



**HAWAI'I  
STATE  
ENERGY  
OFFICE**



**Kaua'i Island  
Utility Cooperative**  
Your Touchstone Energy® Cooperative 

## **COMMUNITY BENEFITS PLAN: JOB QUALITY AND EQUITY**

**Project Title:** **Utility Solar Grid Forming Technology (USGFT)**  
Funding Opportunity Announcement (FOA) Number: DE-FOA-0002740  
Grid Resilience and Innovation Partnerships (GRIP)  
Topic Area 3 (40103(b)): “Grid Program Upgrading Our Electric Grid and  
Ensuring Reliability and Resiliency (Grid Innovation Program)”  
Area of Interest 3: Combination System Applications  
**Concept Paper Identification Code:** TA3-049-E

**Applicant:** Business, Economic Development & Tourism, Department of Hawai'i  
Hawai'i State Energy Office (HSEO)  
235 South Beretania Street, #502  
Honolulu, HI 96813

**Project Team:** Kaua'i Island Utility Cooperative (KIUC) (sub-recipient)  
4463 Pahe'e Street, Ste. 1  
Līhu'e, HI 96766

Federal Investments in the HSEO and KIUC's Utility Solar Grid Forming Technology (USGFT) project will advance the following four priorities.

## 1.1 Element 1: Community and Labor Engagement

*He ali'i ka 'āina; he kauwa ke kanaka.  
Land is a chief; man its servant. — 'Ōlelo No'eau*

It is simply not feasible to separate an economic plan for Hawai'i from the health and wellbeing of Hawaiians. In contemplating a new future in the aftermath of the pandemic, Native Hawaiian community leaders expressed the need “to have Native Hawaiian voices, values, and experiences influence the economic recovery for our 'āina aloha or beloved homeland.”<sup>1</sup> They carried out a series of online community engagements including HSEO staff that set the foundation for what became known as 'Āina Aloha Economic Futures (AAEF). The AAEF vision aspires to create a strong, self-sustaining economy in Hawai'i that “decouples economic growth from environmental degradation;” makes housing accessible for all; invests in its youth; cultivates partnerships between communities, the business sector, and the military to restore and protect the environment; facilitate and plan alternative energy projects with collaborating communities and that engender strong community support where located. Building upon the AAEF vision to approach renewable energy development from a community perspective, HSEO developed a community education, outreach, and engagement program entitled Energize Kākou<sup>2</sup> (together). The program engages and coordinates energy stakeholders to increase community awareness about, engagement in, and access to decision making for Hawai'i's shared energy future. HSEO sees the AAEF playbook as an important guide for the CBP, especially in utilizing and expanding the Energize Kākou program to engage Kaua'i's communities around new energy system technologies, hazard mitigation, and green workforce opportunities.

### Community Engagement

HSEO's Clean Energy Wayfinder program is highlighted in the U.S. Department of Energy's General Guidance for Justice 40 Implementation.<sup>3</sup> The Clean Energy Wayfinders share information and opportunities for participation in the clean energy transition with Hawai'i's schools, community organizations, and households — especially those in low- to moderate-income (LMI), asset-limited, income-constrained, employed (ALICE), and under-resourced communities — to help increase energy conservation and efficiencies, lower monthly energy utility bills, increase access to clean transportation and renewable energy resources, promote

---

<sup>1</sup> <https://www.ainaahafutures.com/declaration>

<sup>2</sup> [Energize Kākou - Hawai'i State Energy Office \(hawaii.gov\)](#)

<sup>3</sup> [Final DOE Justice40 General Guidance 072522.pdf \(energy.gov\)](#)

green career training and employment opportunities, and increase awareness about the renewable energy policymaking and regulatory process. The Wayfinders will work with community leaders, HSEO, and KIUC to develop accessible information about the Project to incorporate into their engagements with a wide variety of audiences including homeowners, K-12 students, elderly populations, and community organizations. The Wayfinders will also help to connect Kaua'i residents with workforce opportunities through Good Jobs Hawai'i.

