

KIUC's
2025
Annual
BREAKFAST BRIEFING
JUNE 4, 2025



KIUC Overview

- Began operating as a cooperative in 2002
 - RUS Funded acquisition with 100% debt
- One of 900+ electric cooperatives in the United States
- 35,000 member accounts (30,000 residential; 5,000 commercial)
- Governed by nine-member Board of Directors

Strategic Plan 2023-2033

- **Goal 1: Cost of Electricity** – *KIUC will deliver electricity at the lowest possible cost.*
- **Goal 2: Carbon Footprint** – *KIUC will contribute to a sustainable Kauai.*
- **Goal 3: Resilience 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.*

Goal: 100% Renewable by 2033

Overall Economic Climate

- Tariffs, tax policy, and grant funding all unclear
 - Impact on KIUC could be significant
 - Pending renewable projects likely impacted
- Electricity sales levels could decrease if visitor arrivals and spending decline
- Changes in oil pricing will impact monthly kWh costs

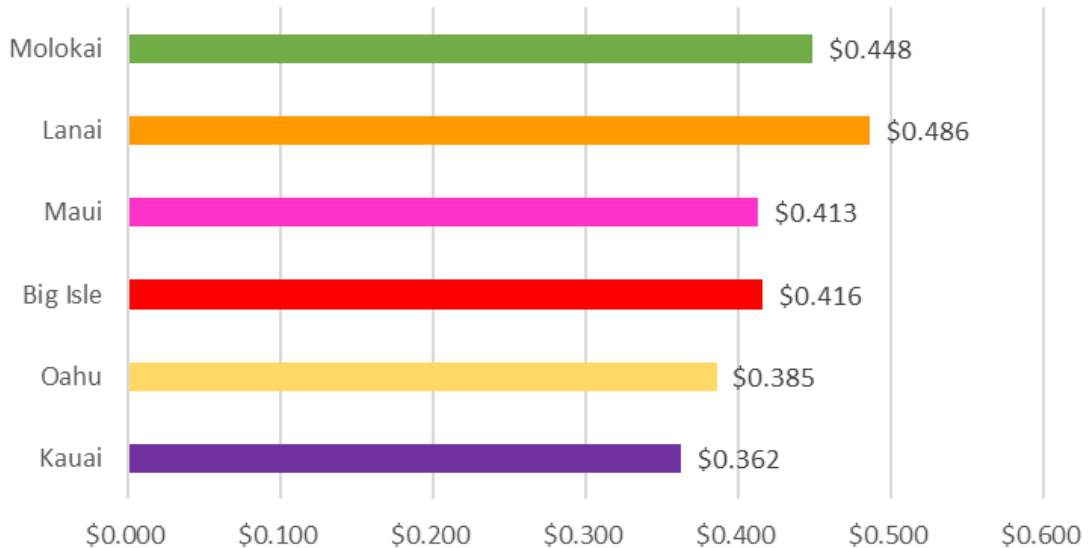
KIUC Financials

- 2024
 - Net Margin: \$7 million
 - MWh sales: Up 1% vs. 2023
 - Assets \$456 million
 - Debt \$237 million, Equity \$146 million
 - Patronage Capital Retirement: \$664,166
- YTD 2025 (through March)
 - MWh sales: Up 4.4% vs YTD 2024
 - O&M Expenses: Up 1.9% vs YTD 2024
 - Commodities*: Down 10.4% vs YTD 2024
 - Equity Ratio: 35.72%

