

# Board of Directors

## Regular Meeting

Thursday, June 17, 2021

Virtual Meeting via Zoom

The OPALCO Board of Directors are following CDC and San Juan County guidelines for social distancing and all 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 pandemic. Board meetings will be conducted as scheduled via remote video conferencing until further notice.

Members may participate in the regular board meetings via Zoom. The first part of the meeting is reserved for member questions and comments. Use the chat feature on Zoom and staff will respond as soon as possible following the meeting. Please follow the protocols listed below:

- Mute yourself unless talking,
- Use your first and last name in your Zoom identity,
- Chat if you have a question/comment and the monitor will put you in the queue,
- OPALCO's Policy 17 - Member Participation at OPALCO Meetings decorum must be followed.

The Zoom link will be updated monthly and published in the board materials the Monday before each meeting. The link for this meeting is:

Meeting URL: <https://opalco.zoom.us/j/99459408334>

Meeting ID: 994 5940 8334

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

### Sequence of Events

- OPALCO Board Meeting
- Executive Session



Board of Directors  
Regular Board Meeting  
June 17, 2021 8:30 A.M.\*  
Virtual Meeting via Zoom

*\*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 email [communications@opalco.com](mailto:communications@opalco.com) for post-meeting follow-up.*

**Agenda**

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**EXECUTIVE SESSION**

    Legal, Personnel, Competitive, Other

**ADJOURNMENT**

# 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 – May 2021

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

BAIR, JEREMIAH & BAIR, TERICA  
BALDASTY, GERALD & BEAM, RANDAL  
BATCHVAROV, TODOR & BUTLER, LAURA  
BOEHNER, DALE  
BOHN, ADAM & BOHN, GERRYANNE  
BRUNEAU-REGALIA, ANDREA  
BRYAN, DONALD & BRYAN, KIM  
BUCKMASTER, SHARON & BUCKMASTER, HANNAH  
COOK, PHIL  
CRAIG, TARA & NORMANN, BRENN  
DAVIS, NANCY  
DEALERADDENDUMS INC  
DOLAN, RICHARD  
FOSTER, TAYLOR & THOMAS, MASON  
FRANKLIN, NANCY  
HAASE, CHRISTINA  
HARBORMASTER TRUST  
HAYNES, GWEN  
HEATH, MARCY  
HORNBUCKLE, JOSEPH  
HRDLICKA, LAURIE  
MARSHMAN, PAUL  
MORRISON, JOHN & MORRISON, SOPHIA  
NOE, PHILLIP & NOE, NANCY  
OLSON, ALBERT & OLSON, KIRSTEN  
OLSON, NICHOLAS  
OSTERMAN, JONATHAN  
PRIBILOVICS, METEDITH  
ROWLAND, ZACH  
RUGGLES, ALEXANDRA  
SCHIESS, RYAN  
SPARKES, AUTUMN  
SPEAKMAN, MARGARET & JOHNSEN, KEVIN  
STEHLY, MADIGAN & WOODS, CASEY  
TACHINO, FRANCES & PRATT, DANIEL  
THOMAS, JOHN & VERT, SHAWNNA  
WENGER, PATRICIA & WENGER, JAY  
WRIGHT, JUDITH

#### District 2 (Orcas, Armitage, Blakely, Obstruction, Double, Alegria, Fawn)

ALPINE DEPOT LLC  
BADAL, JACLYNE  
CATHEY, CHARLIE & WOLFORD, FELICIA  
CLIFFORD, SCOTT & CLIFFORD, ALEXANDRA

COTTON, CAROL  
DEWS, SARAH & DEWS, MORGAN  
DONAT, LUCAS & DONAT, TRACI  
DRAGONFLY MEDICINE DBA SALISH S  
ELLIS, LISA & LANE, GERALD  
FARBER, NATALIA  
FREDRICKSEN, ERIC  
FRIX, ALEXANDER & MOORE, KATHRYN  
GONZALEZ, STEVE & CARTWRIGHT-GONZAL, ALYSIA  
HAMEL, WILLIAM  
HOLT, MARY  
LUCAS, LAURA  
MELOY, JASON & MELOY, ANGELA  
NILSON, ERIKA & BERRY, PAUL  
ONWUNEME, CHUKS & ONWUNEME, NKIRU  
PERRYMAN, CASSANDRA  
ROACH, EDWARD  
SALO, RANDALL  
SCHMIDT, RONALD  
SENN, CHARLES  
SHEETS, SAMATHA  
SPEED, MAKAYLA & RYAN, CASEY  
STEVENS, PATRICK  
STRACENER, JANICE  
THE LANDING AT ORCAS LLC  
TURNER, CHRISTIAN  
VASQUEZ, GERARDO & JUANITA VASQUEZ, MONICA  
VINCENT SMITH LLC  
WILDLIFE CYCLES LTD  
WILLIS, MATTHEW

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

BULLOCK, MATTHEW & WY SOCKI, SARA  
HOUSING LOPEZ  
KISSLING, JAMES  
KRACKEN VIEW LLC  
LOPES, LANCE & LOPES, SUSIE  
LOPEZ GARAGE LLC  
NOFZINGER, JONATHAN  
NUCCIO, ERIN  
RUCKER, DAVID  
SCHAFF, LAURA & CAPPS, ROMAN  
TAPIA, ISRAEL & CRUZ, LORENA  
WAGNER, FLORENCE  
YOUNG, DON



**District 4** (Shaw, Crane, Canoe, Bell)  
GOETZ, MARY

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

<b>June</b>	
<u>Customer #</u>	<u>Amount</u>
66132	386.44
79077	707.77
67931	856.70
23580	2,260.55
28420	2,976.34
70317	1,284.22
<b>Total</b>	<b>\$ 8,472.02</b>

- RUS 219s Inventory of Work Orders of projects completed from the Construction Work Plan. These forms are submitted to RUS for approval of loan funds.

Inventory	Amount	RUS Description
202104	\$492,791.73	San Juan Valley Road Conversion, Transclosure, Pole and URD Replacements
<b>Total</b>	<b>\$492,791.73</b>	

Staff requests a motion to approve the Consent Agenda.



**Orcas Power & Light Cooperative**

**Minutes of the Board of Directors Meeting**

**Thursday, May 20, 2021**

Streaming through Zoom attendees were: President Vince Dauciuonas, Board members Rick Christmas, Jerry Whitfield, Brian Silverstein, Mark Madsen, Tom Osterman 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; Public Relations Administrator Suzanne Olson; Communications Specialist Krista Bouchey; Head Accountant Travis Neal; Executive Vice President of Rock Island Communications, Alan Smith, and Executive Assistant Kelly Koral (serving as recording secretary). Also present were Legal Counsel Joel Paisner and consultant Jay Kimball.

Member comment session commenced at 8:30 a.m.

Members in attendance:

Ray Glaze  
Chris Wolfe  
Jon Fleischer

Guest in attendance:

Olga Darlington – Moss Adams  
Dan Roberts – Moss Adams

**Member comments**

None

Regular Session – 8:39 a.m.

President Vince Dauciuonas opened the meeting, reviewed the agenda and congratulated the newest Board members.

**Consent Agenda**

- **MOTION** was made by Madsen to accept the consent agenda. Seconded by Silverstein. Passed unanimously by voice vote.

**Election of Officers**

GM reviewed the voting procedure for the election of Board officers. Results were as follows:

President – Vince Dauciuonas  
Vice President – Jerry Whitfield  
Secretary/Treasurer – Brian Silverstein

**Member Generation: Present and Future**

GM reviewed the presentation. Materials will be posted to the OPALCO website.

Break 10:30 a.m.

Back 10:45 a.m.

**2020 Audit**

Olga Darlington and Dan Roberts from Moss Adams presented the audit report. Darlington noted that the audit went exceptionally well and OPALCO and RIC received an unmodified opinion. No material audit adjustments were needed. Darlington spoke highly of the transparency of the staff. All staff, including management were responsive and helpful.

**Executive Session – 11:05 AM**

**Back to Regular Session – 11:35**

- **Motion** made by Madsen to approve the Audit report. Second by Silverstein. Approved by unanimous vote.

**2021 Q1 Financials**

Q1 financials were reviewed and discussed including capital projects.

**COVID 19 Report**

Report was reviewed.

**GENERAL MANAGERS REPORT**

General Manager presented the General Manager report.

OPALCO Regular Session adjourned 12:30

Executive Session 1:00 pm – Cyber Security discussion

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Vince Daucinas, President

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Brian Silverstein, Secretary/Treasurer



Orcas Power & Light Cooperative

Revision: 108578

05/18/2021 9:22:54 am	<b>RUS Form 219 Inventory Of Work Orders</b>	Page: 1
Period: APR 2021		System Designation: WA O9

Project	Loan	Year	Work Order		Bdgt (3)	Gross Funds Required		Deductions		Loan Funds Subject To Advance By RUS (9)	
			Construction (1)	Retirement (2)		Cost Of Construction: New Constr Or Replacements (4)	Cost Of Removal: New Constr Or Replacements (5)	Salvage Relating To New Construction Or Replacements (6)	Retirements Without Replacements (7)		Contrib In Aid Of Constr and Previous Advances (8)
320		2018	3162		1	-2,737.04	0.00	0.00	0.00	0.00	-2,733.75
320		2018	3332		1	-145.06	0.00	0.00	AFUDC: -3.29	0.00	-144.89
						-2,882.10	0.00	0.00	AFUDC: -0.17	0.00	-2,878.64
601		2018	2093	2093	1	4,729.63	398.91	0.00	0.00	0.00	5,043.62
						4,729.63	398.91	0.00	AFUDC: 84.92	0.00	5,043.62
603		2018	3230		1	-191.59	0.00	0.00	0.00	0.00	-191.36
						-191.59	0.00	0.00	AFUDC: -0.23	0.00	-191.36
606		2018	3185		1	-321.60	0.00	0.00	0.00	0.00	-321.21
606		2018	3367		1	-145.98	0.00	0.00	AFUDC: -0.39	0.00	-145.80
						-467.58	0.00	0.00	AFUDC: -0.18	0.00	-467.01
608 - 56		2018	3148		1	508,463.72	0.00	0.00	0.00	0.00	490,791.73
						508,463.72	0.00	0.00	AFUDC: 17,671.99	0.00	490,791.73
<b>Grand Totals:</b>						\$ 509,652.08	\$ 398.91	\$ 0.00	\$ 0.00	\$ 0.00	\$ 492,298.34

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Orcas Power & Light Cooperative

Revision: 108578

05/18/2021 9:22:54 am	<b>RUS Form 219 Inventory Of Work Orders</b>	Page: 4
Period: APR 2021		System Designation: WA O9

Inventory : 202104

Loan	Project	Amount
1	320	-2,878.64
1	601	5,043.62
1	603	-191.36
1	606	-467.01
1	608 - 56	490,791.73
<b>Total:</b>		492,298.34

**BORROWER CERTIFICATION**

WE CERTIFY THAT THE COSTS OF CONSTRUCTION SHOWN ARE THE ACTUAL COSTS AND ARE REFLECTED IN THE GENERAL ACCOUNTING RECORDS. WE FURTHER CERTIFY THAT FUNDS REPRESENTED BY ADVANCES REQUESTED HAVE BEEN EXPENDED IN ACCORDANCE WITH THE PURPOSES ON THE LOAN, THE PROVISIONS OF THE LOAN CONTRACT AND MORTGAGE, RUS BULLETINS, AND THE CODE OF FEDERAL REGULATIONS RELATIVE TO THE ADVANCE OF FUNDS FOR WORK ORDER PURPOSES. WE CERTIFY THAT NO FUNDS ARE BEING REQUESTED FOR REIMBURSEMENT OF CONSTRUCTION WORK IN A CBRA AREA.

\_\_\_\_\_  
SIGNATURE (MANAGER) \_\_\_\_\_  
DATE

\_\_\_\_\_  
SIGNATURE (BOARD APPROVAL) \_\_\_\_\_  
DATE

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**ENGINEERING CERTIFICATION**

I HEREBY CERTIFY THAT SUFFICIENT INSPECTION HAS BEEN MADE OF THE CONSTRUCTION REPORTED BY THIS INVENTORY TO GIVE ME REASONABLE ASSURANCE THAT THE CONSTRUCTION COMPLIES WITH APPLICABLE SPECIFICATIONS AND STANDARDS AND MEETS APPROPRIATE CODE REQUIREMENTS AS TO STRENGTH AND SAFETY. THIS CERTIFICATION IS IN ACCORDANCE WITH ACCEPTABLE ENGINEERING PRACTICE.

\_\_\_\_\_  
INSPECTION PERFORMED BY \_\_\_\_\_  
FIRM

\_\_\_\_\_  
LICENSE NUMBER \_\_\_\_\_  
DATE \_\_\_\_\_  
SIGNATURE OF LICENSED ENGINEER

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## Corporate Debt Limit

RUS is requiring OPALCO to update our corporate debt limit to accommodate the additional RESP program for member relending loan funds. Staff is proposing to raise OPALCO’s corporate debt limit to accommodate the new debt facility, currently set at \$135M, to \$160M.

RUS defines the maximum debt limit to be the face value of all original loan facilities (all lenders), regardless of the current loan balances. The corporate debt limit does not include any short-term lines of credit or loan guarantees. Also note that, over time, the face values of the original loan facilities were adjusted for amounts not drawn before the expiration of the facility.

The RUS corporate debt limit is viewed to be the maximum amount that the Board of Directors believes is advisable to finance the construction, acquisition and operation of electric transmission, distribution, and service facilities.

<b>OPALCO Funding Limits</b>			
<u>Lender</u>	<u>Original Loan Facility</u>	<u>Current Loan Balance</u>	<u>RUS Maximum Debt Limit</u>
<b>Capital Funding</b>			
CFC	\$23.4M	\$7.9M	
RUS	88.9M	58.9M	
Subtotal	\$112.3M	\$66.8M	
<b>Member Relending Programs</b>			
RUS RESP 1.0	\$5.8M	\$1.4M	
RUS RESP 2.0	15.0M	0M	
Subtotal	\$20.8M	\$1.4M	
<b>Total</b>	<b>\$133.1M</b>	<b>\$68.2M</b>	<b>\$135M</b>
<b>New Member Relending Program Loan</b>			
RUS RESP 3.0	26.0M	0M	
<b>Proposed</b>	<b>\$159.1M</b>	<b>\$68.2M</b>	<b>\$160M</b>

Staff requests a motion to approve Resolution Number 3-2021 which will establish the proposed RESP 3.0 program and Resolution Number 4-2021 which will raise the current limit of \$135M to \$160M.

