



**BOARD OF DIRECTORS
REGULAR MEETING
September 20, 2018 8:30 a.m.
Friday Harbor OPALCO Office**

TRAVEL



Via Island Air

To:

Leave Lopez 8:00 a.m.

Arrive FH 8:15 a.m.

Return:

Leave FH 2:00 p.m.

Arrive Lopez 2:15 p.m.



Via Ferry:

To:

Leave Orcas 6:55 a.m.
Shaw 7:10 a.m.
Lopez 7:35 a.m.

Arrive FH 8:15 a.m.

Return:

Leave FH 2:15 p.m.

Arrive Orcas 3:05 p.m.
Shaw 3:20 p.m.
Lopez 3:40 p.m.

**Orcas Power & Light Cooperative
Board of Directors
Regular Board Meeting
Friday Harbor**

September 20, 2018 8:30 a.m.*

**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.*

WELCOME GUESTS/MEMBERS

Members attending the board meeting acknowledge that they may be recorded and the recording posted to OPALCO's website.

- Member Comment Period

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.

- Joel Paisner

PAGES

ACTION ITEMS

- 3-6** ○ Consent Agenda
- 7** ○ OPALCO 2019 Annual Meeting
- 8-9** ○ WA State Renewable Energy System Incentive Program (RESIP)
Update
- 10-12** ○ RESP Loan – Resolution 03-2018 (On-Bill Finance Program)

DISCUSSION ITEMS

- 13-17** ○ On-Bill Finance Program Details
- 18-20** ○ Background for New Board Members: Outage Protocol
- 21** ○ Rates Review – Rate Structure Alternatives
- 22-42** ○ Web Analytics

REPORTS

- 43-46** ○ General Manager

APPENDIX

- 47-51** ○ PNGC Newsletter

ADJOURNMENT

Executive Session: Legal, personnel

MEMORANDUM

September 14, 2018

TO: Board of Directors

FROM: Foster Hildreth

RE: Consent Agenda

All matters listed with the Consent Agenda are considered routine and will be enacted by one motion of the Board with no separate discussion. If separate discussion is desired, that item may be removed from the Consent Agenda and placed as an Action Item by request of a Board member. The minutes will reflect the approved consent agenda.

The Consent Agenda includes:

- Minutes of the previous meeting
- Approval of new members - attached {as required by Bylaws Article I Section 2 (d)}
- Capital Credit payments to estates of deceased members and/or organizations no longer in business as shown below:

September	
Customer	
#	Amount
15480	\$ 1,236.00
66836	409.01
66891	808.81
72014	368.82
78908	329.69
64028	1,005.96
71719	510.96
91179	104.68
65818	1,781.61
Total	\$ 6,555.54

- RUS 219s *Inventory of Work Orders* of projects completed from the Construction Work Plan totaling \$2,495,799.75. These forms are submitted to RUS for approval of loan funds.
 - Inventory AP1807 \$1,336,047.10 *Submarine Cable Project closeout;*
 - Inventory 201807 \$1,159,752.65 *Decatur Voltage Regulators; urd cable replacement; Decatur substation AMR SCE installation*

Staff requests a motion to approve the Consent Agenda.

Orcas Power & Light Cooperative

Minutes of the Board of Directors Meeting

Friday, August 10, 2018

President Vince Dauciunas called the meeting to order at 8:16 a.m. at the Lopez Fire Hall. Board members present were Rick Christmas, Peter Garlock, Brian Silverstein, and Jeff Struthers. Mark Madsen and Jerry Whitfield attended via video "Zoom". Staff present were General Manager Foster Hildreth; Manager of Engineering and Operations Russell Guerry; Manager of Finance and Member Services Nancy Loomis, Head Accountant Travis Neal, Rock Island Communications (RIC) EVP Alan Smith, RIC CFO/SVP of Finance Chris Schmidt, and Executive Assistant Bev Madan (serving as recording secretary). Note, there were technical issues during the meeting not allowing for video recording.

Members in attendance were Dwight Lewis, Sandy Bishop, Rick Hoffman, Rick Strachan, Larry Eppenbach, Chom Greacen and Chris Greacen. Each was given the opportunity to address the Board.

Mike Searcy, Consultant from Guernsey, was welcomed.

CONSENT AGENDA

- **Motion** was made and seconded to approve the Consent Agenda, including June 21, 2018 minutes, new members as listed with the Board materials, capital credit payments totaling \$9,633.90 and RUS 219s totaling \$666,588.37. Motion carried by voice vote.

AUDITOR SELECTION

The Board convened to Executive Session for discussion.

- **Motion** was made and seconded to execute the Moss Adams LLP 2018 engagement letter. Motion carried by voice vote.

LEONE EASEMENT RELINQUISHMENT

Public Works is moving a stretch of roadway along Orcas Road which fronts ~2600 feet of the Carolyn C. Leone property. Once this easement is relinquished, a new easement will be executed.

- **Motion** was made and seconded to approve relinquishment of Easement #AFN 82447. Motion carried by voice vote.

WILLIAMS EASEMENT RELINQUISHMENT

At the request of members Erland and Mara Williams, OPALCO seeks to relinquish an old private property easement across their Deer Harbor property in favor of a new easement.

- **Motion** was made and seconded to relinquish Easement AFN 82447. Motion carried by voice vote.

RATES REVIEW: COST OF SERVICE ANALYSIS (COSA)

Mike Searcy of Guernsey presented the COSA, findings and conclusions followed by a robust discussion. First noted was Guernsey's experience as co-authors of the 2017 NRECA Rate Guide (OPALCO was a main contributor as well) as well as performing COSA's for Electric Cooperatives across the country. Mike highlighted that the OPALCO COSA was prepared in accordance with regulatory standards. COSA conclusions showed that there are indeed areas of OPALCO's rate structure that may be tweaked to more equitably collect revenues from the various rate classes. Several 'commonly used' and 'strongly cost of service' rate designs were presented, discussed ensued regarding possibilities given OPALCO's current meter technology vs. what could be done in the future with more advanced meters. The Board thanked Mike for his insights, noting they look forward to his specific rate design recommendations at the September rates work session. This information will be used to assist in determining an equitable allocation to each rate class when 2019 rates are determined later this year.

MEMBER SATISFACTION SURVEY

The survey was launched at the annual meeting in late April to measure awareness and satisfaction, establish a snapshot of the current membership and adjust efforts to improve members' experience and make best use of member resources. The sample size was 1,080 respondents, approximately 10% of the OPALCO membership and indicates that 88% of OPALCO respondents are happy with overall member service.

2018 SECOND QUARTER FINANCIAL REPORT

The primary driver of the overall revenue variance of ~5% (\$880k) lower than budgeted is the warmer weather and resulting lower kWh sales. Heating Degree Days (HDD) were a big impact on Q2. While we project the year-end margin to be lower than budget, staff does not anticipate the need for a mid-year rate increase at this time.

REPORTS

General Manager

Hildreth reviewed the General Manager’s report. Highlights included a trip to Washington DC to meet with RUS management in an effort to get our loan applications expedited.

Staff outlined the progress made to date on the redundant feed to Orcas via the Decatur Tap and substation, with improvements to the Blakely substation and the Olga Substation.

OPALCO is developing on-bill financing in anticipation of the RESP loan.

Community Solar was energized July 31, 2018. Participating members will receive energy credits beginning with the September billing cycle that will include the energy produced between July 31-mid-September.

An application to RUS submitted in March 2018 for a Rural Development grant “Rural Energy for America Program” cleared the first round of unrestricted grant funding competition. The grant covers 25% of the project costs of the Community Solar project (~\$207k). Funds should be received by the end of Q3 2018. Community Solar participants will receive a rebate of approximately \$25 per unit.

LAND ACQUISITION

The Board convened to Executive Session for discussion

- **Motion** was made and seconded to purchase the two parcels of land as outlined in Executive Session and authorizes the General Manager to execute all documents necessary for purchase. Motion carried by voice vote.

ADJOURNMENT

Meeting adjourned at 1:15 p.m.

Vince Dauciunas, President

Brian Silverstein, Secretary-Treasurer

NEW MEMBERS – August 2018

District 1 (San Juan, Pearl, Henry, Brown, Spieden)

1. Arata, Melissa K
2. Blume, Margaret
3. Brown, Lisa
4. Conrad, Barbara P & Dennis T
5. Critchfield, Pam
6. DCYF R3-State of Washington
7. Digregorio, Kara & Westerop, Richard
8. Eberhard, Carolyn
9. Evergreen III LLC
10. Feinberg, Ron & Regina
11. Felso, Paul
12. Gerdes, Riley & Mendoza, Miguel
13. Grooms, D Lee & Amy
14. Gustafson, Jacob
15. Iarussi, John
16. Islands Naturopathic Clinic
17. Jackson, Bryan & Jamie
18. Keller, Randall S
19. Lewis, Amy
20. Mellor, Christie
21. Merrill, Tracie
22. Peter Ways Family LLC
23. Radonich, Brad
24. Salamida, Shaun & Amy
25. Satin, Mackenzie
26. Schudar, Zane
27. Shybaru LLC
28. Spence, Carolyn
29. Troutman, Benjamin
30. Winter, Sarah & Tim
31. Winterfeld, Del

District 2 (Orcas, Armitage, Blakely, Obstruction, Big Double, Little Double, Fawn)

32. Bagby, Cali
33. Bailey, Steve
34. Berge, Luke
35. Bitton, Larissa
36. Day, Gregg & Fabiaschi, Debra M
37. Gorne, Brian & Walker, Adrienne
38. Hall, Jody & Ring, Kelly
39. Johnson, Kelly
40. O'Brien, John Francis
41. Orcas Excavators Inc
42. Palmer, Lee
43. Tisdale, James & Laura
44. Uken, Megan & Douglas C
45. Vekved, Daniel

