

Board of Directors Regular Meeting

Thursday October 15, 2020

Virtual Meeting via Zoom/Facebook Live

As detailed in the March 3, 2020 OPALCO Press Release – The OPALCO Board of Directors announced that in order to follow CDC guidelines for social distancing, all the upcoming OPALCO public gatherings are cancelled until further notice in order to err on the side of caution in face of tremendous uncertainty with the current outbreak of COVID-19 in the state of Washington. Board meetings will be conducted as scheduled via remote video conferencing until further notice.

The first 15 minutes of the Board meeting will be streamed via Facebook Live for member comments and questions, followed by the Annual Member Business Meeting. Members do not need a Facebook account to view the live portion of the meeting (just say no when asked to create an account). Follow our Facebook page at and sign up for notifications <https://www.facebook.com/orcaspower/>. Please be patient; this process will evolve as we move forward.

Members may also submit any comments and questions in writing no less than 24 hours in advance of each meeting to: communications@opalco.com

Sequence of Events

- OPALCO Board meeting
- Executive Session



Board of Directors

Regular Board Meeting

October 15, 2020 8:30 A.M.*

Virtual Meeting via Zoom (Facebook Live for Viewing Only)

**Time is approximate; if all Board members are present, the meeting may begin earlier or later than advertised. The Board President has the authority to modify the sequence of the agenda.*

WELCOME GUESTS/MEMBERS

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

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

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Legal, Personnel, Competitive, Other	
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ACTION ITEMS

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 Consent Agenda includes:

- **Minutes** of the previous meeting – attached.
- **Approval of New Members** – attached {as required by Bylaws Article I Section 2 (d)}

NEW MEMBERS – September 2020

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

1. 645 Victoria Drive LLC
2. Aiken, Shawn & Lynn
3. Arcay, Ann
4. Bills, Oliver
5. Bond, Merah
6. Bouldin, Mark C & Cassie C
7. Buckton, Lisa
8. Carrosino, Kimberly & Michael
9. Claussen, Matt
10. Collier, Stephen E & Jeannie M
11. DeChristopher, Samantha
12. Everitt, Donna & Randell
13. Foley, Richard
14. Fortna, Ryan & Kari
15. Gak, Dmitriy
16. Harrah, Daniel R
17. Harris, Morgan
18. Hendrickson, John
19. Hicks, Thomas
20. Holloway, Neil & Samantha
21. Irwin, Rodney
22. Jensen, Halle H & Darin
23. Kerr, Dean J & Whitney
24. Ketbujong, Kanocknuch
25. Kohles, David A & Patrice C

26. Kreger-Stickles, Delaney & Lucas
27. Lynch, Nichole
28. Mavencamp, Larry
29. Memmott, Robert & Sarah
30. Minne, Bailey & Noble-Workman, Shade
31. Paisley, David & Wendy
32. Scarberry, Jeff
33. Schatzberg, Scott & Cutter, Katherine
34. Schreiner, Shawn
35. Sherrard, Jerry & Carolyn
36. Smith, Ian
37. Tomajko, Justin & Anderson, Charlie
38. Walkinshaw, Charlie
39. Wells, Marlana

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

40. Anderson, Carol A
41. Bay, Jeremiah & Coffelt, Ranya
42. Brown, Alana
43. Cocchi, Margaret & Himlan, Brian
44. Conti, Daniel & Holan, Amy
45. Crean, Philip & Edmonds, Cora
46. Dieringer, Anthony
47. Flores, Alex
48. Foote, Jennifer & Cory



49. Garcia, Alenna
50. Garza, Tyler
51. Goepferd, Ian
52. Hochberg, Hugh
53. Homewood, Corey
54. Johnson, Steve & Alexa
55. Jones, Emma P
56. KH Real Estate Group, LLC
57. Kunst, Mia
58. Leskie, Julianna M
59. Lewis, Jed & Bevacqua, Helen
60. Lipsky, Laura & Joshua
61. Miller, Russell & Deborah
62. Moeller, David
63. Mooney, John & Weingart, Loren
64. Mosley, James & Jennifer L
65. Mullen, Britt
66. Nagy, Scott
67. Olivier, Jaques
68. Porter, James & Burke, Polly
69. Rodriguez, Ernesto & Wiedman, Karen

70. Rousmaniere, Tony
71. Townsend, Jessica
72. White, Kevin & Rochelle

District 3 (Lopez, Center, Decatur, Center, Charles)

73. Brown, David A & Christiansen, Pippin
74. Craytor, James
75. Dilts, Roger & Connie
76. Dyer, William
77. Edmonds, Dan & Noreen
78. Fagerholm, Dain
79. Hess, Mike & Stewart, Lisa
80. Jones, Jonathan & Jennifer
81. Leppanen, Alica
82. McCabe Building Condo Assoc.
83. Melvin, Beth & Ryab
84. Reynolds, Jane & Craig
85. Riddiford, Alison
86. Stevens, Todd L

District 4 (Shaw, Crane, Canoe, Bell)

87. Evans, Robert & Chua, Ghim-Sim

- Capital Credit payments to estates of deceased members and/or organizations no longer in business as shown below:

October	
Customer #	Amount
13763	981.78
33980	1,406.17
8215	822.97
61736	1,174.75
Total	\$ 4,385.67

Staff requests a motion to approve the Consent Agenda.



Orcas Power & Light Cooperative

Minutes of the Board of Directors Meeting

Thursday, September 18, 2020

Streaming through Zoom attendees were: President Vince Dauciunas, Board members Rick Christmas, Jerry Whitfield, Brian Silverstein, Mark Madsen, Peter Garlock and Jeff Struthers. 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; Public Relations Administrator Suzanne Olson; Communications Specialist Krista Bouchey; and Executive Assistant Kelly Koral (serving as recording secretary). Also present were Legal Counsel Joel Paisner and consultant Jay Kimball.

Facebook Live session commenced at 8:30 a.m.

Suzanne Olson greeted the Facebook Live attendees and invited anyone with questions to please post online.

Facebook Live session ended at 8:45 a.m., entered regular session at 8:50 a.m.

Consent Agenda

- **MOTION** was made to accept the consent agenda, seconded. Passed by voice vote.

Member Information Appeal

Discussion was held regarding the request for appeal of a decision made by the GM to deny releasing information requested. Per Policy 16, sections 4.4, 4.7 and 3.1.12 all support not disclosing the information.

- **Motion** was made to deny the request of the member. Seconded and passed by voice vote.

RESP 2.0 RUS Loan

- **Motion** was made to approve Resolution 5-2020 to execute the loan documents from RUS in the amount of \$15M. Passed by voice vote.

Director Election for Industry Organizations

Due to Covid-19 industry in-person meetings and conferences have been cancelled and replaced with teleconferencing. Organizations OPALCO is a member of have requested remote voting. For efficiency staff recommends one delegate and one alternate for all organizational voting. Excepting WRECA which Jerry Whitfield will remain the primary delegate.

- **Motion** was made to approve Foster Hildreth as the delegate and Russell Guerry as the alternate. Jerry Whitfield to remain as delegate for WRECA. Seconded and passed by voice vote.

Annual Meeting 2021

The suggested meeting date for the annual meeting was April 24, 2021. Staff is anticipating the meeting will be a virtual meeting. Staff will investigate live streaming the meeting should conditions change and the meeting is held on the ferry as in years past. Both director positions for District 2 are up for election along with one position for District 3.

- **Motion** was made to approve the following:
 1. Set the date for the 2021 annual meeting as April 24, 2021;
 2. Set the place for the 2021 annual meeting as a virtual event unless pandemic conditions drastically change for the better;
 3. Appoint Joel Paisner as Parliamentarian.

Motion as seconded and passed by voice vote.

Break 9:06 a.m., Return 9:15 a.m.

PNGC – Roger Gray

Roger Gray with PNGC joined the meeting and shared his California Independent System Operator (CAISO) presentation.

Covid-19 Update

GM reviewed the current charts and statistics of the effects of COVID-19 on the co-op. OPALCO is currently assisting approximately 400 members.

GM Report

GM reviewed the General Manager's report

Break at 12:20

Back in session 12:31

The Board broke into Executive Session

Back to regular session at 1:37 p.m.

- **Motion** to approved Bill Appel as a new member of the Elections and Governance Committee (EGC). Seconded and approved by voice vote.

Meeting adjourned at 1:40 p.m.

Vince Dauciunas, President

Brian Silverstein, Secretary/Treasurer

Fuel Switching Rebates

Staff is recommending that we increase our self-funding rebate budget in the amount of \$27,500 (25 total rebates) by reallocating the equivalent amount from payments received by the BPA Energy Efficiency Incentive (EEI) program.

Staff has administered a traditional rebate program in partnership with BPA for many years, which is funded by BPA in 2-year cycles (rate periods). In 2016 we also began a self-funded fuel switching program promoting beneficial electrification by incentivizing ductless heat pumps (DHP) and level 2 EV charging stations. Since the inception of the fuel-switching program, the membership has taken full advantage every year, and all rebates have been allocated before the year end.

The last DHP fuel-switching rebate was approved in July, much earlier than in previous years (typically November and December). Because the number of available rebates has been limited to what was proposed in the budget package, staff has waitlisted applications pending approval of the following year's budget, in anticipation that the Board will approve these programs in the package.

In PNGC's traditional rebate program (which is passed directly through from BPA), we are allowed to collect a "performance payment", which is in excess of what we pay out to members for the rebates in the traditional program. The only reason we opted to collect these payments is to ensure that we do not have unspent funding in the allocation from PNGC, since only a portion of the EEI budget rolls over a certain amount into the next rate period. We can use this funding to either extend the traditional rebate program if we spend our PNGC allocation early (with the rate period expiring in September 2021), or we can use it to extend the self-funded program, which is depleted now. Note we have collected ~\$73k so far from the performance payments and have five DHP fuel-switching rebates and three EV charging station rebate applications waitlisted so far, worth \$9k total. If the membership follows the same trend of fuel switching DHP applications (~8 per month), we expect to see an additional 15 DHP applications and 10 EV charging station rebates by year-end.

Staff recommends a motion from the Board to reallocate \$27,500 (25 total rebates) from the EEI budget fund to the fuel-switching program.

2019 Form 990 Draft Review (Approval after Executive Session)

The draft 2019 federal Form 990 will be reviewed during Executive Session.

Note, these figures have been reviewed multiple times. The 2019 return is consistent with last year's filings and is based on the 2019 financial statements (including quarterly reviews), were audited by Moss Adams and approved by the Board of Directors at the May 15th board meeting. No material adjustments have been made in the compilation of this tax filing.

NRECA has published a useful infographic for how to read a co-op Form 990:

<https://www.electric.coop/990-2/>

Please note that Staff will post the Form 990 on OPALCO's website once it is officially filed and made available on the web.



Upon review in executive session and concurrence, staff requests the Board make a motion to approve the submittal of the 2019 Form 990 during regular session.

DISCUSSION ITEMS

Regional Public Power Outreach

The energy world is rapidly changing and OPALCO must be at the table to collaborate with regional and national decision makers in order to secure a safe, reliable and affordable power supply for our membership. As more coal plants shut down and carbon reduction legislation heightens, the PNW region is on a path towards frequent rolling blackouts. This “black-out” situation is exacerbated by California’s incredible thirst for PNW hydropower to firm their massive amounts of intermittent wind and solar resources. The best way for us to control our own destiny is to safeguard the most important carbon free power resource in county and assert our preferential rights to the Federal Hydropower System and Bonneville Power Administration. The most prudent manner to do so is to help influence the creation of a new organized market specifically for the Pacific Northwest region of the Country. The creation of such a PNW regional power resource group will enable us to collectively share the hydro system, while not turning control over to California Independent System Operator (CAISO).

While legislative outreach activities are a regular part of our communications strategy, we must step it up in collaboration with our strategic partners at PNGC and develop a more comprehensive approach.

Given the ever-changing energy landscape and threats to resource adequacy, including:

- competition for existing valuable hydro resources;
- NW coal plant closures;
- ambitious clean energy regulations (Clean Energy Transformation Act - CETA);
- loss of federal hydropower generation due to BPA’s statutory requirements to comply with cornerstone environmental laws like the Endangered Species Act and Clean Water Act;
- climate change impacting loads and resources; and system reliability issues that increasingly challenge our ability to keep the lights on;

OPALCO must expand its scope of external relations and take a more active role in the region’s generating pool. There is a lot at stake.

Power Supply: The next round of contract terms with BPA will be negotiated between now and 2028; OPALCO, in partnership with PNGC, must explore and develop all available options for power purchase agreements before determining our next contract with BPA.