Orcas Power & Light  
**CO-OP**  
BOARD OF DIRECTORS  
RESOLUTION 3-2021

**ESTABLISHING THE RURAL ENERGY SAVINGS PROGRAM (RESP)**

**WHEREAS**, Orcas Power & Light Cooperative has developed the Switch It Up! On-Bill Financing Program for the rural areas in its service territory intended to be funded with the proceeds from the United States Department of Agriculture's Rural Energy Savings Program (RESP); and

**WHEREAS**, Orcas Power & Light Cooperative – through RESP- will offer energy savings project financing; and

**WHEREAS**, Orcas Power & Light Cooperative has developed a comprehensive implementation work plan and financial forecast for RESP; and

**WHEREAS**, Orcas Power & Light Cooperative has developed a comprehensive measurement and verification program in connection with RESP; and

**WHEREAS**, the financial forecast, the implementation work plan and the measurement and verification program, and related documents will be considered by the Rural Utilities Service, an agency of the United States Department of Agriculture, in making a determination to make a financially feasible and adequately secure loan to Orcas Power & Light Cooperative; and

**WHEREAS**, Orcas Power & Light Cooperative intends to submit a loan application under the Rural Energy Savings Program Loan as prescribed in the Announcement of Funding Opportunity for Fiscal Year 2021 (FY2021) published in the Federal Register 2020-27576 on December 15, 2020

**NOW THEREFORE BE IT RESOLVED**, that Orcas Power & Light Cooperative approves the implementation work plan, the financial forecast and related documents in connection to the RESP;

**BE IT ALSO RESOLVED**, that Orcas Power & Light Cooperative's officers, managers, and staff are authorized to carry out all necessary actions –including but not limited to the executing and attesting all necessary documentation- in connection with the loan application to participate in the Rural Energy Savings Program as provided in the Federal Register;

**BE IT FURTHER RESOLVED** that Orcas Power & Light Cooperative's officers are authorized to apply and take a loan in the amount of \$26M to carry out RESP;

**BE IT ALSO RESOLVED**, that the loan shall bear a maturity date to cover twenty years.

CERTIFICATION OF SECRETARY

I, Brian Silverstein, Secretary of Orcas Power & Light Cooperative do hereby certify that the above is a true and correct copy of a resolution adopted at the meeting of the Board of Directors of Orcas Power & Light Cooperative on June 17, 2021, at which a quorum was present and voted.

SEAL

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Brian Silverstein, Secretary

Orcas Power & Light  
**CO-OP**  
**BOARD OF DIRECTORS**  
**RESOLUTION 4-2021**  
**CORPORATE DEBT LIMIT**

**WHEREAS**, it has been determined that an increase in the debt limit of the cooperative is required to permit additional borrowings to finance the expansion of the Switch It Up! On-Bill Financing Program.

**NOW THEREFORE BE IT RESOLVED**, that the Board of Directors of Orcas Power and Light Cooperative is authorized, on behalf of the Cooperative, to borrow from time to time additional sums from the United States of America pursuant to the provisions of the Rural Electrification Act of 1936, as from time to time amended, and such sums as it may deem advisable from the National Rural Utilities Cooperative Finance Corporation and other lending agencies or lending corporations; and to incur indebtedness from time to time by the assumption of indebtedness of third parties to United States of America, to National Rural Utilities Cooperative Finance Corporation or to other lending agencies or lending corporations, such loans and such assumptions of indebtedness to be in such amounts and upon such terms as the Board of Directors shall deem advisable to finance the construction, acquisition and operation of such electric generating, transmission, distribution and service facilities as the Board of Directors shall from time to time determine upon; provided, however, that the aggregate amount of such loans, together with the aggregate amount of such indebtedness so assumed and the aggregate amount of loans heretofore made to the Cooperative shall not exceed \$160,000,000 at any one time outstanding.

**CERTIFICATION OF SECRETARY**

I, Brian Silverstein, Secretary of Orcas Power and Light Cooperative, do hereby certify that the above is a true and correct excerpt from the minutes of the meeting of the Board of Trustees of the Orcas Power and Light Cooperative, held on the 17<sup>th</sup> day of June 2021 at which meeting a quorum was present.

SEAL

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Brian Silverstein, Secretary

# DISCUSSION ITEMS

## Renewable Siting Challenges

In meeting the energy needs of San Juan County, OPALCO faces significant challenges with decarbonization and a new market dynamic in the region. What we've known as climate change for more than two decades is now a climate emergency. In response, the energy world is rapidly shifting away from carbon/fossil fuels and legislative mandates such as WA's Clean Energy Transformation Act (CETA) have set out a timeline and concrete consequences for those actions. We are facing drier and hotter weather patterns, the regular toll of fire season, climate migration, political plays to control our regional power supply, capacity constraints on aging infrastructure causing rolling blackouts – and, of course, the rising cost of power.

OPALCO's plan for our energy future is to build as much of a local power supply as members are willing to subscribe to in the form of Community Solar projects with energy storage – batteries – connected. Community Solar is paid for 100% by the members who support it (+some grant funds) and the battery projects are about 50% grant covered. We call this a microgrid – and we hope to build at least one close to each village/town population center. They will give us enough local resiliency to keep the power up for essential services when the mainland power is out during emergencies and reduce our dependency on the mainland.

The major challenge OPALCO faces in achieving this vision is finding land on which to build these projects. Currently, the Comp Plan and County Land Use Designations include restrictive language around energy generation. This language is based on outdated models of energy generation, such as the noisy and polluting diesel generators of yesterday. The microgrids of today and tomorrow are clean and compatible with our island aesthetics and will become a source of community pride as we craft sustainable and renewable solutions for our energy needs.

Given our carbon reduction goals and CETA mandates, timing is critical. OPALCO will rely on grants to build the projects that will get us there and must have permitting certainty and shovel ready land when applying for grants.

In order to reach a healthy energy future, OPALCO, the County and stakeholder organizations must work together to develop resilience, reduce carbon impacts and preserve affordability for our community. There are many siting opportunities for collaboration with open lands, agriculture and affordable housing. The first step is to address the language of land use designations.

A presentation will be posted on our website.

<https://www.opalco.com/resource-library/#rlfboardmeetingsandmaterialsboardmaterials2021june2021>

## Pre-Pay Billing Program

Staff is requesting the Board to approve the implementation of Pre-Pay billing via the adoption of the following policies. In order to implement our new Pre-Pay billing program, staff has made adjustments to Member Service Policies 4 and 7 accordingly.

Pre-Pay allows members the freedom to pay when they want and not have a deposit, late fee, disconnect fee, or reconnect fee. Traditional electric billing involves using the electricity first and receive a monthly bill after the billing cycle ends. With Pre-Pay, a member simply pays ahead and establishes a credit balance. Then as electricity is used, that balance is decreased each day. The member must make adequate payments to maintain a credit balance. A Pre-Pay member can also monitor their usage and credit balance as often as they want with the OPALCO mobile app, website, or by calling the OPALCO office during normal business hours.

OPALCO is working closely with our software provider to incorporate the program into the billing module. Additionally, as part of the establishment of the process, Member Service policies will need to be enhanced to describe the additional form of payment program to be allowed by OPALCO as well as the creation of a Pre-Pay member agreement form to be used for those who would like to voluntarily enroll in the program. These enhancements to the Member Services policies allowed Staff the opportunity to suggest other “housekeeping” type adjustments to the policies. The following policies were adjusted for both the new Pre-Pay Program and “housekeeping” items.

This is a discussion item for the June Board meeting and no action is required at the meeting.



## Member Service Policy 4 – *Service Conditions* Update

### ORCAS POWER AND LIGHT COOPERATIVE MEMBER SERVICE POLICY 4 SERVICE CONDITIONS

#### 4.1 APPLICATION FOR SERVICE

Each member requesting service shall sign OPALCO's standard Membership and Member Information form and may be required to fill out an Application for Electrical Service for new service installation. In the absence of an application for service, the delivery or termination of service by OPALCO and its acceptance by the member shall be deemed to constitute an agreement to and acceptance of OPALCO's Member Service Policies ~~as interpreted and administered by OPALCO's Engineering Department. Responsible parties of the property desiring new service or the alteration of existing service are required to pay 100% of the actual costs associated with the work involved. Prior to OPALCO granting the property owner new or altered service, OPALCO shall determine what property easements are required to accommodate the property owners request and ensure that existing facilities have adequate easements. Failure to provide OPALCO with adequate easements to maintain new or existing facilities will result in denial of membership.~~

~~All contribution in aid of construction (CIAC) estimates are given in good faith and are made with information available to OPALCO at the time, and with information supplied to OPALCO by the responsible party. OPALCO has the right to re-issue a contribution in aid of construction estimate if and when more accurate information becomes available. The responsible party is always legally responsible for the actual cost(s) of providing new electrical service(s). When the work is complete, any difference in the paid CIAC to actual projects costs resulting in \$250 or more will be adjusted in an as-built re-bill or refund (see Member Service Policy 5.2).~~

~~The Contribution In Aid of Construction (CIAC) includes the estimated costs for OPALCO to provide and install the primary facilities. Full payment of the estimated CIAC initiates a work order or service order to formalize design and begin construction. Responsible party should expect a minimum of two weeks, from OPALCO's receipt of payment, for any material delivery or construction activity to begin.~~

##### 4.1.1 Required information includes the following:

4.1.1.1 Name or names of the applicants

4.1.1.2 Tax parcel number

4.1.1.3 Local contact and/or work and home telephone number

4.1.1.4 Billing address

4.1.1.5 Previous service address, if applicable

4.1.1.6 Date service is desired

4.1.1.7 Information as to whether service location previously had electric service

4.1.1.8 Statement as to whether applicant is the owner, tenant, or agent; if tenant, the name of the owner or property manager

~~4.1.1.9~~ If new service, information as to anticipated use of service and anticipated energy and demand requirements of member

~~4.1.1.10~~ Life support equipment, if any, to be used within the premises

~~4.1.1.11~~ Name and address of any third party the member wishes to be informed of any termination notice

~~4.1.1.12~~ If applying for service in any name other than the property owner(s), the property owner(s) shall certify the authority of the responsible party in writing to OPALCO. If this authorized responsible party is allowed to agree to placement of facilities on behalf of the property owner(s), this must also be certified in writing.

#### 4.1.2 Proof of Identity

Each applicant for service will be required to present sufficient proof of identity to allow OPALCO to determine the identity of the person.

#### 4.1.3 Right to Refuse Service

OPALCO may refuse to provide service to any responsible party not providing the information required by this section. The right to refuse service under this section does not limit OPALCO's right or authority to refuse service or terminate service on any other basis set forth in this member service policy. The member may be required to certify the accuracy and correctness of information provided.

#### ~~4.1.4~~ ~~New Member Information~~

~~OPALCO shall furnish all new responsible parties with the following information:~~

~~4.1.4.1~~ Copy of signed membership application

~~4.1.4.2~~ OPALCO bylaws

~~4.1.4.3~~ Copy of rate schedules under which member is to be served

~~4.1.4.4~~ Member packet

~~4.1.4.5~~ Form Utility Easement

## ~~4.2~~ ~~CONTRACTS OR WRITTEN AGREEMENTS~~

~~OPALCO may require a member, as a condition of service, to sign a contract or agreement acknowledging additional conditions of service. OPALCO may also require a contract as a condition of providing specific services. These contracts or agreements will normally remain with the property served and will be recorded with the San Juan County Auditor's office. As such they shall transfer to any successor property owner. By obtaining service from OPALCO, each member consents to the recording of all necessary contracts, agreements and easements.~~

## **4.32** MINIMUM TERM OF SERVICE

Unless otherwise provided in a specific contract for service, the minimum term for which service will be rendered is one month of thirty (30) days.

#### **4.43 FEES**

##### **4.43.1 Membership Fee**

All applicants for service will be required to become a member of Orcas Power and Light Cooperative (see Schedule of Deposits and Charges in the OPALCO tariff book).

##### **4.43.2 Service Charge**

Each member, upon application for service, shall pay a fee to cover the initial expense of incorporating the new account data into OPALCO's billing and member records system (see Schedule of Deposits and Charges in the OPALCO tariff book).

##### **4.43.3 Reconnect Fee**

Each member applying for electric service at an existing metered location shall be charged a connect fee if OPALCO is required to set a meter. This fee will not be levied if the electricity is already on and both members agree to a meter reading resulting in no lapse in service (see Schedule of Deposits and Charges in the OPALCO tariff book).

#### **4.54 EASEMENTS**

The responsible party shall execute an easement in a form as determined by OPALCO, providing a suitable legally binding right for OPALCO's and/or its subsidiaries' distribution, transmission and communications lines and other facilities, equipment and other appurtenances to be located on, under or above the member's property to furnish the member with electric energy and/or communications service, to serve other members and customers of OPALCO and its subsidiaries (see Member Service Policy 3.5.5), to provide improved safety and data communications in the field for the Cooperative's operations staff, and to provide more efficient energy usage, and more reliable electric service to its members.

#### **4.65 ACCESS**

##### **4.65.1 Access to Premises**

Any properly identified employee or agent of OPALCO shall have access to the premises of the member at all reasonable times for the purpose of reading meters, utility right-of-way maintenance, testing and/or inspecting load and service entrance equipment, repairing, removing or exchanging any or all equipment belonging to OPALCO. Service and meter locations shall be kept free of brush or other obstructions by the member at all times. Locked gates and barricades shall have an OPALCO lock in addition to the member's lock so that the gate or barricade can be opened by OPALCO.

##### **4.65.2 Accessibility of Electric Meter**

OPALCO determines the location of all facilities owned by OPALCO including the electric meter location. OPALCO shall locate electric meters in an area accessible to OPALCO employees. Access must not require opening a door, lock, etc. unless OPALCO gives written permission allowing it. The area containing the meter must have at least one open wall. Except for transformer rated meter installations, no energy shall enter a dwelling or other closed room before it is metered. OPALCO employees shall have access to member's electric meters at all times. The member is responsible for providing a clear pathway from the driveway, street or alley to the meter for monthly meter reading purposes. If the member fails to provide a clear pathway to the electric meter, OPALCO may clear the area with the cost of such clearing to be paid by the member.

#### 4.7 — ESTABLISHMENT OF CREDIT

Each member will be required to establish and maintain credit satisfactory to OPALCO as a condition of receiving service. OPALCO reserves the right to check the member's credit with an established credit reporting agency.

##### 4.7.1 — Deposits

OPALCO may require a separate deposit for each meter installed. The amount of the deposit required by OPALCO will normally be the amount specified in the Schedule of Deposits and Charges in the OPALCO tariff book. OPALCO may require a larger deposit for a new account to be set up as a business entity.

4.7.1.1 OPALCO will refund or waive the requirement for a deposit for electric service within 90 days if the applicant is able to meet any of the following requirements:

4.7.1.1.1 — The applicant has previously established a good payment record with OPALCO; or

4.7.1.1.2 — The applicant provides a letter or other written verification from a utility (electric, gas or telephone) which last provided service to the applicant stating that the applicant had credit history equal to OPALCO's "B" rating at the prior location, or

4.7.1.1.3 — The applicant signs up for one of the automatic payment methods, either monthly payments drawn directly from their bank account or authorization to charge the monthly payments to the applicant's credit card, or

4.7.1.1.4 — With the applicant's permission, OPALCO is able to obtain a favorable reporting for one of the credit reporting agencies, or

4.7.1.1.5 — The applicant is the owner or purchaser of the property.

4.7.1.1.6 — The applicant provides a third party guarantee. Since a third party guarantee is a transfer of liability from one party to another, the acceptability of the third party guarantor is at the sole discretion of OPALCO. The third party guarantor shall be an active OPALCO member and must have established credit under similar usage and amounts. The third party guarantor must acknowledge their responsibilities in writing. The third party guarantor may revoke the guarantee by giving OPALCO thirty (30) days' notice in writing and OPALCO may then collect a deposit regardless of the payment record of the account. The third party guarantor will remain liable for all amounts until the effective date of the revocation.

4.7.1.1.7 — In the case of a business, please refer to the Schedule of Deposits and Charges in the OPALCO tariff book.

4.7.1.2 OPALCO will issue to the applicant a written receipt for the amount of the deposit. OPALCO will not require a member to produce a deposit receipt in order to receive a refund of the deposit.

