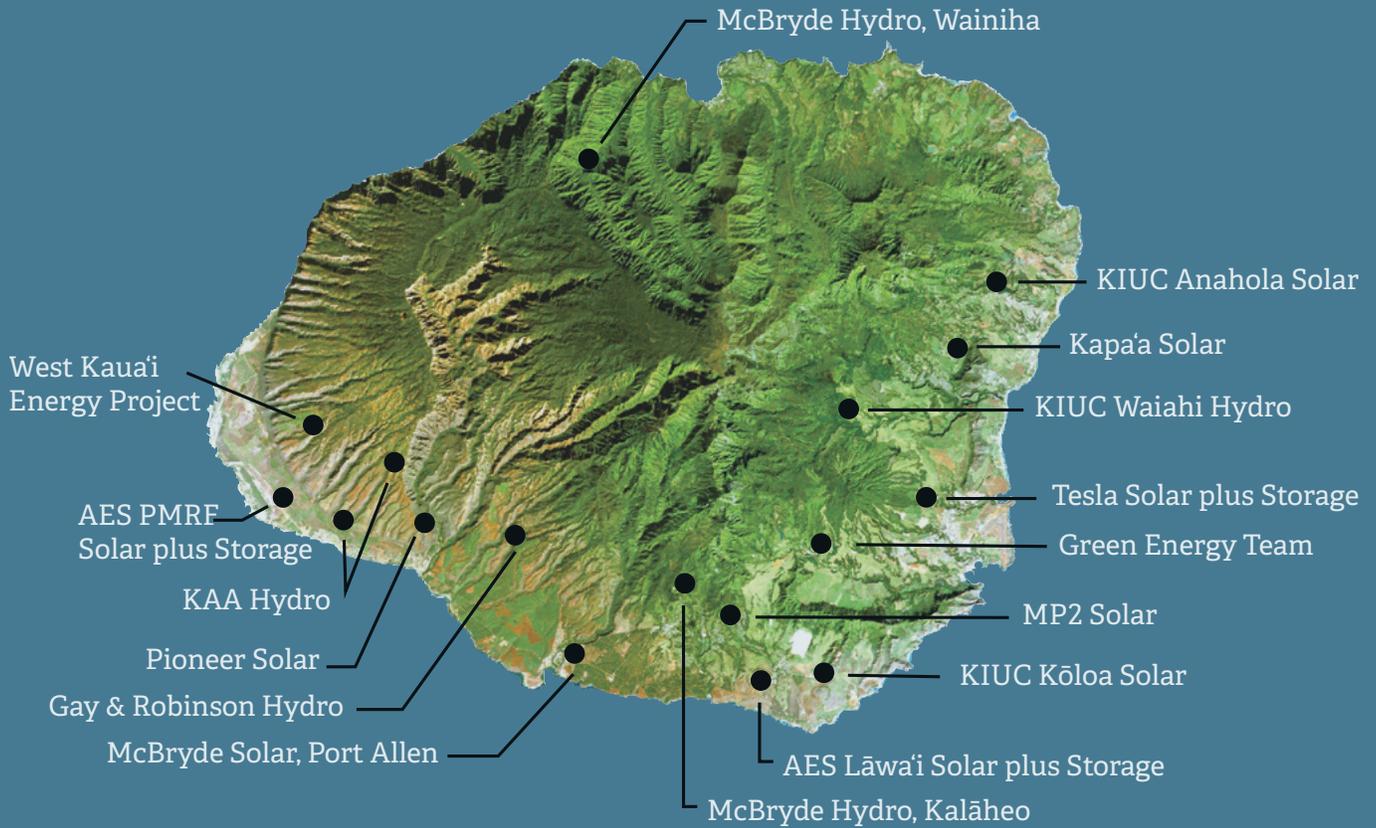
For the years ended December 31, 2018 and 2017

| | Year Ended December 31, | |
|---|-------------------------|-----------------------|
| | 2018 | 2017 |
| OPERATING REVENUES | | |
| Residential | \$ 65,170,080 | \$ 58,459,375 |
| Irrigation | 361,634 | 143,182 |
| Commercial and Industrial | 95,941,559 | 88,065,085 |
| Public Street and Highway Lighting | 719,376 | 708,102 |
| Other Operating Revenues | 466,989 | 474,044 |
| Total Operating Revenues | <u>162,659,638</u> | <u>147,849,788</u> |
| OPERATING EXPENSES | | |
| Power Cost | 90,182,164 | 76,031,389 |
| Transmission - Operation | 414,004 | 380,737 |
| Transmission - Maintenance | 572,903 | 595,295 |
| Distribution - Operation | 1,208,431 | 1,370,681 |
| Distribution - Maintenance | 3,733,766 | 3,723,289 |
| Customer Accounts | 1,976,634 | 2,031,531 |
| Customer Service and Information | 347,423 | 434,316 |
| Administrative and General | 17,857,110 | 17,513,329 |
| Depreciation and Amortization | 19,343,605 | 18,589,648 |
| Taxes | 13,780,073 | 12,456,979 |
| Accretion Expense | 92,136 | 87,955 |
| Other Interest Expense | 114,013 | 115,851 |
| Total Operating Expenses | <u>149,622,262</u> | <u>133,331,000</u> |
| OPERATING MARGINS - Before Interest | <u>13,037,376</u> | <u>14,518,788</u> |
| INTEREST ON LONG-TERM DEBT | <u>6,602,071</u> | <u>6,451,639</u> |
| OPERATING MARGINS | <u>6,435,305</u> | <u>8,067,149</u> |
| NONOPERATING MARGINS | | |
| Interest Income | 986,367 | 752,621 |
| Capital Credits | 349,740 | 318,974 |
| Other Nonoperating Income (Expense) | 154,552 | (152,751) |
| Total Nonoperating Margins | <u>1,490,659</u> | <u>918,844</u> |
| EXTRAORDINARY INCOME | <u>94,892</u> | <u>-</u> |
| NET MARGINS | <u>8,020,856</u> | <u>8,985,993</u> |
| Net Loss (Margins) Attributable to Non-controlling Interest | 411,672 | (2,083) |
| NET MARGINS - COOPERATIVE | <u>\$ 8,432,528</u> | <u>\$ 8,983,910</u> |
| PATRONAGE CAPITAL - BEGINNING OF YEAR | <u>\$ 111,417,571</u> | <u>\$ 102,596,914</u> |
| Allocation of Net Margins | 8,432,528 | 8,983,910 |
| Patronage Capital Retired | (3,559,167) | (163,253) |
| PATRONAGE CAPITAL - END OF YEAR | <u>\$ 116,290,932</u> | <u>\$ 111,417,571</u> |