## **Labor Engagement**

As a not-for-profit member-owned cooperative, KIUC regularly engages with government, community, labor, and business organizations to ensure the success of projects and initiatives. The Project will contribute to the community employment through short-term construction jobs. Most of the work is expected to be contracted out, and KIUC will encourage contractors and subcontractors to recruit from the local Kaua'i workforce whenever possible. KIUC recently completed a \$9 million construction project in Anahola, and both contractors engaged were Kaua'i-owned and operated, thus supporting the local businesses and creating opportunities for local companies.

KIUC maintains a collaborative relationship with the International Brotherhood of Electrical Workers Local 1260 AFL-CIO, which represents roughly 60% of KIUC's workforce. In support of labor engagement, KIUC and IBEW have signed a memorandum of agreement which requires KIUC to utilize IBEW Local 1260 workers for all work undertaken with this Project. A copy of the agreement is included in the attachment HSEO\_Partner.pdf. As part of its existing collective bargaining agreement with IBEW, KIUC commits that, in order to meet customer needs in this changing environment and enhance employment security for all employees, KIUC and IBEW will:

1. Provide professional opportunities for growth and continuous learning for all employees and allow employees to use their full potential to better the business through such programs as the Company's Educational Assistance Policy
2. Utilize training programs and systems designed to provide a competitive advantage in efficiency, quality, system reliability and increased customer satisfaction
3. Explore alternatives such as re-deployment, reorganization, modification of job descriptions or attrition before considering layoff, downsizing or increases in workforce.
4. KIUC budgets and expends more than \$200,000 annually on activities related to recruitment, retention, training, and professional development. Additionally, KIUC participates in the State of Hawai'i "Good Jobs Hawai'i" coalition led by the University of Hawai'i Community Colleges (UHCC). HSEO serves as the Good Jobs Hawai'i Clean Energy and Skilled Trades Sector lead and will coordinate workforce development efforts with KIUC, energy sector employers, and communities statewide.

## **Resiliency Advisory Committee (RAC)**

As a community owned and operated utility, community engagement is the hallmark of cooperatives. KIUC since its inception has been actively engaged with a number of local stakeholders. To further its endeavor, KIUC will convene a RAC that will meet at least once per year, to allow key stakeholders in the community to provide input on matters related to grid resiliency/security, climate change adaptation, workforce development and energy equity. The Hawai'i State Energy Office along with the following entities have committed to participate in the RAC: County of Kaua'i, Anaina Hou, Kaua'i Economic Opportunity, Kaua'i Chamber of Commerce, Kaua'i Economic Development Board, Kaua'i Habitat for Humanity, Princeville at Hanalei Community Association and American Red Cross of Kaua'i. HSEO and KIUC have obtained letters of support from each of the participating community organizations. Letters of support will be made available upon DOE's request.

**Budget Period Milestone:** The RAC shall meet at least once during each Budget Period to accomplish the following:

- 1) Review the status of the Project
- 2) Report on individual member activities and opportunities related to grid resiliency/security, climate change adaptation, workforce development and energy equity
- 3) Create action plans to address any opportunities challenges identified during individual members' reports
- 4) Identify and recruit potential new members for the RAC

### **Emergency Response**

Kaua'i's remote location and status as a fully-islanded electrical generation, transmission and distribution system, make improving grid reliability and resiliency a goal which is shared by public and private entities. HSEO is collaborating with the U.S. Department of Energy (DOE), Office of Cybersecurity, Energy Security and Emergency Response's (CESER) on Clear Path XI, the annual all-hazards energy security and resilience exercise series. The Clear Path series is the principal forum for enhancing the energy sector's ability to work together in response to catastrophic incidents. The series is DOE's effort to constantly improve its ability to successfully meet its responsibilities as the Emergency Support Function (ESF) #12 Coordinator and the Agency lead for the energy sector. HSEO is the primary and coordinating agency for ESF #12 at the state level. Energy is one of seven ESFs identified as Community Lifelines by the Federal Emergency Management Agency (FEMA). Community lifelines are the most fundamental services in the community that, when stabilized, enable all other aspects of society to function.