District 3 (Lopez, Decatur, Center, Charles)

46. Bennett, Greg & Melissa
47. Chenoweth, Wm C & Heffelfinger, Joan PE
48. Clure, Brad
49. Crandell, Megan & Paz, Pablo
50. Marg. Christensen Living Trust
51. Sanders, Alex J
52. Stuckey, Priscilla & Falb, Timothy

District 4 (Shaw, Crane, Canoe, Bell)

53. Criss, Carol & Jason

MEMORANDUM

September 14, 2018

TO: Board of Directors

FROM: Foster Hildreth

RE: OPALCO's 2019 Annual Meeting

The purpose of this is for the Board to set the date for OPALCO's 2019 Annual Meeting. Based on holidays and other island events, staff recommends the date of April 13th, 2019. Pursuant to our bylaws (Article II), this will trigger the following notable sequence of events:

Event	Date
Legal Notice for Board positions	Dec 1
Director Applications due EGC	Jan 16
Nominations posted - (80 days prior to meeting)	Jan 23
Nominations by petition due to office	Feb 13
Nominations by petition posted - (55 days prior to meeting)	Feb 15
Notice to members/Ballots mailed - (21-50 days prior to meeting)	Feb 22 – Mar 22
Election closes - (3 days prior to meeting)	Apr 10
Annual Meeting	Apr 13

Conflicts

- 04/20 – Passover/Easter
- 04/27 – Tour de Lopez
- 05/04 – Local events

Staff recommends a motion as follows:

- Set the date for the 2019 annual meeting as April 13th, 2019 (Bylaw Article II Section 1);
- Set the place for the 2019 annual meeting; staff recommends the interisland ferry (Bylaw Article II Section 1);
- Appoint Joel Paisner as Parliamentarian.

MEMORANDUM

September 14, 2018

TO: Board of Directors

FROM: Foster Hildreth

RE: WA State Renewable Energy System Incentive Program (RESIP) Update

The purpose of this memo is to extend RESIP solar incentives to all OPALCO member-generators on the WSU RESIP waitlist. WSU uses extremely conservative forecasting for kWh solar production. Based on current figures, staff is confident OPALCO's waitlisted systems will not exceed our state incentive cap. WSU is requesting that OPALCO guarantee any payouts exceeding this cap. WSU estimates our maximum exposure to be ~\$17k.

Background:

There has been a sharp increase to new systems interconnecting, and newer systems have been waitlisted pending further review and/or legislative updates (meaning they may have been declined incentives altogether, significantly reducing the value of the investment).

The Washington State University Energy Program (WSU), as administrator on behalf of the State, put a hold on new applications in March 2018 until they were able to establish their protocols to handle the demand for the incentives. According to the legislation (RCW 82.16.130), WSU must cease to issue new certifications for any system if it is likely to result in incentive payments exceeding the maximum amount designated for OPALCO's service territory (approx. ~\$289k). WSU has informed staff that, after review of the current fiscal year's production calculations, it is *not* likely the 21 currently waitlisted applications will exceed the maximum payout and are proposing that OPALCO guarantee any payout in excess of the maximum, should that occur; see table below for more detail. (Note that a similar guarantee was made by the Board in June 2014 when OPALCO was faced with a similar situation by the State.)

Legacy Program Obligation	\$ 121,146.00
Community Solar Obligation	\$ 82,787.52
Approved systems in new program*	\$ 63,197.00
Estimated Systems on Waitlist*	\$ 39,202.00
Total OPALCO Allocation	\$ 289,577.19
Possible shortfall:	\$ (16,755.33)

***Note:** the forecasts for the systems that have no previous data are intentionally conservative, with a 0% shading factor and maximum kWh output

Please note that it is unlikely this will happen, due to extremely conservative forecasting on WSU's part, and the potential risk would only apply to fiscal years 2019 and 2020 (since the next funding cycle begins July 1, 2020). At the end of each fiscal year (July through June), OPALCO will calculate and report renewable kWh production to WSU, and WSU will calculate the incentive amount per member. In any case, OPALCO will claim the maximum amount of incentives available, and only pay out anything exceeding the maximum outlined in the legislation.

Staff requests a motion that OPALCO guarantee incentive payouts for fiscal years 2019 and 2020.

MEMORANDUM

September 14, 2018

TO: Board of Directors

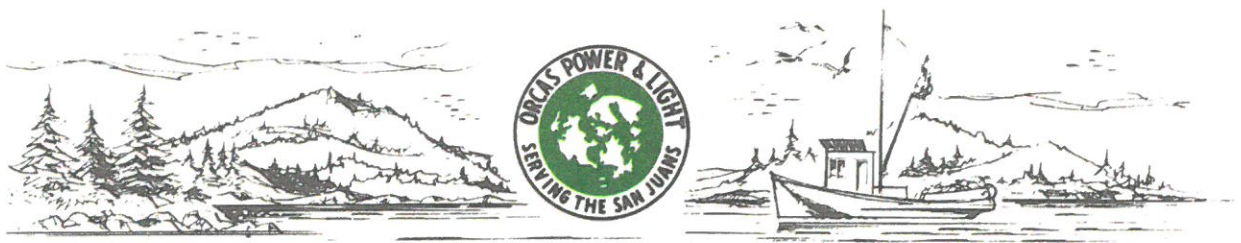
FROM: Foster Hildreth

RE: RESP Loan – Resolution 03-2018 (On-Bill Financing Program)

The final RUS Rural Energy Savings Program (RESP) loan documents have been reviewed by staff and legal council and are ready for execution. This loan will support the On-Bill Financing Program.

Staff will be bringing the proposed loan documents to the September board meeting. Attached please find the final Resolution 03-2018 *Rural Energy Savings Program (RESP)*, which grants the General Manager the authorization to execute the RESP loan documents.

Staff requests a motion for the Board approval of Resolution 03-2018, as required to execute RUS RESP loan documentation.



ORCAS POWER & LIGHT COOPERATIVE

BOARD OF DIRECTORS

RESOLUTION 3-2018

RURAL ENERGY SAVINGS PROGRAM (RESP)

SECRETARY'S CERTIFICATE

I, Brian Silverstein, do hereby certify that: I am the secretary of Orcas Power & Light Cooperative (hereinafter called the "Corporation"), the following are true and correct copies of resolutions duly adopted by the Board of Directors of the Corporation at the regular meeting held September 20, 2018, and entered in the minute book of the Corporation; the meeting was duly and regularly called and held in accordance with the bylaws of the Corporation; the attached forms of RESP Loan Contract and RESP Note are true and exact copies of the forms thereof authorized and approved by the Board of Directors to be executed, and none of the following resolutions has been rescinded or modified:

RESOLUTIONS

BE IT RESOLVED that the Corporation borrow from the United States of America an amount not to exceed \$5,800,000.00, to be guaranteed by the United States of America (the "Government"), acting through the Administrator of the Rural Utilities Service ("RUS"); and

BE IT ALSO RESOLVED that the Corporation accept the terms and conditions which the Administrator of RUS has established for the RESP loan, as such terms and conditions are set forth; and

BE IT ALSO RESOLVED that the President is authorized on behalf of the Corporation to execute and deliver under its corporate seal, which the secretary is directed to affix and attest: as many counterparts respectively as shall be deemed advisable of an agreement with the Government, in the form of the RESP Loan Contract submitted to this meeting; and a note payable to the United States of America in the principal amount of \$5,800,000.00, substantially in the form of the RESP Note submitted to this meeting; and

BE IT ALSO RESOLVED that the officers of the Corporation be, and each of them is authorized in the name and on behalf of the Corporation, to execute all such instruments, make all such payments and do all such other acts as in the opinion of the officer or officers acting may be necessary or appropriate in order to carry out the purposes and intent of the foregoing resolutions; and

I FURTHER CERTIFY THAT each member of the Board of Directors of the Corporation was furnished with notice of said meeting in compliance with the bylaws of the Corporation.

I FURTHER CERTIFY THAT the date of actual execution of the documents referred to above is September 4, 2018.

I FURTHER CERTIFY THAT the following are the names and signatures, respectively, of the officers of the Corporation identified below who validly held and occupied their respective positions on said date of actual execution of the documents.

<u>Office</u>	<u>Name</u>	<u>Signature</u>
President	Vincent Dauciunas	_____
Vice President	Jerry Whitfield	_____
Secretary-Treasurer	Brian Silverstein	_____

IN WITNESS WHEREOF I have hereunto set my hand and affixed the seal of the Corporation this 20th day of September, 2018.

Secretary

(Corporate Seal)

MEMORANDUM

September 14, 2018

TO: Board of Directors

FROM: Foster Hildreth

RE: OPALCO's 'This Electric Life' - On-bill Finance (OBF) Program Development

With the funds from RESP being used to implement an on-bill financing program, staff wanted to take the opportunity to update the board on the high-level aspects of the program. Staff is budgeting to implement the on-bill program roll-out to members in Q1 2019.

As this marks the inception of an on-bill financing program for OPALCO members and available funds are limited, we will start by offering select measures that are specifically aligned to our mission and vision, specifically providing cost-effective and environmentally sensitive utility services.

