



**BOARD OF DIRECTORS
WORK SESSION
Friday, March 16, 2018 8:30 a.m.*
Eastsound OPALCO Office**

**Time is approximate; meetings are scheduled around the ferry schedule; if all Board members are present, the meeting may begin earlier or later than advertised.*

TRAVEL



Via Island Air

378-2376

NO EARLY FLIGHTS AVAILABLE



Via Ferry:

To:

Leave FH 6:10 a.m.
Lopez 6:20 a.m.
Shaw 7:00 a.m.

Arrive Orcas 7:20 a.m.
Arrive Orcas 6:35 a.m.
Arrive Orcas 7:20 a.m.

Return:

Leave Orcas 2:55 p.m.

Arrive Shaw 3:10 p.m.
Lopez 3:30 p.m.

Leave Orcas 4:15 p.m.

FH 4:55 p.m.

Members are expected to conduct themselves with civility & decorum, consistent with Member Services Policy 17. If you would like answers to specific questions, please fill out the Q&A card for post-meeting follow-up.

MEMORANDUM

March 9, 2018

TO: Board of Directors

FROM: Foster Hildreth

RE: Rates Review - Long Range Plan

To realize OPALCO's mission, vision, and strategic directives, the Board adopted the Integrated Resource Plan (IRP), which was completed in 2015. Our strategic vision will be detailed through the development of our 2020-2040 Long Range Plan (LRP). The LRP is a 20-year planning document forecasting loads and capital expenditures. This will give us the tools to plan for future equity, cash and debt requirements. With this information, the Board can develop a rate structure to help us navigate through the coming decades as our energy industry evolves and members take on a more interactive role in managing their power usage – and local distributed generation.

It will be helpful for the Board to review the following documents in preparation:

- Integrated Resource Plan (IRP) – *most important*
<https://www.opalco.com/wp-content/uploads/2015/12/Integrated-Resource-Plan-IRP.pdf>
- Mission Statement
<https://www.opalco.com/about-us/mission-and-values/>
- Strategic Directives
<https://www.opalco.com/wp-content/uploads/2015/12/board-strategic-directives-jan-2015.pdf>

The following is a summary timeline of the steps necessary to the future rate planning:

- a. ✓ Strategic Long Range Vision: February 2018
- b. ✓ Long-Range Capital Projects Plan: March 2018 Work Session (March 16th)
- c. Long-Range Financial Plan (Equity, Cash, Debt): May 2018
- d. Cost of Service Analysis (COSA): June/August 2018
- e. Rate Structure Review that Supports the COSA: September 21, 2018 Work Session
- f. Rate Structure Approval: October 2018

To help facilitate our Strategic Long-Range Vision discussion, staff will present a long-term perspective on grid automation, local distributed generation, to maintain our complex infrastructure going forward, and keep costs as low as possible well into the future.