The Clear Path series examines the energy sector's response and restoration roles, responsibilities, plans and procedures following a major incident, stressing interdependencies between multiple critical infrastructure sectors. KIUC is playing an active role along with multiple energy providers throughout the state as well as state, local, and federal agencies are participating in this year's exercise which is focused on Hawai'i. Of note is that Clear Path XI, focused on Hawai'i, includes an additional seminar after the tabletop exercise to examine how

the needs, requirements, process, and policies change in a 100% renewable energy world. Utilizing technologies such as USGFT demonstrates the types of technologies that will be used in the future for recovery from all hazard events. Importantly, USGFT also lends credence to the reality that 100% renewable energy is rapidly approaching. With projects such as the USGFT Kaua'i will be at 80% in the 2026-time frame and 100% by 2033.

## **Resiliency Investment**

In addition to planning for how to respond to all hazard events HSEO is also focused on planning and prioritization of energy infrastructure investments that improve resiliency overall by studying the interdependencies of community lifeline infrastructure. The USGFT demonstrates a technology that will be of increasing importance for the grid of the near future. The RAC will provide an opportunity to get Kaua'i specific input on HSEO statewide energy resiliency planning and investment. HSEO's investment planning approach is consistent with DOE CESER's Clear Path emergency response exercise by focusing on the interdependencies of critical sectors to the energy system. HSEO has a planning grant currently underway for O'ahu and was selected by Hawai'i Emergency Management Agency (HIEMA) for a second planning grant covering Kaua'i, Hawai'i, and Maui counties under FEMA's Building Resilient Infrastructure and Communities (BRIC) program which would be supported by the USGFT. The grants provide resources to develop energy hazard mitigation strategies, obtain data to identify, prioritize, and develop more complete HMGP applications, contribute to the development of an energy Common Operating Picture (COP) for the entire state, identify mitigation actions in support of the State of Hawai'i and County Hazard Mitigation Plans, and develop localized criteria for selecting grid resiliency projects under IIJA section 40101(d) funding. The projects take a multi-hazard approach, inclusive of natural hazards, manmade threats, and economic and other scenarios that result in energy shortages. Building off the foundation and process of the first grant focused on the island of O'ahu, this follow-on project will focus on collecting and visualizing information and developing mitigation strategies for the neighbor islands within Kaua'i County, Maui County, and Hawai'i County.

The process used for the grant includes extensive engagement within the energy sector as well as the other Community Lifeline. First, a comprehensive critical energy infrastructure (CEI) inventory is done, mapping the energy delivery system (fuels, power, gas) through to Community Lifeline Key Customers (CLKC) which are the critical operators that provide lifeline services to a community such as hospitals, police/fire stations, telecommunications, and shelters. CLKC characteristics such as service territory, energy needs, and backup power capability is collected and CLKC dependency on the energy system will be characterized. This will enable a risk assessment that involves identifying and collecting geospatial layer and frequency/impact data for relevant threats and hazards, conducting a vulnerability assessment of CEI to these threats and hazards, and quantifying downstream consequences resulting from the loss of any node on the energy system resulting in a prioritized listing of CEI by island which, if lost, pose the greatest risk to the community. From this, specific energy hazard mitigation strategies will be developed for inclusion in relevant Hazard Mitigation Plans. The information

collected or produced in this Project will be packaged in a Geospatial Decision Support System (GDSS) tool that will visualize for users the energy supply system, relevant threat/hazard layer overlays and show interdependencies with CLKC with the ability to click on various energy system nodes to aggregate downstream impacts so that benefits of hazard mitigation projects can be quantified and used in benefit-cost analyses necessary for federal funding applications.

This resiliency planning grant will benefit from inclusion of the near-term innovative technology investments such as USGFT which provide a more accurate representation of the 100% renewable energy system that Hawai'i, and the nation, is transitioning to. The resiliency planning grant will also benefit from the Resiliency Advisory Committee (RAC), part of the USGFT proposal discussed below, which provides a focused audience from which to solicit feedback for energy system resiliency planning activities.