Statement of Cash Flows

For the years ended December 31, 2018 and 2017

| | December 31, | |
|--|----------------------|----------------------|
| | 2018 | 2017 |
| OPERATING ACTIVITIES | | |
| Net Margins | \$ 8,432,528 | \$ 8,983,910 |
| Adjustments to Reconcile Net Margins to Net Cash from Operating Activities | | |
| Depreciation and Amortization | 19,813,713 | 19,112,913 |
| Accretion of Asset Retirement Obligation | 92,136 | 87,955 |
| Interest Earned on Cushion of Credit | (736,098) | (700,416) |
| Capital Credit Allocations | (349,740) | (318,974) |
| Net Margins Attributable to Non-controlling Equity Interest | (411,672) | 2,083 |
| Change in Assets and Liabilities: | | |
| Accounts Receivable and Unbilled Revenue | (1,623,386) | (174,515) |
| Energy Rate Adjustment Clause | 752,292 | (351,336) |
| Inventories and Other Current Assets | (959,997) | (597,389) |
| Deferred Debits | (2,174,441) | (362,964) |
| Post Retirement Benefit Obligation | (28,177) | 139,400 |
| Payables and Accrued Expenses | 2,242,763 | (252,803) |
| Deferred Credits | 186,205 | 2,891,620 |
| Net Cash from Operating Activities | <u>25,236,126</u> | <u>28,459,484</u> |
| INVESTING ACTIVITIES | | |
| Additions to Utility Plant, net | (19,535,086) | (12,151,941) |
| Grant Funds and Tax Credit Applied to Utility Plant | - | 2,328,294 |
| Rural Economic Development Loans | 127,947 | 202,440 |
| Other Investments | (4,829,494) | 18,459 |
| Net Cash used for Investing Activities | <u>(24,236,633)</u> | <u>(9,602,748)</u> |
| FINANCING ACTIVITIES | | |
| Borrowings from Long-Term Debt | 27,899,000 | - |
| Principal Payments on Long-Term Debt | (15,191,794) | (14,799,975) |
| Net Activity on Line of Credit | (3,000,000) | (2,308,600) |
| Distribution to Non-controlling Equity Interest | (683,617) | (1,119,721) |
| Memberships | 18 | 16 |
| Other Equities | 119,964 | 69,448 |
| Retirement of Patronage Capital | (3,559,167) | (163,253) |
| Net Cash from (used for) Financing Activities | <u>5,584,404</u> | <u>(18,322,085)</u> |
| CHANGE IN CASH AND CASH EQUIVALENTS | <u>6,583,897</u> | <u>534,651</u> |
| CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR | <u>13,861,117</u> | <u>13,326,466</u> |
| CASH AND CASH EQUIVALENTS - END OF YEAR | <u>\$ 20,445,014</u> | <u>\$ 13,861,117</u> |
| SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION | | |
| Cash Paid During the Year for: | | |
| Interest | <u>6,716,084</u> | <u>6,567,490</u> |
| Income Taxes | <u>6,015</u> | <u>4,079</u> |
| Noncash Investing Activities: | | |
| Liabilities Incurred for Utility Plant Additions | <u>438,116</u> | <u>448,796</u> |



| | Type | MW | % of Sales |
|--------------------------------------|---------|------|------------|
| Active | | | |
| KIUC, Kōloa | Solar | 12.0 | 3.9 |
| KIUC, Anahola | Solar | 12.0 | 4.1 |
| Green Energy Team | Biomass | 6.7 | 10.9 |
| McBryde, Port Allen | Solar | 6.0 | 2.3 |
| McBryde, Wainiha/Kalāheo | Hydro | 6.0 | 4.4 |
| KIUC, Waiahi | Hydro | 1.5 | 1.0 |
| Gay & Robinson, Olokele | Hydro | 1.3 | 0.9 |
| KAA, Waimea/Kekaha | Hydro | 1.5 | 0.3 |
| Pioneer, Waimea | Solar | 0.3 | 0.1 |
| Kapa'a Solar | Solar | 1.0 | 0.3 |
| Tesla Solar Storage | Solar | 13.0 | 4.2 |
| MP2, 'Ōma'o | Solar | 0.3 | 0.1 |
| Customer Solar | Solar | 31.3 | 11.0 |
| Under Construction/Permitting | | | |
| AES Lāwa'i Solar Storage | Solar | 20.0 | 8.9 |
| Gay & Robinson, Olokele | Hydro | 6.0 | 5.5 |
| Under Development | | | |
| West Kauai Energy Project | Hydro | 25.0 | 16.6 |
| AES PMRF Solar plus Storage | Solar | 14.0 | 7.8 |

Total Renewable Energy in Service 2018

92.9 MW/43.5%

Potential Renewable Energy in Service 2025

157.9 MW/82.3%

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.



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