

# Kauai Island Utility Cooperative Board of Directors Stakeholder Meeting

Date: April 3, 2009

## Attendees

### **Kauai Island Utility Cooperative Attendees:**

Carol Bain, *Board of Directors*

Stewart Burley, *Board of Directors*

Dennis Esaki, *Board of Directors Chariman Emeritus*

David Iha, *Board of Directors Secretary (by phone)*

Allan A. Smith, *Board of Directors Treasurer*

Ben Sullivan, *Board of Directors*

Phil Tachian, *Board of Directors Chairman*

Peter Yukimura, *Board of Directors Vice Chair*

Randy Hee, *CEO*

### **SENTECH Hawai'i Team Members:**

Diane Zachary, *Kauai Planning & Action Alliance*

Douglas Hinrichs, *SENTECH Hawai'i, LLC*

Rayne Regush, *Kauai Planning & Action Alliance*

## Notes

- Barriers to meeting KIUC 50% renewable energy goals discussed, including oil price volatility (hard to make investment decisions); land availability and use; siting, permitting, environmental, wildlife regulations; avian issues; lack of awareness of costs and benefits of sustainable energy (e.g. RE may cost more); insufficient investment dollars, strategies and tools; insufficient policy or price supports (ITC, PTC, FIT, etc.) to mitigate risk; not enough tax appetite from local third-parties to utilize incentives; physical limitations on how much RE the KIUC grid can handle; developers don't always present well-developed projects to KIUC; lack of progress in negotiating deals/PPAs between developers and KIUC; adherence to avoided cost basis of HRS 269.
- Potential solutions to some of the identified barriers include "open book" negotiations between KIUC and developers--which is currently being done and would be encouraged for future project by KIUC; public awareness campaigns to educate the public about the true costs and benefits of sustainable energy, rate structures, etc.; local sustainable energy investment strategies; and revolving loan funds to close the "delta" between the projected Internal Rate of Return (IRR) of a project and a joint KIUC/developer required IRR; looking at grid stability modeling from HCEI project which SENTECH is managing, as well as European models; standardized "prospective renewable energy project criteria checklist" to ensure that developers bring "fully cooked" projects to KIUC for consideration; third-party renewable energy project facilitator; and some sort of price support mechanism that would allow KIUC to pass along higher costs of renewable energy projects to ratepayers, in the mode of the current "energy rate adjustment clause" (ERAC).