Entities have also developed their own resiliency-focused plans, in collaboration with HSEO and KIUC, with which this Project aligns. They include:

- County of Kaua'i Multi-Hazard Mitigation and Resilience Plan<sup>4</sup>. Loss of electricity is noted as a vulnerability in Section 4.2.3.
- The Hanalei Watershed Hui<sup>5</sup> collaborated with other organizations to produce the "Hanalei to Hā'ena Community Disaster Resilience Plan."<sup>6</sup> This plan included a resilient recovery recommendation is Electricity/Access to Energy (page 44).
- Anaina Hou.<sup>7</sup> This community-based nonprofit located in Kīlauea is exploring creating a resilience hub on its land that would assist the North Shore communities in responding to natural and other disasters.
- Hawai'i 2050 Sustainability Plan<sup>8</sup> includes a goal to "Ensure access to affordable reliable, sustainable, and modern energy for all."

## **1.2 Element 2: Investing in the American Workforce**

The Project will continue to provide improved and safer working conditions for all employees of KIUC. Improved grid performance and reliability will reduce the number of call-outs and lead to greater overall customer satisfaction.

Kaua'i is home to thousands of businesses – large and small – which serve not only Kaua'i's resident population of roughly 73,000, but also its daily visitor census of 30,000. Improved reliability of electrical service will allow all businesses on Kaua'i to enhance customer satisfaction overall. The outcomes of the Project will enable the thousands of small and large

---

<sup>4</sup> [2021-05-04 KauaiCountyHMP-Vol.1 Final.pdf \(sharepoint.com\)](#)

<sup>5</sup> [Hanalei Watershed Hui](#)

<sup>6</sup> [https://www.hanaleiwatershedhui.org/files/ugd/a54893\\_a0c71727976c416b8e0496c64db132a1.pdf](https://www.hanaleiwatershedhui.org/files/ugd/a54893_a0c71727976c416b8e0496c64db132a1.pdf)

<sup>7</sup> [Homepage - Anaina Hou Website](#)

<sup>8</sup> [Office of Planning and Sustainable Development | Hawai'i 2050 Sustainability Plan \(hawaii.gov\)](#)

businesses all over Kauaʻi to experience fewer outages and be a more reliable provider of service to customers, allowing them to grow their business income and, in some cases, provide expanded employment opportunities to residents.

The Kauaʻi 2022-2026 Comprehensive Economic Development Plan (CEDS)<sup>9</sup> lists Renewable Energy Sustainable Technologies and Practices as one of six industry clusters to be the focus of the island’s economic diversification efforts. Through partnerships with the County of Kauaʻi, State of Hawaiʻi, Kauaʻi Community College, the Kauaʻi Economic Development Board, the Kauaʻi Chamber of Commerce and others, KIUC will support expansion of employment opportunities in renewable energy and related fields.

Since 2022, KIUC has actively participated in the State of Hawaiʻi “Good Jobs Hawaiʻi” coalition led by the University of Hawaiʻi Community Colleges (UHCC). This is a coalition of businesses, educators, and community partners that helps Hawaiians get high quality jobs and advance careers, while ensuring employers meet their needs for a skilled, local workforce. As one of 32 workforce initiatives awarded funding nationally through the American Rescue Plan Act, Good Jobs Hawaiʻi focuses on approaches to transform Hawaiʻi’s workforce development system in four in-demand industries – healthcare, IT, clean energy, creative industries. This funding will expand Sector Partnership employer collaboratives, fund training programs at UHCC, provide jobseekers with much needed support services, and connect skilled, local workers with quality jobs in participating Hawaiʻi businesses.

The newly created Hawaiʻi Clean Energy Sector Partnership provides a timely foundation for the workforce needs of this Project. HSEO manages this Sector Partnership with the Hawaiʻi Chamber of Commerce and invitees include KIUC and other Hawaiʻi energy utilities, community organizations, trade groups and associations, unions, private companies, and government. This Sector Partnership will bring together local leaders in Hawaiʻi’s clean energy and workforce sectors to identify needs, priorities, and resources including those that can be pursued through Good Jobs Hawaiʻi. The CESP Steering Committee is set to convene for the first time in May 2022 and HSEO plans to schedule monthly Steering Committee meetings to accelerate the identification and pursuit of Hawaiʻi clean energy workforce needs.

