

Where does OPALCO get its power?

Answer: we buy it!

- ▶ **Bonneville Power Administration (BPA)** through our cooperative power provider:
- ▶ **PNGC Power**

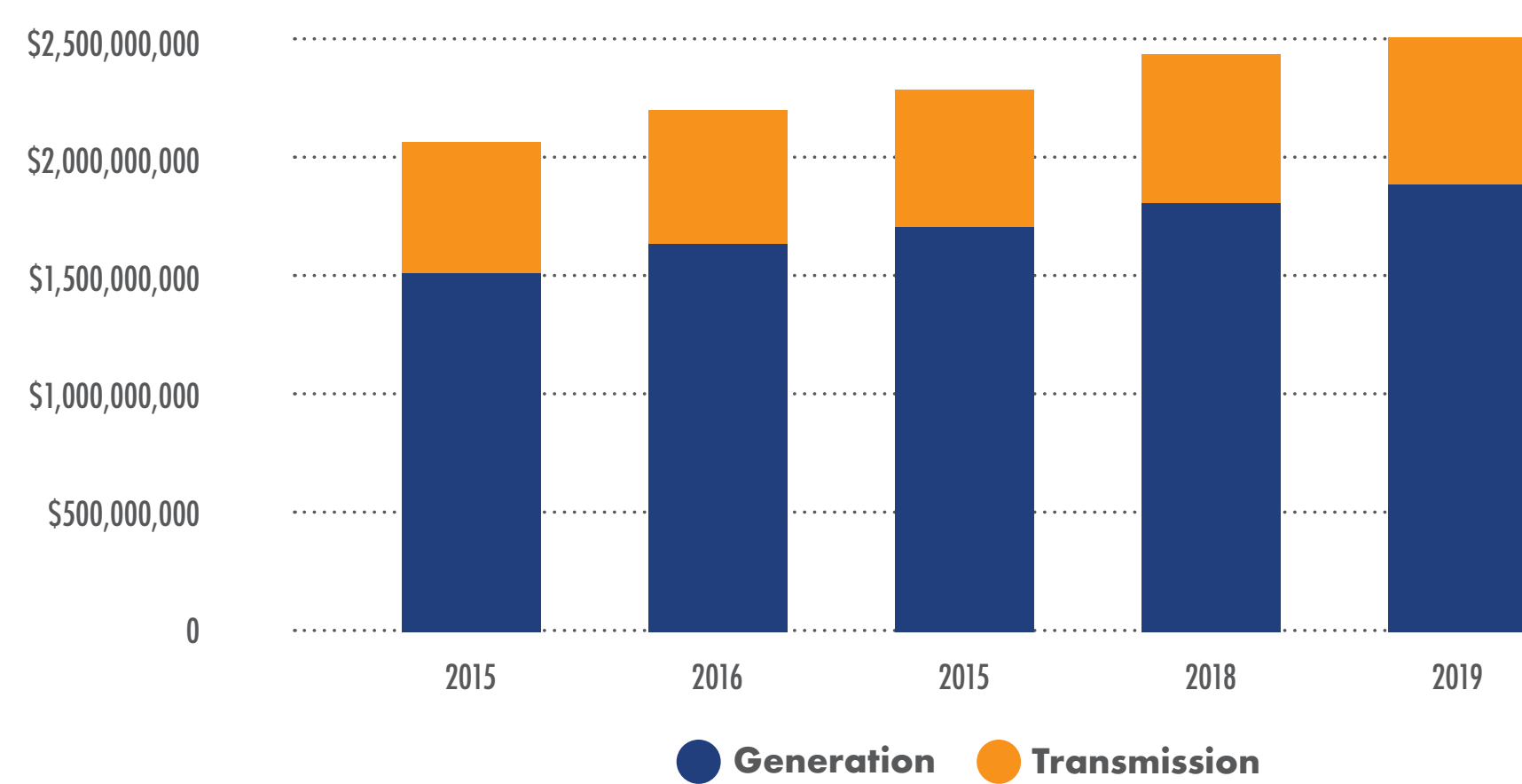
100% is purchased from PNGC / BPA

In 2017 OPALCO paid \$8,916,059 for purchased power

In October 2017, the cost of purchasing power from BPA, which represents approximately **29%** of all expenses incurred by OPALCO, **increased** by about **6%**. A similar increase is expected in October 2019 when BPA next adjusts rates.

BPA's Costs Are Going Up!