4.7.1.3 Unless otherwise requested by the member, OPALCO will apply the deposit to the residential account within 30 days after the earlier of:

~~4.7.1.3.1—Twelve (12) months continuous service if the member has not received more than one disconnect notice, has not had more than one NSF check, and has not been disconnected for non-payment during the previous twelve (12) month period; or~~

~~4.7.1.3.2—Termination of service, to the extent the deposit amount exceeds any balance due the utility for electric service and late fee for that account.~~

~~4.7.1.3.3—If the billing is current at the time of review, the member may be issued a check for payment of the deposit refund.~~

~~4.7.1.4—OPALCO may institute or adjust a deposit for an established member consistent with Section 4.7.1 if the member becomes delinquent in payment. See Member Service Policy 7.5.8.~~

~~4.7.1.5—OPALCO will provide deferred deposit payment arrangements in cases of residential economic hardship. OPALCO may disconnect a member in accordance with Member Service Policy 7.5 if the member does not maintain the agreed upon deposit payment arrangements.~~

#### ~~4.7.2—Interest on Deposits~~

~~OPALCO will not pay interest on deposits.~~

#### ~~4.7.3—Deposits To Be Applied~~

~~Upon disconnection of service, OPALCO will apply all held deposits towards payment of the member's outstanding balance. The member will continue to be liable to OPALCO for the balance.~~

#### ~~4.7.4—Former Indebtedness Paid~~

~~If a former member, or person responsible for debt, who is indebted to OPALCO attempts by some agency, relationship, or otherwise, to obtain service, OPALCO reserves the right to refuse service until payment is made of all money due.~~

#### ~~4.7.5—Not to Receive Benefit~~

~~A person who has been disconnected for non-payment of a bill may not receive benefit of service by having the account transferred into another name if there has been no change in occupancy in the location.~~

#### ~~4.7.6—Disconnect Requested By Others~~

~~At the request of a landlord who has the account in his name, OPALCO may refuse to initially connect a tenant's electric service. OPALCO will not disconnect a tenant who holds the account in his name at the request of a landlord. OPALCO will reconnect a tenant who has been disconnected for non-pay if the tenant makes acceptable payment arrangements.~~

## **4.8—APPLICABLE RATE**

~~Where more than one rate schedule is applicable, the applicant shall be advised of the lowest applicable rate.~~

#### ~~4.8.1—Alternate Rate Schedule~~

~~When a member desires service on an applicable rate schedule other than that on which he is being billed, he shall so notify OPALCO in writing and, after review, the change in schedule will become effective after the next regular meter reading. Unless there has been a change in use, rate class changes shall remain in effect for twelve (12) months.~~

#### 4.96 RESALE OF ELECTRICITY

The member shall not sell to others any of the electric service furnished by OPALCO.

##### 4.96.1 Master Meters/Sub-Meters

With the exception of marinas (4.9.4), no service will be supplied through a master meter for sub-metering for resale. This rule does not prohibit a landlord or manager from including a fixed amount as part of the rental charge to cover the cost of electric service to marinas or rental units.

##### 4.96.2 Combined Billing

The rates set forth in the individual rate schedules are based upon the supply of service to one member through one meter on one premise and service measured through two or more meters on the same premise will not be combined for billing purposes. Upon request of an applicant, OPALCO may install more than one meter, but in such instances the bill for service through each meter will be computed separately and billed in accordance with the applicable rate schedule.

##### 4.96.3 Multiple Occupant Commercial Buildings

Primary service will be supplied only to one location for each building. All metering and service entrance equipment will be located at this point. Each separate commercial unit separated by permanent load-bearing walls must be metered separately. No master metering will be permitted. Laundry, furnaces, and other common use areas will be metered and charged according to the appropriate rate schedules.

##### 4.9.4 Marina Service

~~Marinas submetering will be determined on a case-by-case bases, boat floats or moorings are metered at the point of delivery. The serving transformer's secondary lugs shall not be extended beyond the shoreline and be located no closer than five (5) feet horizontally above the electrical datum plane. These services shall be billed under the appropriate commercial schedule.~~

~~The moorage owner may either install an OPALCO approved master meter base or meter the individual slips with an approved OPALCO meter. In both of these cases, the point of delivery shall remain the secondary lugs of the serving transformer, but OPALCO will read the meters and bill the individual slips under the appropriate tariff.~~

~~Slips which are occupied for residential purposes shall be billed under the residential schedule only if an OPALCO approved and installed meter is metering the slip. The moorage owner is responsible for all maintenance from the shoreline transformer secondary lugs.~~

~~NOTE: Electrolysis may be a major problem for those receiving electric service in the marine environment. Isolation transformers or other means to prevent or reduce electrolysis are the sole responsibility of those taking service. OPALCO assumes no responsibility for electrolysis or similar problems.~~

#### 4.107 PROTECTION OF OPALCO PROPERTY

The member shall be responsible for the safekeeping of OPALCO's property on his premises and shall take all reasonable precaution against unlawful interference with OPALCO's property.

**4.118 TAMPERING WITH OPALCO'S PROPERTY**

In order to protect its equipment and service, OPALCO may seal the service switch and/or other devices or enclosures on the member's premises to prevent access by unauthorized persons. The member shall not in any way interfere with or alter the meters, seals, or other property used in connection with rendering electric service, or permit same to be done by others, other than the authorized agents or employees of OPALCO. Damage to or loss of this OPALCO property shall be paid for by the member. Damage to or removal of OPALCO's meters, seals or other property may be considered sufficient reason for discontinuance of service to a member until OPALCO has received satisfactory assurance that its equipment will be free from future interference and until all damages, fines and bills for metered or unmetered electricity have been paid.



## Member Service Policy 7 – Billing and Collection

### ORCAS POWER AND LIGHT COOPERATIVE MEMBER SERVICE POLICY 7 BILLING AND COLLECTION

#### 7.1 RATES

Electric energy shall not be sold at prices other than those stated in the rate schedules (tariffs).

#### 7.2 RENDITION OF BILL

Bills shall be deemed rendered, and other notices duly given, when delivered to the member personally or when mailed to them at the address supplied, or at the last known address of the member or when left at either of such places or delivered via e-mail to e-mail address supplied by the member. Failure to receive such bills or notices from OPALCO will not entitle the member to any delay in the settlement of each month's account.

#### 7.3 PAYMENT OF BILL

Payments are due by midnight Pacific time on the date specified on the bill. Any bill not paid within thirty days of the billing date specified on the bill will be considered delinquent. Any delinquent bill exceeding fifty dollars (\$50.00) will be subject to disconnection.

##### 7.3.1 Payment Agreement Plan

OPALCO shall offer a deferred payment plan for active accounts. The extension of time to pay the bill shall not be offered more than twice in a six-month period. The extension will not normally exceed 30 days but under hardship, cases may be for a period not to exceed 90 days. If the member has broken two (2) or more arrangements within a six-month period. Exceptions may be made by the OPALCO.

##### 7.3.2 Life Support Equipment

OPALCO will not normally disconnect members when it has been notified that the member is using life support equipment without contacting both the member and the appropriate social service agency. OPALCO will make every effort to work out an acceptable time payment plan that will enable uninterrupted electric service. If the member has notified OPALCO of the use of life support equipment, OPALCO will attempt to contact any member using life support equipment prior to any scheduled service interruption.

##### 7.3.3 Fixed or Levelized Budget Billing

OPALCO may offer fixed or levelized budget billing to its residential and commercial members. Fixed billing allows the member to set a specific amount to pay each and every month. Levelized budget billing continually looks at the last twelve (12) months and calculates the average monthly payment each month. To qualify for this type of billing, the member must have established membership for a minimum of one (1) year and have a good credit rating with OPALCO.

7.3.3.1 OPALCO reserves the right to adjust the budget or average amount as necessary.

7.3.3.2 The member may elect to stop budget billing at any time. Such election will be effective with the next bill. If OPALCO owes the member any money upon termination of budget billing, the amount will be credited to the member's bill. Amounts owed by OPALCO above \$50.00 will be refunded upon the member's request.



If the member owes OPALCO less than \$100.00, this amount will be added to the next billing and become due and payable. If the amount is over \$100.00, the member may make equal monthly payments for a period not to exceed twelve (12) months a payment agreement plan.

#### 7.3.4 Pre-Pay Electric Service

OPALCO offers a Pre-Pay (pay in advance) program for members on a voluntary basis and subject to the Cooperative's approval. Member participants will be required to sign a Pre-Pay Agreement form and maintain a credit balance on their account that will decrease as service is delivered. If the available credit falls below \$20, the member will be notified by phone, email, or text before remote disconnection and low account balance notifications. The Pre-Pay accounts will not receive a monthly paper bill. Participants will be required to have access to email and or text messaging and will be able to view their account information on-line over the internet, by phone, or the OPALCO's mobile app.

#### Rates, Fees, and Deposits:

7.3.4.1 Pre-Pay accounts will not require a security deposit. Members participating in Pre-Pay will not be subject to late fees, disconnect fees or reconnect fees.

7.3.4.2 Members using Pre-Pay program will be billed according to the applicable rate schedule.

7.3.4.3 When an existing Member changes from traditional billing to Pre-Pay, any existing security deposit will be applied towards any outstanding balance on the account. Excess deposits will be applied to the Member's Pre-Pay balance.

7.3.4.4 Members must pay their existing balance before switching to the Pre-Pay program. If there is a balance owing after any security deposit is applied, the Member must pay the remaining balance due before Pre-Pay service will be authorized.

7.3.4.5 A Member may, after satisfying the minimum 12-month service agreement, elect to convert their account from Pre-Pay to traditional billing. When converting all applicable policies, credit checks, deposits, and fees will apply.

#### Disconnection and Reconnection:

7.3.4.6 Participants of the Pre-Pay program are responsible for making minimum payments of \$25 per transaction, toward their account to maintain a positive balance. An initial payment of \$50 is the minimum requirement for Pre-Pay electrical service.

7.3.4.7 Electric service will be subject to immediate disconnection any time a Pre-Pay account has a zero balance. Medical conditions and/or weather conditions will not postpone disconnection.

7.3.4.8 If a Pre-Pay account has been disconnected, it will be reconnected within approximately one hour of the balance becoming positive.

7.3.4.9 If a Pre-Pay account is terminated, the Member will receive a refund of any remaining account balances. If at the time of disconnection, a balance may remain owing if the Member's account has become negative. This does not release the Member's responsibility for the balance owed.

7.3.4.10 Pre-Pay accounts are not eligible for payment arrangements, budget billing, or auto-pay with OPALCO.

#### 7.4 PENALTY

OPALCO will charge a late penalty, as specified in Schedule of Deposits and Charges, for any account where payment is not received by-midnight Pacific time due date specified on the bill.

7.4.1 Government and/or other commercial non-profit services may not be charged a late penalty if OPALCO deems that a bill cycle conflicts with the normal cycle of service for that business. In determining if this is appropriate, OPALCO will review accounts to confirm that monthly payments are made, along with credit and disconnect history.

#### 7.5 DISCONNECT PROCEDURE

7.5.1 In addition to immediate disconnection in accordance with Member Service Policy 3.5, a member may be disconnected with proper notice, for any of the following reasons:

7.5.1.1 Failure to pay bills or other amounts due to OPALCO in a timely manner

7.5.1.2 Failure to meet or maintain an adequate deposit.

7.5.1.3 Knowledge of and continued failure to provide access to the electric meter or other OPALCO owned equipment.

7.5.1.4 Breach of special contract or agreement with OPALCO, including a line extension agreement, failure to meet payment agreement plan, or failure to meet deposit payment agreement.

7.5.1.5 Failure to comply with the order of governmental agencies having jurisdiction in the matter.

7.5.1.6 Failure to comply with the conditions and terms of membership.

7.5.2 Disconnect Notice

A disconnect notice shall be sent by mail to those members whose electric service is in jeopardy of disconnection. Such notice shall be sent out not less than 48 hours, nor more than fourteen working days, prior to the date of disconnection, and shall contain, at the minimum, the following information:

7.5.2.1 The name and address of the member to be disconnected.

7.5.2.2 The account number for which service will be disconnected.

7.5.2.3 A statement of the reason for disconnection.

7.5.2.4 The date on or after which disconnection will take place.

7.5.2.5 If non-payment is the reason for disconnection the notices shall also include the minimum amount that must be paid to prevent service disconnection.

7.5.2.6 A request to notify OPALCO if a person occupies the residence is seriously ill, handicapped, or dependent on life support systems.

7.5.2.7 An explanation of additional charges for reconnection of service after disconnection.

7.5.3 Disconnect Notice Not Required

A disconnect notice is not required in the following instances:



7.5.3.1 A member's check, used to pay for a disconnect notice, is returned for non-sufficient funds.

7.5.3.2 Failure to honor payment agreement plan(s).

#### 7.5.4 Telephone Contact

OPALCO shall attempt to contact members scheduled for disconnection by telephone within three working days of the scheduled disconnection. Failure to contact the member by telephone will not delay the disconnection. OPALCO will not be required to contact chronic late payers who receive more than three disconnect notices in a twelve (12) month period.

#### 7.5.5 Day of Disconnect

No disconnects will be completed on a Friday, or a day before a holiday during which OPALCO offices will be closed, or before 10:00 a.m. on a day following a weekend or holiday during which OPALCO offices are closed. The disconnection may occur up to ten days after the date specified in the disconnect notice. If disconnection is not accomplished within this ten-day period, another disconnect notice must be given.

#### 7.5.6 Charges to Be Paid

Where a member's service is discontinued for non-payment of bills, OPALCO reserves the right to refuse to furnish service to said member at the same or any other location until all charges, including the reconnection charge and other monies due OPALCO, have been paid. Pursuant to Member Service Policy 4.7.5, a person who has been disconnected for non-payment of a bill may not receive benefit of service by having the account transferred into another if there has been no change in the occupancy in the location.

#### 7.5.7 Reconnection Charge

OPALCO may make a charge for the reconnection of service where it has become necessary to disconnect service for the non-payment of bills. The charge for this service shall be as provided in the Schedule of Deposits and Charges in the OPALCO Tariff Book

#### 7.5.8 Right to Require Deposit

OPALCO may require a member to pay a deposit or adjust the amount of a deposit after disconnection for non-payment. OPALCO may not require this deposit to be paid as a condition for reconnection of service. The member may ~~pay the deposit in up to three equal monthly installments~~ make arrangements to pay the deposit according to standard procedures.

### 7.6 ESTABLISHMENT OF CREDIT

Each member will be required to establish and maintain credit satisfactory to OPALCO as a condition of receiving service. OPALCO reserves the right to check the member's credit with an established credit reporting agency.

#### 7.6.1 Deposits

OPALCO may require a separate deposit for each meter installed. The amount of the deposit required by OPALCO will normally be the amount specified in the Schedule of Deposits and Charges in the OPALCO tariff book.

7.6.1.1 OPALCO will refund or waive the requirement for a deposit for electric service within 90 days if the applicant is able to meet any of the following requirements:

7.6.1.1.1 The applicant has previously established a good payment record with OPALCO; or

7.6.1.1.2 The applicant provides a letter or other written verification from a utility (electric, gas, water, telephone, or internet) which last provided service to the applicant stating that the applicant had credit history equal to OPALCO's "B" rating at the prior location, or no late payments or disconnections for non-payment in the most recent twelve (12) month history, or

7.6.1.1.3 The applicant signs up for one of the automatic payment methods, either monthly payments drawn directly from their bank account or authorization to charge the monthly payments to the applicant's credit card, or

7.6.1.1.4 With the applicant's permission, OPALCO is able to obtain a favorable reporting for one of the credit reporting agencies, or

7.6.1.2 OPALCO will issue to the applicant a written receipt for the amount of the deposit. OPALCO will not require a member to produce a deposit receipt in order to receive a refund of the deposit.