KIUC understands that an engaged workforce means greater productivity. With this understanding, KIUC will continue to operate so that it is considered a preferred employer on the island of Kauaʻi. KIUC commits to create and/or retain high-quality, good-paying, family-supporting jobs with employer-sponsored benefits. When working with contractors, as stated above, KIUC will prioritize local contractors that also advance family-supporting jobs. As the utility business is changing and to be ready for the future, KIUC will provide technical training, upskilling and reskilling current employees.

---

<sup>9</sup> [Revised Ver1 - CEDS Final Report Designed-3 15 2022dh.pdf \(kauai.gov\)](#)

### 1.3 Element 3: Advancing Diversity, Equity, Inclusion, and Accessibility

KIUC is governed by a nine-member Board of Directors, elected to staggered three-year terms by a vote of the cooperative's membership. As a member-owned, not for profit cooperative, KIUC's goals and actions impact residents (i.e., KIUC members) across all demographics, economic and social sectors. KIUC's status as a cooperative allows each member to have a voice in how the utility operates and how it sets long-term goals. Diversity, equity, inclusion and accessibility are the foundational values upon which the cooperative model of ownership is built.

In 2016, KIUC's board adopted a Strategic Plan that included the following goals:

- Generate at least 70% of electricity by using cost effective renewable resources by 2030
- Manage technology and price risk by adding new renewable generation sources at no more than 10% of Kaua'i's electric usage in any single year
- Hold controllable cost increases at or below the actual level of inflation, and maintain system reliability at 99.96% or better availability
- Continue to address the strategic implications of climate change, including reducing the utility's contribution to greenhouse gas emissions (GHG), adapting to the direct and indirect impacts locally and developing mitigation measures to protect the cooperative's assets
- Continue investing in technology to cost-effectively maintain or improve member service offerings and utility operations, including a smart-grid, in order to continue the transformation towards a 100% renewable future and lower operating costs

All of these goals have been met and KIUC's Board of Directors set three new strategic goals<sup>10</sup> in early 2023:

1. Deliver reliable electricity at the lowest possible cost
2. Contribute to a sustainable Kaua'i, including reaching 100% renewable by the year 2033
3. 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

Each of these strategic goals is advanced by the Project

---

<sup>10</sup> KIUC Strategic Plan 2023-2033: [2016-2030 KIUC Strategic Plan Draft 8-23-2016.docx \(00098699.DOCX;1\)](#)



In growing renewable generation at an accelerated pace over the past 10 years, KIUC has been successful in minimizing - and in some cases reducing - costs to members, while also significantly reducing greenhouse gas emissions. These benefits, however, must not be realized at the expense of grid reliability. It is imperative that renewable resources be strategically integrated into Kauaʻi's evolving grid, which is the overall goal of the Project.

KIUC's Affirmative Action Plan reads: KIUC is firmly committed to provide equal employment opportunity to all persons in all aspects of employment, including, but not limited to job offers, hiring decisions, promotions, transfers, resignations, terminations, and discharges. Accordingly, the coop affirms to continue to: 1. Recruit, hire, train and promote for all job classifications, without regard to race, ancestral origin, color, religion, gender, national origin, age, marital status, arrest and court record, gender, orientation, disability, military service, or other grounds protected under applicable state and federal laws. 2. Provide reasonable accommodation to qualified individuals with disabilities so that they may perform the essential functions of their position, as well as participate in all other practices or benefits of employment. 3. Take affirmative action to employ and advance in employment, minorities, women, qualified individuals with disabilities, disabled veterans, other protected veteran, armed forces service medal veteran and recently separated veteran. 4. Provide a place of employment and work environment free from any sexual or racial harassment, or harassment of any employee because of their protected class. It is against KIUC's policy for managers, supervisors or employees to retaliate against any employee who reports discrimination or harassment in accordance with this policy, files a charge of discrimination/harassment, or assists with the investigation of a charge. All employees are obligated to adhere to the Company's policy of equal employment opportunity and to treat others in a manner that reflects dignity and respect for all persons.