Program Goals:

1. Create a triple-win for our members, our Co-op and the environment by focusing on replacing fossil fuel heating sources with electricity to (1) reduce members total energy bill, (2) increase Co-op kWh sales, which can help keep rates lower by spreading our fixed costs over more consumption and (3) reduce carbon emissions
2. Provide opportunity for ALL members to lower their total energy costs (including low-income members)
3. Increase members comfort in their home and quality of life

With these goals in mind, the benefits to OPALCO and its members include: greatly reducing our members' total energy costs, making more efficient use of the grid, generating kWh sales for the Co-op to spread fixed costs and reducing carbon emissions in San Juan County.

Eligible* Projects:

1. Ductless Heat Pumps
2. Heat Pump Water Heaters
3. EV Charging Stations

*Each measure will have 1-2 page 'program description' listing the benefits, specific eligibility requirements, program steps & options (rebate vs. on-bill financing).

The second program goal is specific to target low-income members and help them save money on their energy costs. As part of the 2019 budget, staff is planning to expand the already successful Energy Assist Program (EAP), a portion of the funds may be expanded to provide awards to low-income members to make on-bill financing even more affordable by ensuring the added monthly cost does not exceed the monthly savings provided by a given project.

Please note that OPALCO maintains the ability to revise program offerings/details as needed to make the program as successful as possible and meet our member's needs.

Staff will be available to answer questions and provide additional clarification at the board meeting.

This Electric Life

OPALCO's On-Bill Financing (OBF) Program

Member Q&A

Q. Why is OPALCO financing home efficiency projects?

A. OPALCO has been operating a rebate program to incentivize member efficiency improvements for years. But the upfront cost of things like heaters and water heaters can be a significant barrier to entry. Providing low interest funding to members helps remove that barrier to entry and tap into the significant energy savings offered by modern ductless heat pumps and heat pump water heaters.

Q. Can I get a rebate AND finance my project on-bill?

A. No. On-bill financing is a complement to our existing rebate program. Members may still choose to install and pay for the measure then submit to OPALCO for a rebate OR now they may be eligible for 2% on-bill financing (upon approved credit). Rebates will not be available for members financing projects through OPALCO.

Q. Is this a loan?

A. No. Members sign an agreement with OPALCO to 'opt-in' to a 'meter conservation charge' tariff which is placed on the metered utility service. The tariff includes the calculation factors included in the meter conservation charge. The tariff is just like any other charge for electric service on your bill.

Q. Who may apply for OPALCO project financing?

A. Owners of homes that use electricity in OPALCO's service territory.

Q. Is there an Administrative Fee?

A. Yes. The \$50 fee is charged to the customer's account after the work has been completed and the project funds are disbursed. There is no fee if a customer does not complete the entire project financing process. OPALCO reserves the ability to allow members to roll the fee into the project financing.

Q. You got the money for this program for 0% interest, why charge members 2% interest?

A. The interest also covers administrative costs such as staff time, credit checks, county filing fees, marketing costs, loss reserves, etc. The interest ensures that costs are born by the participants of this program, not the general membership, and also keeps us compliant with RUS (OPALCO's lender).

Q. Do I have to be the owner of the property?

A. Yes. All owners of record must complete an application. OPALCO will only finance projects to the property owner(s) as listed in San Juan County records. If the home is owned as an entity, then documentation will be required. If the agent of the owner/member applies on behalf of the

member, documentation will be required. If names listed in San Juan County records are different than the applicants, then proof of name change is required.

Q. Why must all owners and co-owners sign the application and contract?

A. OPALCO requires all persons who have an interest in the property to sign the application and contract for the same reasons spouses or co-owners are required to sign: 1) to ensure that all property owners are informed; 2) to ensure that the obligation will be paid if anything happens to the primary applicant; and 3) to ensure continued viability of OPALCO's financing programs.

Q. What is a security filing?

A. A security filing is a recorded public notification that a financial obligation is owed to OPALCO. These filings are recorded with the San Juan County Clerk. The actual document filed is a Notice of Meter Conservation Charge (NMCC). While this filing does not place a lien on the home owner's property, the project costs are required to be repaid in full when refinancing or selling the home.

Q. When is a security filing required by OPALCO?

A. OPALCO may require a security filing based on several criteria: 1) amount requested for project financing, 2) total balance of all active OPALCO financing, 3) payment and credit history with OPALCO, and 4) personal credit report information. If a security filing is required, it will be noted on your project approval letter.

Q. What happens if I decide to refinance or sell my home, and there is a security filed?

A. You will be required to pay off the remaining balance of conservation charges in full when you refinance or sell your home. The entire balance will be included on your closing bill from OPALCO. If you plan to refinance your home, we encourage you to do so prior to financing your project.

Q. Why does OPALCO require repayment upon sale, and not transfer the charge to the next owner?

A. In order to protect public money and ensure continued viability of the programs, OPALCO determined that a position for full repayment allows OPALCO to provide financing to the greatest number of members with the least risk. It is important to note that the home value may be enhanced by the installation of energy efficient improvements and can serve as an attractive selling point to potential home buyers.

Q. How much can I finance?

A. Each OBF program measure has defined dollar limits. You may have more than one active project; however, the combination of all projects is capped at \$13,000 per member.

Q. I own an apartment building, or multiple properties. Do I have the same limit as a single-family residence?

A. Yes.

Q. Is there any penalty to pay the project costs off early?

A. No. If you wish to pay your project off early, please contact OPALCO Member Services to get your balance due.

Q. How long does it take to get financing approval?

A. After OPALCO receives the completed application, approval may take up to 30 days. You will receive a letter and/or an email from OPALCO notifying you of approval or denial.

Q. How does OPALCO determine how to approve or deny?

A. OPALCO uses a decision matrix that considers the amount of the project, your OPALCO payment and credit history, external credit scores as well as information contained in your credit report. On occasion, OPALCO may ask for additional information, such as tax returns, income verification, and other documents to substantiate financial ratios.

Q. What happens if my project is denied based on wrong information on my credit report?

A. If you have been denied approval because of information contained on your credit report, then you may request a copy of your credit report, free of charge, from the credit bureau listed on the denial letter.

Q. Is there a time limit on my application?

A. Your application is valid for six months. If your application is older than six months, you may be required to complete a new application.

Q. What do I do after I receive my approval letter?

A. For ductless heat pumps, you may choose a contractor from the list of local contractors on OPALCO's website or use 'goingductless.com' to find a contractor. For all measures, the member is responsible for selecting and coordinating installation with the contractor.

Q. When does OPALCO pay for the project?

A. After the project is completed, you will receive an email directing you to sign your OPALCO tariff agreement. Once OPALCO receives the signed tariff agreement, funds will be disbursed, usually within one to two weeks. If you choose not to receive your agreement electronically, it will be mailed to you for complete signatures. Mailing agreements may delay payment.

Q. Where does the funding go, and how long does it take to be disbursed?

A. As a convenience to our members, OPALCO allows the member to designate the proceeds directly to their contractor. If the proceeds are not designated, OPALCO will default the proceeds to the member. Once OPALCO receives final paperwork from the contractor, OPALCO verifies proper installation (if applicable), and tariff agreements are returned to OPALCO fully signed, project proceeds will be disbursed usually within two weeks.

Q. May I pick up the check at OPALCO?

A. No.

Q. Can the project repayment be included on my OPALCO bill?

A. Yes, your monthly charge will appear as a separate line item on your bill.

Q. What happens if I move but keep the house that received the program improvements as a rental?

A. If you maintain ownership of the property, you may continue to be billed. You will need to inform OPALCO of your new address, so the billings will be sent to you.

Q. What if I have further questions?

A. Contact OPALCO at (360) 376-3500, email us at Communications@OPALCO.com, visit our offices in Eastsound or Friday Harbor, and come to our monthly meetings for the Board of Directors.

MEMORANDUM

September 14, 2018

TO: Board of Directors

FROM: Foster Hildreth

RE: Background for New Board Members: Outage Protocol

Our recent outage on Lopez provides us with an opportunity to update the Board with our internal outage protocols and procedures for restoration and communication to the membership. Below you will find the sequence of events outlining our protocol and communications efforts for the August 17th, 2018 transmission outage effecting Shaw Island, Blakely Island, Orcas Island, and portions of Lopez Island.

Overview:

- # Services Effected: 5,932
- Duration: ~10 hours
- Cause: Vehicle hit transmission pole
- Damage: Sheered major transmission and distribution pole (corner) at groundline and below communications attachments.
- Communications: 17 tweets/Facebook posts/website posts, 8 pictures, and 4 phone messages. Outage website map updated as outage progressed.