7.6.1.3 Unless otherwise requested by the member, OPALCO will apply the deposit to the residential account within 30 days after the earlier of:

7.6.1.3.1 Twelve (12) months continuous service if the member has paid on or before the due date listed on the bill, has not had more than one NSF check, and has not been disconnected for non-payment during the previous twelve (12) month period; or

7.6.1.3.2 Termination of service, to the extent the deposit amount exceeds any balance due the utility for electric service and late fee for that account.

7.6.1.3.3 If the billing is current at the time of review, the member may be issued a check for payment of the deposit refund.

7.6.1.4 OPALCO may institute or adjust a deposit for an established member consistent with this policy.

7.6.1.5 OPALCO will provide deferred deposit payment arrangements in cases of economic hardship. OPALCO may disconnect a member in accordance with Member Service Policy 7.5 if the member does not maintain the agreed upon deposit payment arrangements.

#### 7.6.2 Interest on Deposits

OPALCO will not pay interest on deposits.

#### 7.6.3 Deposits To Be Applied

Upon final termination of service, OPALCO will apply all held deposits towards payment of the member's outstanding balance. The member will continue to be liable to OPALCO for the balance.

#### 7.6.4 Former Indebtedness Paid

If a former member, or person responsible for debt, who is indebted to OPALCO attempts by some agency, relationship, or otherwise, to obtain service, OPALCO reserves the right to refuse service until payment is made of all money due.

#### 7.6.5 Not to Receive Benefit

A person who has been disconnected for non-payment of a bill may not receive benefit of service by having the account transferred into another name if there has been no change in occupancy in the location.

#### 7.6.6 Disconnect Requested By Others

At the request of a landlord who has the account in his name, OPALCO may accept new membership applications for a tenant. OPALCO will not disconnect a tenant who holds the account in his name at the request of a landlord.

#### 7.6.7 Collection Procedures

The member shall pay OPALCO's cost of collection, including legal fees:

7.6.7.1 When a member's account becomes slow or no pay, OPALCO's member services staff will begin an in-house collection process. This will include telephone calls to the member, a disconnect notice, and actual disconnect of the service when the member does not meet the agreed-on payment arrangements or is non-responsive to OPALCO's efforts.

7.6.7.2 When a member's account is closed with a balance due, OPALCO will make every effort to contact the member by telephone. If this is not successful, OPALCO will send a standard letter stating, "we are sending your account to collections if we do not hear from you by a specified date within two weeks". If the member does not contact OPALCO within two weeks after the collection letter is sent, and the member is still residing in San Juan County, and the account balance is substantial enough to warrant the expense, OPALCO will initiate the small claims process. If OPALCO's correspondence to the member is being returned, OPALCO will utilize one of the credit reporting agency's skip tracing services to further our internal collection efforts.

7.6.7.3 After every effort is made to effect collection of the amount due internally, OPALCO will calculate the discount on available capital credits and, with Board approval, apply that amount to the bad debt. Any remaining balance on the account will be sent to the collection agency immediately. If there are any remaining capital credits for later years, they will be disbursed under OPALCO's normal retirement cycle.

7.6.7.4 After every effort is made to effect collection of the account internally, and there are no available capital credits to discount, the account will be submitted to the collection agency immediately.

### 7.7 BILLING PERIOD

#### 7.7.1 Billing Month

Each meter is read on approximately the same date each month and bills are rendered accordingly. An actual billing period may vary.

#### 7.7.2 Partial Month

When service is initiated or discontinued during a month, the facilities or minimum charge will be prorated on a thirty (30) day month. Demand charges shall not be prorated.

### 7.8 ESTIMATED BILL

If OPALCO is unable to read a meter OPALCO shall estimate the meter reading and bill the member accordingly. Estimates will be based on records of previous usage, and length of billing period.

### 7.9 ADJUSTMENT OF ERRORS

#### 7.9.1 Period to Be Adjusted

##### 7.9.1.1 Meter Malfunction

If, for any reason, an electric meter fails to properly record the amount of usage or demand, OPALCO will estimate the bill based on the information available to OPALCO. In this case, OPALCO will correct the billing error for a period not to exceed five billing periods, not counting the billing



period in which the error was found or recorded. OPALCO will waive any retroactive charges if the member served by the meter reports the problem within five billing periods.

#### 7.9.1.2 Billing Error

In case OPALCO shall, for any reason, incorrectly bill a member, upon discovery, OPALCO will correct such billing error ~~for a period not to exceed five billing periods, not counting the billing period in which the error was found or reported.~~

#### 7.9.1.3 Fraud, Meter Tampering, or Damage to OPALCO Property

If the member's meter is damaged, tampered with, or for any other reason other than a meter malfunction, fails to record the proper amount of energy or demand used by that member, OPALCO will calculate or estimate the consumption based on the information available to OPALCO. In this case, the period to be corrected will be the period in which the damage, fraud, or theft occurred. The account may also be subject to a fee for unauthorized breakage of a meter seal, as specified in the Schedule of Deposits and Charges in the OPALCO Tariff Book.

#### 7.9.2 Estimated Consumption

If for any reason the actual amount of usage or demand cannot be determined, OPALCO will calculate or estimate the consumption based on the information available to OPALCO.

#### 7.9.3 Time to Pay

7.9.3.1 When there has been an adjustment to the account, if the member has overpaid, OPALCO shall apply the amount of the overpayment to the member's account or refund it to the member if the member requests it.

7.9.3.2 When there has been an adjustment to the account, if the member has underpaid, the member shall be given the opportunity to pay for the error over a period of time, without penalty. Payment agreement plans can be made pursuant to Section 7.3.1.

### **7.10 CHANGE OF OCCUPANCY OR ACCOUNT RESPONSIBILITY**

Bills are rendered in the name of the person shown in OPALCO's records as the party responsible for electric consumption at the specified location. Any change of occupancy or ownership at a specified location must be reported to OPALCO.

### **7.11 CHANGE OF RATE CLASS**

OPALCO shall inform each member when they apply for service of alternative rate schedules available to that member. OPALCO will not be responsible for changes occasioned by changes in the member's premises. Should the member be eligible for a rate class that would result in lower rates but fails to make OPALCO aware of the situation, the adjustment will not be retroactive.

### **7.12 SECOND PARTY BILLS**

OPALCO will mail a copy of all bills and final notices to an additional name and/or address if requested by the member of record. Either party may make payments on the account; however, the financial responsibility for the account remains with the person whose name appears on the account as the member of record.



## Draft Pre-Pay Billing Program Agreement

### Pre-Pay Billing Program Agreement

#### Summary

Traditional electric billing involves using the electricity first and receive a monthly bill after the billing cycle ends. Pre-Pay allows Members the freedom to pay when they want and not have a deposit, late fee, disconnect fee, or reconnect fee. With Pre-Pay, a member simply pays ahead and establishes a credit balance. Then as electricity is used, that balance is decreased each day. The member must make adequate payments to maintain a credit balance. A Pre-Pay Member can monitor their usage and credit balance as often as they want with the OPALCO mobile app, website, or by call the OPALCO office during normal business hours.

Pre-Pay is available only to single phase, direct metered residential accounts. Residential accounts on auto-pay, Budget Billing, Payment Agreement Plan or have contracts for anything other than electric use, such as participants of the Switch-It-Up program are not eligible for the Pre-Pay program.

**New Members:** New Members are required to complete a Membership Application if one is not currently on file. A minimum payment of \$50 for electric use is required for initial service. Pre-Pay accounts will be charged in accordance with the applicable rate schedule. No deposit is required but in the event the Member wishes to convert from Pre-Pay to a traditional payment account, all applicable policies, credit checks, deposits, and fees will apply.

**Existing Members:** Existing Members opting to convert their traditional electric account to Pre-Pay must pay in full all pre-existing fees and current account balance. Unbilled usage must also be paid in full. Members may choose to have existing deposits applied (when applicable) to account balances and or their Pre-Pay account credit, with the understanding that if the Member wishes to convert from Pre-pay back to the traditional payment account, all applicable policies, credit checks, deposits, and fees will apply, and any outstanding debt must be paid in full. A Pre-pay account must have at least a \$50 credit to begin participation in the program.

**Pre-pay Payments:** Members participating in the Pre-Pay program are responsible for making minimum prepayments of \$25 per transaction, toward their account to maintain a positive balance. Payments may be made by contacting the OPALCO office during normal business hours. Afterhours payments may be made using the OPALCO mobile app.

**Notification:** It is the Member's responsibility and OPALCO's recommendation that the Members monitor their usage daily. OPALCO will provide low balance and disconnection notification but cannot guarantee that all notification or messaging will reach Members prior to disconnection. Members may choose to be notified by text message and or email. Pre-Pay program participants must provide OPALCO a working cell phone number and or email account to receive notices. OPALCO will send low balance notifications when a Pre-Pay balance has dropped below \$20.00. Pre-Pay accounts will not receive a monthly bill. OPALCO will provide 24-hour access to usage information on-line via the SmartHub mobile app. Member Service Representatives will also be available to provide this information during normal business hours.

**Billing:** Pre-Pay account charges will be calculated and debited daily. These charges will include electric usage as well as other applicable charges and fees including, but not limited to, Service Access Charge,



Energy Assist Charge or the Power Cost Adjustment. Pre-pay account information including usage, charges, and payments will be available via phone or the SmartHub mobile app.

Disconnection: Pre-Pay accounts will be subject to automatic disconnections when the credit balance falls below \$0. There will be no extensions or payment arrangements. Medical conditions and or weather conditions will not postpone disconnection. Accounts will not be reconnected until the balance is brought up to a credit balance (including payment of any unpaid usage). Any returned checks or other fees will be charged to the Member's account immediately. If this causes the credit balance to be exhausted, service will be subject to disconnection. Once a check has been returned on a Pre-Pay account, OPALCO will no longer accept checks for payment on that account.

I choose to be notified of low balance or disconnection by one or more of the following methods:

- Text (cell phone number): \_\_\_\_\_
- E-Mail (address): \_\_\_\_\_

I understand that it is my responsibility to change the notification options or contact information when necessary. I understand that it is my responsibility to provide OPALCO with accurate contact information. I also understand that while OPALCO will make every effort to notify me in the case of low balance or disconnection, that notification is not guaranteed. I understand that these notifications will contain information including account number and current balance.

I understand that I have a security deposit of \$ \_\_\_\_\_. I understand that this will be applied to unbilled usage and or to apply as a credit to my Pre-Pay account. Deposit monies will be applied towards the balance owed with the exception of \$50, which may be used as the required Pre-Pay credit. Any deposit monies left over after being applied to outstanding balance will be credited to my Pre-Pay account.

I understand that I can switch my account back to a traditional payment account. If I elect to do so, I understand that I will be subject to a credit check and may be required to pay a new deposit and any balances in debt recovery before my account can be moved back to a traditional payment account.

By signing this agreement, I certify that I understand and agree to all terms and conditions listed above.

Account #: \_\_\_\_\_ Date: \_\_\_\_\_

Member Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Joint Member Name: \_\_\_\_\_

Joint Member Signature: \_\_\_\_\_

Member Service Representative Name: \_\_\_\_\_

Member Service Representative Signature: \_\_\_\_\_

## Communications to San Juan County

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June 14, 2021

Mike Thomas, County Manager  
San Juan County Council  
[miket@sanjuanco.com](mailto:miket@sanjuanco.com)  
[cindyw@sanjuanco.com](mailto:cindyw@sanjuanco.com)  
[christinem@sanjuanco.com](mailto:christinem@sanjuanco.com)  
[jamies@sanjuanco.com](mailto:jamies@sanjuanco.com)

Dear Mike and Council Members:

I'm writing to ask you to include OPALCO members who are in arrears in your distribution of federal funds from the CARES Act and the American Rescue Funds Act. There are almost 1,000 members who have fallen behind on their bill payments after so many months of COVID-19 financial impacts and will face disconnection and possible displacement once the Governor removes the moratorium this summer.

OPALCO, the County and all of our service organizations and leadership are united in trying to support our members/your constituents through the challenges of COVID-19. Regardless of the Governor's moratorium on disconnection, supporting county residents and business through the pandemic was – and is – the right thing to do. Currently, we are extending our assistance in the form of no penalties, no fees and no disconnect notices, but many have been unable to pay any portion of their past due amounts. We need your help to keep those islanders afloat.

OPALCO'S own COVID assistance funding alone will be more than \$500,000 for 2020 and 2021 (not counting arrears). And our little cooperative can't afford more without raising power rates (which exacerbates the problem). Our community members need federal, state and local assistance to get through this rough chapter.

Some members are so far behind they may never catch up and their power may ultimately be disconnected. Although we are reaching out to these members regularly with monthly calls to remind them of their balance and offer payment arrangements, the majority do not respond. For those who have an outstanding balance of \$1,000 or more, we place a door hanger on their home, requesting that they contact OPALCO – and still, they most often do not contact us. To put it in perspective, as of June 11<sup>th</sup>, OPALCO had 381 members in arrears between 30-90+ days in the amount totaling \$287,851.

As we near the moment when the County will fully re-open, the State moratorium of penalties, fees, and disconnections will be also lifted. We are willing to work with our members and keep the power on as long as they make a payment arrangement and stick to it. There will be members who won't hold up their end of the bargain and will have to be disconnected, following OPALCO's policies for the entire membership – and to protect the viability of our essential business.

The federal funds that you are managing on behalf of the citizens of San Juan County are intended to help people who are struggling due to COVID-19 impacts. Overcoming the high hurdle of past due utility balances will provide major relief on the affordability index for islanders who are in need. Now is the time

---

Eastsound Headquarters  
183 Mount Baker Road  
Eastsound, WA 98245-9413

[www.opalco.com](http://www.opalco.com)  
(360) 376-3500

Friday Harbor Office  
1034 Guard Street  
Friday Harbor, WA 98250-9240

Orcas Power & Light

CO-OP

DocuSign Envelope ID: DFCDAAA8-0510-4282-8488-F5B811875795



to put any and all federal, state and local assistance to work to help our communities come out of the pandemic and return to some normalcy without the insurmountable burden of accumulated arrears.

Please let us know how we can work together to mitigate this hardship for our County residents.

Sincerely,

DocuSigned by:  
*Foster Hildreth*  
Foster Hildreth  
General Manager

---

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June 16, 2021

Jamie Stephens  
San Juan County Council  
Via email: [jamies@sanjuanco.com](mailto:jamies@sanjuanco.com)

Dear Jamie:

Thanks for your quick attention to our letter regarding OPALCO's community members in arrears on their electrical bills. Here's the background progression data you requested for:

<i>Date</i>	<i>Total Arrears</i>
Year-end 2019	\$114,736
Year-end 2020	\$262,240
May 2021	\$277,463
Projected Year-end 2021	\$314,421

Please note that OPALCO is in the process of providing more than \$500,000 in bill assistance to members since April 2020 – without requiring low-income household qualification. Households of all economic strata are impacted by COVID business closures, work slow-downs, school shut-downs and family health care demands.

We work closely with the Family/Community Resource Centers to administer Project PAL grants, Energy Assist monthly bill credits and, now with the recently awarded federal relief funds, COVID assistance through LIHEAP. However, there are plenty of members in arrears who aren't being served by the low-income social services network who legitimately need help to dig out of arrears – or face disconnection and the cascading consequences of financial hardship. We have been hearing from our legislators in Olympia that the relief refunds coming into the local county coffers are meant to assist with the members and businesses in our community that have been impacted by COVID-19.

