

ORCAS POWER AND LIGHT COOPERATIVE

POLICY 28

COLLABORATING WITH NONPROFITS TO ACCELERATE ENERGY EFFICIENCY & CONSERVATION, & RENEWABLE ENERGY PRODUCTION

28.1 PURPOSE

The Board of Directors of OPALCO wants to encourage and increase *Energy Efficiency* and *Conservation* (EE&C), and *Renewable Energy Production* in OPALCO's service area. OPALCO may collaborate with qualified 501(c)(3) organizations and community nonprofits (Nonprofits), to accelerate advancement of this goal.

The purpose of this Policy is to establish guidelines for collaboration between the Nonprofits and OPALCO's Board of Directors, general manager and staff.

28.2 POLICY

OPALCO has been and will continue to operate a traditional electric utility conservation program aimed at reducing consumption of *electricity*. It will operate the BPA portion of this program under the terms and conditions of the *Energy Conservation Agreement* OPALCO has executed with Bonneville Power Administration (BPA).

In addition, to accelerate *Energy Efficiency* and *Conservation* beyond those who use electricity for their primary source of heat, OPALCO will encourage Nonprofits to seek other sources of funding to perform retrofits outside the scope of BPA's energy conservation programs.

- 28.2.1 Under the *Energy Conservation Agreement* OPALCO may use BPA funds to incent any residential and commercial measures as outlined in the BPA *Energy Efficiency Implementation Manual* (Manual). This Manual is currently published twice a year; April 1 and October 1.
- 28.2.2 The BPA portion of Energy Efficiency and Conservation programs will be run by OPALCO's Energy Services Department. The Manual, together with the BPA Energy Conservation Agreement (ECA) and specifications in BPA's energy efficiency reporting system provide the implementation requirements for projects reported to BPA. BPA will audit all measures reported for which incentive dollars are received. If the measures pass BPA's audit, BPA will reduce three-fourths of the initial kWh savings from our load forecast in order to reduce any Tier 2 purchases.
- 28.2.3 Collaboration with the Nonprofits will be managed primarily by OPALCO's Energy Services Department or specific staff appointed by the GM.
- 28.2.4 The Energy Services Department will continue to promote the OPALCO Energy Efficiency and Conservation, and Renewable Energy programs to the co-op membership by engaging with school programs and community organizations. In addition, they and the Nonprofits will engage with community organizations

and the general public to further the awareness, support, and implementation of *Energy Efficiency and Conservation, and Renewable Energy*.

28.3 Collaboration with Nonprofits

When OPALCO chooses to collaborate with one or more community Nonprofits, they must be a nonprofit entity under Washington State law. It is desirable that the nonprofit be a 501(c)(3) or operate under the umbrella of an existing 501(c)(3).

The Nonprofit must be self-funding and demonstrate an ability to operate a Nonprofit business effectively and professionally. The Nonprofit should be governed by a board and advisors composed of people from throughout OPALCO's service area.

Any work undertaken in collaboration with OPALCO must include a plan that clearly identifies needs, goals, objectives, action plan, and budget, as well as metrics to measure effectiveness of the plan as it is implemented.

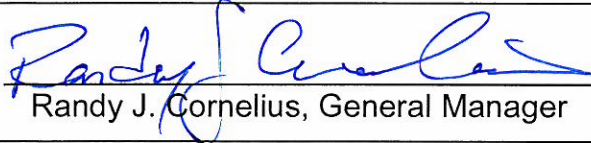
The intent of such collaboration is to maximize the reach and implementation of OPALCO's *Energy Efficiency and Conservation, and Renewable Energy Production* programs throughout the service area.

OPALCO will develop rules and guidelines for how the Nonprofit and the Energy Services Department will collaborate with one another.

- 28.3.1 The Nonprofit must serve the general community covered within OPALCO's service area, not just their home island. At a minimum, it will serve all of the ferry-served islands. In addition, the Nonprofit Board of Directors and Advisors should include members from all ferry-served islands. The Nonprofit will provide OPALCO with the names of their personnel and their Board of Directors and Advisors as well as their qualifications to implement the proposed measures.
- 28.3.2 OPALCO will draft a Memorandum of Understanding (MOU) for each Nonprofit it collaborates with. The MOU will describe the rules and standards under which OPALCO and each Nonprofit will operate. OPALCO's intent is to fund projects through grants or contractual agreements for specific projects and sustainable programs that are consistent with the long-term goals set forth by OPALCO for *Energy Efficiency and Conservation, and Renewable Energy Production*.
- 28.3.3 The Nonprofit may engage in additional projects in which OPALCO is not involved. If the Nonprofit moves into areas in conflict with OPALCO's policies, goals, and objectives, OPALCO may withdraw all support from the Nonprofit.
- 28.3.4 If involved in retrofitting for energy efficiency and conservation of *electricity* within homes or businesses, the Nonprofit must follow the most recent BPA *Implementation Manual* and work with the Energy Services Department to assure

that the energy savings are reported and accepted by BPA and thus used to reduce OPALCO's load forecast.

- 28.3.5 Any non-profit with whom OPALCO chooses to collaborate must represent itself as an independent organization. Any use of OPALCO's name or reputation in communications, advertising, marketing, branding, logos, etc. must be specifically approved, in writing, by senior OPALCO management.

 Randy J. Cornelius, General Manager	July 18, 2013 Effective Date
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