

Board of Directors

Regular Meeting

Thursday, May 19, 2022
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. For security purposes, staff will be checking Zoom identities so please use your first and last name or you may not be let into 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. Members can get the link to the meeting, submit any comments and questions in writing no less than 24 hours in advance of each meeting to:

communications@opalco.com

Sequence of Events

- OPALCO Board Meeting
- Executive Session



Board of Directors
Regular Board Meeting
May 19, 2022 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 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 and two Special Meetings – attached.
- **Approval of New Members** – attached {as required by Bylaws Article I Section 2 (d)}

NEW MEMBERS – April 2022

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

ALEXANDER, DONNA
ALSTON, BRETT & ALSTON, WENDY
BORGES, GINA
BURKE, HANNA
CARTMILL, COLETON & REYES-SOSA,
CRYSTAL
COGSWELL, GARY & COGSWELL, BONNIE
CORLEY, STEPHEN
CRAWFORD, KIRSTEN
CURTIS, JULIE
FRANKLIN, NANCY
KATZ, BARRY & KATZ, JENYA
KAUFMAN, CHRISTOPHER & CLEMENT,
CARLYN
KINNAMAN, DAVID
KLEIN, KELLY
LINDENBURG, JAMIESON & MORALES,
NICHOLAS
MASON, GAVIN
MAY, AUSTIN
MINNEY, PATRICK
MORRISON, PHYLLIS
PARROTT, CHELSEA & PARROTT, ADAM
ROBERTS, TRENT
RUDENKO, ANDREA
WILKINSON, TERRENCE & NELSON, KIRSTEN
WILSON, GABRIEL
WORTLEY, COOPER & MEIER, DELANEY

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

BARRON HEATING &, A/C INC
BOONE, MARLENE & MCCORMICK,
CAROL
CORNGOLD MARITAL TRUST (AKA)
DOLPHIN BAY QUARRY
DOUGLAS, JAY & ANNA, DOUGLAS
EDLAND, STEVEN & ASHENFELTER,
MOLLY
EURMANTRAUT, JOHN
GRAHAM, CHRISTOPHER & FAUSTI,
EDUARDO
HARPERNESS LLC
HOLTORF, ASHLEY
LEWIS, ARNE
MAMMANO, DESTINY
MOHR, ALEXANDER & MOHR,
REBECCA
MONTI FOOD AND WI, NE LLC
MORALES, RUBEN
MORENO, JENNA
RICHARDSON, WAYNE &
RICHARDSON, JUDITH
SHAVEY, SUSANNE & SHAVEY,
GEOFF
SMALL, MARY
SWAN, GERALDINE
VADAKKANMARVEETTI, JAYADEV &
MUKHERJEE, GITANGALI
VANSCHAICK, HOLLY
WATKINS, LINDSAY

District 3 (Lopez, Center, Decatur, Charles) CARTER, BRETON & MARTENS, EVRARD

FINNERAN, SHANE & FINNERAN,
CHRISTINA
HERZOG, SHARON
KERZIC, RONALD
NICOL, ALI
PATEL, MALCOLM
RAY-MCWHINNEY, SATYA &
DAQUEP, REX

ROBERSON, ALAN
ROSAS, ROBERTO & GUILLEN LARA,
NANCY
RRMOORINGS, LLC
SAVAGE, JESSE

District 4 (Shaw, Crane, Canoe, Bell)
BOLD, E SKIP
LOHMAN, MILO

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

May	
<u>Customer #</u>	<u>Amount</u>
68826	2,083.67
90659	82.60
62833	1,459.13
63378	1,283.50
62930	1,758.41
27720	1,799.49
96010	75.71
8020	1,169.55
66315	953.73
Total	\$ 10,665.79

- 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
202202	\$6,726.46	Transclosure Replacements
Total	\$6,726.46	

Staff requests a motion to approve the Consent Agenda.



**Orcas Power & Light Cooperative
Minutes of the Board of Directors Meeting
Thursday, April 21, 2022**

Streaming through Zoom attendees were President Vince Dauciunas, Board members Jerry Whitfield, Brian Silverstein, Mark Madsen, Tom Osterman and Jeff Struthers (Rick Christmas was absent). Staff present were General Manager Foster Hildreth; Manager of Engineering and Operations Russell Guerry; Manager of Finance and Member Services Nancy Loomis; Communications Manager Suzanne Olson; Communications Assistant Manager Krista Bouchey; Head Accountant Travis Neal and Executive Assistant Kelly Koral (serving as recording secretary). Also present were Legal Counsel Joel Paisner and consultants Jay Kimball and Ryan Palmateer.

