

KIUC Progress Report

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KIUC Overview

- Cooperative structure – non profit
- Owned by residents and businesses of Kaua‘i
- Margins stay on Kaua‘i
- Governed by member elected Kaua‘i residents
- No other interests other than doing what’s best for the long-term benefit of our member/owners

15 Year Strategic Plan

Our vision

To be an energy solutions leader

Our mission

Provide reliable power safely that is fairly and competitively priced;

Practice conservation and efficient use of energy resources;

Increase sustainable power supply and environmental stewardship; and

Improve the quality of life for members and Kaua‘i.

TOGETHER, WE POWER KAUA‘I



Strategic Plan Action Items

- Expand existing hydropower facilities and develop new
- Consider new sources of firm power generation
- Pursue Power Purchase Agreements for intermittent renewable energy
- Integrate grid scale battery storage
- Improve energy efficiency & conservation programs
- Procure and implement Advanced Metering Infrastructure (AMI)

KIUC Advantages



- Supportive Board of Directors
 - Want renewable projects
 - Committed to reducing oil dependency
- Low cost financing available for up to 100% of project cost
- Financial strength to fund project development
- Technical and financial expertise of KIUC staff and cooperative network

What are we currently working on?

- Biomass
 - 7 to 27 MWs
 - Firm capacity
- Hydro 10-25 MWs
 - KIUC focus area over next 5 years
 - Development agreement recently signed
- In 2010 signed ten year biodiesel agreement with Kaua‘i Farm Fuels.
- Potential for indigenous bio-fuels by late 2015



Project Pipeline- Continued

- PV
 - PPA's for 4 MWs signed in 2010
 - Desire to sign an additional 3-5 MWs in 2011
 - On sunny days 20% of Kauai's peak load should be served by KIUC and member installed PV by 2012
- Battery Energy Storage System (BESS)
 - 1.2 MW to be installed 2011
 - 2nd BESS in 2012 if additional PV PPA's signed
 - Provides Grid Stability and ramp rate control



Renewable Challenges

- KIUC does not own/control resources
 - Kauai has great natural resources but difficult to effectively utilize for energy projects
- KIUC's tax exempt structure
- Technologies and small scale projects are still expensive
- Intermittent nature of renewables stresses KIUC's grid
- Enthusiastic but often inexperienced and undercapitalized developers

Conclusion

- Kaua‘i will be a model for energy sustainability
- Support from government agencies and Kaua‘i residents essential
- KIUC has the commitment, financial capability, and the technical expertise to bring the vision to reality

Mahalo!

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