Politics: The PNW region’s access to clean and affordable hydropower is at stake as players throughout the region and nation compete for renewable resources.

To successfully get through to decision-makers in this noisy political environment, we have to:

- Build a common awareness among our co-op peers of the complex challenges and opportunities we face as power providers in the region;
- Grow strategic partnerships where it makes sense; and
- Be more intentional, consistent and coordinated in external messaging.

In this pursuit, we see value in partnering with other like-minded cooperatives through our PNGC membership. This regional cooperation among cooperatives allows OPALCO to increase scale and market presence through collaboration. As well as lower the cost and risk of power supply and transmission services. In addition to these operational efficiencies, we can partner with PNGC (as an extension of our internal capabilities) to scale a shared external message where it makes sense.

Last month we heard from PNGC CEO, Roger Gray about the complex set of challenges we face. As OPALCO's power supplier, Roger shared important insight and the board participated in a productive discussion. Our job now is to take that conversation out of the board room and into the regional and national dialogue about energy.

The following is a DRAFT plan to reach peers, elected officials and industry partners with clear and consistent messages. Working in collaboration with PNGC and our utility peers, we can influence the course of decision making that is so critical – in the next 2-3 years as we negotiate contracts for our generation post 2028 – and over the longer term as we build a sustainable, healthy and affordable future power supply.

Call to Action: The work ahead is a heavy lift. It is critical that the entire OPALCO leadership team fully support the creation of a new organized market in the PNW to protect and ensure access to a clean, firm and affordable power supply. Staff requests a robust discussion at this meeting and seeks a consensus decision to move forward with regional dialogue towards the creation of this cornerstone tool.

REGIONAL PUBLIC POWER OUTREACH PLAN - 2021

Goals:

- Maintain reliable, affordable, clean power for OPALCO's territory
- Assist in the formation of a PNW stakeholders coalition to advance the creation of a new organized market entity specifically advocating for the PNW
- Tell the Big Story about resource inadequacy in the region
- Be proactive in mitigating risk during energy transition and climate disruption
- Position OPALCO as a leader in the industry

Audience:

- Members and Staff/Board
- Federal, State and County Legislators
- Co-op peers/industry stakeholders (PNGCA, NWPPA, NRECA, WRECA)
- Regional utilities
- Renewable energy producers/generators
- Technology partners
- Government grantors (DOE, Commerce, BEF...)

Objectives:

- Bring awareness for the need for a new PNW centric organized power market.
- Develop clear and consistent messages about regional power supply, risk, challenges and opportunities
- Collaborate with PNGC and peers on delivering consistent messages to legislators
- Engage and influence peers and decision makers in region
- Be at the table (PNGC) for regional decision making on power supply
- Support management team with communication tools to:
 - Develop strong options in next two years for contracting power resources
 - Collaborate in region to develop new options and partners for generation
 - Accelerate renewable development locally and in the region
 - Negotiate beneficial contracts with new resources for clean generation
 - Cultivate qualities similar to RTOs and ISOs in order to mitigate risk
 - Create diverse network of generating partners to access resources for meeting demand, managing load and mitigating risk
 - Be fast followers; innovate wisely

Key Messages:

1. OPALCO's POWER SUPPLY

- OPALCO depends on hydropower generated by BPA through the Federal Columbia River Power System and managed by PNGC, a powerful coalition of 14 electric cooperatives in the region.
- Threats to the region's power supply are creating uncertainty for resource adequacy.
- OPALCO advocates for a new organized market entity to serve the PNW.

2. THE WORLD IS CHANGING!

- OPALCO and its peers face a new legislative mandate to achieve a carbon neutral fuel mix by 2030.
- Transitioning to renewable power requires firm sources of generation to keep the power supply flowing when the wind doesn't blow and the sun doesn't shine.
- Threats to the hydro-electric dams in the PNW put heavy pressure on a power supply that is already at risk – before CETA demands are met.
- The next two-three years are critical as OPALCO and PNGC develop a plan for where their power will come from post 2028 when the current BPA contract ends.
- OPALCO, as a member of PNGC, will negotiate a new contract with BPA and explore new generation resources to ensure safe, reliable and affordable power.
- Fire season is a regularly occurring threat to infrastructure and power supply that must be mitigated through policy, cooperation and system management.
- The region will see an increase in blackouts and climate migration, putting additional pressures on the power supply.

3. OPALCO IS POSITIONED TO MEET THE CHALLENGES

- Working together with PNGC's 14 co-ops, we are stronger together.
- OPALCO built its own system and has maintained reliable, affordable power since 1937 - and will continue to do so.
- OPALCO is at the table in regional policy talks and resource planning
- OPALCO's dedicated team is qualified to meet the coming challenges.
- OPALCO cares deeply building a clean and sustainable energy future for its members and the region
- OPALCO is willing to share its solutions with industry peers and welcomes opportunities to collaborate

4. WHAT WE SHARE IS STRONGER THAN WHAT WE FACE.

- Everyone must do their part to successfully navigate the big changes in the world – from co-op members to Congress.
- The transition to a fully clean and renewable power supply will be expensive and carried on the backs of ratepayers in the region.
- The political will to make the changes required to build a clean and sustainable power supply – including major infrastructure upgrades – is needed at every level: local, county, state, regional and national.

Activities:

- Develop talking points in collaboration with PNGC
- Coordinate legislative visits, communication strategies and materials with PNGC and peer co-ops in the region
- Develop materials that help audiences to understand the urgency and issues we face as a co-op and industry – and share them with peers.
 - Infographic about power supply (OPALCO and region)
 - Strong fact sheets on rolling blackouts and regional resource inadequacy, fire season and utility infrastructure
 - Strengths and weaknesses of intermittent renewable resources
- Earned media in industry publications (write articles for industry pubs)
- Encourage leadership in regional and national industry organizations
- Participate in regional talks, workgroups and meetings
- Lobby legislators directly and through industry organizations
- Set legislative visits in Olympia (coordinate with Ashley) and share talking points/materials with PNGC peers
- Host visiting utility leaders and legislators to visit projects (invite PNGC)
- Educate the co-op membership to prepare for the major changes to our world and encourage participation and investment (see member plan)
- Arm co-op board members with talking points and tools to use with peers and constituents

Next Steps:

1. Reach out to key stakeholders in the PNW
Join PNGC in forming an advocacy coalition to advance the creation of a new organized market entity specifically.
2. Develop clear and consistent messages and materials in collaboration with PNGC
Staff are working with peers at PNGC to develop talking points, articles, infographics and fact sheets tailored to each audience in order to educate and engage with decision makers in the region.
3. Engage Board of Directors and peer utilities
As messages and materials are available, distribute to board first and peers second to develop a strong “army” of spokespersons for the messaging and objectives.
4. Distribute materials for use in legislative visits by all PNGC coops
In collaboration with PNGC, develop and distribute a strong package of materials for all peer utilities to use in their legislative outreach activities in 2021.
5. Continue discussions about creating a regional transmission authority in the PNW
Beginning with the Board and continuing through PNGC and other regional power organizations, keep moving the discussion forward about how best to navigate the politics of power in the PNW and the potential of creating a powerful new organized market entity (transmission authority) of our own for the benefit of OPALCO and the region.
6. Timeline
Develop a timeline in conjunction with PNGC, expected Q1 2021.

Appendix: Reference Material and Further Reading

Big Picture Material

[Informing the Transmission Discussion: A Look at Renewables Integration and Resilience Issues for Power Transmission in Selected Regions of the United States](#)

This report is packed with information. It includes a comprehensive overview of the current state of play of the electric industry and conducts a region-by-region examination of the challenges posed by changing energy resources, increasing electrification, and a **greater need and preference for location-constrained renewables integration**, in addition to **addressing growing concerns about and risks to the resilience of the North American electric power system**. The study also explores how these issues should be considered from an **interregional transmission development** perspective. This report is loaded with data and insights. Chapters G and H focus on WECC and CAISO. It's a big PDF. Give it time to download.

[Meeting California's needs with out-of-state hydro](#)

A fascinating insider view of CAISO and WECC market dynamics – past and future. At a Northwest Power and Conservation Council meeting in November 2017, Randy Hardy spoke about electricity generation markets in California. Hardy is a former administrator of BPA and also was the chief executive officer of Seattle City Light. During that talk, he discussed the state's 50% renewable portfolio standard and how hydropower can help with California's energy situation. Here's an excerpt:

"One pretty straightforward solution would be to access Pacific Northwest hydro. Hydro is by far the most flexible resource you can use."

"CAISO took the first step to address the ramp issue in November 2017. They have in their 2018 catalog an initiative to look at a day ahead, 15-minute market capacity product. They'll develop this during 2018 and presumably put it into effect in 2019. That's the first time CAISO will be paying for capacity in its 20-year history. That's a step in the right direction. You have a capacity payment that gives Northwest hydro providers more time and more assurance that they can get the financial returns they need to sell. It doesn't make a lot of difference in Q2 or Q3 but it makes a big difference in Q4 and Q1, where you essentially face discretionary decisions of do I sell or do I store? If BPA, Powerex and Seattle City Light can get a capacity payment, chances are they can bid into the day-ahead market to do that."

"Elliot Mainzer, administrator of BPA, has stability in the near term. But he needs to think that, if low power prices are going to continue, do I start to take steps now, anticipating that come 2027, I'm going to have some pretty dramatic diversification? You have two choices: **One is to wait two to three years to see if the California market develops sufficiently, where you can sell big quantities of hydro capacity and other products to get the revenue return you need to make up for some of the losses you've incurred and keep your rates in check.** Or, do you do long-term

deals now if you have “surplus power” you can sell to one of the Northwest investor-owned utilities or maybe one of the marketers.”

Comments of Powerex Corp. on Resource Adequacy Enhancements

*“Regardless of the specific type of paper capacity Resource Adequacy (RA) sales, both lead to the same outcome: **the reliability of the CAISO grid hinges on the availability of surplus energy in the short-term bilateral markets, which is increasingly limited and uncertain.** This is the very outcome that RA programs are intended to avoid. Paper capacity should therefore be recognized as inherently incompatible with—and detrimental to—RA.”*

California looks to Pacific Northwest as it revives grid expansion proposal

Don Furman, a **longtime Northwest utility executive** who now leads Fix the Grid, a coalition of environmental groups and renewable energy companies who back integration, thinks there could be interest.

“Nobody has decided they’re going to join the (California grid),” he said. “Nobody is going to be rash. But I can tell you there are definitely people looking into figuring out ways where the value proposition could be compelling. **There is definitely a turn toward California in the Northwest, and a growing turn from California to the Northwest.**”

The struggling Bonneville Power Administration, which markets power from 31 federal dams and a nuclear power plant in the Northwest, and Northwest public utilities with hydro resources could be candidates, Furman said.

“Some of the folks in public power have made no secret about their interest in accessing the California market,” Furman said.

“For BPA, the rise of cheap natural gas and renewables has made selling surplus hydropower into the spot market less valuable, robbing it off a moneymaker that helped it keep rates low for its traditional public utility customers. **Tighter integration with California could create a more reliable and lucrative day-ahead market for that surplus capacity, boosting revenue.**”

CAISO Wants NW Power Material - CAISO reports, news, analysis – getting into their “world view”

CAISO Board Vision Discussion Paper Electricity 2030 – Trends and Tasks for the Coming Years Public Generating Pool Comments

“Clean, flexible hydroelectric resources of the Pacific Northwest (PNW) can provide immense benefits to the CAISO in reducing renewable curtailment and meeting flexible ramping needs.”

“We agree there may be benefits that can be gained with regionalization, however **the Vision Discussion paper is explicitly focused on the benefits of regionalization to the state of California.** For many years, the NW parties have indicated that independent governance will be an important issue in determining the approach to more formalized coordination. **Future versions of this document or discussions of regionalization should highlight what is needed to assure benefits are realized by other states as well as California** and highlight the actions the CAISO is taking or can expand to balance different regional policies and resources.”

Blackout-Prone California Is Exporting Its Energy Policies To Western States, Electricity Will Become More Costly And Unreliable

California law regarding electricity explicitly states that *“a violation of the Public Utilities Act is a crime”* and that it is *“...the intent of the Legislature to provide for the evolution of the ISO (California’s Independent System Operator—the entity that manages California’s grid) into a regional organization to promote the development of regional electricity transmission markets in the western states.”* In other words, **California expects to dictate how the Western grid operates.**

Reclassify hydropower now – as renewable energy

California Assembly member Adam Gray asserts *“If we are going to meet California’s urgent power needs, we cannot relegate hydropower, our most affordable and reliable clean power, to second-class status.”* When he says hydro is *“most affordable and reliable clean power”* we should hear that as NW hydro power.