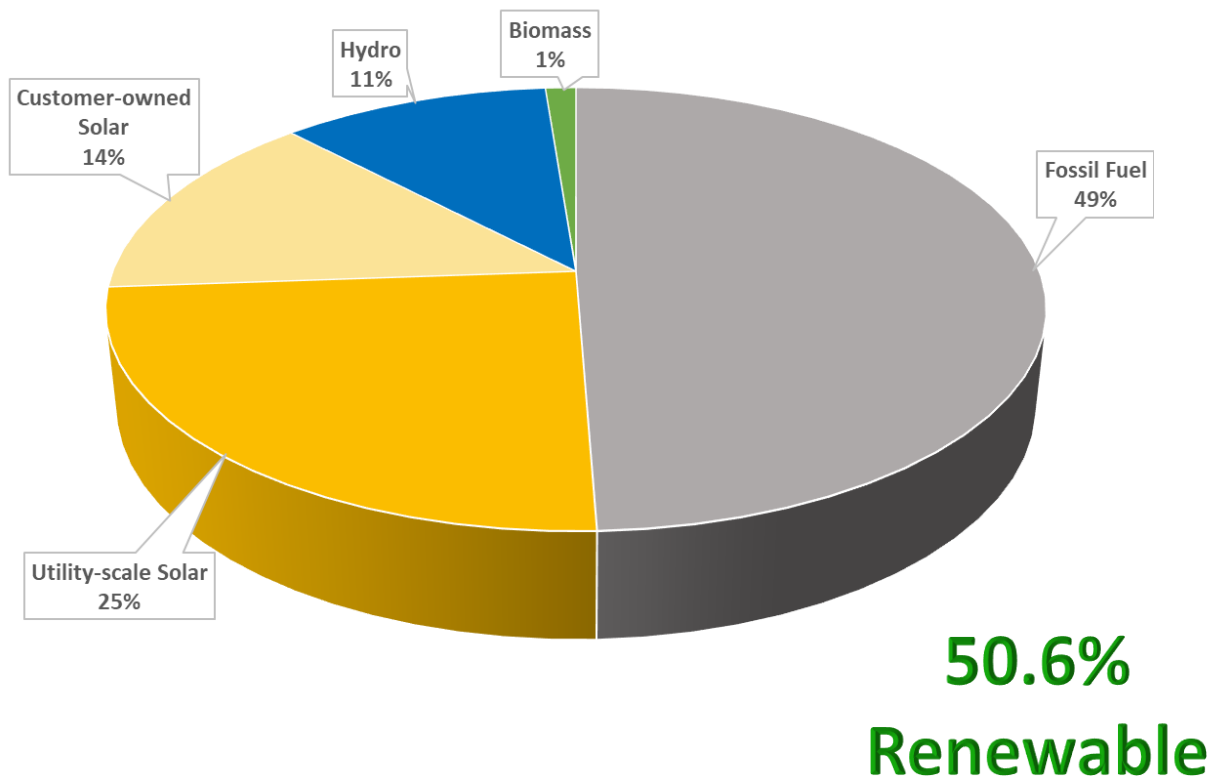
**Cost of fuel and purchased power*

Renewable Energy and Rates

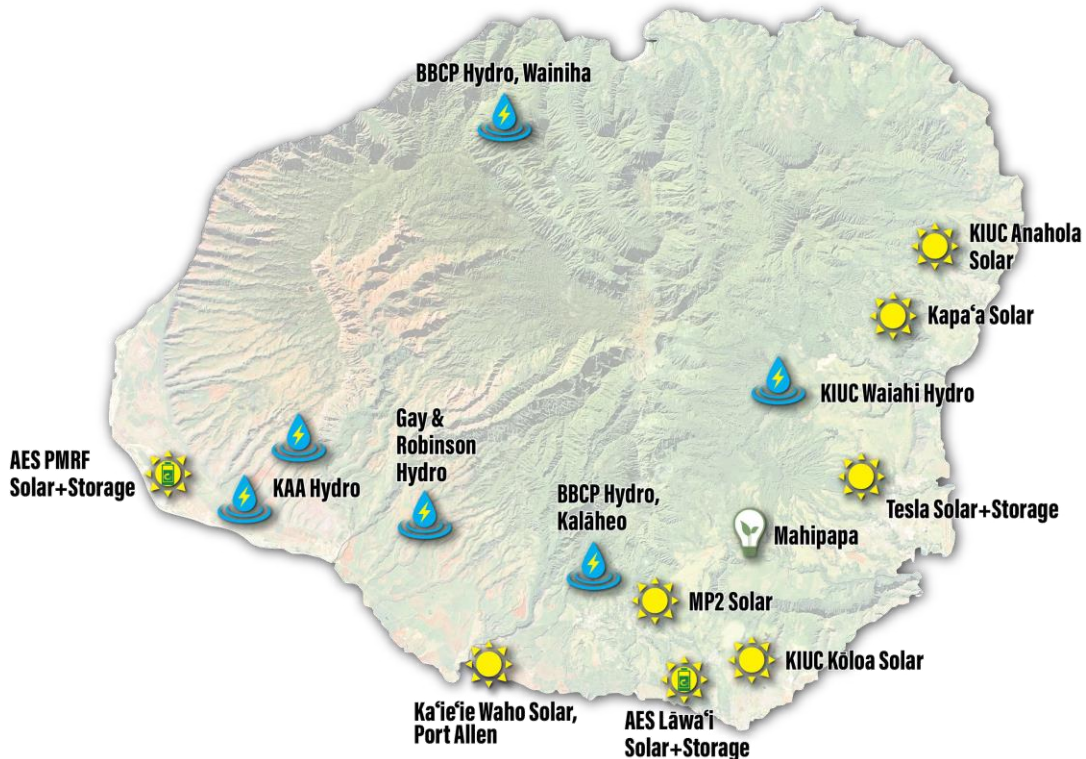
May 2025



KIUC Fuel Mix 2024



KIUC Renewable Resources

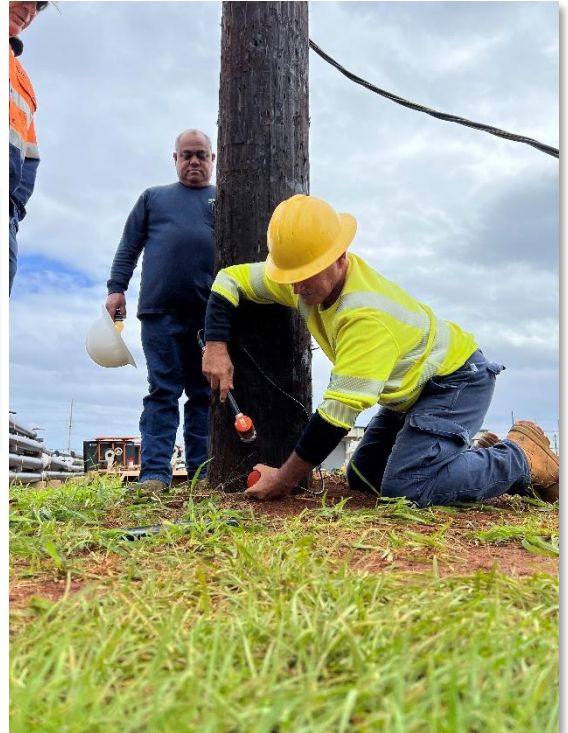


New Renewable Projects

- Two additional Solar + Battery projects with AES
 - Mānā and Kaʻawanui
 - Each project would supply about 20% of Kauai's energy
 - Increase RPS to 80%+
 - Applications with PUC
- Battery storage upgrade at three current solar sites
 - \$33 million capital cost
 - \$16 million federal GRIP grant approved
 - New ERA PACE loan of \$24 million “closed” with potential for \$5 million in loan forgiveness
- Synchronous Condenser at Port Allen
 - Converting a generator to run without diesel to provide grid stability during periods of 100% renewable
 - \$3.2 million with potential for 50% in federal grant

Wildfire Mitigation Plan (WMP)

Pending PUC approval



WMP-Costs

Estimated Cost (in thousands)

	2025	2026	2027
WMP Development	\$ 20-50	\$ 20-50	\$ 20-50
WMP Implementation	\$ 5,600 to 9,020	\$ 10,460 to 18,920	\$ 13,560 to 20,920
WMP Administration	\$ 750	\$ 1,000	\$ 1,200

- Pole inspections and replacements \$15 million
- Drone inspections of facilities and vegetation \$2.6 million
- Fuse and lightning arrester replacement \$37 million
- Vegetation management costs additional