---

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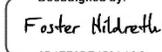


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Please consider allocating any available assistance funds to our community members who are having trouble catching up on their utility bills during the pandemic. Our hope is that, collectively, we can assist island residents in arrears to return to level ground and restore their precarious affordability in San Juan County.

Thank you,

DocuSigned by:  
  
Foster Hildreth  
6B1FF8BE452A4C...

cc: Mike Thomas  
Cindy Wolf  
Christine Minney

---

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## COVID-19 Update

San Juan County has the highest vaccination rate of any county in the state at ~75%. The CDC and WA Governor are slowly relaxing COVID-19 protocols. At this stage, we are reevaluating our work environment and monitoring all available information to make the best decisions for our employees and the membership.

OPALCO has suspended any collection and disconnect activity since the beginning of March 2020 consistent with state and federal mandates. There are ~300 members who we have not disconnected or charged penalties and are in the 90 days past due period of billing.

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

OPALCO continues to watch the data points to make sound decisions as they continue to move through this pandemic and understand the different ways each organization needs to operate to meet the needs of the membership while remaining a viable business.

For current information from San Juan County Health please use the link below:

<https://www.sanjuanco.com/1668/2019-Novel-Coronavirus>



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

**COVID Assistance**

Board Approved Funding includes all funding allocated for 2020 and 2021

	# of Accounts	Amount (\$)	Board Approved Funding (\$)	Remaining Budget (\$)
Energy Assist (EAP-C) Commercial COVID	116	111,179	200,000	88,821
Energy Assist (EAP) Residential COVID	93	33,349	100,000	66,651
Extend Project PAL Benefits - COVID	131	15,000	70,000	55,000
<b>Grand Total</b>	<b>315</b>	<b>159,528</b>	<b>370,000</b>	<b>210,472</b>

**Fee Assistance (Lost Revenue)**

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

Penalties	95,493
Reconnection Fees	6,932

**Measures**

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

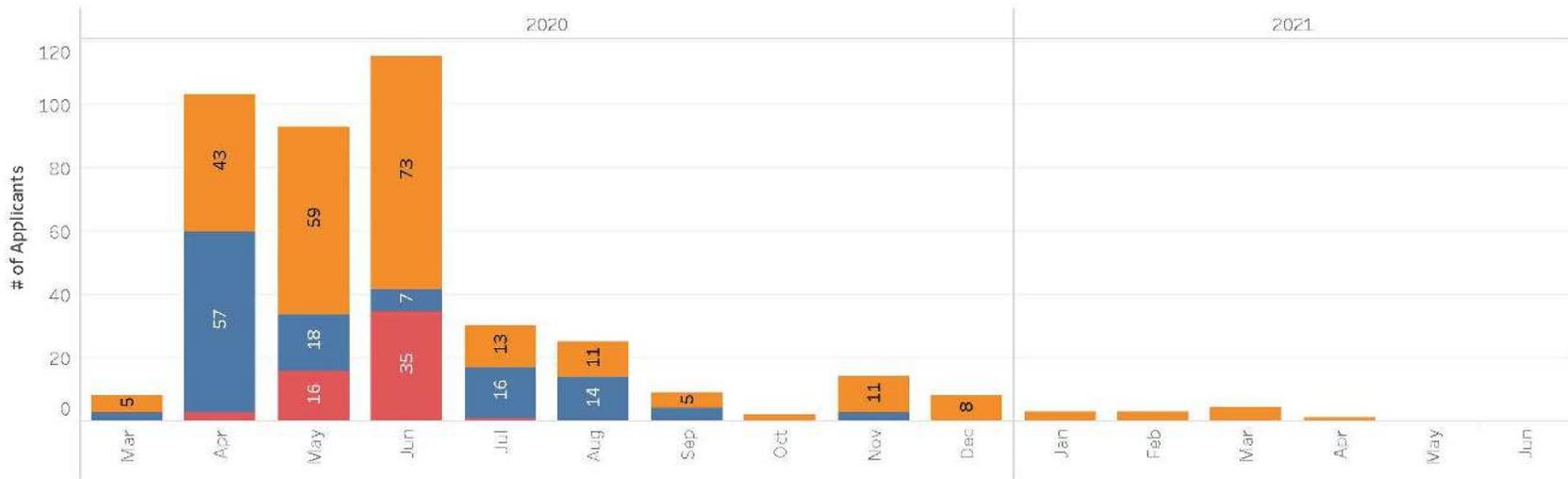
**Benefit**

\$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)

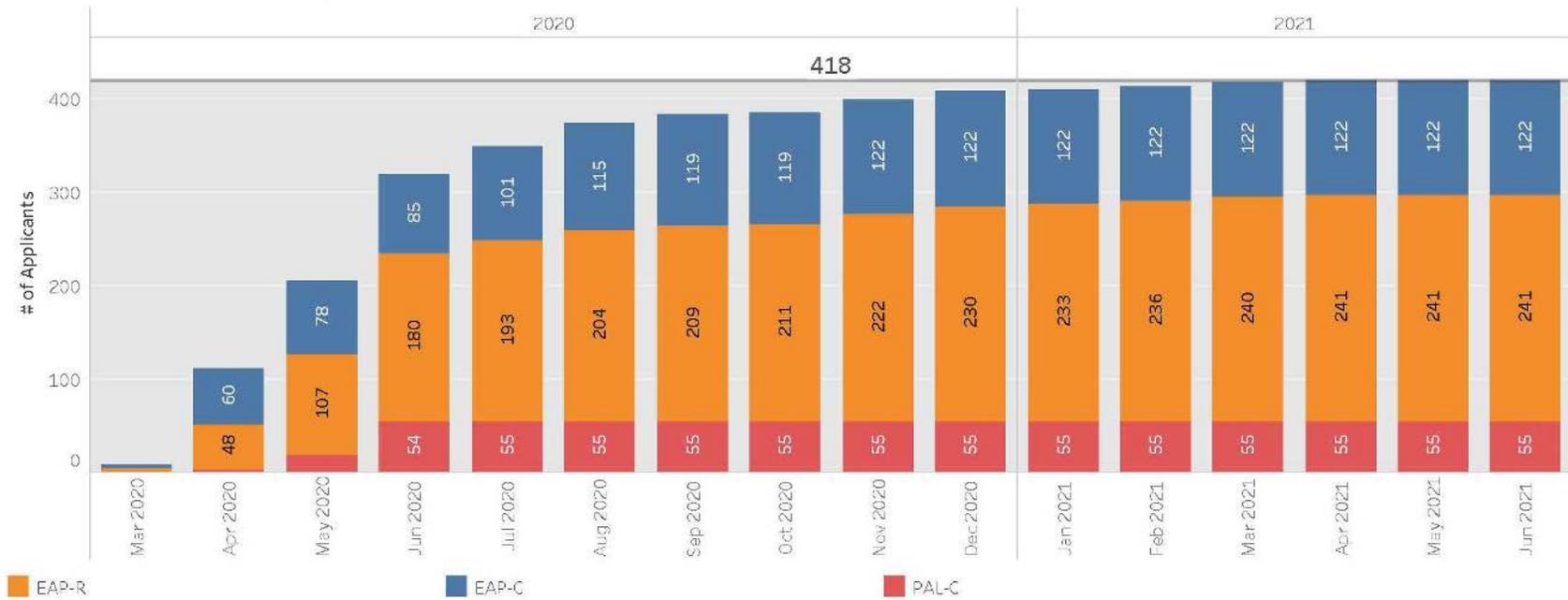
**Member Donations to COVID-19 Relief Efforts**

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

COVID-19 Assistance Applications



COVID-19 Assistance Applications Cumulative

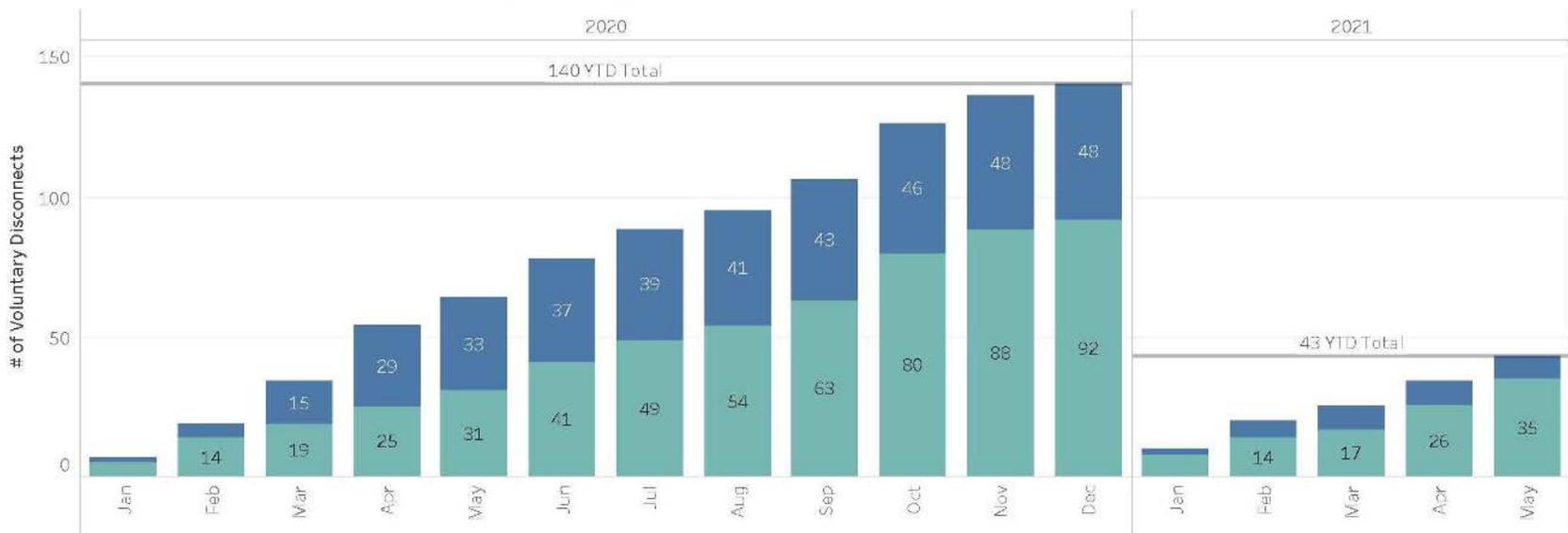


EAP-R EAP-C PAL-C

Voluntary Disconnects (Meters)



Voluntary Disconnects Cummulative (Meters)



Commercial Residential

## 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.

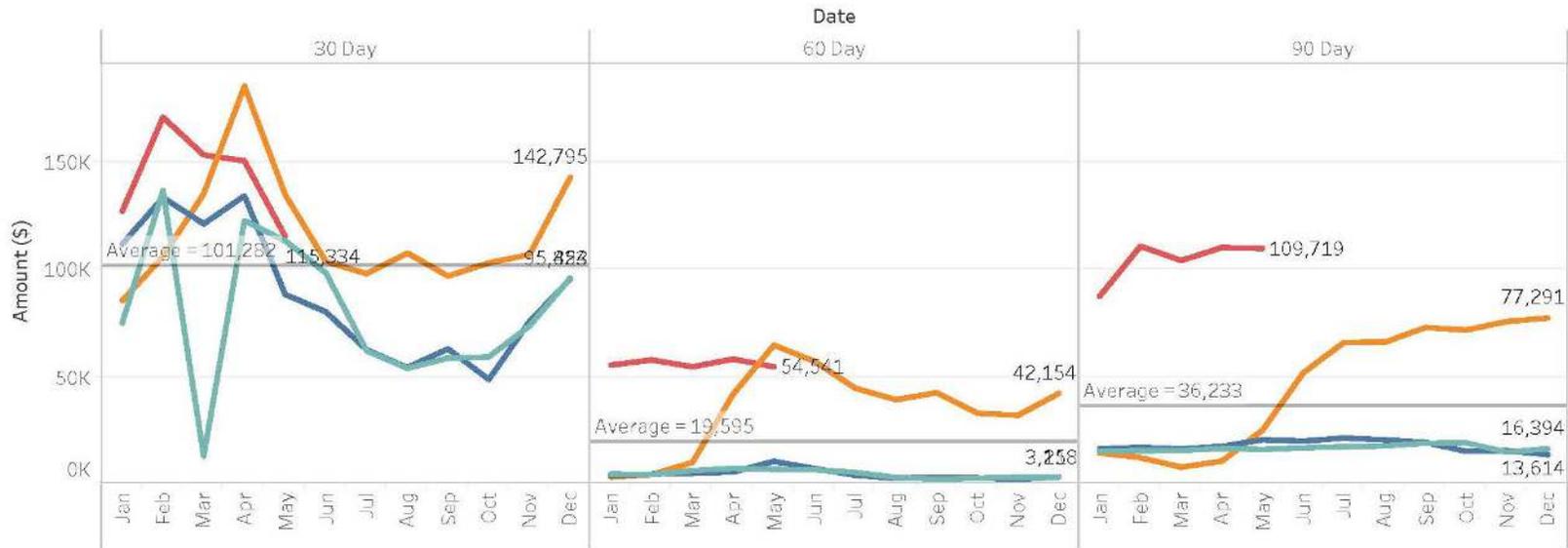
## Long Term AR Comparisons - 30/60 Day

	30 Day			30 Day % Difference			60 Day			60 Day % Difference		
	2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021
Jan	111,730	85,379	127,074		-23.58%	48.84%	3,837	3,101	55,338		-19.18%	1,684.60%
Feb	133,447	105,886	170,874		-20.65%	61.37%	4,511	4,333	57,736		-3.93%	1,232.33%
Mar	121,185	135,225	153,276		11.59%	13.35%	4,962	9,976	54,542		101.04%	446.76%
Apr	134,240	185,370	150,556		38.09%	-18.78%	5,479	41,845	58,142		663.72%	38.95%
May	88,272	134,798	115,334		52.71%	-14.44%	10,457	64,616	54,541		517.89%	-15.59%
Jun	80,172	103,575			29.19%		7,126	57,091			701.17%	
Jul	62,481	97,956			56.78%		4,004	44,576			1,013.19%	
Aug	54,195	107,577			98.50%		2,543	39,191			1,441.27%	
Sep	62,931	96,832			53.87%		3,010	42,513			1,312.28%	
Oct	48,634	102,980			111.75%		2,725	32,868			1,106.30%	
Nov	75,636	106,860			41.28%		2,078	31,986			1,439.43%	
Dec	95,454	142,795			49.60%		3,218	42,154			1,209.94%	