Increased Capabilities for Transfers of Low Carbon Electricity between the Pacific Northwest and California Informational Study

These studies would focus on evaluating key options to **increase transfer ratings of the AC and DC interties with the Pacific Northwest**, and assess what role these systems can play in **displacing generation whose reliability is tied to Aliso Canyon.**

Power-hungry California is hot for the Northwest's clean energy

California is the big dog in the fight, reaching into the Northwest to buy large amounts of wind power from Columbia River Gorge projects. *“They’re certainly trying to grab it everywhere they can,”* said Lee Beyer, chairman of the Oregon Public Utility Commission, which regulates the state's large utilities. Los Angeles Department of Water & Power and San Francisco's Pacific Gas & Electric are among those securing long-term contracts for hundreds of megawatts of wind power in Oregon and Washington.

Jerry Brown and Warren Buffett want to rewire the West

Right now, CAISO oversees 80 percent of the California grid, including the wires owned by Southern California Edison, Pacific Gas & Electric and San Diego Gas & Electric. **Under Brown and Buffett's plan,**

CAISO would expand to oversee PacifiCorp, a Buffett-owned utility that serves customers in Idaho, Oregon, Utah, Washington, Wyoming and a slice of Northern California.

[California's huge energy decision: link its grid to its neighbors, or stay autonomous?](#)

"...you can grow the grid, extending its boundaries over a broader geographic area. That's what the ISO decision is about... And California can make use of a greater variety of excellent resources, such as wind energy in Wyoming, Montana, and New Mexico... **A regional market would allow for a single entity, the ISO, to coordinate transmission planning."**

[Responses to Stakeholder Comments 2018-2019 Transmission Planning Process Stakeholder Call PNW-CA Transfer Increase Special Study April 18, 2018](#)

Just a few quotes of note:

"CAISO should engage with the Northwest Power and Conservation Council (NPCC) on a variety of topics including hydro availability and resource adequacy of the Northwest, which may influence the ability of the northwest to share resources with CAISO."

"The general objective is to "Increase the Capacity of the AC and DC Intertie" sufficient to fully utilize the Pacific NW hydro resources."

"The likely build-out of new transmission from the east in the Pacific Northwest to allow imports of Montana and Wyoming wind across the Cascades to serve PNW load centers along the coast offers the potential ability to create a strong parallel E-W path to the Intertie."

"While there is not a single, up to date, authoritative resource for Washington and Oregon's anticipated aggregate portfolios, it could be valuable to utilize the portfolios developed for other studies on the Pacific Northwest such as utility IRPs and the assessments by the NW Power and Conservation Council"

[RTO Insider: CAISO Seeks 'Firm' Tx for Resource Adequacy](#)

"CAISO is seeking to deal with import shortfalls through its Resource Adequacy Enhancements Initiative by **requiring commitments from out-of-state generators and lining up dedicated transmission heading into the summer of 2021.**

Member Outreach: Vision Campaign

We have a big story to tell our membership. The rate of change happening right now in the energy world is dramatic and the consequences are already piling up: legislative (CETA) mandates, drier and hotter weather patterns, the grim toll of fire season, climate migration, coal plant closures, political plays to control regional power supply, capacity constraints on aging infrastructure causing rolling blackouts and the rising cost of power. This is just the beginning. We are facing a major transition away from fossil fuels and toward a clean and sustainable energy future. Without Federal and state assistance, rate payers in the region will have to pay for this expensive and necessary shift over the coming decades. Island aesthetics will change as we build out as much local renewable power as we can bear – and we'll need land to build it on. We need to let our members know what is ahead and help them prepare.

OPALCO has a plan to bring our cooperative into a healthy and sustainable energy future: the Integrated Resource Plan (IRP). Staff are developing a bold and distinct look and feel for a public awareness campaign, The Island Way: Determining our Own Energy Future. The campaign will get the attention of the membership and build excitement and commitment for the shift in how and where we get our power – and how members will participate in the new energy world. Everything we do in member outreach for the foreseeable future will carry the messages and urgency of that plan of action with a goal of member education and engagement. Broad member participation is an essential ingredient on the path to building our energy future and OPALCO will be most successful with deep engagement and voluntary member investment. It is a great opportunity to emphasize the cooperative difference.

The COVID-19 pandemic creates challenges for how we will conduct member engagement and the communications plan is built for the worst-case scenario (continued isolation and no in-person contact) with flexibility for when and how things open up. The uncertainties of the pandemic and how our island communities will be operating through 2021 are big variables. Another challenge in the current state of affairs is continued economic hardship and news fatigue. People are physically and emotionally exhausted from their own rough stories and jaded from nearly a year of news intensity, disasters and doubt. OPALCO's 2021 communication strategy will rely heavily on person to person stories (and experiences, as safe) in order to strike a chord and build connection.

As is always the case, communication outreach in our service territory must be built on a layered approach to reach the largest percentage of our wide-spread audience. On the ground floor, all of the traditional channels (ads, bill inserts, newsletters and blogs, website, social media, earned media, etc.) will carry the banner of The Island Way campaign and content will be built on the key messages. On top of those channels, campaign-specific branded outreach and activities will be targeted to key audiences throughout the year, reinforcing OPALCO's expertise and credibility with the IRP, developing opinion leaders and encouraging word of mouth message sharing, and exciting the membership with the promise of a healthy and sustainable energy future. New channels such as podcasts and digital gamification will be tested for effective member engagement.

While the urgency of the shift in our energy world is NOW, the next generation of co-op members will carry the load of the transition. In order to lay the foundations of understanding and excitement, a new strategy called "Energize Youth" will be developed in collaboration with schools to give youth a voice, provide educational updated materials and encourage conversations about energy. A high-school



internship program will be developed to demonstrate community investment and build connection with careers in the power industry.

Across every channel, storytelling will be our most effective tool. For every goal and objective, we will seek out member stories to carry our key messages and inspire others to action and understanding. Building connection between people builds the kind of trust that we need to move forward as a unified membership.

The attached presentation gives an overview of the 2021 Communication Plan for Member Outreach, outlining the goals, audience, objectives and activities. A separate communication strategy is also included in these board materials (preceding discussion topic) to address the power industry and legislative audiences with a mission to influence regional decisions about the future power supply to avoid CAISO gaining control over our PNW hydro assets.

2021 Communication Strategic Plan

OPALCO'S VISION

01

We have a Herculean story to tell.

The rate of change happening right now in the energy world is dramatic and the consequences are already piling up: legislative (CETA) mandates, drier and hotter weather patterns, the grim toll of fire season, climate migration, coal plant closures, political plays to control regional power supply, capacity constraints on aging infrastructure causing rolling blackouts and the rising cost of power. This is just the beginning. We are facing a major transition away from fossil fuels and toward a clean and sustainable energy future. Obtaining the financial assistance will be critical for us to achieve our goal to transition to local renewable generation. Without Federal and State support, rate payers in the region will have to pay for this expensive and necessary shift over the coming decades. In addition to getting strong member support for this transition, we'll need to safeguard our island aesthetics and the land to build it on.

We need to let our members know what is ahead and help them prepare.

THE BIG STORY

2021 Goals

Engage and Educate Members

Demonstrate Integrated Resource Plan

Encourage Participation and Investment

Help Members Prepare for Energy Transition

Position OPALCO as an Industry Leader





AUDIENCE

There are three components to our audience:

1. **Internal** – always the first stop on outreach distribution
2. **Membership** – primary audience for outreach strategy
3. **Industry** – a separate, tailored, strategic approach

OPALCO's top priorities—providing safe, reliable, affordable power—will be challenged by rapidly evolving dynamics around energy public policy, climate disruption, politics and industry supply and demand.

OPALCO has a plan to bring our cooperative into a healthy and sustainable energy future.

PRIORITIES



IT'S ABOUT THE MEMBERS

Broad member participation is an essential ingredient on the path to building our energy future and OPALCO will be most successful with deep engagement and voluntary member investment. It is a great opportunity to emphasize the cooperative difference. Sharing our members' own stories will be our superpower.



THE ISLAND WAY

Staff are developing a bold and distinct look and feel in the form of a campaign to explain our vision for the future of power in the islands. Everything we do in member outreach for the foreseeable future will carry the look and key messages of the campaign, along with the urgency of our IRP timeline with a goal of member education and engagement.



THE ISLAND WAY

DETERMINING OUR ENERGY FUTURE

The vision campaign was developed in collaboration with SomeLab, a local design and organizational development firm. The products are based on internal and external interviews and a committee of staff and a board member who helped guide the process.



THE ISLAND WAY

DETERMINING OUR ENERGY FUTURE

The promise behind our campaign is:
WHAT WE SHARE IS STRONGER THAN WHAT WE FACE.



THE ISLAND WAY

DETERMINING OUR ENERGY FUTURE

The content we develop under this campaign—the stories we will tell—will build on this manifesto:

What will it mean in the coming years, to sustain our island communities? To recognize change and find our way through it? Where will we find the power we need? Only here, only in ourselves. This is the task that has come to us. But we aren't alone. We have the advantage of the most advanced energy technology on the planet—if we choose to seize it. We have a utility model that's equal parts cooperation and independence—if we choose to trust it and magnify its strengths. And, we have a long-standing habit of thinking off the coast of the expected—if we choose to unite and use it to shape the future we want.





COMMUNICATION PLAN

Communication outreach will use a layered approach to reach our wide-spread audience. All of the traditional channels (ads, bill inserts, newsletters and blogs, website, social media, earned media, etc.) will carry the banner of the vision campaign and content will be built on the key messages.

On top of those channels, campaign-specific branded outreach and activities will be targeted to key audiences throughout the year, reinforcing OPALCO's expertise and credibility with the IRP, developing opinion leaders and encouraging word of mouth sharing, and exciting the membership to take on the work ahead of us. Storytelling will be our most effective tool.



OBJECTIVES & ACTIVITIES

The following is a high-level look at the whole communication plan for 2021, with activities related to telling the IRP stories highlighted for the Board.

Please note: some activities will be possible only after the disruption of the pandemic is past; the plan is built to be nimble.



OBJECTIVE:

Lay out the Hard Truths about Energy in the PNW

Key Messages

- Say goodbye to fossil fuels
- Demand for clean, renewable resources is ramping up to challenge the region's capacity and resource adequacy
- Regional power outages will be an increasing reality, especially during fire season
- Aging infrastructure, climate events and politics will affect resource availability, price and safety for the region
- OPALCO has a plan for a healthy and sustainable energy future

ACTIVITIES

- a) Advertorial series in local papers (paid articles, ad format)
- b) Quarterly Podcast Series: On Energy
(staff interviews with industry experts)
 - i. How will mainland rolling blackouts affect us?
 - ii. Local Renewables: In whose backyard?
 - iii. Solar, Tidal and Batteries – Oh My!
 - iv. When can we unplug from the mainland?
 - v. Series of Video Snapshots (footage with Vince Daucianas)
- c) FaceBook Live events
- d) Board Open Houses
- e) Civic and Community Meetings, Homeowner Associations
- f) Quick Facts



OBJECTIVE:

Electrify Everything

Key Messages

- Heating and Transportation are rapidly shifting to electric – even ferries! It's cleaner and lower cost.
- Conservation and efficiency are essential to prepare for the changing energy landscape
- Wise use of electricity will be the most cost effective, clean and safe way forward
- You can save money while help saving the planet



OBJECTIVE:

Electrify Everything

Activities

- a) Switch it Up! – DHP, HPWH, EV chargers, FTTP, dispatchable battery storage and EV chargers
- b) EV Happy Deal – incentives for used EV purchases
- c) EV parades
- d) Tailgaters and Pop-up events
- e) Community Transition events
- f) How to Videos (in house production)
- g) Quick Facts
- h) EV Road Trip



OBJECTIVE:

Embrace as much Renewable Energy without impacting our beautiful environment

Key Messages

- OPALCO will meet ~30% of our power needs with local renewable and energy storage (battery) projects by 2040.
- The biggest challenge to building local renewables is finding the land to build them on.
- Local renewables will change the aesthetic of our island communities: how much is too much?
- We will always rely on our connection to the mainland to meet our total demand for power and also to “firm up” our renewable (intermittent) resources when the wind doesn’t blow and the sun doesn’t shine.
- OPALCO is building local energy resilience to power the islands during mainland outages