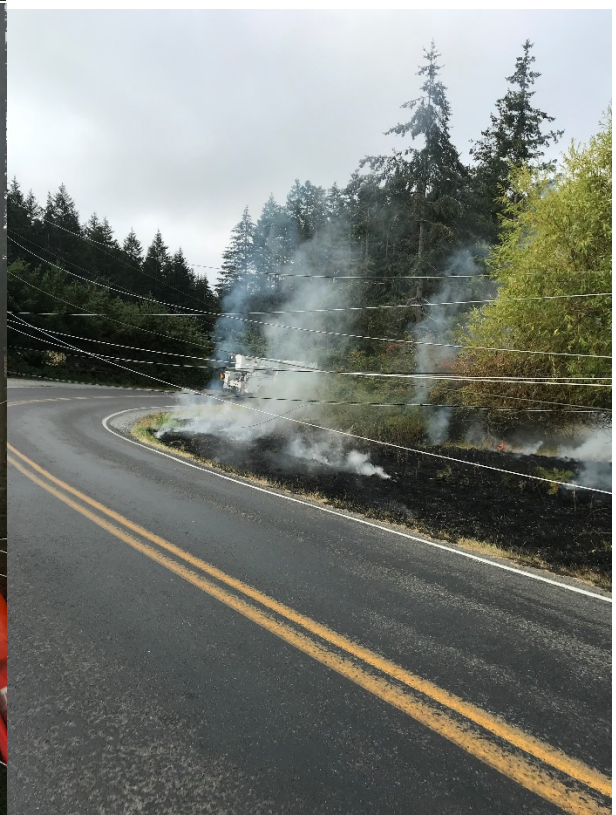


Sequence of Events:

- At approximately 10 am on Friday August 17th, a driver had a medical incident that caused him to run off the road and hit a transmission pole on Lopez island.
- The downed power lines started a fire on the road.
- The office staff was notified, and they called the fire department. Staff began notifying the membership of the outage via the phones and online. Within a half hour EMS had arrived, had the fire contained and the driver getting medical attention.
- As members call in to report the outage, it is logged in our system and starts to populate the outage map. Crew can refer to our Outage Management System (OMS) or Supervisory Control and Data Acquisition (SCADA) System to locate the cause of an outage (note: in this case crew immediately witnessed the aftermath, so they knew the exact cause).
- The crew from San Juan Island flew over. Orcas crew was picked up on the company boat by Lopez crew who were at the county fair.
- The necessary equipment/trucks happened to already be on Lopez for the crew to use.
- Crew closed off the road and began to conduct switching to get circuit 23 to feed power to parts of circuit 21. Flaggers from the Engineering Department were brought over to help redirect traffic throughout the day.
- Removed old pole butt and added new pole into same hole.
- Transferred wires one at a time to the new pole and adjusted insulators once installed.
- 8:00 pm transmission back on.
- Parts of the distribution circuit and cross arm were damaged and had to be replaced. All power restored by 11 pm.

Lessons Learned:

- Further switching verification and confirmation prior to clearing outage which automatically sends member notification via SmartHub, text, or email.
- Update phone system more frequently.
- Institute member training activities to better navigate outage communication systems.
- Balance the need for members to have an estimated restoration time with the host of unforeseen circumstances our system may encounter.
- Continue to set member expectations that outages are inevitable in our remote, rural community.
- Communicate outage preparation expectations to members so they can have battery generator/backup for critical services as well as their outage communication plan (i.e. setting up text notifications, having an outage buddy who can look up outage detail online if they lose internet in outages)



MEMORANDUM

September 14, 2018

TO: Board of Directors

FROM: Foster Hildreth

RE: Rates Review – Rate Structure Alternatives

The timeline of the 2018 Rates Review has reached the Rate Structure Review of the process.

At this meeting, Mike Searcy of Guernsey will present rate design objectives and structure alternatives for board review. The purpose of the review is to compare various rate structures that collect the required revenue to cover our costs, as allocated between rate classes in the COSA. This will include an open dialogue with the board to explore industry trends, how various structures balance the collections differently and among those, what is possible given current technology.

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): August 2018
- e. ✓ Rate Structure Review that Supports the COSA: September 21, 2018 Work Session
- f. Rate Structure Approval: October 2018 – December 2018 (with Budget)

MEMORANDUM

September 14, 2018

TO: Board of Directors

FROM: Foster Hildreth

RE: 2018 Website Analytics

Staff completed an annual review of Google analytics on OPALCO's website. The full report is attached. In brief, traffic to OPALCO's webpage is significantly higher than last year and, on average, almost 5x higher than in 2016. Traffic from the state of Washington has increased 25%, indicating more local members using the site regularly. We hit an all-time traffic high of ~45K sessions in November of 2017 during the Shaw power outage. The previous high was ~25K around annual meeting time in 2017.

The top content areas in 2018 were: outages, bill pay, community solar and resource library. Also in the top ten were careers, contact us, rebates and newsroom. While the analytics exclude employee IP addresses, we also reviewed employee use independently and found the resource library gets high staff use – almost double the next highest content area (outages). The resource library is used primarily to access board meeting materials, billing information and rebate forms. Community solar was at the top of every metric this year: PDF views, downloads, searches, newsroom and Energy Savings.

Referrals to the website from our social media outlets are low while follower/friend counts on Facebook and Twitter are way up. What this tells us is that most people are getting the info they need on OPALCO's social media posts. As an example, >10% of our members follow us on Facebook (1,117) and Twitter (1,113). During the outage of August 17th, OPALCO outage posts on Facebook reached 6,462 people, more than 4,000 people engaged (sharing, commenting) with posts and 52 page likes and a page rating of 4.8/5.

Site speed is satisfactory with the exception of the outage center where the map embed slows the page load time (11.37 seconds vs an average of 3 seconds site wide).

Action Plan based on analytics:

- Optimize speed on outage page and update usability
- Keep resource library updated and dynamic
- Continue to drive traffic back to website from social media
- Explore strategies to increase annual report readership
- Ongoing website refresh

OPALCO

Analytics Report

Historical Trends and Year to Date Data
Jan 1, 2018 - Aug 1, 2018

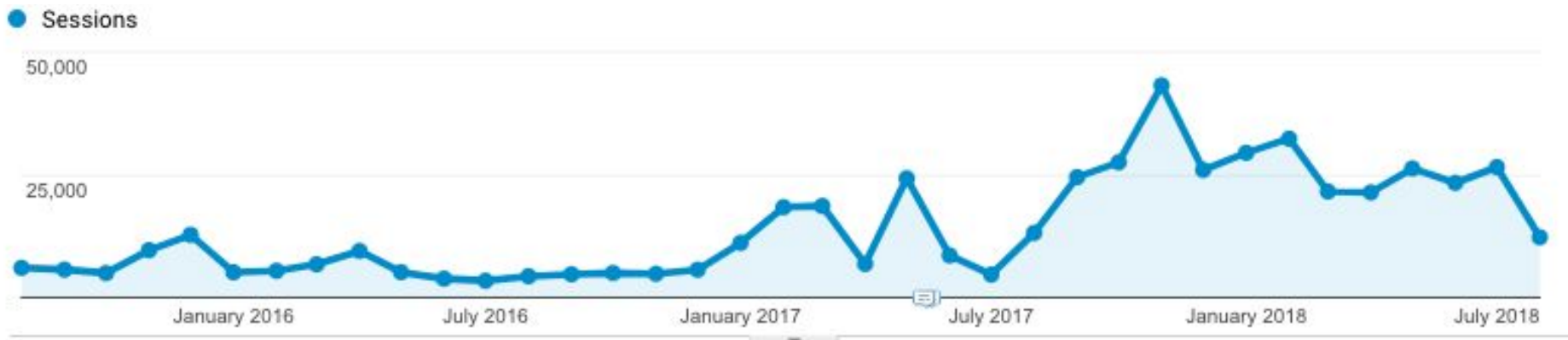


PixelSpoke

Historical Snapshot of Traffic Trends

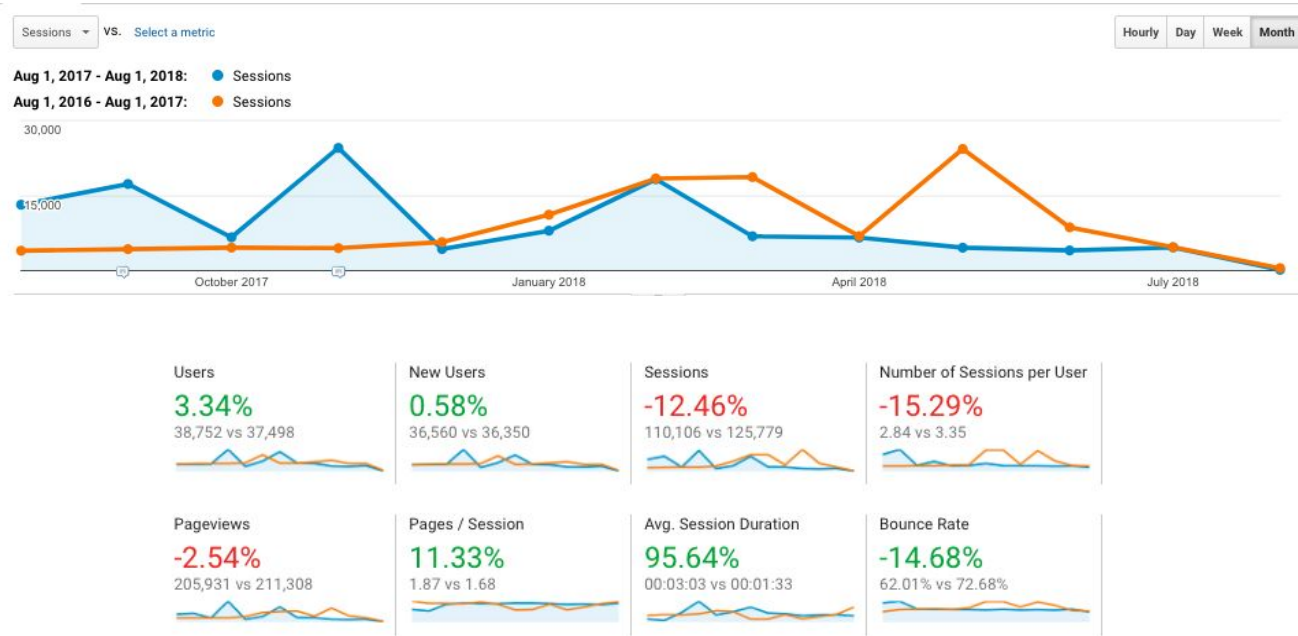
Traffic for last 3 years

Aug 1, 2015 - Aug 1, 2018



Over the last 2 years, traffic has increased dramatically, with Nov 2017 showing OPALCO's largest spike ever. The average for 2018 is ~5x that of 2016.