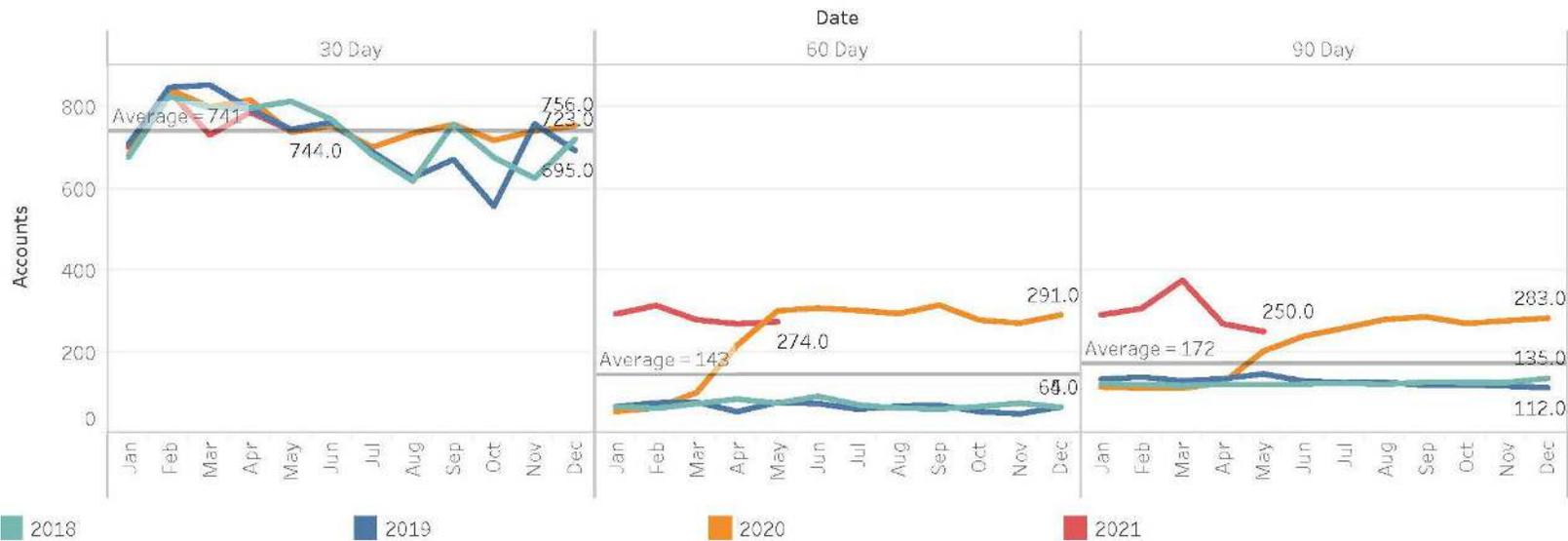
## Long Term AR Comparisons - 90 Day

	90 Day			90 Day % Difference		
	2019	2020	2021	2019	2020	2021
Jan	16,248	14,427	87,419		-11.21%	505.95%
Feb	16,995	12,166	110,764		-28.42%	810.45%
Mar	16,257	7,762	104,089		-52.25%	1,241.04%
Apr	17,451	10,546	110,135		-39.57%	944.38%
May	20,553	25,016	109,719		21.72%	338.59%
Jun	19,925	51,746			159.70%	
Jul	21,349	65,931			208.82%	
Aug	20,486	66,002			222.19%	
Sep	19,305	72,854			277.39%	
Oct	15,115	71,660			374.06%	
Nov	15,429	75,673			390.47%	
Dec	13,614	77,291			467.75%	

Long Term AR (\$)

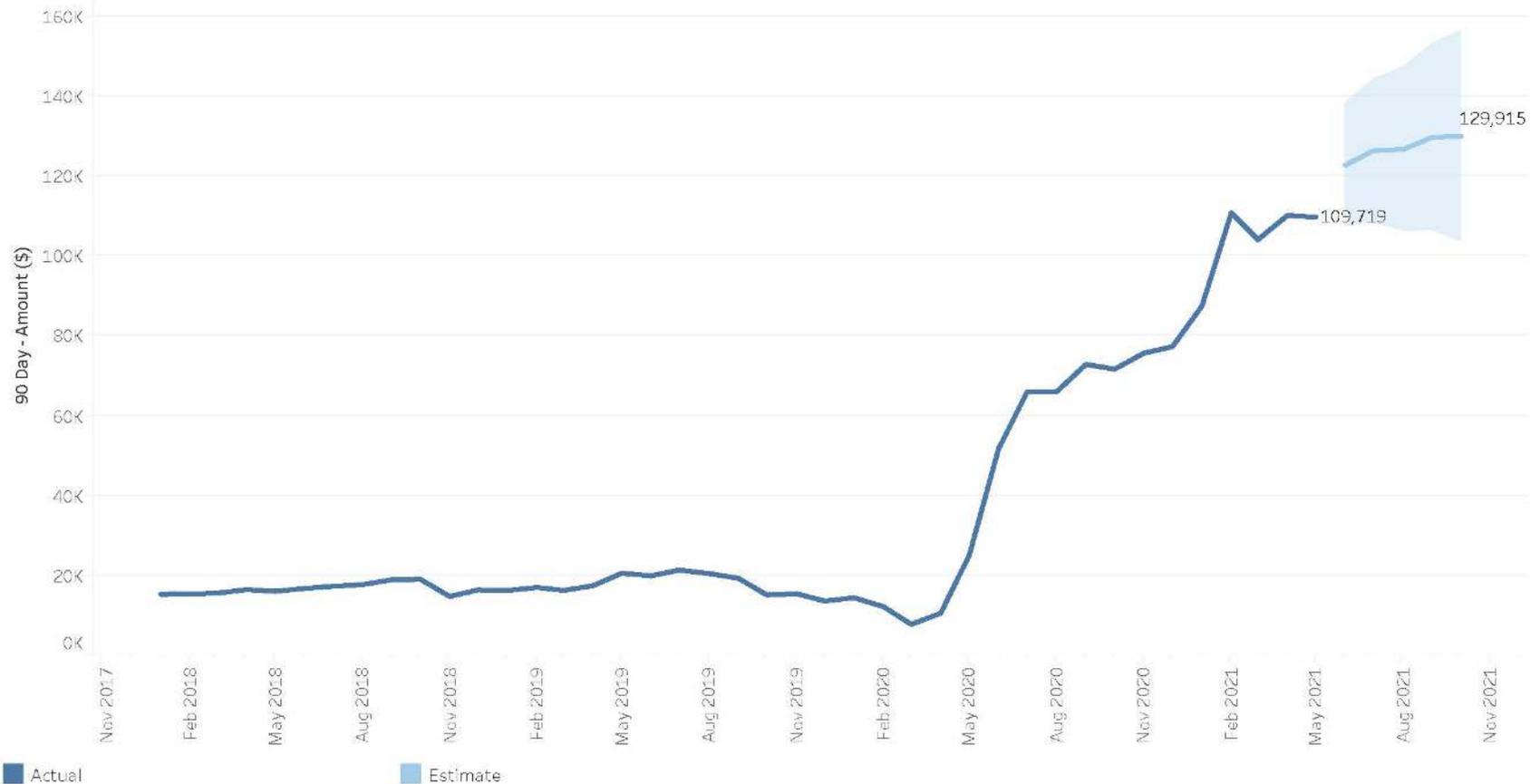


Long Term AR (Count)



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

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 (Jun 2020 – Oct 2021)

Forecast based on: Jan 2018 – May 2021

Initial Forecast Value: 122,732 ± 15,455

Change From Initial: 7,183

Quality: Poor

**Model Details**

Level: Additive

Trend: Additive

**Quality Metrics**

RMSE: 9,396

MAE: 5,500

MASE: 1.44

MAPE: 19.2%

AIC: 784

**Smoothing Coefficients**

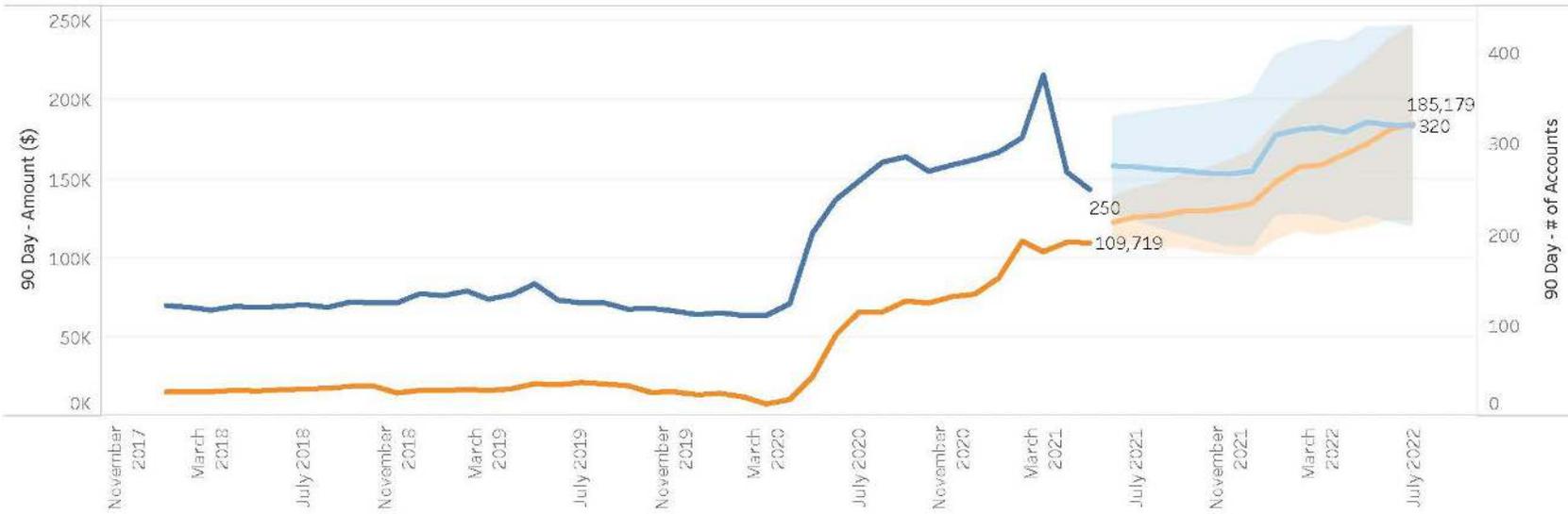
Alpha: 0.500

Beta: 0.151

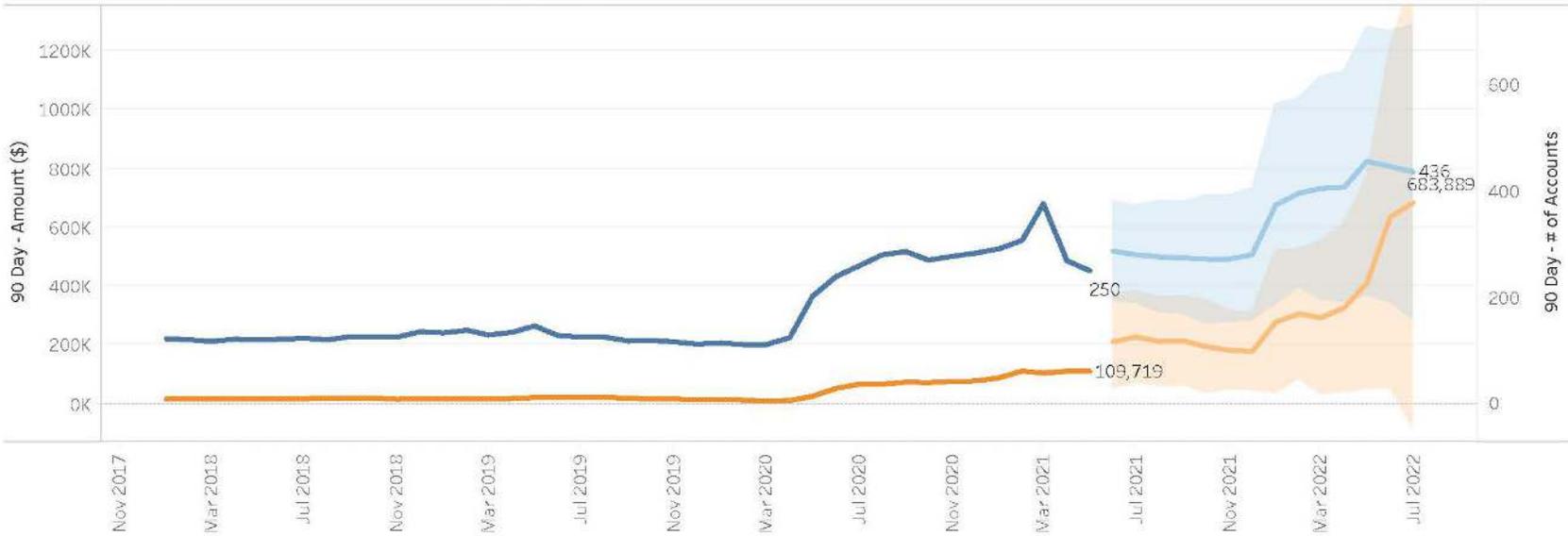
Gamma: 0.171

AR - 90+ Day with YE2021 Forecast (\$) - Assumed

The forecast (seen in the light blue with a shaded prediction confidence bands) ratched down due to the plateau.