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

Members in attendance:

Bruce Nyden	Rob Thesman
Robert Dashiell	Sharon Abreu

Staff opened and explained rules of the meeting. Reviewed today's agenda. Reported the 2022 election is underway and reminded all members to vote by April 27, 2022, 10:00 AM (PT). OPALCO was awarded a grant from USDA to conduct comprehensive energy audits for commercial accounts. Workshops will be held at a future date. Next Island Way workshop will be May 11, 2022 at 5:00 pm. Thank a lineman! April is Lineman Appreciation Month.

President Vince Dauciunas opened the meeting at 8:33 a.m.

CONSENT AGENDA

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

COVID-19 UPDATE

GM reviewed current information. OPALCO is targeting June 1, 2022 to reopen the offices to the public.

GM REPORT

GM presented the monthly General Manager's Report.

Regular Session closed at 9:17 a.m.

Back 9:30 a.m.

Executive Session commenced



**MINUTES OF SPECIAL MEETING
April 26, 2022
Orcas Power & Light Cooperative
Board of Directors**

A Special Board meeting of the Orcas Power & Light Cooperative was held on April 26, 2022 via electronic mail pursuant to the OPALCO Bylaws. All members of the board participated and waived in person attendance at the meeting. At the Special meeting, the Board of Directors adopted a Resolution providing for an employee benefit program.

Vince Dauciunas, President

Brian Silverstein, Secretary/Treasurer



**MINUTES OF SPECIAL MEETING
May 2, 2022
Orcas Power & Light Cooperative
Board of Directors**

A Special Board meeting of the Orcas Power & Light Cooperative was held on May 2, 2022 via electronic mail pursuant to the OPALCO Bylaws. All members of the board participated and waived in person attendance at the meeting. At the Special meeting, the Board of Directors approved Director Christmas to act as voting delegate at the WRECA Annual Meeting being held June 2022.

Vince Dauciunas, President

Brian Silverstein, Secretary/Treasurer



Orcas Power & Light Cooperative

Revision: 108578

04/22/2022 9:20:32 am

RUS Form 219 Inventory Of Work Orders
Period: MAR 2022 System Designation: WA O9

Page: 1

Inventory: 202203

Inventory: 202203					Gross Funds Required		Deductions			Loan Funds
Loan		Work Order			Cost Of Construction: New Constr Or Replacements (4)	Cost Of Removal: New Constr Or Replacements (5)	New Construction Or Replacements (6)	Salvage Relating To Retirements Without Replacements (7)	Contrib In Aid Of Constr and Previous Advances (8)	Loan Funds Subject To Advance By RUS (9)
Project	Year	Construction (1)	Retirement (2)	Bdgt (3)						
601	2018 3844		3844	1	6,768.18	0.00	0.00	0.00	0.00	6,726.46
					6,768.18	0.00	0.00	AFUDC: 41.72	0.00	6,726.46
Grand Totals:					\$ 6,768.18	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 6,726.46

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Orcas Power & Light Cooperative

Revision: 108578

04/22/2022 9:20:32 am

RUS Form 219 Inventory Of Work Orders
Period: MAR 2022 System Designation: WA O9

Page: 3

Inventory: 202203

Budget	Loan	Project	Amount
	1	601	6,726.46
Total:			6,726.46

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

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

55009

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tnaal

Board Meeting Chair

Staff were informed that both President and Vice President may be unable to attend the May Board Meeting. After legal review, a board motion is required to have the Secretary/Treasurer chair the meeting. If both the President and Vice President are unable to attend the meeting, staff recommends a motion to allow Brian Silverstein to chair the May 2022 Board.

Board Officer Elections

After legal review and given that the President and Vice President may not be in attendance, staff recommends a motion to delay the Board Officer Elections until June 2022. The current slate of officers will remain intact until the elections at the June meeting.

2021 Audit Presentation

Moss Adams LLP will present their 2021 annual audit report for Board discussion at the May 19th Board meeting (Executive Session). The audit report includes the consolidated financial statements of both OPALCO and Rock Island Communications.

Representatives of Moss Adams worked virtually with the OPALCO staff during the week of March 28th - April 1st. Olga Darlington, Business Assurance Partner, will be attending (via Zoom) meeting to review the firm's audit findings and answer questions posed by the Board.

The 2021 year-end financial information for OPALCO was previously reviewed at the March 17, 2022 Board Meeting. Once approved by the Board, the audit report and Form 990 will be posted in OPALCO's online resource library after the Form 990 is published by the IRS.