User Traffic 2017 to 2018 Comparison



Engagement has increased significantly (in terms of pages per session and time on page). While the number of sessions decreased in the last 12 months, the bounce rate decreased by over 10%. The number of users stayed mostly the same, with increases only happening in the spikes of Nov 2017 and Feb 2018. **The most relevant traffic to OPALCO, from Washington has decreased 13% in sessions but increased 3% in users and 126% in session duration.**

Year-to-Date Analytics Review

Desktop & Mobile Usage

Jan 1, 2018 - Aug 1, 2018 compared to same period in 2017

Device Category ?	Acquisition			Behavior			Conversions Goal
	Users ? ↓	New Users ?	Sessions ?	Bounce Rate ?	Pages / Session ?	Avg. Session Duration ?	Submit Contact form (Goal 1 Conversion Rate) ?
	16.49% 27,177 vs 23,330 ▲	12.63% 24,037 vs 21,341 ▲	42.99% 53,253 vs 93,415 ▼	33.91% 51.40% vs 77.77% ▼	33.57% 2.08 vs 1.56 ▲	119.04% 00:02:56 vs 00:01:20 ▲	12.29% <0.01% vs <0.01% ▼
1. desktop							
Jan 1, 2018 - Aug 1, 2018	14,323 (52.93%)	13,294 (55.31%)	24,852 (46.67%)	46.63%	2.18	00:02:31	<0.01%
Jan 1, 2017 - Aug 1, 2017	14,171 (60.98%)	12,971 (60.78%)	76,475 (81.87%)	82.10%	1.47	00:01:03	<0.01%
% Change	1.07%	2.49%	-67.50%	-43.20%	47.80%	137.59%	53.86%
2. mobile							
Jan 1, 2018 - Aug 1, 2018	10,032 (37.07%)	8,415 (35.01%)	22,783 (42.78%)	57.06%	1.97	00:03:23	0.00%
Jan 1, 2017 - Aug 1, 2017	6,907 (29.72%)	6,440 (30.18%)	12,620 (13.51%)	58.98%	1.91	00:02:42	0.00%
% Change	45.24%	30.67%	80.53%	-3.25%	3.48%	25.54%	0.00%
3. tablet							
Jan 1, 2018 - Aug 1, 2018	2,706 (10.00%)	2,328 (9.69%)	5,618 (10.55%)	49.50%	2.07	00:02:57	0.00%
Jan 1, 2017 - Aug 1, 2017	2,162 (9.30%)	1,930 (9.04%)	4,320 (4.62%)	55.97%	2.02	00:02:21	0.00%
% Change	25.16%	20.62%	30.05%	-11.56%	2.78%	25.68%	0.00%

- There are more users on all device categories compared to 2017.
- Mobile traffic had by far the largest increase, with 43%, and even a slightly lower bounce rate than 2017.

Referral Sources











Jan 1, 2018 - Aug 1, 2018 vs Jan 1, 2017 - Aug 1, 2017











Source ?	Acquisition			Behavior		
	Users ?	New Users ?	Sessions ? ↓	Bounce Rate ?	Pages / Session ?	Avg. Session Duration ?
sanjuanislander.com						
Jan 1, 2018 - Aug 1, 2018	309 (6.36%)	198 (8.27%)	520 (5.53%)	36.15%	2.24	00:02:24
Jan 1, 2017 - Aug 1, 2017	770 (18.74%)	590 (21.24%)	1,199 (2.06%)	78.65%	1.53	00:01:34
% Change	-59.87%	-66.44%	-56.63%	-54.03%	46.47%	52.98%
energysavings.opalco.com						
Jan 1, 2018 - Aug 1, 2018	249 (5.13%)	0 (0.00%)	630 (6.70%)	25.08%	3.01	00:04:30
Jan 1, 2017 - Aug 1, 2017	178 (4.33%)	2 (0.07%)	1,467 (2.52%)	34.63%	3.10	00:05:29
% Change	39.89%	-100.00%	-57.06%	-27.58%	-2.75%	-17.87%
facebook.com						
Jan 1, 2018 - Aug 1, 2018	217 (4.47%)	128 (5.35%)	395 (4.20%)	63.80%	1.82	00:02:39
Jan 1, 2017 - Aug 1, 2017	198 (4.82%)	122 (4.39%)	384 (0.66%)	66.67%	1.71	00:02:23
% Change	9.60%	4.92%	2.86%	-4.30%	6.23%	11.50%
duckduckgo.com						
Jan 1, 2018 - Aug 1, 2018	120 (2.47%)	83 (3.47%)	213 (2.26%)	46.48%	2.16	00:02:30
Jan 1, 2017 - Aug 1, 2017	102 (2.48%)	84 (3.02%)	181 (0.31%)	44.75%	2.54	00:03:21
% Change	17.65%	-1.19%	17.68%	3.86%	-14.84%	-25.48%
directvote.net						
Jan 1, 2018 - Aug 1, 2018	103 (2.12%)	44 (1.84%)	161 (1.71%)	57.14%	1.58	00:00:45

- San Juan Islander traffic has decreased some (it did in 2017 also), but there is still a considerable amount of referrals coming from that source.

Top Content: General

Jan 1, 2018 - Aug 1, 2018

<input type="checkbox"/>	Page ?	Pageviews ? ↓	Unique Pageviews ?	Avg. Time on Page ?
		110,664 % of Total: 100.00% (110,664)	83,131 % of Total: 100.00% (83,131)	00:02:43 Avg for View: 00:02:43 (0.00%)
<input type="checkbox"/>	1. /outages/ 	37,980 (34.32%)	23,284 (28.01%)	00:05:29
<input type="checkbox"/>	2. / 	23,563 (21.29%)	20,029 (24.09%)	00:01:01
<input type="checkbox"/>	3. /about-your-account/pay-your-bill/ 	4,155 (3.75%)	3,653 (4.39%)	00:02:52
<input type="checkbox"/>	4. /energy-savings/renewable-generation/community-solar/ 	3,988 (3.60%)	2,908 (3.50%)	00:03:25
<input type="checkbox"/>	5. /resource-library/ 	2,721 (2.46%)	2,006 (2.41%)	00:04:36
<input type="checkbox"/>	6. /contact-us/ 	2,519 (2.28%)	2,118 (2.55%)	00:02:31
<input type="checkbox"/>	7. /careers/ 	2,322 (2.10%)	2,059 (2.48%)	00:02:45
<input type="checkbox"/>	8. /about-your-account/smarthub-online-bill-pay-usage-viewer/ 	1,553 (1.40%)	1,401 (1.69%)	00:02:36
<input type="checkbox"/>	9. /about-us/ 	1,188 (1.07%)	1,037 (1.25%)	00:00:54
<input type="checkbox"/>	10. /energy-savings/rebates/ 	1,137 (1.03%)	888 (1.07%)	00:01:18

Page ?	Pageviews ? ↓	Unique Pageviews ?	Avg. Time on Page ?
	110,664 % of Total: 100.00% (110,664)	83,131 % of Total: 100.00% (83,131)	00:02:43 Avg for View: 00:02:43 (0.00%)
11. /category/engineering-and-operations/outages/ 	951 (0.86%)	782 (0.94%)	00:01:18
12. /newsroom/ 	770 (0.70%)	637 (0.77%)	00:01:11
13. /energy-savings/rebates/heat-pump-rebates/ 	734 (0.66%)	536 (0.64%)	00:02:51
14. /about-your-account/ 	658 (0.59%)	579 (0.70%)	00:00:49
15. /person-type/staff/ 	651 (0.59%)	392 (0.47%)	00:00:51
16. /energy-savings/renewable-generation/community-solar-terms-and-conditions/ 	640 (0.58%)	540 (0.65%)	00:04:18
17. /person-type/board-of-directors/ 	631 (0.57%)	369 (0.44%)	00:00:42
18. /person-type/management/ 	586 (0.53%)	392 (0.47%)	00:00:43
19. /energy-savings/electric-vehicles-evs/ 	540 (0.49%)	382 (0.46%)	00:01:31
20. /power-system/submarine-cable-project/ 	525 (0.47%)	458 (0.55%)	00:03:05

- Similar trends to past 3 years where Outages, Pay Bill, Careers are among top viewed pages (aside from the homepage which indicated by “/” in the #2 ranking above)
- Energy savings pages are in the top 10 visited pages
- The annual report reached 163 views compared to 269 page views in the same period in 2017

Top Content: Employee Use

Jan 1, 2018 - Aug 1, 2018

Page ?	Pageviews ? ↓	Unique Pageviews ?	Avg. Time on Page ?
	10,433 % of Total: 7.66% (136,166)	7,251 % of Total: 5.48% (132,435)	00:02:30 Avg for View: 00:02:41 (-6.73%)
1. /	3,810 (36.52%)	2,589 (35.71%)	00:01:44
2. /resource-library/	1,102 (10.56%)	793 (10.94%)	00:04:46
3. /outages/	783 (7.51%)	536 (7.39%)	00:05:43
4. /energy-savings/renewable-generation/community-solar/	455 (4.36%)	248 (3.42%)	00:03:20
5. /energy-savings/rebates/	280 (2.68%)	190 (2.62%)	00:01:21
6. /newsroom/	232 (2.22%)	187 (2.58%)	00:01:03
7. /energy-savings/renewable-generation/	183 (1.75%)	128 (1.77%)	00:03:14
8. /bill-inserts/	124 (1.19%)	65 (0.90%)	00:03:18
9. /energy-savings/renewable-generation/community-solar-2/	123 (1.18%)	61 (0.84%)	00:03:44
10. /energy-savings/rebates/heat-pump-rebates/	116 (1.11%)	80 (1.10%)	00:03:45