ACTIVITIES

- a) Community Solar Project #2
- b) Rooftop Solar Workshops with Sustainable Connections
- c) Community Transition Events
- d) Member profile stories (video, print)
- e) Series of Video Snapshots (footage with Vince Daucinas)
- f) Quick Facts

OBJECTIVE:

Deep Listening

Key Messages

- Your voice matters in co-op affairs
- The Board wants to hear from you
- We're all in this together
- We need your input and participation to be successful in realizing this vision
- A co-op is a representational democracy – member input is essential
- The co-op is a member-run non-profit organization



Activities (subject to COVID protocols)

- a) OPALCO Stewards (+ Solar Subscribers)
Virtual Annual Meeting
- b) Stewards House Parties
- c) Board Open Houses
- d) Civic and Community Meetings, HOAs

OBJECTIVE:

Demonstrate the Cooperative Difference

Key Messages

- Co-ops depend on member participation
- Co-ops have the autonomy to do things differently. With the will of the membership, we have the power to solve the problems we face.
- We are stronger together. What we share is stronger than what we face.
- Members elect the board members who set policy and direction for the co-op
- With 900 electric coops nation-wide, we have a powerful voice in shaping our energy future

Activities

- Election and Annual Meeting
- Gold Star Member Game
- Nat'l Co-op Month
- Quick Facts
- Why Run? campaign



OBJECTIVE:

“Energize Youth” to care about energy issues

Key Messages

- Youth are will be the leaders of our energy future
- The next generation of co-op members are in school now
- OPALCO values the voices of our youth

Activities

- Develop new school materials: classroom visits
- In their own words: my dream for the future (interviews by Nourdine Jensen Scholars)
- Graphic posters featuring youth and key messages
- High School Intern Program: spotlight a variety of jobs
- Youth Rally



Energize Youth

THE ISLAND WAY

DETERMINING OUR OWN ENERGY FUTURE

MY FUTURE



"Personally I'm always thinking about climate change. You see it everywhere, it's hard. So many people don't realize the greatness or heaviness of what's actually going on; informing people is really important." -Lily, 12

TIMELINE (draft)

This is a snapshot of the full communications timeline that is in Smartsheet. Timeline will be finalized in Q1 2021 as we get an understanding of activities that will work under COVID-19 conditions.

Q1 2021

- Podcasting set up, training, and content building
- Facebook Live Candidate Events
- EV Parade - EV Happy Deal
- Tailgater event about Comm Solar (San Juan)
- How-to Video – Conservation
- Stewards Annual Meeting

Q2 2021

- Goldstar Member Game
- Annual Meeting Member Event
- Tailgater event about Comm Solar (Orcas & Lopez)
- Workshops with Sustainable connections
- Member Profile rooftop solar stories
- Video Snapshots - one each month

Q3 2021

- Transition events
- Stewards House Parties
- EV Road Trip
- Community Solar Kick off
- Energize Youth interviews and posters

Q4 2021

- Co-op Month
- Why Run?
- Develop Youth Intern Program
- Board Member Open Houses

THANK YOU

NOW LET'S GET TO WORK!

COVID-19 Update

Attached please find our revised COVID-19 package. Staff is continually improving the tracking methods and reporting systems to ensure timely indicators.

Staff continues to monitor how the effects of COVID-19 impact OPALCO and Rock Island's businesses. Governor Inslee has extended the utility disconnection moratorium until October 15, 2020. This includes both electric and telecommunication utilities. Proclamation No. 20-23.7. OPALCO and Rock Island have suspended any late fee collection and disconnect activity since the beginning of March 2020 consistent with state and federal mandates. We are seeing ~300 members who we have not disconnected or charged penalties and are in the 90 days past due period of billing. The current A/R 90-day unpaid balance is ~\$66k and forecasted to more than double by year end. As we transition to the heating season in October, we expect to see higher unpaid balances.

As seen in the following charts and figures, we are seeing ~400 community members taking advantage of our assistance measures through EAP, EAP-C, and PAL (heating season October through April). Of this number, ~180 members are continuing to receive the EAP/EAP-C monthly assistance until the board approved funding has been exhausted.

All indicators lead staff to prepare for a worsening of our members' situations as unemployment and stimulus payments shrink or disappear. Local restaurants have announced extended closures this fall/winter, some businesses will close permanently, parents are facing a remote school year (at least the fall) and many will not be able to work.

Watching the different data points will enable to the OPALCO and Rock Island to make sound decisions as we continue to move through this pandemic and understand the different ways the co-op needs to operate to meet the needs of the membership while remaining a viable business.



OPALCO COVID-19 Update (Figures are reported from March 20th, 2020 to the date of transmittal, unless otherwise stated)

COVID Assistance

	# of Accounts	Amount (\$)	Board Approved Funding (\$)	Remaining Budget (\$)
Energy Assist (EAP-C) Commercial COVID	106	49,150	100,000	50,850
Energy Assist (EAP) Residential COVID	79	13,548	50,000	36,452
Extend Project PAL Benefits - COVID	131	15,000	15,000	0
Grand Total	292	77,698	165,000	87,302

Fee Assistance (Lost Revenue)

(Based on variance from collections comparing 2019 to 2020 for the period April 1st to Date)

Penalties	95,493
Reconnection Fess	18,132

Measures

Energy Assist (EAP-C) Commercial COVID
 Energy Assist (EAP) Residential COVID
 Extend Project PAL Benefits COVID
 Penalties
 Reconnection Fees

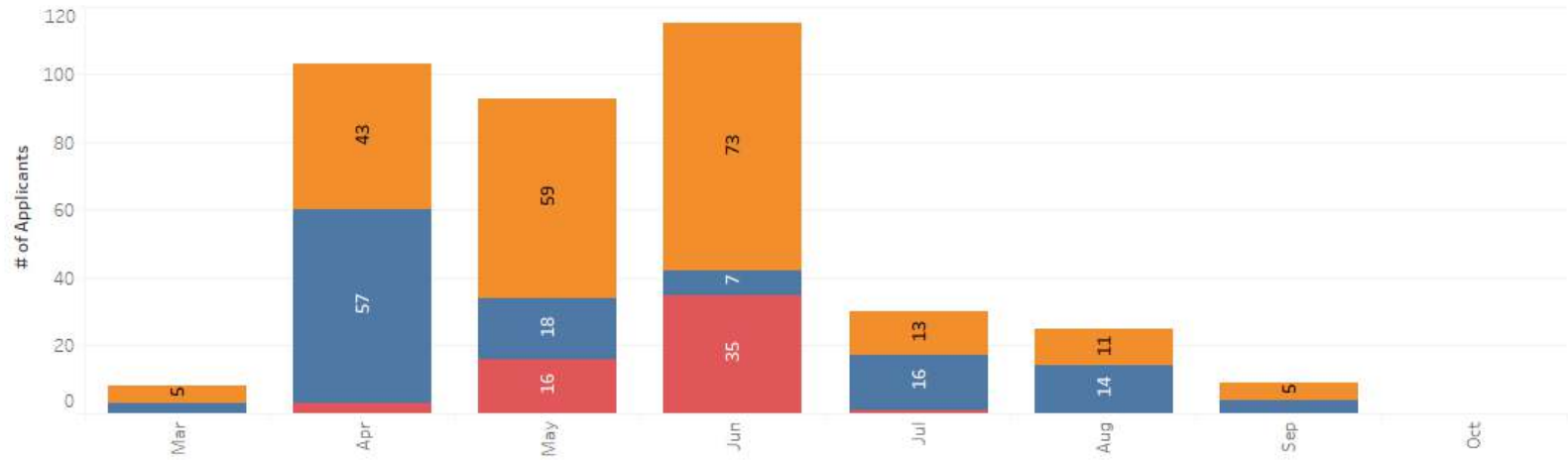
Benefit

\$67.57 per mo., based on number of number of meters on a commercial rate
 Assistance ranges from \$31.41 to \$61.41, based on number of permanent household occupants
 \$100
 Waiving of late penalties (Normal penalties are 5% of the total balance post-due date)
 Waiving of reconnect fees (Normal reconnect fee is \$50 per instance of reconnecting after a disconnect for non-payment)

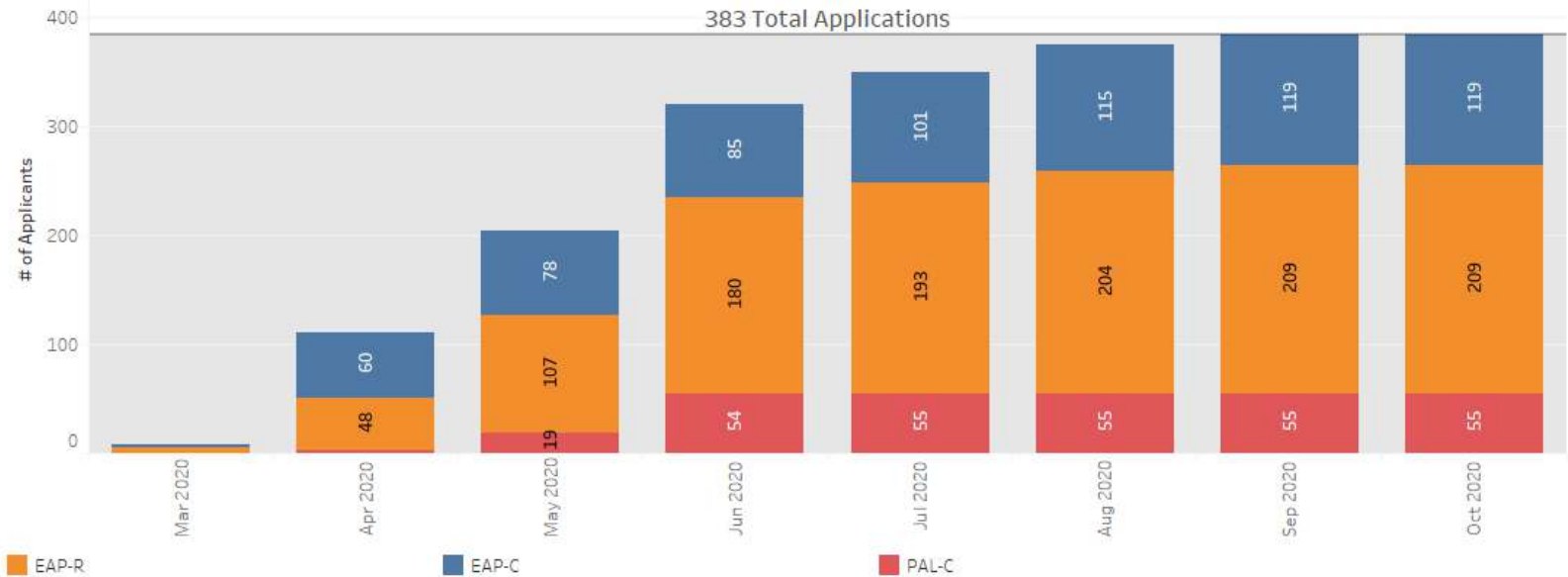
Member Donations to COVID-19 Relief Efforts

Staff will continue to communicate with members regarding the COVID-19 relief measures, including a request for donaitons. Staff continues to encourage members to donate to our PAL program.

