

OPALCO Candidate Questions - 2018

Rick Christmas

1. What qualifications, prior experience or contributions do you hope to bring to the position, which might add value to the OPALCO Board of Directors?

I have been a resident of Orcas Island and an OPALCO member dating back to 1998. I am an active member of the 2017 Vision for Eastsound process. I am President of Christmas Consulting, which provides consulting support to government and corporate organizations by helping them to improve internal and external processes to increase efficiency and helping organizations develop a team approach to success. I have served as Senior Vice President and Chief Information Officer at True Blue, a leading international provider of specialized workforce solutions. Additionally, I was a founding member and Senior Vice President/CIO of Gentiva Health Services, the largest provider of home health care and related services in the United States. I hope to offer to the Board my background in technology and systems, as well as more than 30 years of experience in Operations and Marketing. My vision is to be a valuable contributor to the members of OPALCO as we continue to advance efforts to further improve efficiencies in our core processes and provide support to our key strategic initiatives.

2. What other experience have you had serving on a board of directors?

I have been on the boards of the Boy Scouts of America and the Washington Shotokan Association. I have also been on the boards of three startup organizations and one Fortune 1000 company.

3. What do you see as OPALCO's

a) Strengths?

The real strengths of OPALCO are the linemen, engineers and staff members who work from dawn to dusk and late into the night to support our delicate grid eco- system, which brings light and warmth into our homes. Their dedication and skillful work is what provides us with the continuity of power to keep our lives running. The members of OPALCO are also another strength of the organization. We as owners have a financial interest in the success of our cooperative and have a voice in the control of our organization, and, within the limits of majority rule, offers us an opportunity to express the kind of service we would like to see presently and in the future.

b) Weaknesses?

Improving awareness and participation of OPALCO's membership. This should one of the most important tasks each of us must commit to. Communication does not always translate to better awareness. We all need to be ambassadors of our Co-op to provide better communication, understanding and trust of our organization.

c) Opportunities?

I have been aware for a very long time the incredible amount of intelligence, both native and academic, which resides here in the San Juan Islands. To be able to engage and utilize this resource may offer an enormous opportunity to our membership. Education, member involvement and participation can be the catalyst to creating new ideas and better efficiencies for our membership.

d) Challenges?

Dealing with rising electricity rates from Bonneville

1) What strategies do you have in mind to help OPALCO navigate through these challenges?

BPA has seen lower demand for power from public utilities and major industrial customers, which all have been working to increase energy conservation. While sales revenue has sagged, BPA operating costs have increased which will be passed on to its customers like OPALCO. In a BPA draft document, a controversial decision to retain a \$2-per-megawatt charge along a 90-mile stretch of Montana power lines, a fee renewable-energy advocates oppose as a roadblock to developing the state's wind power for export to Washington and Oregon. Regional politicians, including Montana Gov. Steve Bullock and Washington Sen. Maria Cantwell, urged the BPA to drop the fee to help jump-start more Montana wind development. OPALCO is part of PNGC, a consortium of coops who band together to buy power at favorable rates. We need to get involved in a "collaborative process" to review and remove the barriers to renewable energy development in Montana.

Continue to support community solar to increase local production and reduce the amount we must buy from BPA

Continue to explore grid-scale battery storage to reduce demand charges.

4. What do you hope to accomplish if you are elected?

Having participated on other boards, my hope is always to participate actively in making decisions on behalf of the membership and to exercise my best judgment while doing so. I want to put the interests of the membership before others personal and professional interests when acting on behalf of the membership in a decision-making capacity. The members' needs come first. I hope to ensure that the organization complies with the applicable federal, state, and local laws and adheres to its mission. A few of the task I hope to accomplish is:

- Participate actively in strategic and organizational planning
- Ensure strong fiduciary oversight and financial management
- Evaluate the effectiveness of the organization

As a board member I hope to provide insight and governance to management. I hope to provide oversight to the management, not implementation. When boards overstep the line between governance and management they can easily become micromanagers.