Page ?	Pageviews ? ↓	Unique Pageviews ?	Avg. Time on Page ?
	10,433 % of Total: 7.66% (136,166)	7,251 % of Total: 5.48% (132,435)	00:02:30 Avg for View: 00:02:41 (-6.73%)
11. /about-us/	109 (1.04%)	86 (1.19%)	00:00:19
12. /calendar/	109 (1.04%)	81 (1.12%)	00:02:20
13. /energy-savings/electric-vehicles-evs/	100 (0.96%)	68 (0.94%)	00:01:19
14. /join-opalco/online-application/	86 (0.82%)	64 (0.88%)	00:04:39
15. /careers/	85 (0.81%)	77 (1.06%)	00:05:08
16. /person-type/staff/	72 (0.69%)	27 (0.37%)	00:00:37
17. /energy-savings/rebates/fuel-switching/	62 (0.59%)	43 (0.59%)	00:02:51
18. /energy-savings/electric-vehicles-evs/ev-rebates/	57 (0.55%)	46 (0.63%)	00:03:54
19. /person-type/board-of-directors/	56 (0.54%)	30 (0.41%)	00:01:28
20. /energy-savings/rebates/appliance-rebates/	55 (0.53%)	42 (0.58%)	00:03:17

- Resource Library is top visited page for OPALCO team members, with a 144% increase from the same period in 2017











Top Content: Newsroom

Jan 1, 2018 - Aug 1, 2018

Page ?	Pageviews ?	Unique Pageviews ?	Avg. Time on Page ?
	1,130 % of Total: 0.46% (247,357)	914 % of Total: 0.42% (216,055)	00:02:03 Avg for View: 00:02:42 (-24.43%)
1. /candidates-named-opalco-election-nominations-petition-due-feb-23rd/2018/02/	182 (16.11%)	151 (16.52%)	00:02:53
2. /pre-sales-opalcos-community-solar-project-open-march-21st/2018/03/	175 (15.49%)	150 (16.41%)	00:01:33
3. /peter-garlock-appointed-fill-opalco-board-vacancy/2018/01/	128 (11.33%)	116 (12.69%)	00:01:31
4. /energy-savings/renewable-generation/community-solar-winter-2018/	100 (8.85%)	30 (3.28%)	00:02:58
5. /opalco-pngc-power-shape-islands-energy-future/2018/01/	96 (8.50%)	80 (8.75%)	00:01:48
6. /nreca-case-study-published-opalco-rock-island-broadband-solution/2018/05/	92 (8.14%)	72 (7.88%)	00:02:42
7. /sun-shines-opalco-meeting-ferry-struthers-christmas-elected/2018/04/	77 (6.81%)	64 (7.00%)	00:01:49
8. /opalco-seeks-board-candidates-district-2-orcas-et-al/2018/01/	62 (5.49%)	51 (5.58%)	00:00:34
9. /opalcos-new-phone-system-improves-outage-info-calling-local-musicians-opalco-wants-highlight-local-talent/2018/04/	52 (4.60%)	49 (5.36%)	00:02:42
10. /1000-sophmores-juniors/2018/02/	51 (4.51%)	46 (5.03%)	00:01:00

Top Content: Energy Savings

Jan 1, 2018 - Aug 1, 2018

Page ?	Pageviews ? ↓	Unique Pageviews ?	Avg. Time on Page ?
	12,832 % of Total: 11.60% (110,664)	9,532 % of Total: 11.47% (83,131)	00:02:31 Avg for View: 00:02:43 (-7.39%)
1. /energy-savings/renewable-generation/community-solar/ 	3,988 (31.08%)	2,908 (30.51%)	00:03:25
2. /energy-savings/rebates/ 	1,137 (8.86%)	888 (9.32%)	00:01:18
3. /energy-savings/rebates/heat-pump-rebates/ 	734 (5.72%)	536 (5.62%)	00:02:51
4. /energy-savings/renewable-generation/community-solar-terms-and-conditions/ 	640 (4.99%)	540 (5.67%)	00:04:18
5. /energy-savings/electric-vehicles-evs/ 	540 (4.21%)	382 (4.01%)	00:01:31
6. /energy-savings/community-solar/ 	491 (3.83%)	38 (0.40%)	00:02:45
7. /energy-savings/renewable-generation/community-solar__trashed/community-solar-faq/ 	485 (3.78%)	449 (4.71%)	00:05:11
8. /energy-savings/rebates/appliance-rebates/ 	341 (2.66%)	221 (2.32%)	00:02:13
9. /energy-savings/renewable-generation/ 	324 (2.52%)	279 (2.93%)	00:02:02
10. /energy-savings/rebates/fuel-switching/ 	296 (2.31%)	224 (2.35%)	00:01:42

- Community Solar has had by far the most traffic and highest engagement
- Heat pump savings has lower traffic than 2016, but is still the highest traffic for rebates, while the other energy savings programs are all similarly clustered

OPALCO PDF Views

Jan 1, 2018 - Aug 1, 2018



Event Category ?	Total Events ?	Unique Events ?	Event Value ?	Avg. Value ?
	579 % of Total: 3.40% (17,010)	537 % of Total: 3.50% (15,343)	0 % of Total: 0.00% (0)	0.00 Avg for View: 0.00 (0.00%)
1. pdf	579(100.00%)	537(100.00%)	0 (0.00%)	0.00

The total number of PDF views has decreased significantly compared to 2017 where there were 923 PDF views.

Top PDF Views

Jan 1, 2018 - Aug 1, 2018

- The majority of file downloads/pdfs seem to be clustered in between 30-50 downloads
- Rebates are still the most commonly downloaded pdfs

Event Label ?	Total Events ? ↓
	815 % of Total: 4.79% (17,010)
1. Travel Schedule - https://www.opalco.com/wp-content/uploads/2018/02/2018-Travel-Schedule.pdf	160 (19.63%)
2. http://energysavings.opalco.com/wp-content/uploads/2017/01/2017-Residential-Window-Upgrade-Form.pdf	54 (6.63%)
3. http://energysavings.opalco.com/wp-content/uploads/2017/02/PTCS-Heat-Pumps.pdf	54 (6.63%)
4. http://energysavings.opalco.com/wp-content/uploads/2018/03/Decatur-Community-Solar-Participation-Agreement_Final.pdf	47 (5.77%)
5. http://energysavings.opalco.com/wp-content/uploads/2017/12/Interconnect-Packet.pdf	43 (5.28%)
6. http://energysavings.opalco.com/wp-content/uploads/2017/01/2017-EVC-Rebate-Form.pdf	42 (5.15%)
7. http://energysavings.opalco.com/wp-content/uploads/2010/07/Ductless-Heat-Pump-Comparison.pdf	41 (5.03%)
8. http://energysavings.opalco.com/wp-content/uploads/2017/01/2017-DHP-FS-Rebate-Form.pdf	38 (4.66%)
9. http://energysavings.opalco.com/wp-content/uploads/2018/04/2018-Effective-Residential-Rebates-At-a-Glance-Guide.pdf	38 (4.66%)
10. 2018 Annual Meeting Agenda - https://www.opalco.com/wp-content/uploads/2018/04/2018-Annual-Meeting-Agenda.pdf	29 (3.56%)

Top Searched for Items

Jan 1, 2018 - Aug 1, 2018

Search Term ?	Total Unique Searches ? ↓
	883 % of Total: 100.00% (883)
solar	18 (2.04%)
survey	17 (1.93%)
rates	13 (1.47%)
community solar	10 (1.13%)
rebates	9 (1.02%)
bylaws	7 (0.79%)
capital credits	7 (0.79%)
smarthub	7 (0.79%)
annual meeting	6 (0.68%)

Insite search is minimally used on the OPALCO website, which is the norm for a non e-commerce or reference-specific (i.e, libraries and index) websites.

Site Speed

Jan 1st 2018 - Aug 1, 2018

Page ?		Pageviews ? ↓	Avg. Page Load Time (sec) ?
1.	/outages/	37,980	11.37
2.	/	23,563	4.86
3.	/about-your-account/pay-your-bill/	4,155	3.61
4.	/energy-savings/renewable-generation/community-solar/	3,988	3.25
5.	/resource-library/	2,721	6.03
6.	/contact-us/	2,519	2.74
7.	/careers/	2,322	2.96
8.	/about-your-account/smarthub-online-bill-pay-usage-viewer/	1,553	2.87
9.	/about-us/	1,188	2.80
10.	/energy-savings/rebates/	1,137	3.86

We're working towards an average load time of 3 seconds per web industry best practices.

Utility Nav

Jan 1st 2018 - Aug 1, 2018

- More than half of all users who clicked in the Utility Nav (upper right hand corner), clicked on the “Pay Your Bill” link
- Contact, About and Careers links are also getting considerable traffic

Pay Your Bill About Join Careers Contact				
Event Label ?		Total Events ? ↓		
		6,049 % of Total: 35.56% (17,010)		
1.	Pay Your Bill	3,322 (54.92%)		
2.	Contact	1,119 (18.50%)		
3.	About	766 (12.66%)		
4.	Careers	671 (11.09%)		
5.	Join	171 (2.83%)		

Resource Library Folders

Jan 1st 2018 - Aug 1, 2018

Event Label ?	Total Events ? ↓
	3,566 % of Total: 20.96% (17,010)
1. Folder Path: memberinfoandbillingsratesamptariffstariffs Article:R-18 Residential Service	219 (6.14%)
2. Folder Path: boardmeetingsandmaterialsboardmemberbios Article:Current Board of Directors	72 (2.02%)
3. Folder Path: boardmeetingsandmaterialsreportdashboards Article:Dashboards	68 (1.91%)
4. Folder Path: memberinfoandbillingsratesamptariffstariffs Article:Tou-18 Time of Use	60 (1.68%)
5. Folder Path: boardmeetingsandmaterialsboardmaterials2018january2018 Article:January 2018 Board Materials updated	54 (1.51%)
6. Folder Path: electionsandgovernanceelections20182018candidateinfo Article:Jeff Struthers Q&A	50 (1.40%)
7. Folder Path: memberinfoandbillingsratesamptariffs Article:2018 Rate Structure	47 (1.32%)
8. Folder Path: boardmeetingsandmaterialsboardmaterials2018april2018 Article:April 2018 Board Materials	46 (1.29%)
9. Folder Path: membershipinfoandbillingratestariffstariffs Article:R-18 Residential Service	46 (1.29%)
10. Folder Path: boardmeetingsandmaterialsboardmaterials2018march2018 Article:March 2018 Board Materials	44 (1.23%)

Of the top 10 most clicked Resource Library files clicked, 5 were in the Board Meetings and Materials Folder, and 4 were in Member Info.