AR - 90+ Day with YE2021 Forecast (\$) - High



### 30/60/90 Day AR Per Account Totals

30 Day - # of Accounts

504

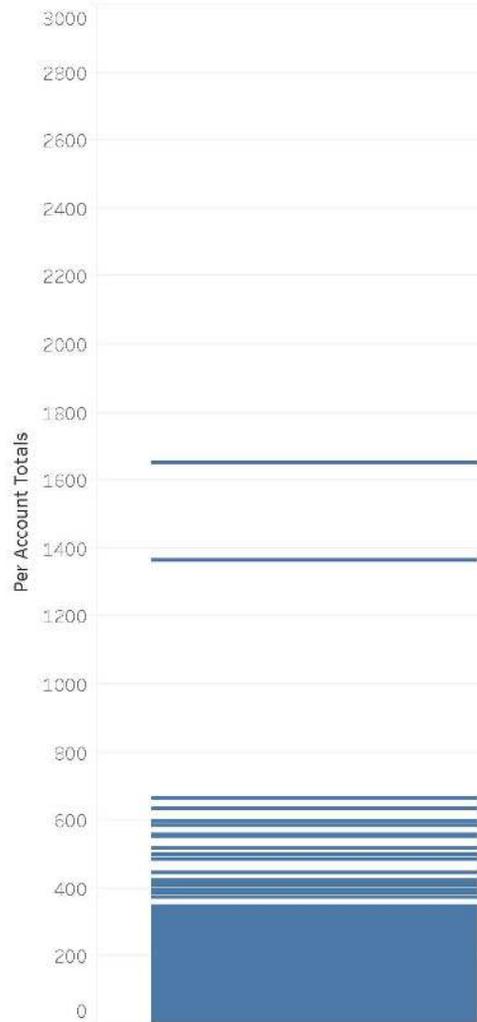
60 Day - # of Accounts

236

90 Day - # of Accounts

238

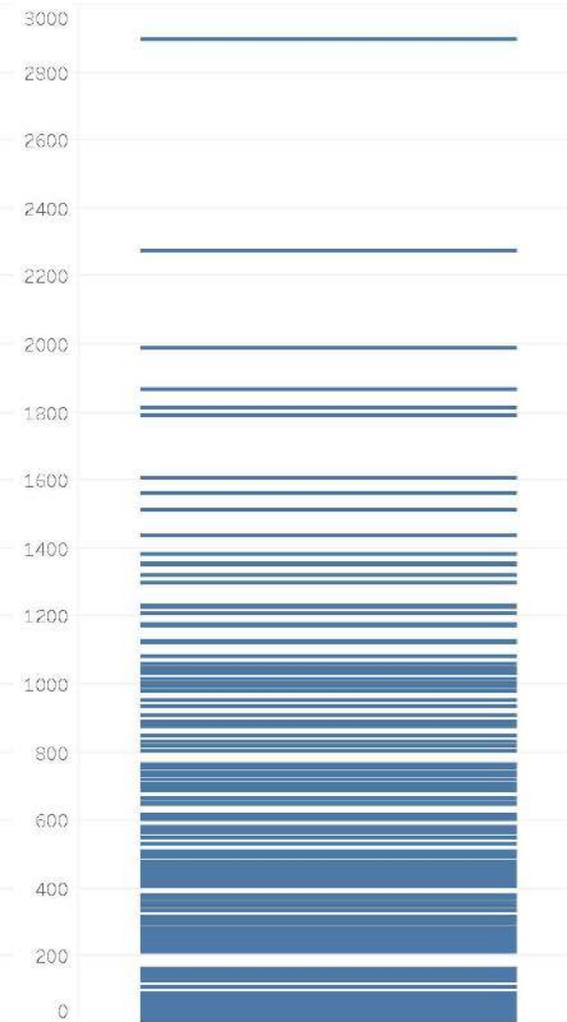
30 Day - per Account Totals



60 Day - per Account Totals



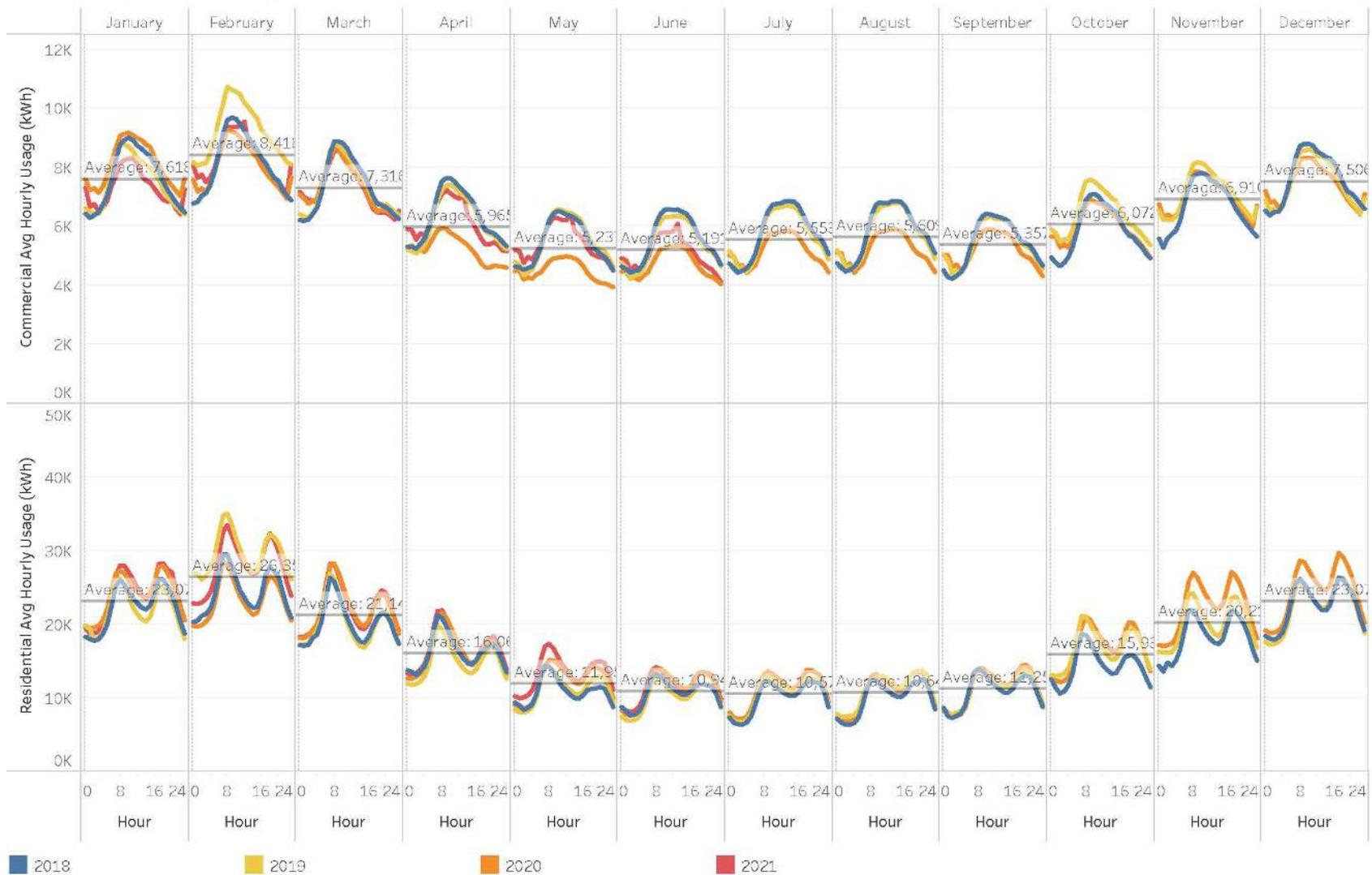
90 Day - per Account Totals



## Load Shape - Residential and Commercial

General:

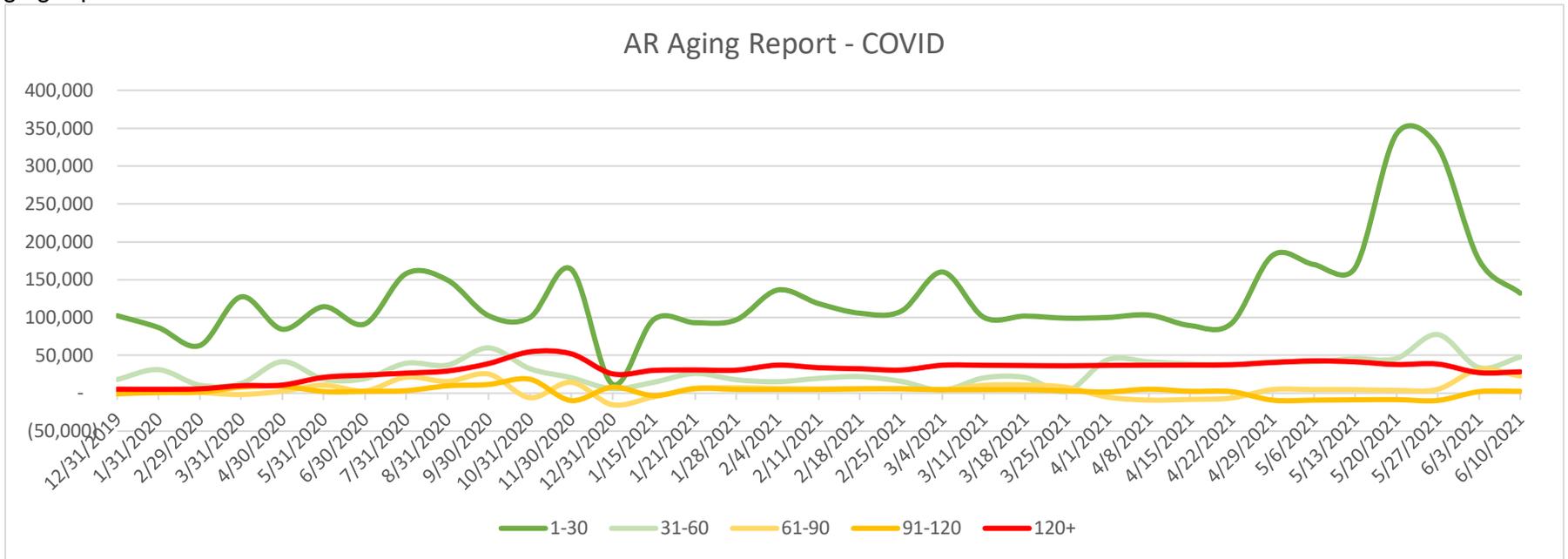
- We are seeing decreased usage in commercial and small increased usage in residential. The difference of overall kWh usage is within the normal margin of error.
- Overall estimated decrease of 12% in commercial usage over the summer of 2020.
- Overall estimated increase of >1% in residential usage since April 1st.
- Current reporting month is a partial data set.



## Rock Island COVID-19 Update

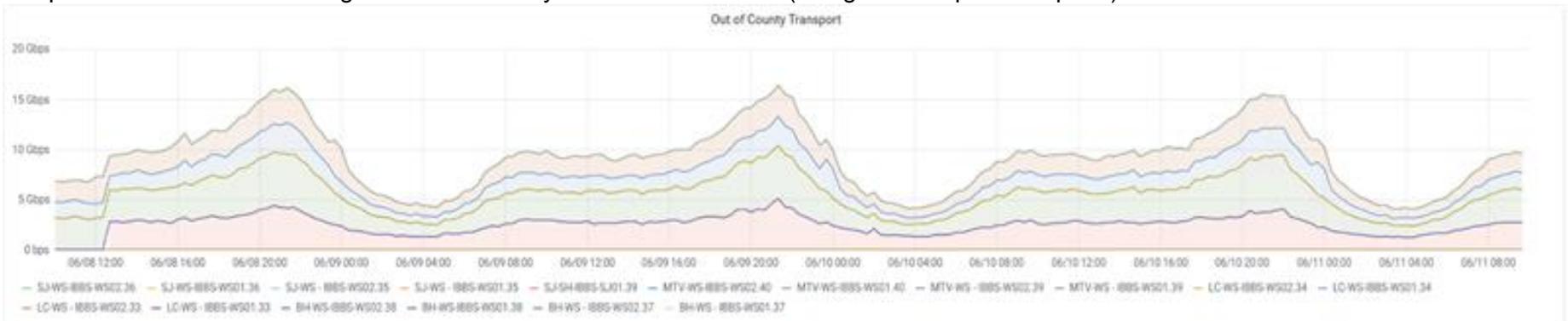
### 30-60-90 Accounts Receivable Trends

All aging reports within normal fluctuations for business.



## Transport Network

A new peak was reached following the Memorial Day weekend of 16.4GB (.3 higher than previous peak)



# 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.

<b>Finance</b>	<b>Member Services</b>	<b>Outage</b>
Budget Variance	Disconnects	Historical SAIDI - Graph
TIER/Margin	Uncollectable Revenue	Historical SAIDI - Figures
Expense	PAL	Outage Stats – Rolling 12 Mo
Cash	EAP	Outage Stats – Monthly
Power Cost	Service Additions	SAIDI by Category
Purchased Power	Annual Service Additions	Outage Summary
Annual Power Metrics	Revenue Dist. By Rate	
Capital		
Debt/Equity		
WIP		
Income Statement Trends		

### ENGINEERING, OPERATIONS, AND INFORMATION TECHNOLOGIES

#### WIP

As of June 9, 2021, there are 432 work orders open totaling \$6.9M. Decatur Energy Storage System is \$1.5M of the balance. Operations has completed construction on 127 work orders, totaling \$1.2M.

#### Safety

John Spain of Northwest Safety Service conducted job briefings training for operations staff via Zoom and in person in multiple districts. The total current hours worked without a loss time accident 94,473 hours.

#### Tidal

As a part of staff’s ongoing conversations on tidal power, Orbital Marine, Pacific Northwest National Laboratory (PNNL), and OPALCO met to kick off the process for regulator investigations, placement, and grant submittals.

#### Grants

##### Washington Department of Commerce - Grid Modernization

- Decatur Battery Energy Storage System (ESS) (Grant \$1M) (partnered with PNNL) – System handoff to PNNL for analysis has begun with an anticipated completion by end of Q3.
- San Juan Microgrid (Grant \$2.4M) (partnered with PNNL) – Staff has received preliminary site layout and permit strategy. Staff has design and permitting underway and completed the first submittal of funds from WA DOC.

- Staff is preparing for a WA DOC CEF4 Grid Modernization grant submittal due in late June of 2021. Potential grant submittals (design only) may include investigation of Tidal, Biomass, and Electric Ferry Integration.

**Washington Department of Commerce – Clean Energy Fund 3 Solar (partnered with PNNL)**

- Low-Income Community Solar Deployment (Grant \$1M) – Construction of ~1MW of community solar with ~45% of the array output to be applied to the OPALCO Energy Assistance Program. Staff is negotiating the contract with WA DOC to commence.

**US Forest Service (partnered with Wisewood Energy)**

- Biomass Generation with Biochar (60% Design Grant \$72,835) – Funds for preliminary design of a ~1MW Biomass CHP generation. These funds will be paired with in-kind engineering from staff to interconnect. Anticipated kickoff in Q3 of 2021.

**US Department of Energy (partnered with NRECA and Lawrence Berkeley National Laboratory)**

- For microgrid projects with solar + storage, cooperatives and small utilities need help designing fair and sustaining community solar rates that allocate benefits rationally to each customer class. OPALCO also seeks to maximize community solar program value and service delivery for our low-income members and develop a decision-tree tool for our Board that enables rate design with full valuation to the microgrid AND solar components, while passing benefits from the solar generation to members. Modeling that recognizes our net metering cap, enables transmission deferral, and identifies clear solar rate differentials is needed.

**FINANCE**

**2021 Budget Tracking**

Energy (kWh) purchases and sales were higher than budgeted through May 2021. Overall, gross revenue surpassed budget by ~\$907k, largely driven by increased kWh sales. This amount was curtailed by the ECA in the amount of \$653k (\$210k related to December 2020, one month billing lag) resulting in a net sales revenue variance of +\$280k through May. Power cost is \$37k over budget, related to higher kWh purchases. The table below presents full year 2021 projection with actuals through May.

Income Statement Summary (in thousands)	2021 Projection		
	Budget	Projected	Variance
Operating Revenue	\$ 31,454	\$ 32,389	\$ 935
ECA Surcharge / (Credit)*	\$ -	\$ (653)	\$ (653)
Revenue	\$ 31,454	\$ 31,736	\$ 282
Expenses:			
Cost of Purchased Power	\$ 9,709	\$ 9,747	\$ 38
Transmission & Distribution Expense	6,796	6,349	(447)
General & Administrative Expense	5,397	5,070	(327)
Depreciation, Tax, Interest & Other	8,826	8,505	(321)
Total Expenses	30,728	29,671	(1,057)
Non-op rev (Int, Patronage, other)	373	371	(2)
Net Margin	1,099	3,089	1,990
TIER	2.42	3.68	1.26
HDD	1,398	1,396	(2)
kWh Purchases	216,000	224,476	8,476
kWh Sales	203,260	213,466	10,206

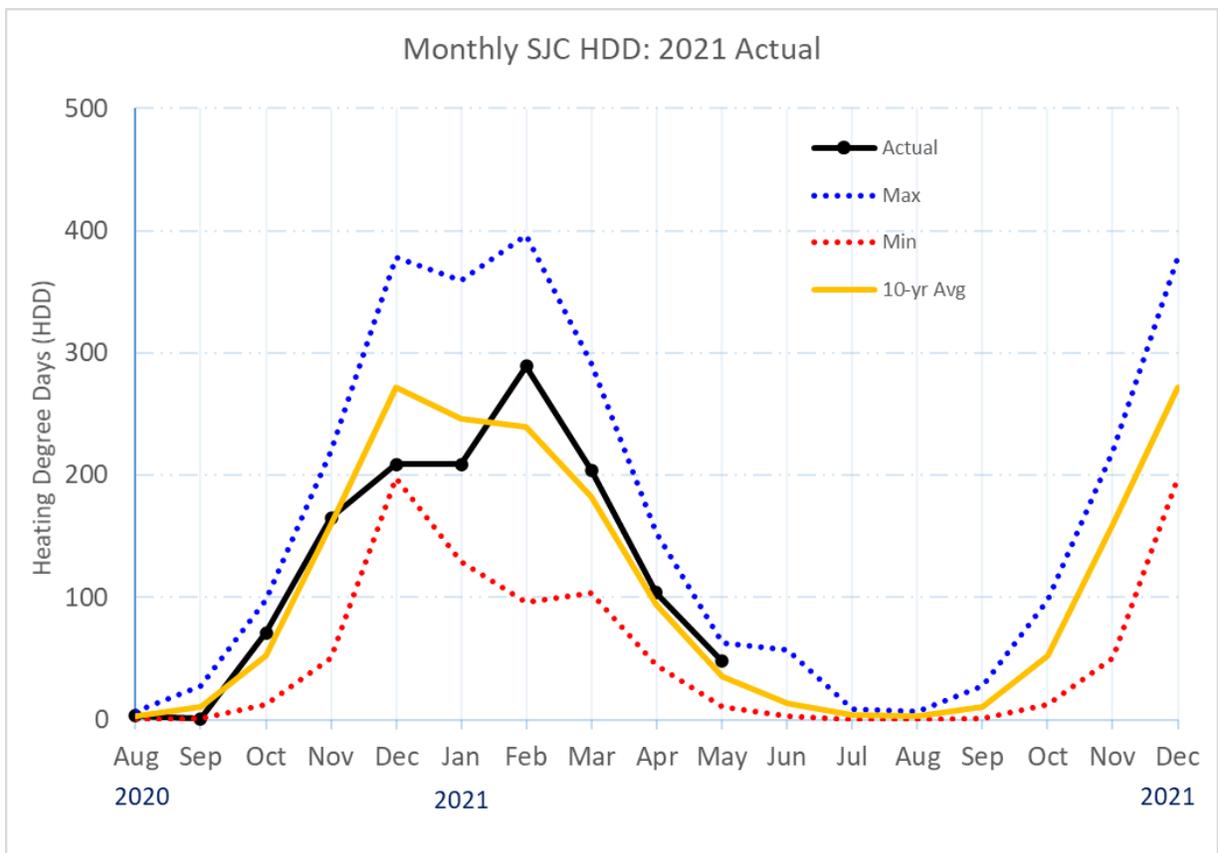
\* The ECA returned \$653k to members in the form of bill credits through May 2021

**Monthly ECA**

The calculated amount for the May ECA was a bill credit of \$.001758 per kWh which returned \$26,022 to members, or \$1.76 per 1,000 kWh. The June billing period ECA will be a bill surcharge of \$.002374 per kWh.