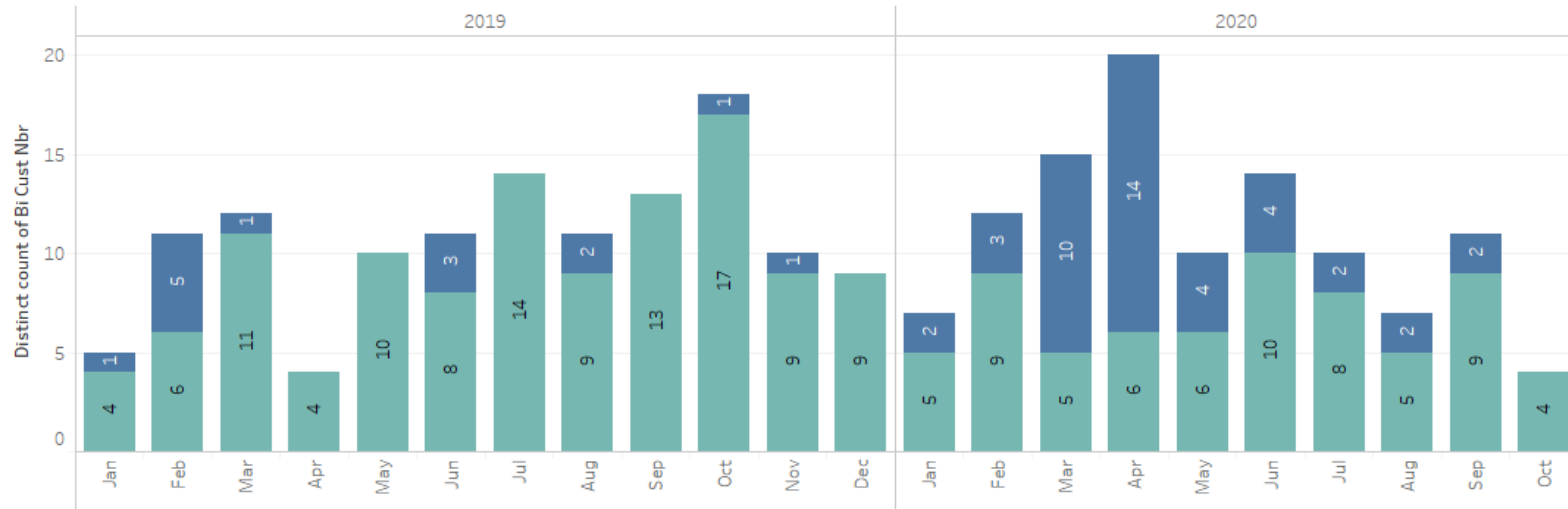
COVID-19 Assistance Applications



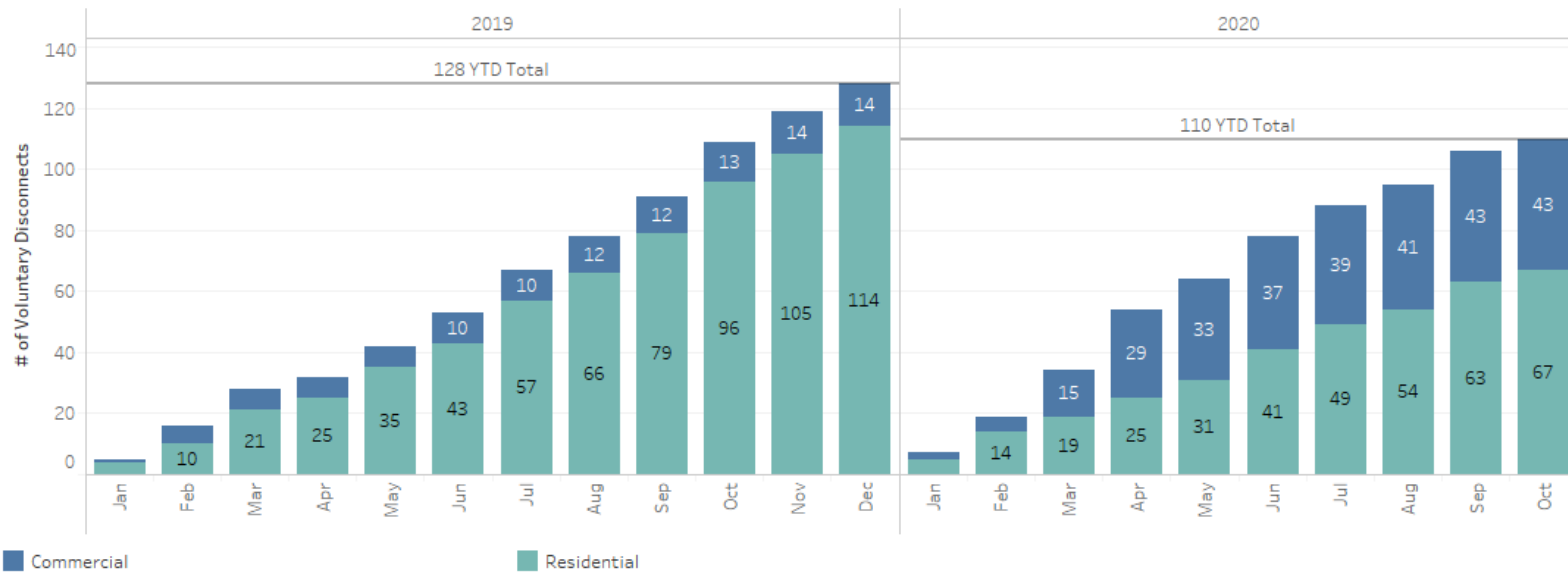
COVID-19 Assistance Applications Cumulative



Voluntary Disconnects (Meters)



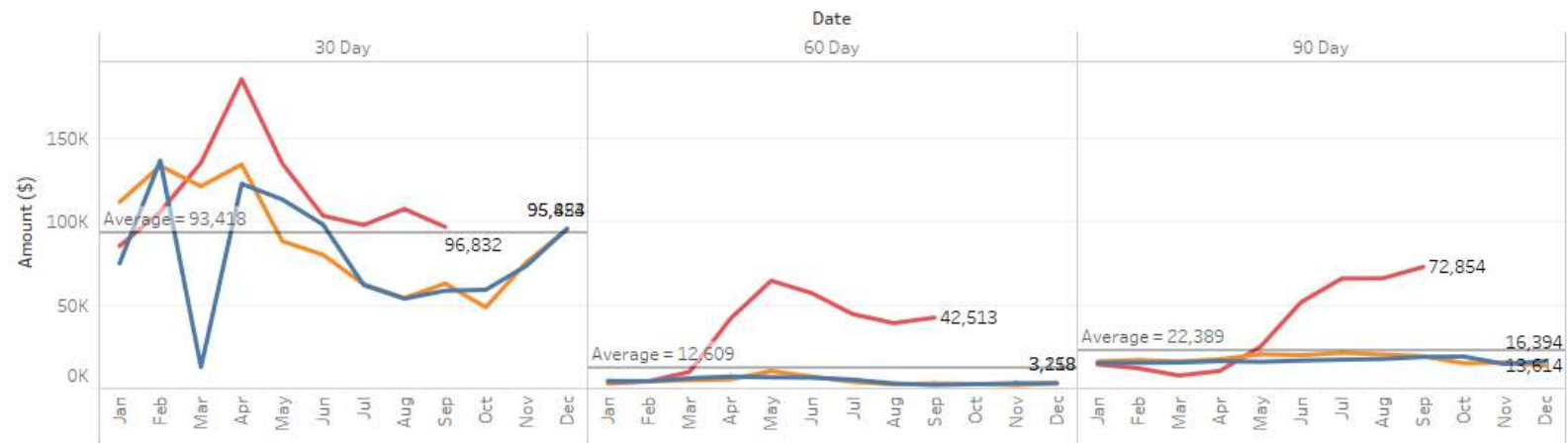
Voluntary Disconnects Cummulative (Meters)



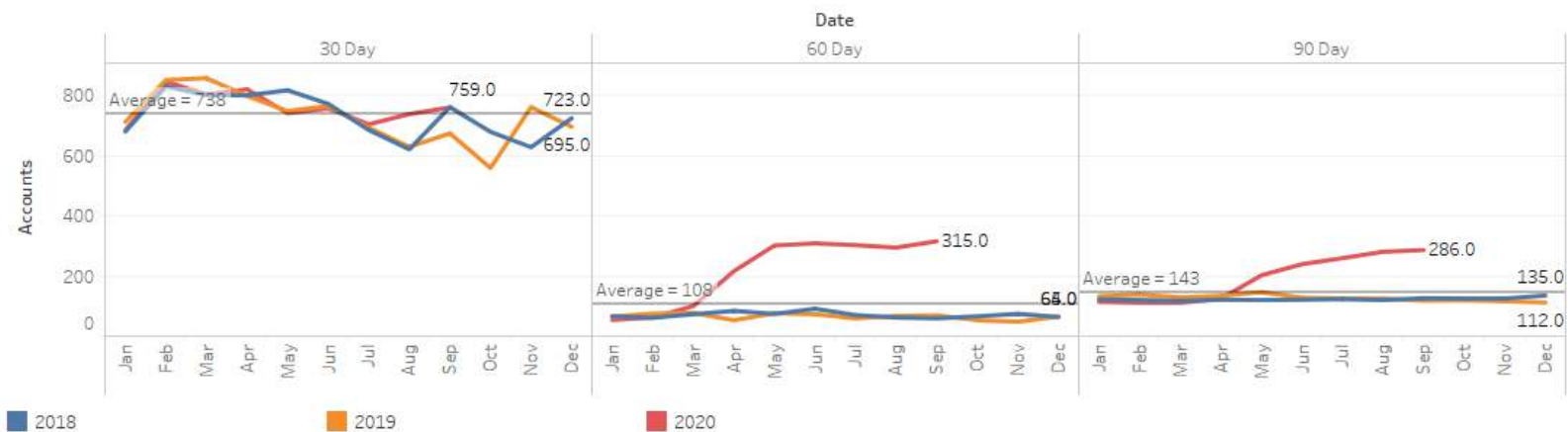
A/R 30-60-90

- 30-day A/R is trending slightly higher.
- 60-day A/R is notably higher and stabilizing.
- 90-day A/R notably higher and stabilizing.
- We are seeing a flow through into the 90-day with a notable uptick on the 90-day accounts receivable. The lower usage profiles of the summer will aid in moderating this yet will become dramatic in the late fall. At this stage staff feels this is manageable through the summer and will revisit at the Q3.

Long Term AR (\$)

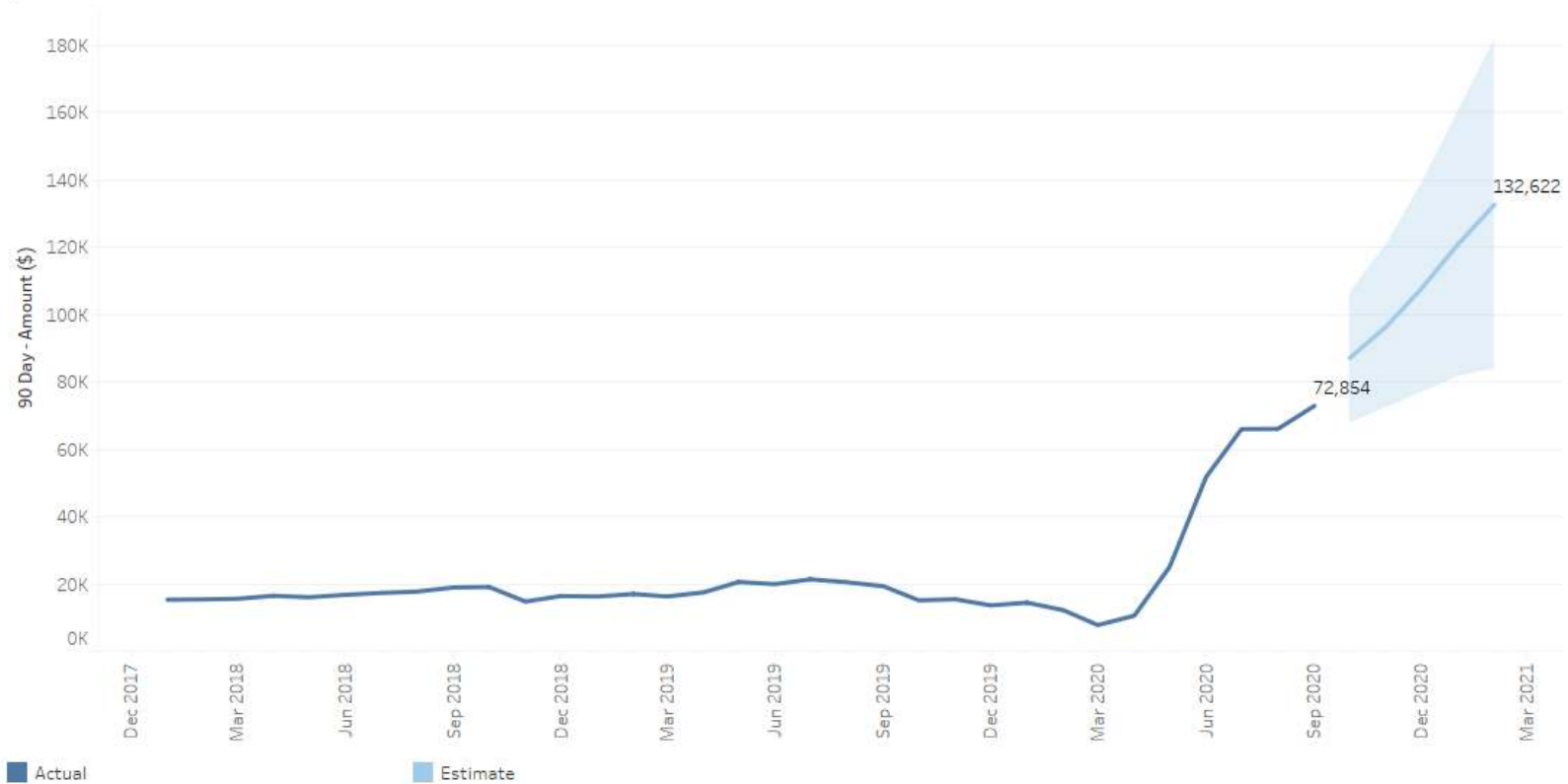


Long Term AR (Count)



AR - 90 Day with 5 month Forecast (\$)

As seen below, the August 90 day A/R plateaued from July to August. The forecast (seen in the light blue with a shaded prediction confidence bands) ratched down due to the plateau.