Vegetation Management- 2025

- 40% increase in annualized spend
- \$2.2 million budgeted
- Two companies providing service



Pole Replacement Program

- Pole inspections continue
 - Sonic and drone based
- Roughly 6% of 16,000 poles require replacement
- 245 poles changed 2024
- 400+ to be replaced in 2025
 - \$6.5 million in 2025



Wildfire Mitigation-Cont.

- Everbridge emergency notification service
- SB897: Provides KIUC more affordable cost recovery for wildfire mitigation expenditures along with potential limitation on liability for certain wildfire claims

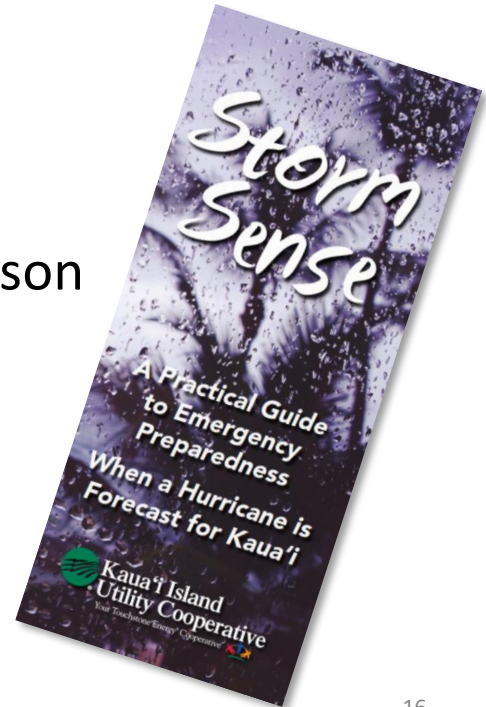


Disaster Preparation

- Increased pole and transformer inventories
 - Target level of one month of supplies on hand for storm crews
 - 835 poles
- Currently have 1,056 poles in stock
 - Storm reserve plus change out support
 - 50% of pole inventory composite

Emergency Preparation

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



Other Priority Projects

- Habitat Conservation Plan
 - \$5 million expense in 2025
 - Progressing towards 2026 approval
 - 50-year term



Cooperative Difference

- Access to low-cost federal funding for system improvements through USDA's Rural Utility Service loans
- FEMA cost reimbursement for restoration costs incurred during presidentially declared disaster (up to 75%)

Mahalo!