KIUC is committed to providing continual Diversity, Equity Inclusion and Accessibility (DEIA) training to its employees, and to promote DEIA awareness to its members and the general public via its various external communications efforts.

KIUC offers an extensive array of energy assistance programs: including rebates, home and business audits, and bill payment assistance programs. Currently, KIUC is participating with a statewide working group seeking to establish a new financial assistance program similar to the federal Low Income Home Energy Assistance program (LIHEAP). KIUC will continue to explore and implement new programs that will create financial benefits to disadvantaged communities and populations on Kauaʻi.

The Project is designed to improve reliability, outage response times, and overall grid performance for every resident and business on Kauaʻi, including residents in the Department of Energy's Tract Number 15007040104, which is identified as disadvantaged. Within Tract Number 15007040104, fifteen (15) of KIUC's members have registered as being either elderly or using life support equipment. These members are flagged for special attention in the event of a service interruption. Improving overall grid performance, reducing the number of outages and of outage time in general will be of significant benefit to this vulnerable population.

In support of Advancing Diversity, Equity, Inclusion, and Accessibility, KIUC will convene a Resiliency Advisory Committee (RAC) that will meet at least once per year, to allow key stakeholders in the community to provide input on matters related to grid resiliency/security, climate change adaptation, workforce development and energy equity. HSEO will leverage the RAC to get input on the BRIC planning grant for resiliency investment discussed above. The following entities have committed to participate in the RAC: Hawai'i State Energy Office, County of Kaua'i, Anaina Hou, Kaua'i Economic Opportunity, Kaua'i Chamber of Commerce, Kaua'i Economic Development Board, Kaua'i Habitat for Humanity, Princeville at Hanalei Community Association and American Red Cross of Kaua'i.

Budget Period Milestone: The RAC shall meet at least once during each Budget Period to accomplish the following:

- 1) Review the status of the Project
- 2) Report on individual member activities and opportunities related to grid resiliency/security, climate change adaptation, workforce development and energy equity
- 3) Create action plans to address any opportunities challenges identified during individual members' reports
- 4) Identify potential new members for the RAC

#### **1.4 Element 4: Justice40 Initiative Contribution**

The Project will deliver benefits to all communities on Kaua'i, including the communities of Hanalei, Wainiha, and Hā'ena, which is the sole disadvantaged community of the KIUC service territory according to the Department of Energy screening tool: Tract Number 15007040104, Kaua'i County. Tract Number 15007040104 is identical to Census Tract 401.04<sup>11</sup>, Kaua'i County, Hawai'i. This Census Tract includes 1,557 residents.

Additional Disadvantaged Community information is available from US Dept. of Transportation. The DOT provides data on Census Tract 401.04 (North Shore), 402.05 (Kapa'a/Wailua) and 406.03 (Kōloa/Po'ipū) and lists these areas as Historically Disadvantaged with one or more of the following factors: transportation, health, economy, resilience and equity<sup>12</sup>. The following areas are also identified with disadvantage factors in this data set: Department of Hawaiian Home Lands – West Kaua'i, Hanapēpē, Wailua and Anahola.

Census Tract 401.04 (DOE Tract Number 15007040104) is also designated a Low-Income Community Opportunity Zone by the State of Hawai'i, along with Census Tract 406.04 (Lāwā'i).

---

<sup>11</sup> [Census Tract 401.04, Kauai County, Hawaii Demographics and Housing 2020 Decennial Census | indystar.com](https://www.indystar.com/news/2020/04/01/census-tract-401-04-kauai-county-hawaii-demographics-and-housing-2020-decennial-census/)

<sup>12</sup> <https://usdot.maps.arcgis.com/apps/dashboards/d6f90dfcc8b44525b04c7ce748a3674a>

Opportunity Zone data<sup>13</sup> provides the following demographics for Census Tract 401.04 (North Shore):

