

KIUC to Issue Hawai'i's First Solicitation for Community-Based Renewable Energy Projects

Līhu'e, Kaua'i, HI – 05/11/2018 – Kaua'i Island Utility Cooperative (KIUC) is preparing to issue a request for Community-Based Renewable Energy (CBRE) projects. A project solicitation is tentatively scheduled to be issued in July. KIUC will be seeking up to 3-MW of renewable energy under the program.

“KIUC is pleased to be the first utility in the state to have received approval from the Hawai'i Public Utilities Commission allowing for the implementation of a Community-Based Renewable Energy Program,” said David Bissell, KIUC President and CEO. “If successful, this program will provide another option for our members to obtain renewable energy without having to locate solar panels on their property.”

The purpose of the program is to provide KIUC's customers with the opportunity to participate in a CBRE project that will:

- Allow an eligible customer to participate in an eligible renewable energy project that is providing electricity and electric grid services to KIUC;
- Allow KIUC to implement a billing arrangement to compensate those customers for the electricity and electric grid services provided to KIUC;
- Provide fair compensation for electricity, electric grid services and other benefits provided to or by KIUC, participating ratepayers, and non-participating ratepayers; and
- To the extent possible, standardize and streamline the related interconnection processes for CBRE projects.

The CBRE program attempts to expand the market to include residential and business renters, who currently are unable to participate in renewable energy generation because of their location, building type, access to the electric grid, or other impediments. The solicitation document to be issued in July will contain further information for potential developers.

Information about the tariff can be found at www.kiuc.coop under KIUC's Tariff No. 1, Schedule “CBRE.”

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NOTICE OF INTENT TO ISSUE

Project Solicitation for Community-Based Renewable Energy Projects

Kaua'i Island Utility Cooperative (KIUC) is intending to issue, by the end of the third quarter of 2018, a Project Solicitation (Solicitation) for Community-Based Renewable Energy (CBRE) Projects.

The following provides background information for the Solicitation. Also included is a summary of estimated key dates to enable appropriate planning by potential bidders. The purpose of this notice is to provide early awareness of the impending Solicitation in an effort to support broad and fair competition for this procurement.

KIUC will not entertain any questions regarding the impending Solicitation until the Solicitation is released. However, further information regarding the Solicitation and the CBRE program can be found in KIUC's Tariff No. 1, at Schedule "CBRE" (tariff sheets 141 to 147) (CBRE Tariff) (located at <http://website.kiuc.coop/content/tariffs>, and scroll down to Tariff No.1 – Schedule "CBRE").

Background:

The purpose of KIUC's CBRE program is to provide KIUC's customers with the opportunity to participate in a CBRE project in accordance with Act 100, Session Laws of Hawai'i 2015, Community-Based Renewable Energy Tariff (Act 100). The CBRE program, in accordance with Act 100, is designed to:

- (1) allow an eligible customer to participate in an eligible renewable energy project that is providing electricity and electric grid services to KIUC;
- (2) allow KIUC to implement a billing arrangement to compensate those customers for the electricity and electric grid services provided to KIUC;
- (3) provide fair compensation for electricity, electric grid services, and other benefits provided to or by KIUC, participating ratepayers, and non-participating ratepayers; and
- (4) to the extent possible, standardize and streamline the related interconnection processes for CBRE projects.

Many of KIUC's residents and businesses are currently unable to directly participate in renewable energy generation because of their location, building type, access to the electric utility grid, or other impediments. The CBRE program attempts to rectify this by expanding the market to participate in renewable energy resources to include residential and business renters, occupants of residential and commercial buildings with shaded or improperly oriented roofs, and other groups who are unable to access the benefits of onsite clean energy generation.

KIUC's CBRE program is available only to an "Eligible Renewable Energy Project," as defined in the CBRE Tariff.

As stated in KIUC's CBRE Tariff, the Solicitation will be a one-time event. Bids submitted in response to the Solicitation must contain, at a minimum: (i) projected Class I or Class II designation (per criteria set forth in KIUC's CBRE Tariff), renewable technology type, projected in-service date, size, and CBRE Subscription Rate (as defined in KIUC's CBRE Tariff), and (ii) any other minimum bid response requirements established by the Solicitation.

As noted in KIUC's CBRE Tariff, in the event that the aggregate capacity of qualified projects offered into the program exceeds the program maximum of 3 megawatts, KIUC will remove projects following a consideration of each project's renewable technology type and operating characteristics, projected class designation, offered CBRE Subscription Rate, projected in-service date, benefits to KIUC's system, and other factors that are reasonably in furtherance of the provision of electric services, until the 3 megawatt maximum is no longer exceeded.

Estimated Key Action Dates¹:

| Key Action | Deadline Date |
|-----------------------------------|-------------------------------|
| Issuance of Solicitation | No later than July 31, 2018 |
| Submission of Intent to Respond | No later than August 31, 2018 |
| Pre-Bid Q&A/Informational Meeting | October 1, 2018 |
| Deadline to Submit Bids | November 1, 2018 |
| Bid Selection | December 3, 2018 |

Dated: May 11, 2018
Brad Rockwell
Power Supply Manager



¹KIUC reserves the right to modify the steps and deadlines following the Issuance of Solicitation. The specific steps and deadlines will be set forth in the Issuance of Solicitation.