BPA's Cost of Operations

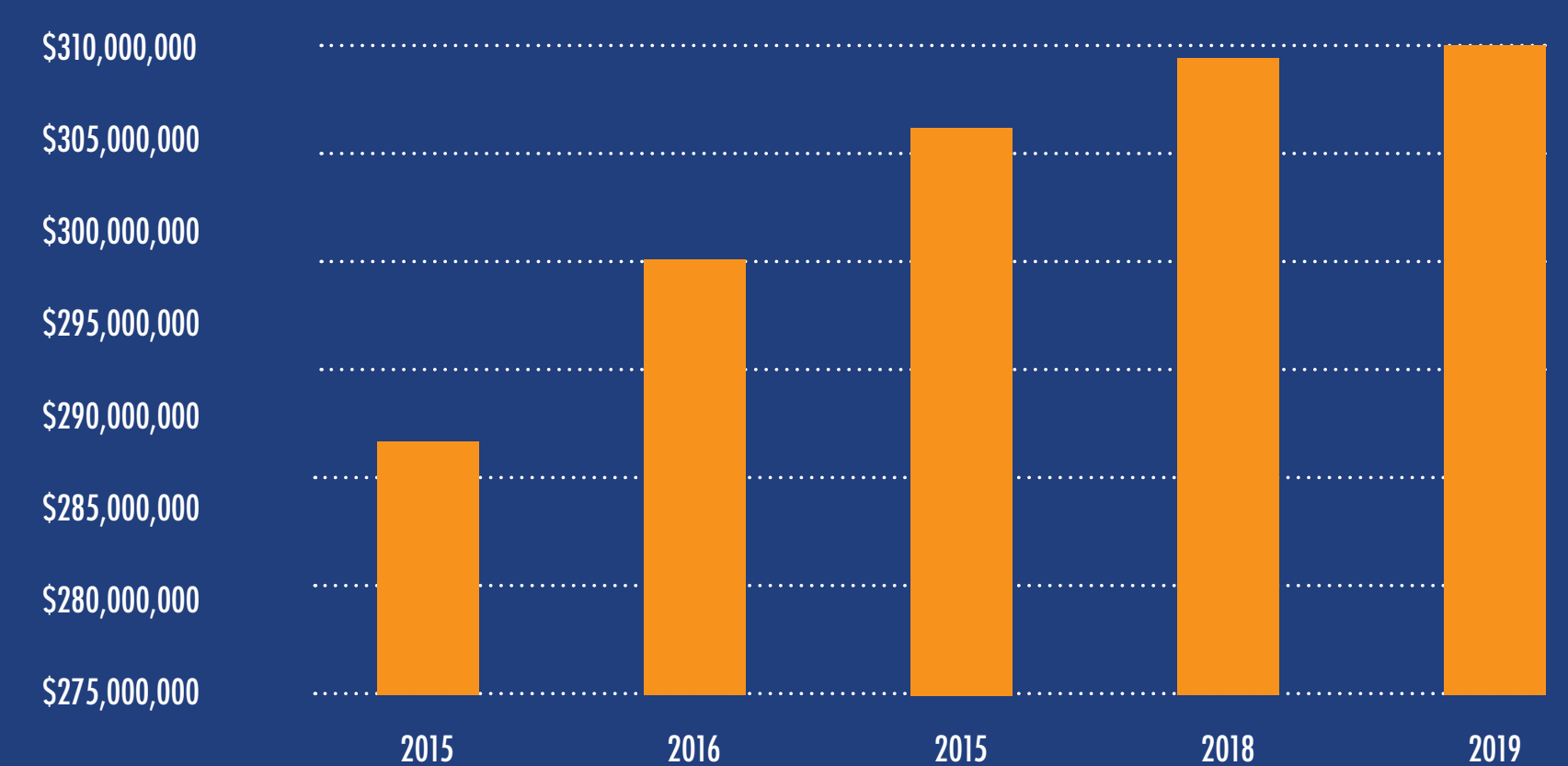


Why are BPA's Costs Climbing?

- ▶ It has limited generation and has to purchase part of the power it sells from the open market.
- ▶ Fish and wildlife mitigation costs are climbing due to recent court decisions. It has to negotiate a new treaty with Canada for Columbia River water use.
- ▶ Dry years have reduced stream flows and water availability for the Federal Columbia River Power System.
- ▶ Renewable generators such as wind and solar are using up more of the transmission grid capacity necessitating the construction of new transmission lines.

