

OPALCO is a Rural Electric Cooperative. Electric cooperatives are nonprofits, providing electric service at-cost. OPALCO was founded in 1937 as part of President Franklin D. Roosevelt's rural electrification initiative – providing reliable affordable electricity to often neglected rural communities.

Today over 900 electric cooperatives serve more than 75% of America's landmass – 42 million Americans – while maintaining a unique consumer-focused approach to business:

Members helping members.

Less is More

Cooperatives are operated to provide at-cost service to their members, as compared to investor-owned utilities, which are operated to maximize profit for their shareholders.

The rural communities served by co-ops are, by their nature, sparsely populated, with fewer customers to spread cost of infrastructure. Co-ops fill a much needed gap. The table below compares types of electric utilities.



Utility Type:	OPALCO	Co-ops	Investor-Owned	Municipal
Customers (average)	11,200	13,000	472,000	10,500
Infrastructure cost per member	\$5,705	\$3,290	\$2,798	\$2,740
Customers per mile of line	8	7	34	48
Revenue per mile of line	\$16,206	\$16,000	\$75,500	\$113,000

Note how co-ops, including OPALCO, compare to urban utilities:

- Co-ops have fewer customers compared to (typically urban) investor-owned and municipal utilities.
- Co-op infrastructure is more costly, due to low rural population density. Higher costs are shared by fewer customers and remote locations often require more lines, substations and related infrastructure. OPALCO's service area is even more complex, serving a 20 island archipelago, through 16 miles of submarine cable, and more than 1,000 miles of storm-hardened buried cable.
- While co-op infrastructure is more costly, co-ops generate less revenue per line, to pay for the higher costs. Co-ops run a tight ship, doing more with less.

Co-ops put community wellbeing ahead of profit.

Co-op Governance

Co-op member-owners elect a seven-member Board of Directors, who set policy, rates and direction. Elections are held each year at the Annual Meeting.

Concern for Community is at the heart of the co-op's mission. The co-op depends on an informed, engaged membership that participates through interaction with their co-op board representatives, and sees co-op and community as one.

Energy Services

OPALCO contracts with Bonneville Power Administration (BPA) for transmission, power sales and conservation measures. A portfolio of local renewal energy (solar, wind, micro-hydro) is growing exponentially, as is energy efficiency. We consider energy efficiency the lowest cost source of energy. By reducing waste, the Co-op avoids needing to build new sources of electricity.

Communication Services

Rock Island Communications is a wholly-owned subsidiary of OPALCO to provide broadband Internet services in San Juan County. While energy sales are flat, communication services are growing exponentially. As it did in 1937, OPALCO helps meet the community need for essential services. The Internet is the electricity of the 21st century.

Seven Principles of Cooperatives

Electric cooperatives are organized under the Rochdale Principles, also known as the Seven Cooperative Principles:

- Voluntary and Open Membership
- Democratic Member Control
- Members' Economic Participation
- Autonomy and Independence
- Education, Training, and Information
- Cooperation Among Cooperatives
- Concern for Community

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[The Electric Cooperative Story](#)

[The Seven Cooperative Principles](#)

[Bonneville Power Administration \(BPA\)](#)

[Rock Island Communications](#)