Key Takeaways: Summary

- Over the last 2 years, traffic has increased dramatically, with Nov 2017 showing OPALCO's largest spike ever. The average for 2018 is ~5x that of 2016.
- While the number of site users has stayed consistent since 2017, in Washington, traffic has increased 25% in users
- Site speed is slowest on the outage map, likely because of the embed coupled with it being accessed by a high number of visitors at the same times
- The Resource Library is among top content (ranking in the top 6 in page views since 2016) and is highly used by OPALCO staff

Key Takeaways: Action Items

- Continue social media efforts and link back to the website when relevant to drive traffic from social channels.
- New plan for speed optimization for priority pages.
- Annual report views have decreased again — may need to revisit how to drive readership and interest
- Outages continue to be a major interest point for visitors — in 2019, look into revamping this section for an enhanced user experience

Thank You!

We appreciate the opportunity to work together

GENERAL MANAGER'S REPORT

September 2018

DASHBOARDS

Please review the dashboards at <https://www.opalco.com/dashboards>. Note that all the dashboards are within board approved strategic parameters.

ENGINEERING, OPERATIONS, AND TECHNICAL SERVICES

WIP

As of September 1, there are 360 work orders open totaling \$11.1M. Operations has completed construction on 106 work orders, totaling \$6.2M. Orcas Road Transmission Line Relocation is underway.



Safety

Jeff Myers conducted training on flagging. This certifies our crews and engineering staff for flagging during construction and outages. The total hours worked without a loss time accident is 94,824.

Redundant Feed to Orcas

- 1) **Decatur Tap and Substation**
COMPLETE

- 2) **Blakely Substation**

The Blakely Substation is under construction with an anticipated completion of late October. The photo below is of the materials and crews traveling to Blakely.



- 3) **Olga Substation and Feeder Upgrades to Eastsound**

Olga Substation is being reconfigured to accept 69 kV. Crescent Beach re-conductor projects will commence in late-September with an anticipated completion by the end of October.

FINANCE

CEF 3 Grant Applications

At the end of August, staff applied for at WA State Clean Energy Fund (CEF) 3 grant under the Research, Development and Demonstration grant program. The pre-application requests \$585K of matching funds for the project: 'Demonstrating a Vehicle-to-Grid Application in San Juan County: Battery-Electric Buses with Exportable Power for Unplanned Outages and Disaster Readiness'. The project proposes to develop and demonstrate three battery-electric Type A buses for deployment on our three largest islands to

support the three use cases: (1) Emergency operations support at critical operations facilities and designated community disaster plan meeting points, (2) Community transportation and (3) peak demand mitigation. If the pre-application is approved, the final application is due in December.

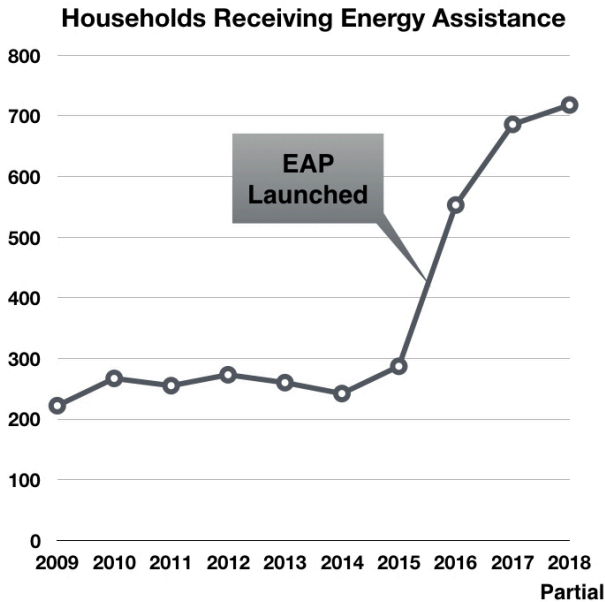
Staff is also planning to pursue funding from the CEF 3 Energy Efficiency and Solar Grants funding opportunity, applications for which are due in November 2018.

MEMBER SERVICES

Low-income Energy Assistance Program Review

In 2015, OPALCO, working with county stakeholders who provide support services for low-income members of our community, facilitated discussion and development of a Low-income Needs Assessment. Among the ten areas of need identified by the participants, affordable housing was identified by the stakeholders as the overwhelming unmet need. Though energy cost was lower down on the needs list, OPALCO used the findings to develop a new energy assistance program (EAP), that was simple to apply for and administer and funded through rates. In combination with the OPALCO PAL program, low-income members have the ability to offset about \$500 of their electric bill each year. This is in addition to LIHEAP and other energy assistance programs available to county residents.

As part of our ongoing outreach to low-income service organizations, OPALCO staff, and two OPALCO board members, recently met with the Lopez Community Land Trust, to review how our PAL and EAP programs were doing and discuss best practices for supporting low-income members. Thanks to the simplicity of the EAP program, the number of households benefiting from energy assistance has tripled since introduction of the program. Before EAP, participation had been flat since 2009 (see chart).



Though the EAP has been very successful, we estimate that we are reaching only about half the potential households in need of assistance. Staff will be deepening the conversation with county support services and family resource centers to identify ideas to ensure households in need are aware of and benefit from these services. We will also be looking for ways to use the program to increase access to Energy Efficiency and Community Solar programs that might normally be out of reach to low-income members. The EAP and PAL programs are one of the best examples of our Co-ops 7th principal - Concern for Community.

Energy Assistance

In August 319 members received ~\$9.5k from the Energy Assist program, compared to 270 members receiving ~6.9k in August 2017. The Energy Assist program has served 771 people in 410 member households so far in 2018, maintaining an average of ~8 months of no facility charge for these members. Thanks in large part to our successful EAP, our low-income members have received 718 awards for energy assistance (EAP, PAL, LIHEAP, etc.).

Energy Savings

Staff paid out ~\$16.7k in rebates to 15 members for BPA/PNGC rebates, along with five Heat Pump Beneficial Electrification (OPALCO funded) rebates totaling \$7.5k. In partnership with the San Juan Islands Conservation District staff is planning fall member events (Green Home Tours and SmartHub workshops).

Community Solar

The Decatur Solar array produced over 65k kWh during the month of August (the first production month). This is equivalent to serving about 4.8 average OPALCO residential member households annually, or 100 average households this month. Member credits will be posted on the September billing period including credits for generation 7/31/18 through 9/12/18. Members will also receive their portion of the REAP (USDA) award later this year. Online real-time production display will be available on the OPALCO website in September.

COMMUNICATIONS

Planned BPA Outages: September 25th and October 23nd

All of San Juan County will be affected by two planned power outages necessary for BPA to replace a section of one of the two main power lines that feed the San Juan Islands. These maintenance outages will happen overnight on weekdays to minimize the impact to consumers. Outage times are:

- Tuesday, September 25: 12:30am to ~2:30am
- Tuesday, October 23: 12:30am to ~4:30am

Members are being notified through automated phone calls, bill inserts, articles, ads, social media, fliers on community bulletin boards and village walk-about (hand delivering fliers to businesses and speaking with members face-to-face). Read the full story at www.opalco.com/news.

OPALCO Webpage: Understanding Rates

A new webpage on “Understanding Power Costs” is being tested for public launch this fall, including a rate calculator that gives consumers a high-level understanding of the trade-offs inherent in balancing fixed cost charges (facilities) with energy (kWh) charges. The content addresses where OPALCO’s power comes from, the cost to deliver power before “you turn on a light,” why power costs are rising and how OPALCO works to design rates so that each group of consumers pays their fair share. Consumers who want more detailed information on rate calculation are invited to meet with staff to view the data and trade-offs in a more complex and comprehensive excel tool.

Orca Whale Task Force

OPALCO staff are following the Governor's Southern Resident Killer Whale Task Force work effort and will keep the membership informed as a plan of action emerges that will address many of the numerous interconnected threats to survival: lack of prey, vessel traffic and noise, and chemical pollution and contaminants.

National Co-op Month: Co-ops Vote!

OPALCO will celebrate Co-op Month in October in partnership once again with the two food co-ops in San Juan County. The theme is built on NRECA’s “Co-ops Vote!” campaign and will encourage co-op members to vote in November – as well as in our Director elections. This is a non-partisan, non-issue general campaign to encourage voter participation. Outreach includes ads, articles, banners, counter displays and Co-op Member Appreciation open houses in each OPALCO office (dates TBA).