- Median household income: \$39,000 (53% lower than the median household income for the state of Hawai'i of \$83,000)
- Percentage of households below the poverty line: 22% (13% higher than the 9.3% rate of the State of Hawai'i)
- Percentage of population with high school diploma: 86% (6% lower than the rate for the State of Hawai'i of 92%)
- Median age: 51 (28% higher than the median age for the state of Hawai'i of 40)

Opportunity Zone data<sup>14</sup> provides the following demographics for Census Tract 406.04 (Lāwa'i):

- Median household income: \$71,000 (14% lower than the median household income for the state of Hawai'i of \$83,000)
- Percentage of households below the poverty line: 14% (5% higher than the 9.3% rate of the State of Hawai'i)
- Percentage of population with high school diploma: 94% (2% higher than the rate for the State of Hawai'i of 92%)
- Median age: 37 (7% lower than the median age for the state of Hawai'i of 40)

A recent study completed by Aloha United Way revealed the number of Kaua'i residents living below the poverty line (\$15,630 a year for a single-person household and \$31,920 for a four-person household) increased from 10 percent in 2018 to 14 percent in 2022. According to the study, more than 20% of Kaua'i residents reported their spending was more than their income, and 23% said their spending equaled their income.

The study examined households below the poverty line along with households above the federal poverty level but below the basic cost of living: otherwise known as Asset Limited, Income Constrained, Employed (ALICE)<sup>15</sup>. According to the study, 44% of Kaua'i residents meet the ALICE threshold.

Statewide, 58% of respondents said they worked extra hours or took on an extra job in order to make ends meet: a 4% increase from 2018. Thirty-nine percent of individuals who participated said they overdrew from their checking account, 9% more than those who responded in 2018. According to the survey, financial disparities are particularly acute for Native Hawaiian or Filipino households. Many live in multi-generational households with members who do not have a college degree or trade certification

When KIUC began operating in 2002 as an electric cooperative, it had the highest electric rates in the State of Hawai'i – higher than most, if not all of the United States – with 90% of its

---

<sup>13</sup> [Census Tract 401.04, Wainiha, Hawaii - OpportunityDb](#)

<sup>14</sup> [Census Tract 406.04, Lawai, Hawaii - OpportunityDb](#)

<sup>15</sup> [AUWH-28366\\_Report.indd](#)

production coming from fossil fuels. Over the past 20 years, KIUC has maintained laser focus on two primary goals: reducing carbon emissions and keeping rates as low as possible to members. Today, KIUC has the highest percentage of renewable generation (60%) and the lowest residential electric rates in the State of Hawai'i. KIUC also led the state in reliability in 2020 and 2021. These accomplishments benefit all of KIUC's members, but have a more significant positive impact on those in most financial need.

The Proposed Project includes measurable direct or indirect investments or positive outcomes in the local community that are expected to achieve the following:

- A decrease in energy burden for members and dollars saved in energy expenditures: Improving system reliability, reducing outage hours and enhancing climate resilience will result in operational savings for KIUC that will be passed directly through to members. The Project will deliver these positive impacts to the entire island, including businesses and residents in the Department of Energy's Tract Number 15007040104, which is identified as disadvantaged.
- Pollution remediation: Improving reliability and upgrading electric infrastructure will allow KIUC to better integrate an increasing percentage of renewable generating sources and further reduced its annual greenhouse gas emissions. KIUC recorded 70% renewable generation in 2021, and often runs its grid on 100% renewable generation during daylight hours on days with high solar production. This Project will provide additional stability for grid operations when running on 100% renewable, and will assist in accelerating the goal of reaching 100% renewable by 2033.
- Dollars spent on job training, education, recruitment: KIUC spends more than \$250,000 annually on activities related to training, education and recruitment, and will continue to participate in the statewide Good Jobs Hawai'i Coalition, which seeks to transform Hawai'i's workforce development system in four in-demand industries: healthcare, IT, clean energy, and creative industries.
- Clean energy resources adopted: As KIUC moves beyond 70% renewable to its goal of reaching 100% renewable by 2033, grid improvements that result in greater reliability and resiliency in the face of climate impacts are essential. The ability to run the KIUC grid on 100% renewables during high-solar periods is critical to reaching the goal of eliminating greenhouse gas emissions from electricity production.