Forecast Details (All forecasts were computed using exponential smoothing.)

Forecast forward: 5 months (Sep 2020 - Jan 2021)

Forecast based on: Jan 2018 - Aug 2020

Initial Forecast Value: 87,000 ± 19,354

Change From Initial: 45,623

Quality: Poor

Model Details

Level: Additive

Trend: Additive

Quality Metrics

RMSE: 7,514

MAE: 3,530

MASE: 1.13

MAPE: 12.7%

AIC: 623

Smoothing Coefficients

Alpha: 0.500

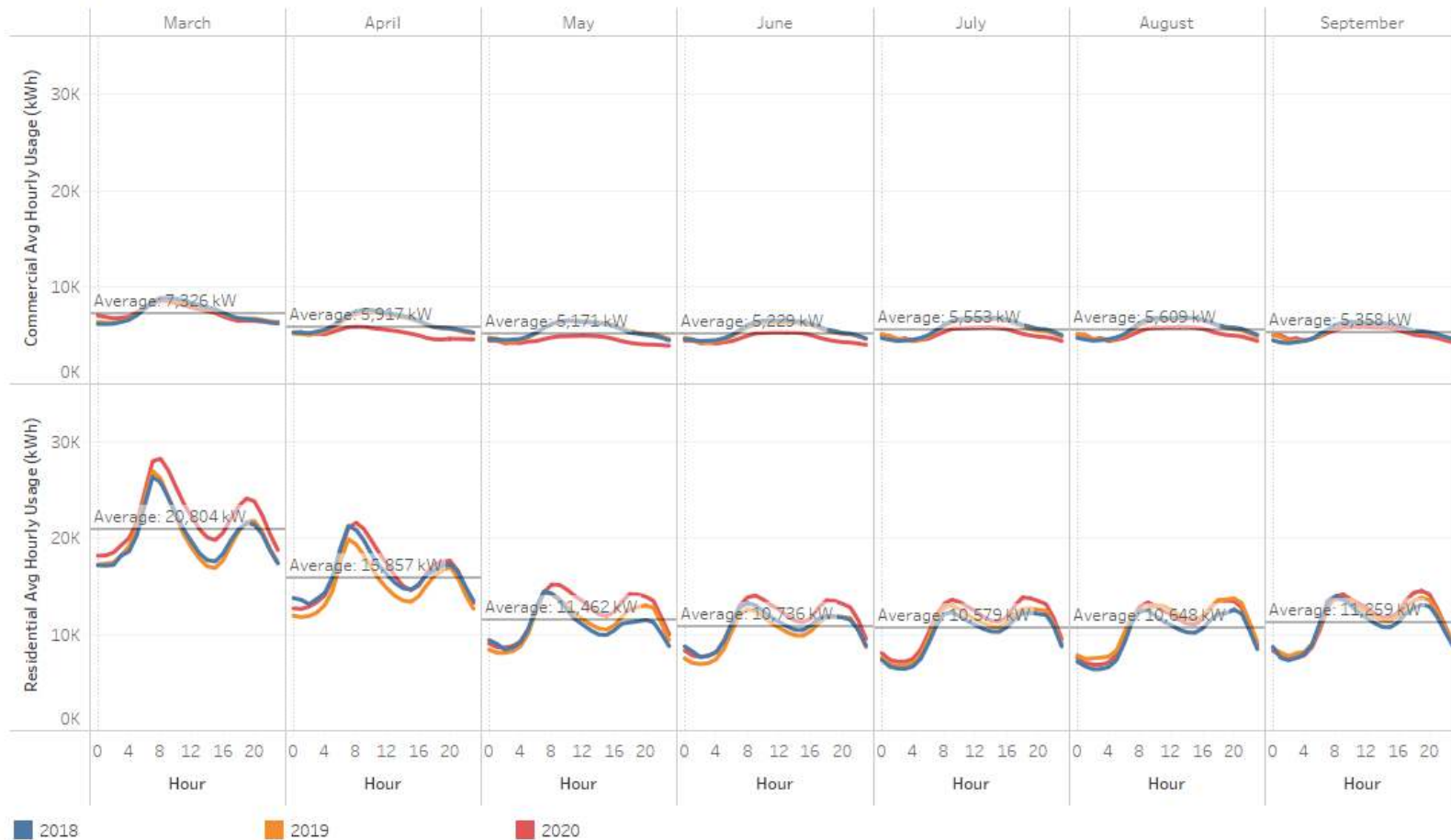
Beta: 0.500

Gamma: 0.034

Load Shape - Residential and Commercial

General:

- We are seeing decreased usage in commercial and small increased usage in residential. The difference of overall kWh usage is within the normal margin of error.
- Overall estimated decrease of 12% in commercial usage since April 1st.
- Overall estimated increase of 1% in residential usage since April 1st.
- Current reporting month is a partial data set.

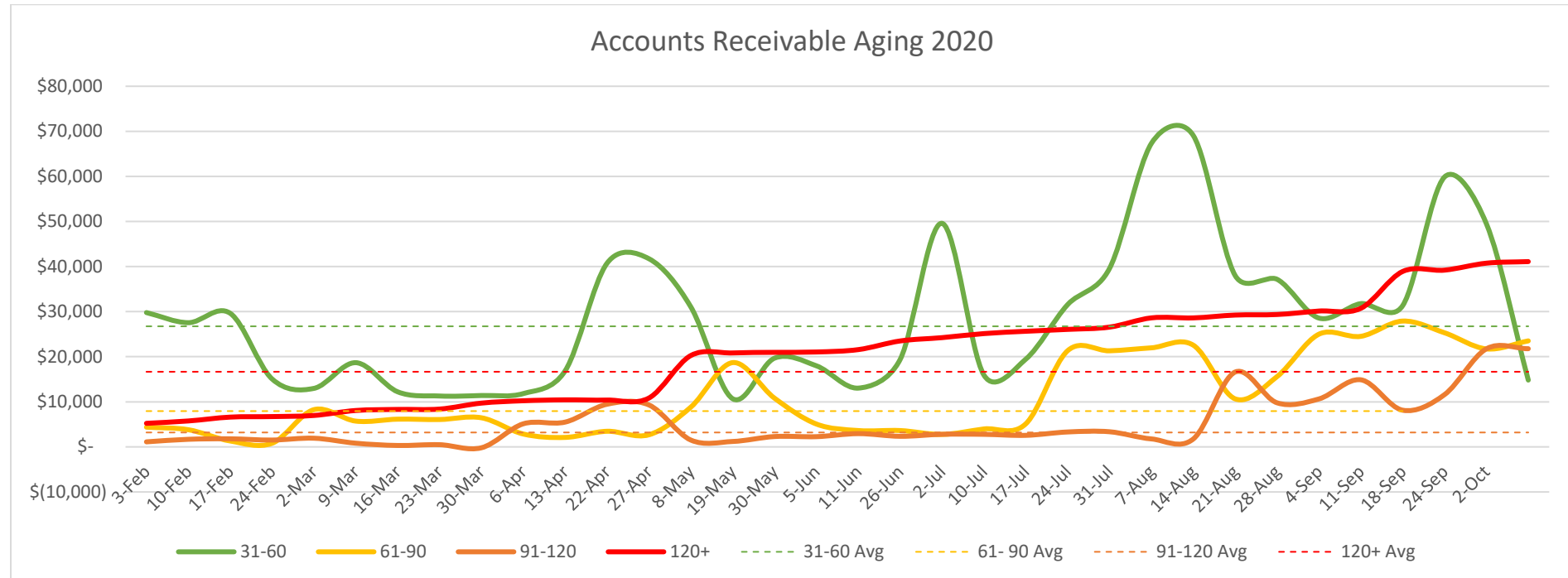


Next steps: Staff will continue to track closely the above data points as well as several more we are developing as the pandemic continues to show any impacts on the cooperative. We need to be patient as we continue to monitor this data to ensure we are making the best decisions for the co-op throughout this year of pandemic and, likely, going forward into 2021.

Rock Island COVID-19 Update

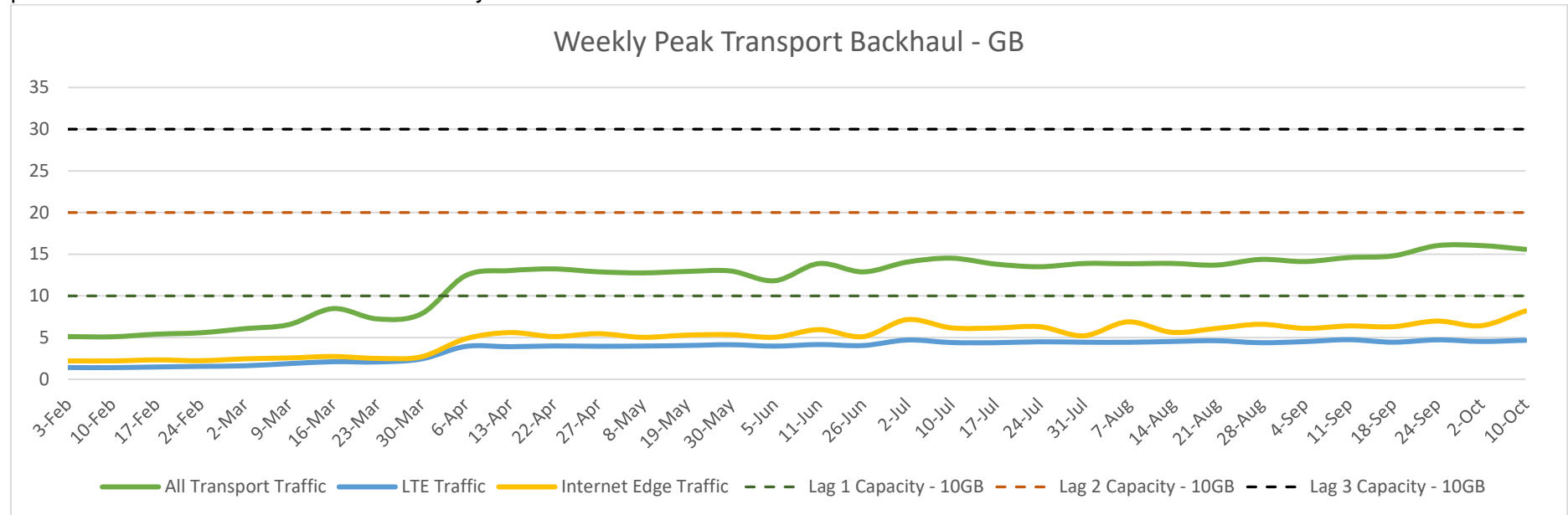
30-60-90 Accounts Receivable Trends

Accounts receivable aging is continuing to hold at slightly above average levels. All COVID relief customers have been contacted and are moving forward with settling their respective accounts. Rock Island gifted a 60-day window during the beginning of the stay at home order to any who became burdened. 15 Residential and 12 Businesses availed of that forgiven period. No late fees or revolving charges are being applied to any account during this period. Customers are now working on the repayment of services post the 60-day window and are doing so at flexible pay down rates. Again, no late fees or charges are being added to this.

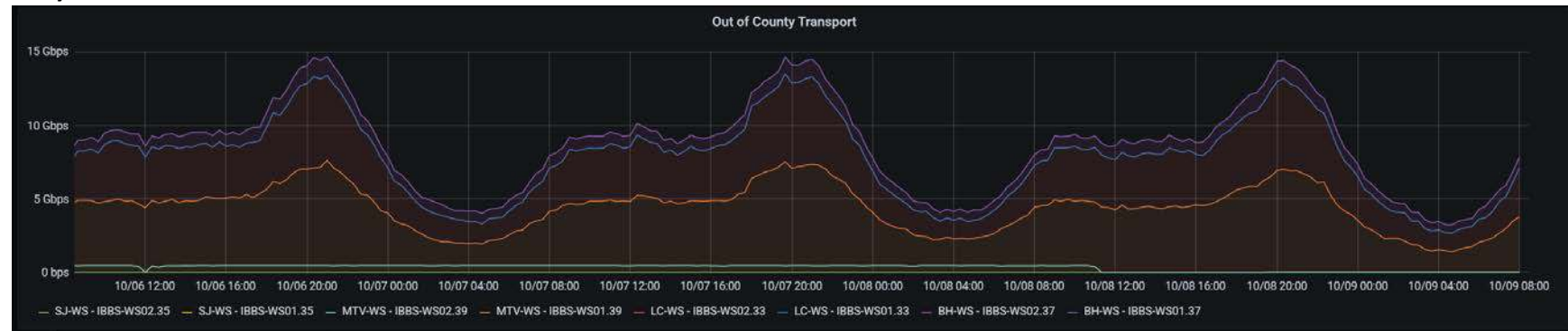


Transport Network

We continue to hover on the 16GB peak transport load. Included in this report is a 3-day transport load trend, so you can see what our peaks look like over the course of a few days.