**Heating Degree Days (HDD)**

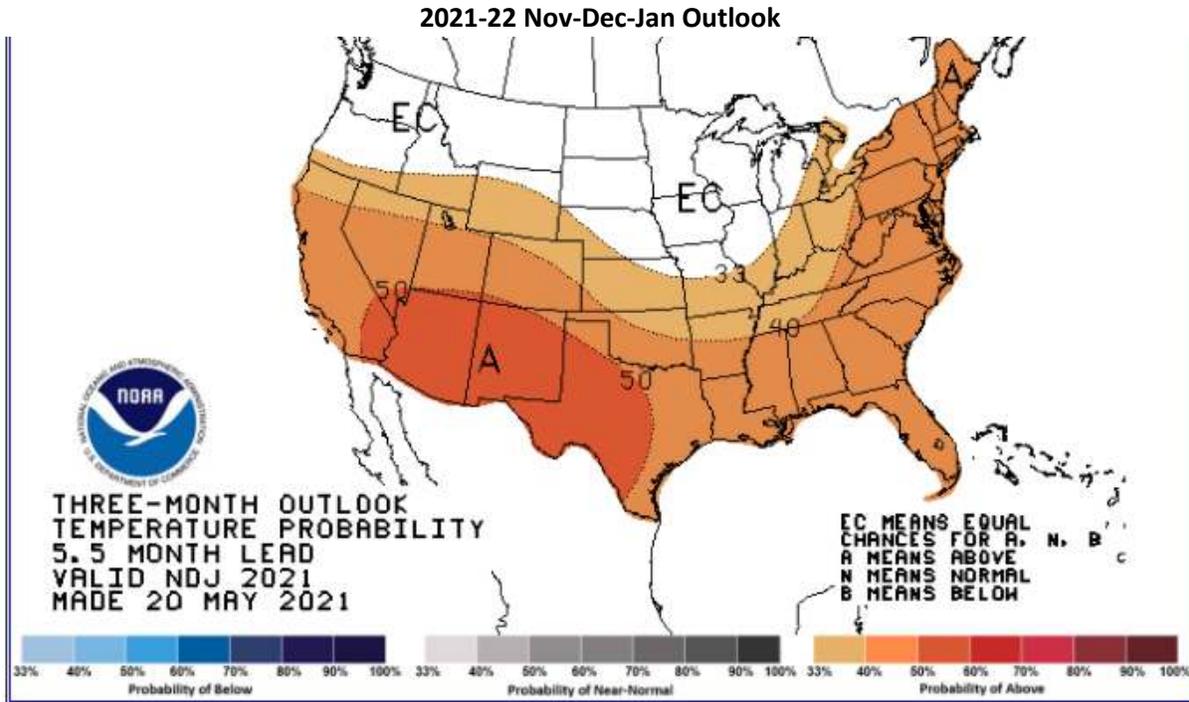
The fall of 2020 began to settle back to near historic averages. Then December and January began trending more towards an El Niño pattern. This pattern flipped in February and March 2021 as HDDs came in above historical averages for the months. Q2 has settled near the historic average and the spring and summer months are expected to follow this trend.



\*10-year max, min, avg is 2010-2020

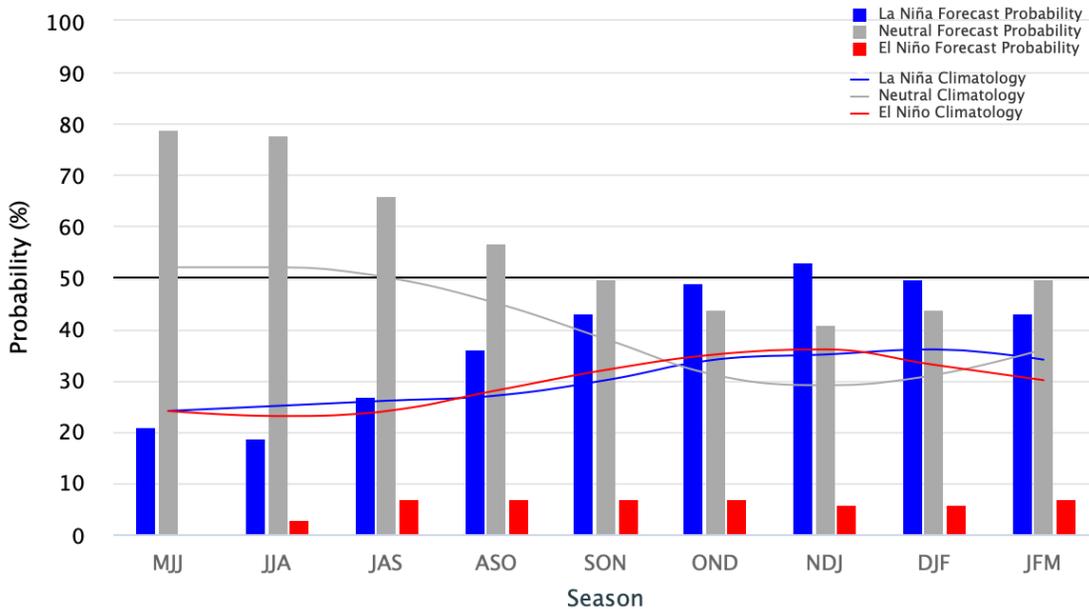
**Weather Forecast**

Looking ahead to the NOAA 'three-month outlook temperature probability' for Nov-Dec-Jan 2021 – 22 there is uncertainty in next winters weather outlook showing 'equal chances (EC)' of above/normal/below temperatures in our region for the winter. We continue to monitor these predictors on a monthly basis.



**Early-June 2021 CPC/IRI Official 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

## **MEMBER SERVICES**

### **Energy Assistance**

**EAP:** During May 2021, 261 members received ~ \$9.6k from the low-income Energy Assist program, compared to 256 members who received ~ \$9.6k in assistance in May 2020.

**Project PAL:** During May 2021, 65 Members received ~ \$7.7k in Community/Family Resource Center Awards.

**LIHEAP:** Notifications continue to arrive, and Member accounts are being credited.

### **State Lifting Moratorium on Disconnects for Nonpayment**

Staff, in preparation for the removal of the moratorium on disconnection for nonpayment, is working on a communication plan and direct member assistance in order to ease the burden for those who have accumulated arrears for their electrical energy needs. Staff will continue to ensure assistance monies are used per the Board's direction and work with members to create payment plans as needed. The current estimate is for the state to lift the moratorium on July 31<sup>st</sup> for disconnection for nonpayment and on October 27<sup>th</sup> for late payments.

### **Switch it Up!**

There are now 180 projects complete and billing for a total of \$1.4M outstanding. There are another 36 projects in various stages of the process. Some projects have been delayed as residential contractors have been limited by COVID-19.

### **Energy Savings**

There were 22 rebates paid out to members totaling ~\$18.5k. This includes three fuel switching ductless heat pump rebates and five EV charging station rebates.

### **Solar Interconnects**

There were three new interconnect applications submitted in May, four members were interconnected with solar for a total of 442 (<https://energysavings.opalco.com/member-generated-power/>). There are an additional 23 pending connections.

### **Community Solar**

During the May 2021 billing cycles, the [Decatur Community Solar](#) array produced 70,640 kWh. A total of ~\$6,725 was distributed to 264 accounts.

## **COMMUNICATIONS**

### **Elections and Governance Committee**

Staff continue targeted outreach activities to fill vacant EGC positions and broaden the reach for board candidate cultivation. Staff is working with the EGC to update the job description and set clear expectations for the committee's roles and responsibilities.

### **Island Way Workshops**

Member attendance at these virtual workshops continues to be robust: the most recent Ductless Heat Pump workshop drew about 40 members. Special guest Jonathan Moscatello of the NW Ductless Heat Pump Project shared best practices and pro tips for getting the most efficiency and savings from the ductless heat pump units that members are installing. There are no workshops in July. Upcoming dates:



- June 14 @ 12 pm: Switch it Up – Virtual
- August 5 @ 4:30 pm: Electric Vehicle Fair – OPALCO Eastsound Parking Lot
- August 26 @ 12 pm: How to use SmartHub – Virtual
- September 20 @ 5pm: Solar Town Hall #2 – Virtual

To attend a session, contact [communications@opalco.com](mailto:communications@opalco.com) for the link – or tune into a FaceBook Live @orcaspower (starting June 14). Members will be credited with a raffle entry for each session attended. Raffle drawing for 10 shares of the next community solar project and a Greenworks lawn mower will be on October 1st.

### Solar Rates Discussion

Staff is preparing materials and a model to inform the board discussion on solar generators’ capacity, energy production, impact on load and trends – current and future. This information will be used to explore implications for energy resource mix, load, demand, export, over-generation and grid modernization as part of a periodic review of long-range plan, cost of service, budget and rates.

Timeline:

✓ May	Member Generation Trends and Modeling
June	Internal Staff Review
August	Guernsey Cost of Service Analysis (COSA) Review
September	Discussion of Rate Models; Solar Town Hall (Sept 20)
October	Rate Options Review
November	Budget and 2022 Rate Proposal (first read)
December	2022 Rate Structure (second read) January 2022 Rate Implementation

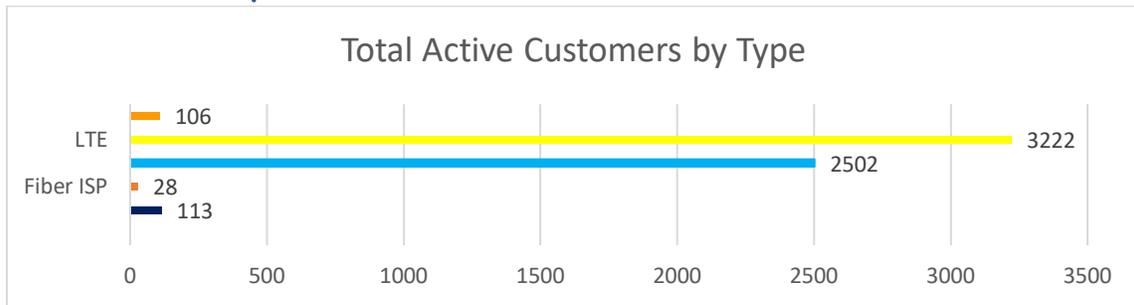
### Island Way Podcast Series

OPALCO launched a podcast series to help members prepare for the major energy transition that we are facing. A second podcast explaining the Island Way Campaign is published on OPALCO’s Island Way page (<https://energysavings.opalco.com/the-island-way/>) and an episode on EVs is coming soon. The series will host guest speakers and address a wide range of hot topics to further the conversation and support the transition to renewable power and local resiliency.

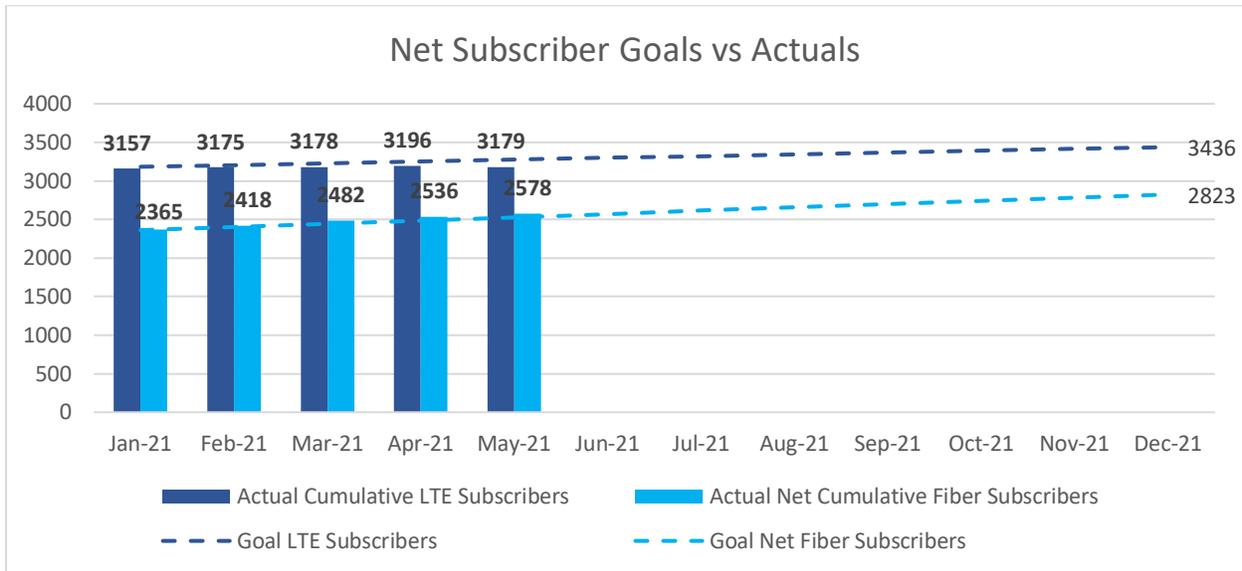
### EV Happy Deal

To date, 19 members have purchased a used EV from Island eCars (17-Orcas, 1-Shaw, 1-San Juan). David Griffin of Island eCars participated in our Island Way workshop on 5/27 with great info and encouragement. The grant from the Bonneville Environmental Foundation provides members who buy a used EV with a Smart Home EV Charger, installation cost of charger, tab fees, sales tax (WA \$16K + OPALCO), and 12 months of home charging for qualified members. Supplies are limited. Total project funds will cover about 30 member “happy deals”, approximately 11 remain.

## Rock Island Snapshot



**5,971 Internet Service Customers**



Subscriber numbers are adjusted to reflect the Access EDU services. The no cost education services are not being counted in the net total of Fiber and LTE.



❖ May revenues are projected and not closed; final numbers are subject to change.