Fish and wildlife mitigation costs associated with the Federal Columbia River Power System are climbing.

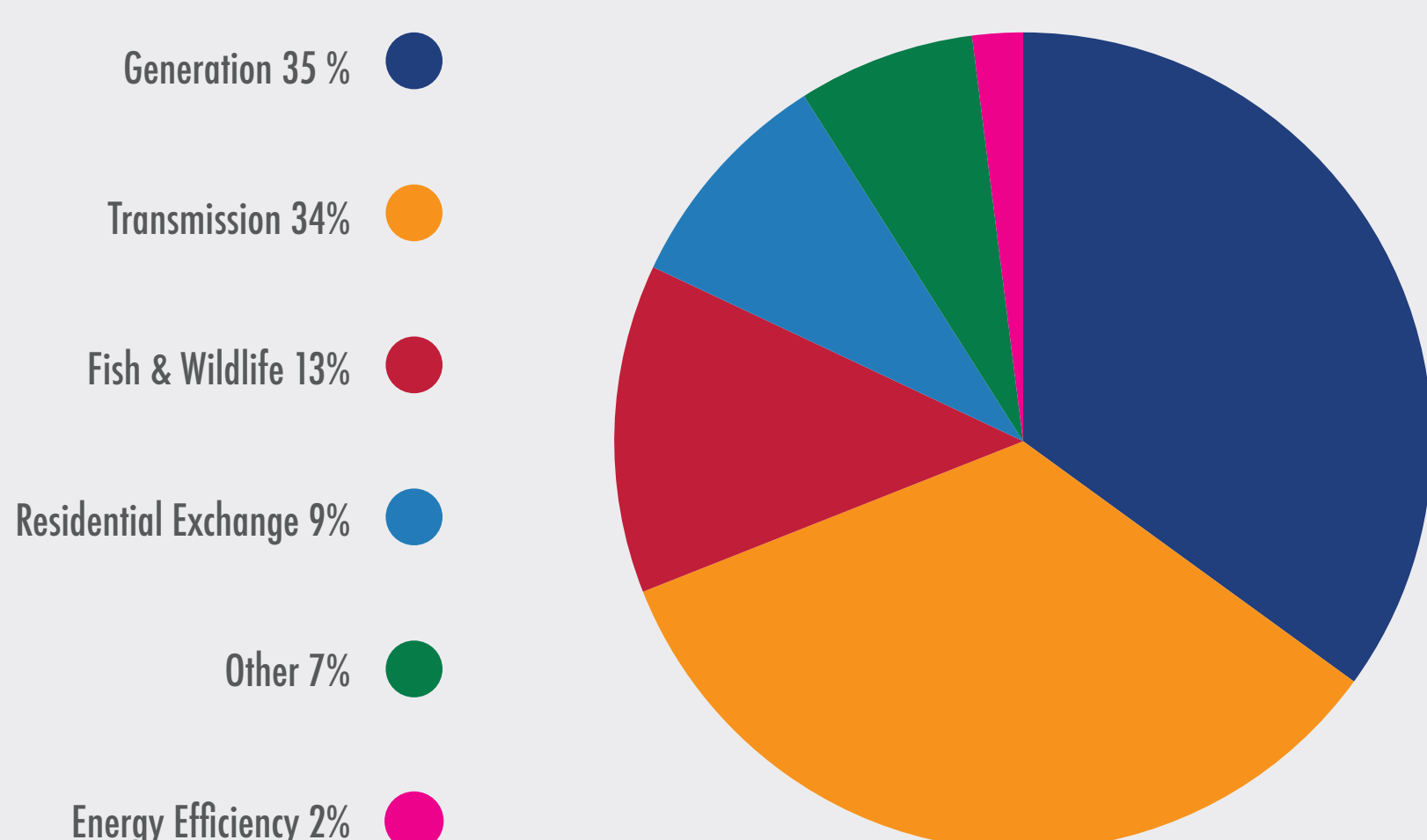
Fish and Wildlife Costs



What Costs are Included in OPALCO's Power Bill?



Our power bill includes:



BPA / PNGC Bill Components include:

- ▶ A large monthly fixed fee covering our share of the Federal Columbia River Power System.
- ▶ An energy component covering the energy we purchase (kWh).
- ▶ A capacity component, or demand charge, based on our system's peak demand (kW) during the month.
- ▶ Transmission access fees based both on the energy we buy and our system's peak demand.