5. Do you feel it should be a priority to try to reduce our reliance on BPA as OPALCO's primary source of our power?

Yes, we need to continue to reduce our reliance on a single provider through all avenues available (wind, solar and maybe tidal). The BPA says they expect rate increases but can't yet predict the actual cost to its customers. The BPA increases, in part, reflect lower demand for BPA power from public utilities and major industrial customers, which all have been working to boost conservation. Revenue from power sales is down, the BPA says operating costs have increased. The current pricing model with the BPA almost continually guarantees higher rates.

6. What role do you think Solar Energy should play in OPALCO's future?

I believe Solar Energy should play an important role in our short term and long-term future. Although higher latitudes receive fewer annual hours of sunlight, solar panels operate at greater efficiency in cooler climates making solar in the San Juan Islands an excellent place for solar. In addition, the Northwest has long summer days with many months of high solar hours. Although the Northwest does have long, overcast winters, solar makes a lot of sense because it still works on cloudy days. Solar power should be one part of our potential energy solution. Even though it might not seem like it during the winter, most of the Northwest receives up to 70% of the sunlight that Los Angeles does!

7. What is your vision for OPALCO's subsidiary Rock Island Communications?

The opportunities for the future of Rock Island are important for OPALCO membership and the San Juan Islands. Its fiber network, provides the highest data rate (which can only fiber optic network provide). Over 100 Utilities are currently implementing broadband services over their existing fiber network. Rock Island's strategy of Shared deployment cost and the partnership with T-Mobile will generate an additional revenue stream which will be contributed to OPALCO. From health to education and the environment, Rock Island can provide customers with opportunities. These opportunities are most evident when they have access to the Internet at speeds fast enough to be considered broadband; these speeds are required to facilitate full interaction with advanced online platforms.

Broadband-enabled health care, which Rock Island has installed on San Juan, Lopez and Orcas islands is the next frontier of medicine. High-speed transmission (fiber networks) have generated efficiencies such as faster patient diagnoses, reduced medical errors, and additional control over patient care costs. With college costs rising, convenient, affordable access to online learning allows students of all ages to pursue educational aspirations which otherwise might be curtailed by geographical or financial limitations. Telecommuting programs, Grid technology, real-time energy pricing and innovations in the Information and Communication Technology (ICT) sector all hold promise in their ability to protect our environment. Rock Island can play a critical role in the success of these programs.

8. Do you have any ideas about improving communications between OPALCO and the membership, or about increasing member participation?

For OPALCO to produce a supportive membership that has excellent two-way communication, it must be consistent and well planned. It can't be an afterthought. It must be integral to all aspects of the way OPALCO operates. The mentality of the whole organization must be an essential part of the way the OPALCO operates and must be a core consideration in all decisions. It must fundamentally shape the way management and the board of directors approaches their roles. Communication programs must creatively and meaningfully reinforce the message that "ownership is important and valued." These programs change the way members think about the co-op. We need to provide a high level of creativity and leave our members wanting more or looking toward the co-op for great things. We need to educate our membership of their responsibilities while at the same time creating a distinctive sense of ownership and community among our members. Membership programs are: a) real and meaningful, b) lively and interesting, c) accurate and efficient, d) thoughtful and well planned. Effective communication does not come from one event, one brochure, or one meeting. It comes from care and attention to the communication aspect of each of these activities and more. Every activity and decision of the cooperative should communicate that this business is different; this business is owned and controlled by the members who use it.

9. What is your opinion of OPALCO's tariff (rate) structure? As OPALCO undergoes a tariff (rates) review, do you have perspectives on how it can be improved?

A positive member billing experience should be considered paramount for OPALCO. A member's bill should be clear, concise and as simple as possible. Our goal should be helping members save money with information on how and when to use energy most efficiently. OPALCO charges the bulk of their residential customers using a tiered pricing schedule, where users pay a Facility rate amount and then pay a Block rate for consumption. The Block rate has three tiers and two seasons (Winter and Summer). Most residential users stay within the first tier (in Winter < 3,000 kWh in Summer < 1,500 kWh). There is a small population of users who utilize time-of-use pricing; it is designed to charge

customers more for their electricity during the highest demand time periods. The existing rate structure rewards users who use less than 3000 kWh a month in winter and less than 1500 kWh a month in summer. Users who exceed Block 1 rates pay a increased rate. This seems like a fair way of distributing overall cost of OPALCOs operations.