Daily Pattern



REPORTS

General Manager

DASHBOARDS

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

Finance	Member Services	Outage
Budget Variance	Disconnects	Historical SAIDI - Graph
Cash	PAL	Historical SAIDI - Figures
Power Cost	Energy Assist	Outage Stats – Monthly
TIER/Margin	Community Solar	Outage Stats – Rolling 12 Mth
Debt/Equity	Service Additions	SAIDI by Category
Capital	Member Generation	Outage Summary
WIP	Revenue Dist. By Rate	Outage Summary – Monthly
Expense		
Capital Projects		
Purchased Power		

ENGINEERING, OPERATIONS, AND INFORMATION TECHNOLOGIES

WIP

As of October 8, 2020, there are 401 work orders open totaling \$6.5M. Decatur Energy Storage System is \$1.63M of the balance. Operations has completed construction on 109 work orders, totaling \$875k.

Safety

John Spain of Northwest Safety Service conducted Equi-potential Grounding Training for Operations staff via Zoom and in person in multiple districts. The total current hours worked without a loss time accident: 39,414 hours.

Grid Modernization Projects

- Decatur Battery Energy Storage System (ESS) – WA DOC CEF2 Grid Modernization (~\$1M Grant) – Commissioning is in progress and the contractor is in progress of updates to the control system for “Black Start” mode. Pacific Northwest National Laboratory (PNNL) is scheduled to begin testing and analysis once the contractor commissioning is complete. Once commissioning has been completed, we will be reaching out to first responder community for training.

- Microgrid – WA DOC CEF3 Grid Modernization (Grant \$ Amount TBD) – WA DOC has awarded the grant funds and staff is in progress with WA DOC on the scope of work for the contract. Staff is expecting to complete contracting in Q3.

FINANCE

2020 Budget Tracking

Energy (kWh) purchases & sales were slightly higher than budgeted through Q2 2020. July & August kWh sales came in under budget by 2.8% & 7.2%, respectively. August kWh purchases were ~9.9% below budget and the resulting power bill correlated at ~11% below budget for the month. Full September data was not available at the time of this report, however, through Q3, gross revenue has tracked very closely to budget, reduced by the net ECA credit for the year.

Income Statement Summary (in thousands)	September YTD 2020		
	Budget	Actual	Variance
Gross Revenue	\$ 23,885	\$ 23,601	\$ (284)
ECA Surcharge / (Credit)**	-	(468)	(468)
Revenue	23,885	23,133	(752)
Expenses			
Cost of Power	7,084	6,912	(172)
HDD	858	870	12
kWh Purchases	156,880	156,987	107
kWh Sales	147,207	148,474	1,267

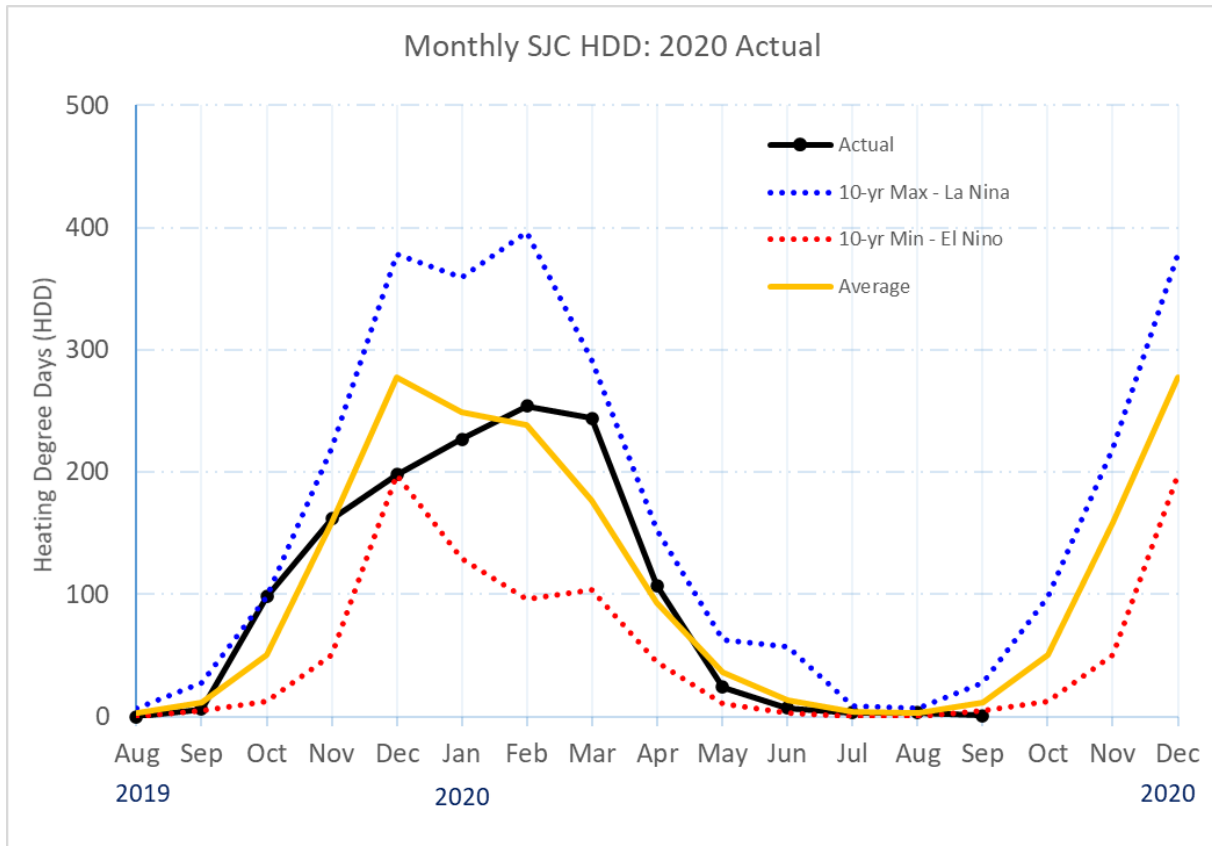
** The ECA returned \$468k to members in the form of bill credits in 2020

Monthly ECA

The calculated amount for the September ECA was a bill credit of $-\$0.001786$ per kWh which credited \$21,401 to members, or \$1.79 per 1,000 kWh. Through September 2020, the ECA has returned \$468k to members. The October billing period ECA was calculated to be a bill charge of $.003594$ based on the September power bill from PNGC.

Heating Degree Days (HDD)

Last winter's HDD's were volatile as compared to historical averages. For 2020, Q1 HDD settled just around the 10-year average except for March which was much colder than its historical average. Q2 and the beginning of Q3 have settled back around the historic average.

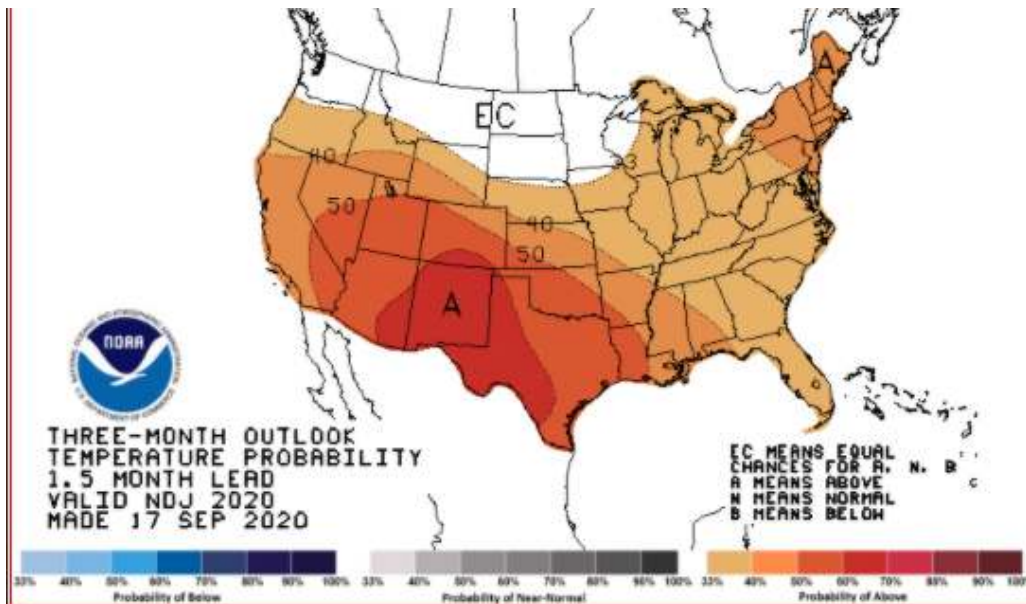


*10-year max, min, avg is 2009-2019

Weather Forecast

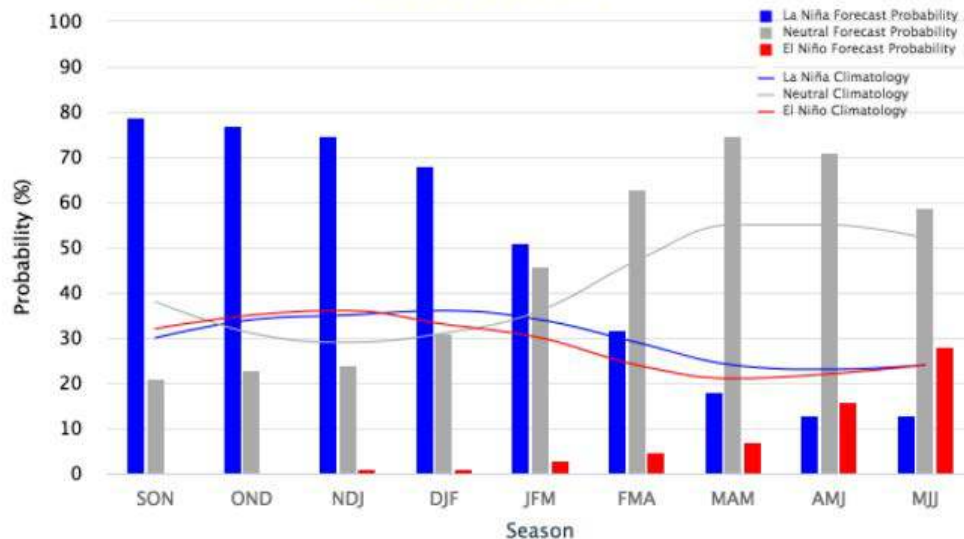
We budgeted year end 2020 to have above average temperatures for the region, with a Q4 2020 with a temperature probability of above average. The latest NOAA predictions are indicating a probability of neutral to La Niña temperature condition in the region. The trend to a La Niña condition appears to be present and will likely to continue through the Northern Hemisphere this winter (~75% chance). Given OPALCO's sales influence by oceanic conditions, we may tilt toward a slightly cooler condition which may yield increased energy consumption.

2020-2021 Nov-Dec-Jan Outlook



Mid-September 2020 IRI/CPC Model-Based Probabilistic ENSO Forecasts

ENSO state based on NINO3.4 SST Anomaly
Neutral ENSO: -0.5 °C to 0.5 °C



Source: NOAA National Weather Service

Excess Liability Insurance

Our current insurance coverages with Federated will remain intact through May 2021. Due to the fire damage on the west coast, reinsurers are leaving the market and will likely result in a reduction in coverage excess umbrella coverage starting in June of 2021.

RUS Distance Learning Grant

The awardees of the RUS grant were notified and OPALCO/Rock Island were not on the list of round one grant recipients. We will be working with RUS and resubmitting at the next available opportunity (round two).

MEMBER SERVICES

Energy Assistance

EAP: During September 2020, 347 members received ~\$12.9k from the low-income Energy Assist program, compared to 327 members receiving \$~11.3k in September 2019.