Staff Field Day

On August 31st, following morning safety meetings and flagging certification, OPALCO staff shuttled (on OPALCO’s work boats) to Decatur Island to tour the updated substation and community solar project. Staff toured the Lopez crew station as well. Brian Swanson gave a tour of the substation, new BPA tap and solar array. Lunch was provided by the Aslan family at the Decatur General Store.



Above: Nancy, Foster, Marilyn, Regina, Madeline, Russell, Joey, Susan, Jon, Becky and Lindsay at Decatur substation.

Below L: Group in substation; R: staff lunch provided by the Decatur store.



Switch it Up – This Electric Life

Fuel switching tools currently under development include a prominent landing page on the website with a savings comparison tool and blog, as well as resources to inspire members to begin energy savings projects. Projected launch: Q1-2019.

APPENDIX: PNGC Newsletters

PNGC Power Pulse

August 2018

Inside This Issue

- 1 Avoiding Price Surges
- 2 Dog Days of Summer
- 3 PNGC Peak
- 3 Mid-C Pricing
- 4 BPA Happenings
- 4 Upcoming PNGC Events

Avoiding Price Surges

Mid-C day ahead prices soared in July, peaking at an exceptionally high \$220 per MWh. The monthly average came in at \$52.91 per MWh. As electric market participants throughout the Northwest scrambled during this time, PNGC was able to avoid feeling most of the effects of this pricing surge because of a sound purchasing strategy.

"It's amazing how volatile the market can be, especially when weather driven conditions converge with remarkable incidents such as extensive wildfires and natural gas supply issues," said Jeff Kugel, PNGC Power's Resource Analyst. "Pervasive high temperatures across the entire West Coast in July drove customer use and there was a steep demand for electricity, driving prices way up." Jeff went on to explain that PNGC's purchasing strategy is designed to purchase a variety of different blocks of power at various times prior to energy delivery, essentially layering in various power purchases to create a robust portfolio consisting of many smaller purchases, which make up the larger whole. For example, PNGC did have to purchase a small amount of energy in the second half of July during the surge in pricing, at an average price nearly three times the forecasted cost. However, this only raised the weighted average cost slightly due to the fact that 95% of the power portfolio was already purchased for this period at an average price of below \$25 MWh.



PNGC's purchasing strategy works to balance risk management with the ability to participate in opportunities for low-cost electricity. "July was a great example of how our purchasing strategy can save PNGC members a substantial amount of money," said Greg Mendonca, PNGC Power's Vice President of Power Supply. "Because we'd purchased blocks of power well ahead of time, we were able to protect the Part B Pool from abnormally high wholesale power prices last month. That makes a big difference to our members back home."

Dog Days of Summer

Studies show that animal companions lower stress and boost the health of their human companions. And researchers say that animal companions like dogs can help buffer the stress of workplaces and boost productivity, too. (One recent study to look at was published in the *International Journal of Workplace Health Management*, although data across studies has bolstered this theory as well. Google provides lots of links.)

While the scientific benefits are inarguable, most can easily agree that the presence of a dog at work is just plain fun. "I usually bring Moby in at least once a week," said Alissa Jackson, PNGC Power's Manager of Accounting, about her 100 lb. Black Lab/Rottweiler rescue dog. "We like to joke that she's a 'dog with a job.' She takes it seriously! She looks forward to coming into work, and I know people look forward to seeing her."



"We've been allowing dogs to come into the office for a little over a year now, and I think it adds a little levity to the office," said Teresa Skreen, PNGC Power's Vice President of Administration. Teresa brings her young Boxer, Flynn, to the office a couple times a week. "People like to stop by and give the pup a pat on the head. And it's nice to be able to bring our furry friends in for the day. I think it's good for morale, and I think the office is better for it."

The rules are simple: no dogs on important meeting days, and only one dog at a time. And, as in any professional setting, owner and dog must be under control at all times. "It works for now," Skreen went on to say. "Obviously, if we end up hiring someone who is allergic to dogs we'll have to stop. But for now, we're enjoying a little bit of fun in our hectic days."

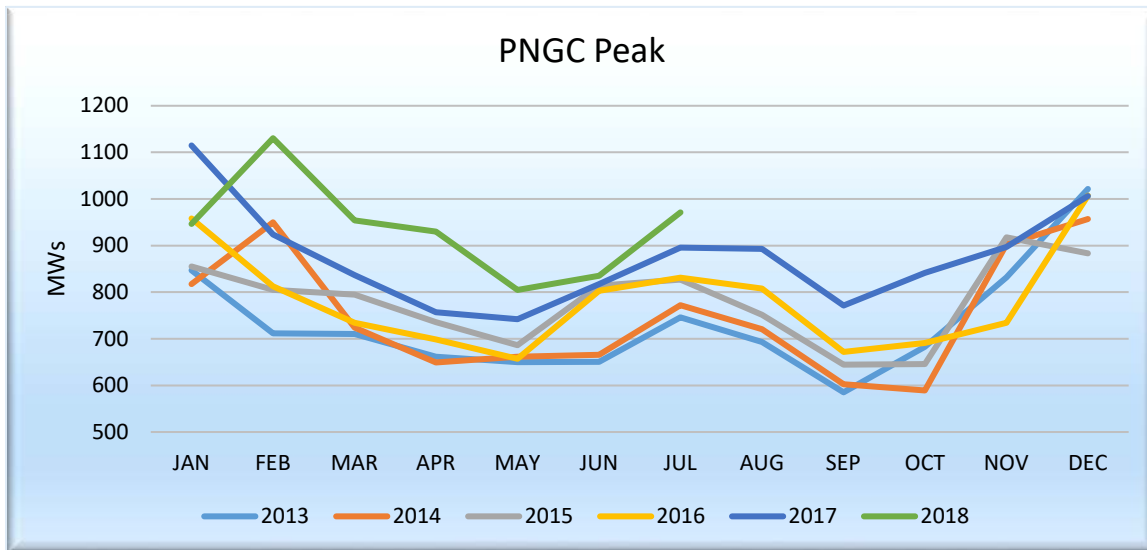
While none of the dogs that come into PNGC are on the payroll, it feels fitting to honor them as the employee spotlights this month. Thank you to all the very good dogs, for all you do at PNGC.



Top: Moby
Bottom, L to R: Gus, Kipper, Flynn

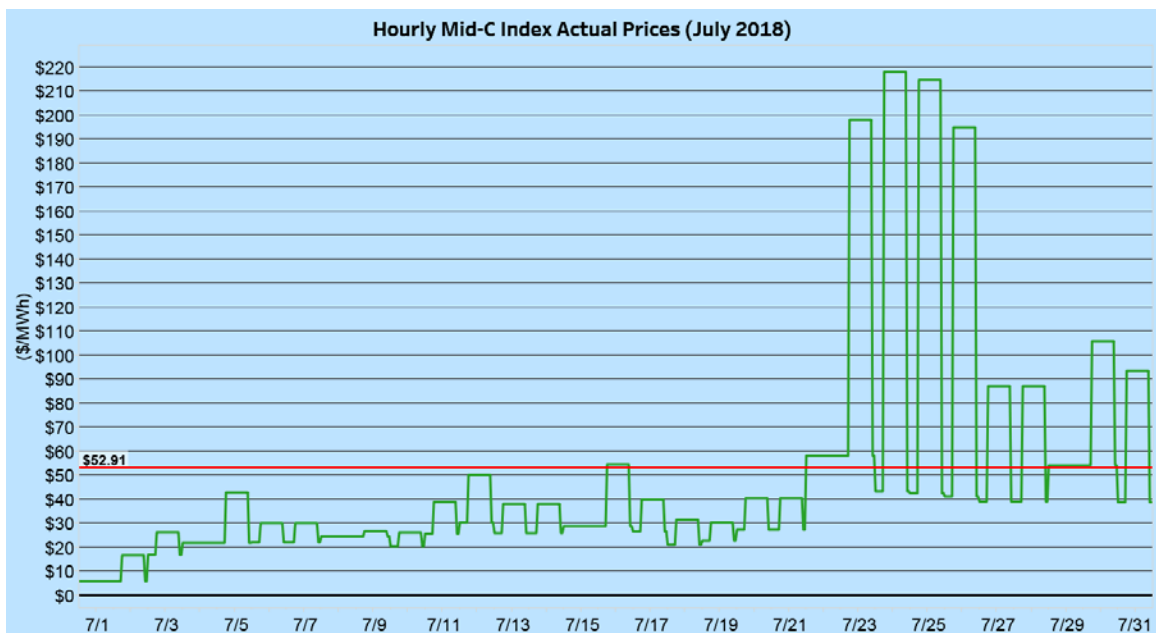
PNGC Peak by Month & Year

The graph below compares PNGC Power's peak demand by month for the last 5 years.



Mid-C Pricing

The graph below shows Mid-C Pricing for the month of July 2018



BPA Happenings

August 21	TC-20 Tariff Customer Workshop
August 22	BP-20 Rate Case Workshop
August 23	Transmission Planner CFR Customer Workshop
Sept. 6	Town Hall to Discuss Modernization of the Columbia River Treaty
Oct. 11	BPA EIM Stakeholder Meeting

Upcoming PNGC Events

August 17	PNGC Summer Staff picnic
Sept. 5	PNGC Board Meeting
Sept. 9-11	National G&T Manager's Association Meeting
Oct. 1-2	PNGC Power Annual Meeting



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About PNGC Power:

PNGC Power is a Portland-based electric generation and transmission (G & T) cooperative owned by 15 Northwest electric distribution cooperative utilities with service territory in seven western states (Oregon, Washington, Idaho, Montana, Utah, Nevada and Wyoming). The company creates value for its member systems by providing power supply, transmission, and other management services. PNGC Power is an aggregator of geographically diverse loads in the region.