Switch it Up!

There are now 132 projects complete and billing for a total of \$1.061M outstanding. There are another 49 projects in various stages of the process. Some projects have been delayed as residential contractors have been limited by COVID-19.

Energy Savings

In September 2020, there were 36 rebates paid to members totaling ~\$14.7k. This includes the three remaining self-funded fuel switching EV charging station rebates totaling \$1.5k. Fuel-switching ductless heat pump rebates were allocated by July 2020. Rebate and Switch it Up! applications are continuing to be submitted.

Note that the fuel-switching ductless heat pump rebates **and** electric vehicle charging stations have all been allocated for 2020. There are 8 (total) applications waitlisted pending Board approval.

Solar Interconnects

There have been 9 new solar interconnect applications submitted, and 6 members interconnected in September 2020.

Community Solar

During the August 2020 billing cycles, the [Decatur Community Solar](#) array produced 65,600 kWh, and 10 kWh per solar unit was credited to member participants. A total of ~\$6,756 was distributed to 256 accounts, including an additional ~\$913 for the PAL and Energy Assist programs. Despite the smoky and overcast days, the September production was still slightly higher than the previous two Septembers.

COMMUNICATIONS

Co-op Month

October is National Co-op Month! The first in our series of member profiles is out:

<https://energysavings.opalco.com/the-most-family-an-efficiency-oasis-on-orcas-island/>. A new story will be published each Tuesday of the month, highlighting a member's personal commitment to energy efficiency, renewable generation or Switch it up electrification projects.



Annual Meeting and Election 2021

The Board has set the date of annual meeting for Saturday, April 24, 2021. The meeting will be held virtually due to health concerns. Staff have contracted with Survey & Ballot Systems to run our board elections material and security. The ballot will have board candidates from two districts in 2021, as we transition to a new system of staggered board terms. Nominations for two positions in District 2 (Orcas) and one position in District 3 (Lopez) will open on December 9, 2020.

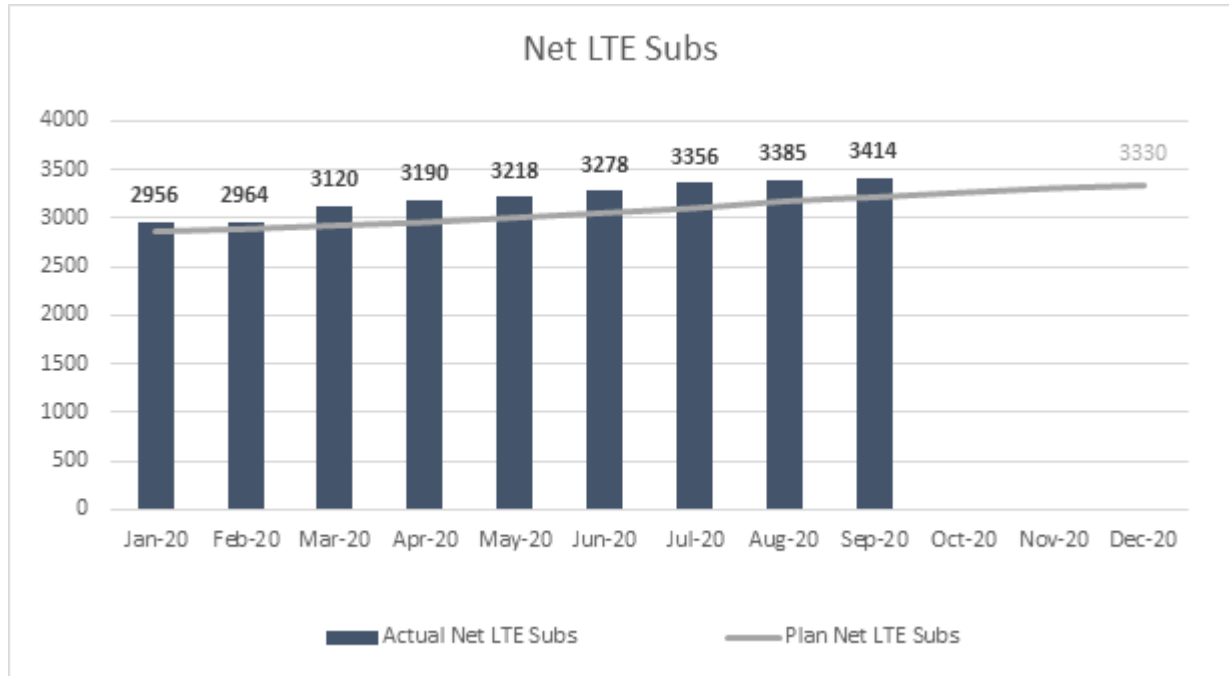
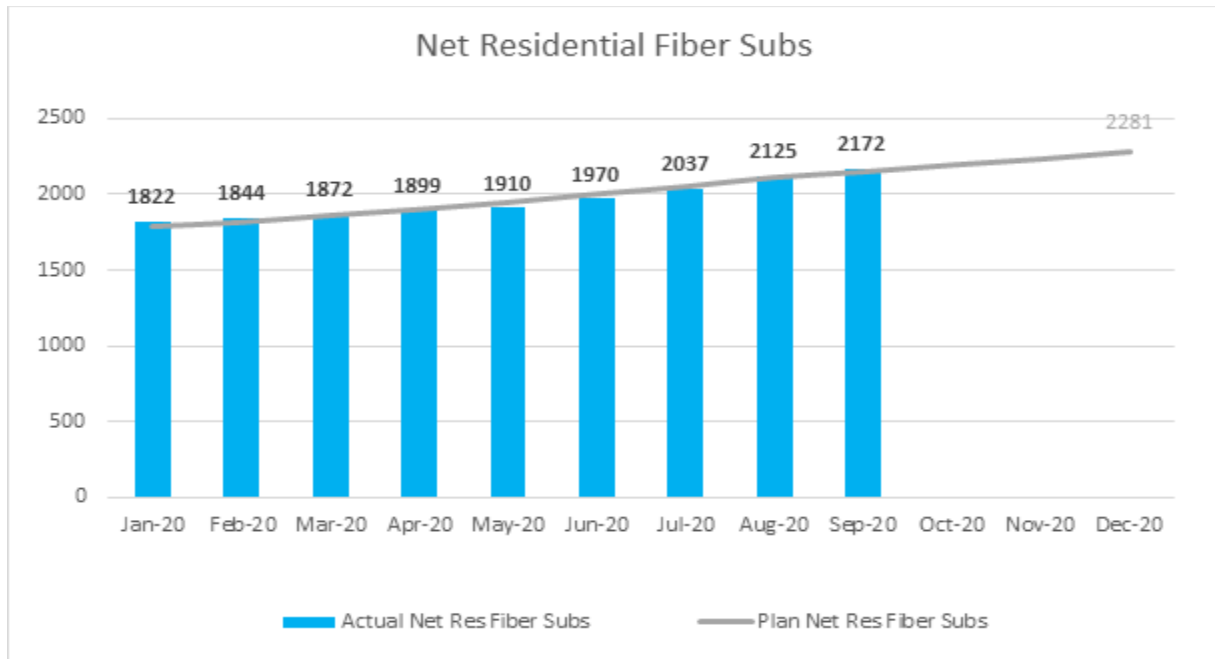
Board Meeting Dates 2021 (Draft)

The 2021 Board and Rock Island meetings will be held via Zoom for the foreseeable future. With the exception of the RIC Budget meeting (Nov 19), staff supports joint OPALCO/RIC meetings. Proposed dates are as follows:

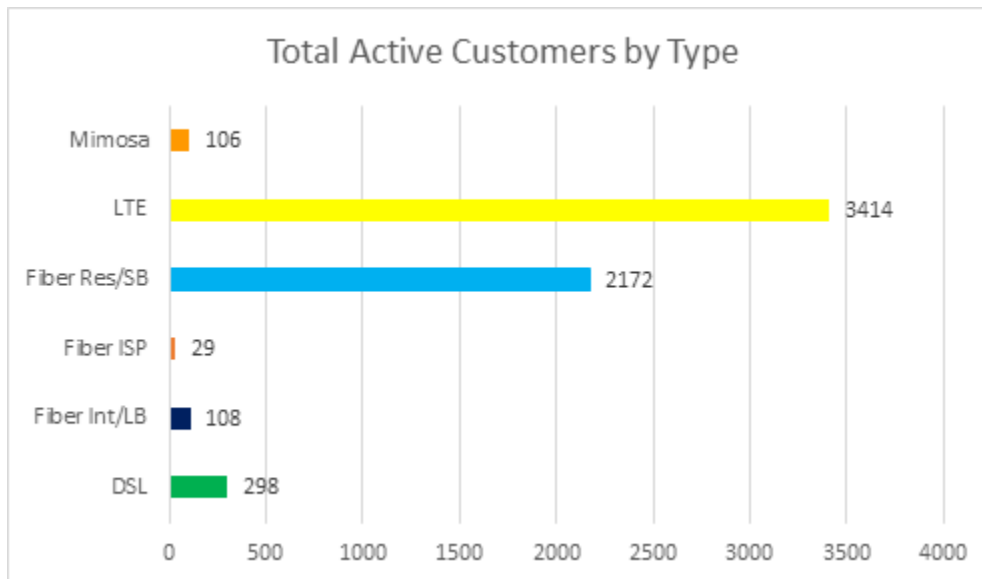
- January 21 OPALCO
- February 18 OPALCO
- March 18 OPALCO/RIC
- April 24 OPALCO Annual/Business Meeting
- May 20 OPALCO/RIC
- June 17 OPALCO
- July NO MEETING
- August 19 OPALCO/RIC
- September 16 OPALCO
- October 21 OPALCO
- November 17 RIC Budget
- November 18 OPALCO Budget
- December 16 OPALCO

Rock Island Snapshot

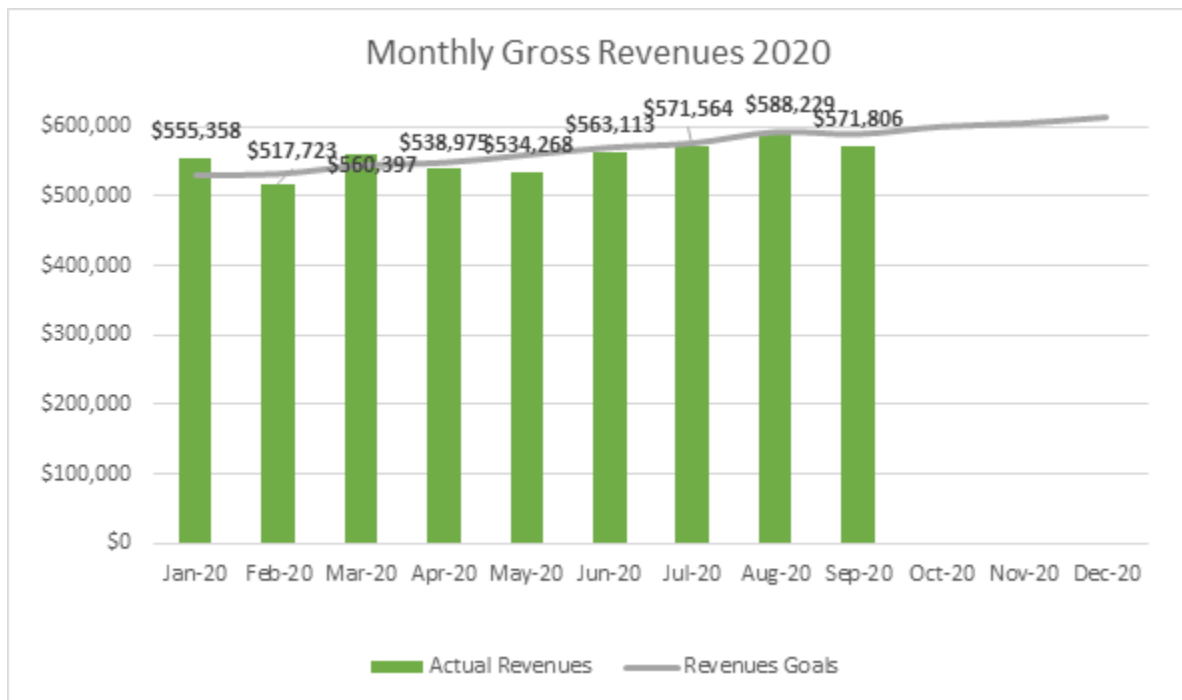
Net Subscribers 2020



Active Customers as of Sept 30st, 2020 (Total: 6,127)



Revenues



- Sept revenues are not closed and are subject to change.