The Consolidated Financial Statements represent both OPALCO and its subsidiary, Rock Island Communications:

Separate company financial statements were presented at the March meeting and the final consolidated audited financial statements are being presented to the Board at the May Board meeting.

Key takeaways:

- OPALCO and Rock Island received an “unmodified” opinion, which is the highest level of opinion.

Consolidation methodology:

- At the March Board meeting, OPALCO presented their separate company year-end financials and Rock Island presented their separate company year-end financials.
- As OPALCO owns 100% of Rock Island, accounting standards require that our audited financial statements be on a consolidated basis.



- The first statements presented in the audit report (Income Statement, Balance Sheet and Cash Flows) and the associated notes to the financial statements combine both OPALCO and Rock Island.
- The 'Supplementary Information' section of the statements is the consolidation where you can see the companies broken out individually and the related consolidating entries.
- Note that for 2021 and each year, the margin to be allocated to OPALCO members via capital credits is equal to the OPALCO-only operating margin, not the consolidated amount that includes Rock Island.

Upon the conclusion of the audit review and Board discussion in executive session, staff requests that the Board return to regular session and make a motion to approve OPALCO's Independent Auditors' Report and Financial Statements for December 31, 2021, and 2020, as audited by Moss Adams LLP.

DISCUSSION ITEMS

2022 Q1 Financial Report

The 2022 first quarter financial report is posted online and included under separate cover. The first quarter results are consistent with the budget. Included in the report package are the Statement of Revenues and Margins (along with a notable driver analysis), Balance Sheet, Statement of Cash Flows (GAAP), and capital projects budget tracking.

The energy charge adjustment (ECA) collected \$122k from the membership through Q1 2022 which was driven primarily by higher power costs than budgeted. The continued impact of COVID-19 on our commercial members is waning as commercial revenue was above budget by ~\$50k. Overall operating revenue was slightly below budget despite kWh sales coming in over budget due to the allocation of unbilled revenue & kWh sales between December 2021 and January 2022.

The table below presents the projection of full-year 2022 financial results using actuals from Q1 and budget projections for future months.

Income Statement Summary (in thousands)	2022 Projection (actuals for prior months)		
	Budget	Projected	Variance
Operating Revenue	\$ 34,262	\$ 34,156	\$ (106)
ECA Surcharge / (Credit)*	\$ -	\$ 180	\$ 180
Revenue	\$ 34,262	\$ 34,336	\$ 74
Expenses:			
Cost of Purchased Power	\$ 9,496	\$ 9,945	\$ 449
Transmission & Distribution Expense	7,049	6,814	(235)
General & Administrative Expense	6,011	5,908	(103)
Depreciation, Tax, Interest & Other	8,579	8,692	113
Total Expenses	31,135	31,359	224
Operating Margin	3,127	2,977	(150)
Non-op margin	285	289	4
Net Margin*	3,412	\$ 3,266	(146)
OTIER**	2.53	2.47	(0.06)
TIER**	2.64	2.62	(0.02)
Equity %	39.9%	39.8%	-0.1%
HDD	1,375	1,403	28
kWh Purchases	220,000	230,913	10,913
kWh Sales	206,800	215,331	8,531

* The ECA collected \$180k from members through April 2022

** TIER is a 'full-year' metric, thus not representative in early months as there has not been an accumulation of interest expense

For more detail, please note the following key points:

Heating Degree Days (HDD) were ~1.6% below budgeted levels (actual of 688 vs. budget of 699). Overall kWh sales were 14.9M kWh above budget (81.6M vs. budget of 66.7M).



2022 power purchases are \$310k higher than budgeted due to a combination of higher overall kWh sales and large peak charges. Actual kWh purchases were 7.8M kWh above budget (78.7M vs. budget of 70.9M).

Excluding purchased power, Q1 YTD operating expenses were approximately \$74k under budgeted amounts.

The ECA for 2022 was a net charge to members (and increase to operating revenue) of \$122k, or \$.75 for a member using 1000 kWh/month. Due to the one-month lag in billing the calculated ECA, ~\$598k of the 2022 ECA was derived from December 2021 results.

Rock Island Communications 2022 Financials included in separate packet.

REPORTS

General Manager

DASHBOARDS

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

Finance

- Budget Variance
- TIER/Margin
- Expense
- Cash
- Power Cost
- Purchased Power
- Annual Power Metrics
- Capital
- Debt/Equity
- WIP
- Income Statement Trends

Member Services

- Disconnects
- Uncollectable Revenue
- PAL
- EAP
- Service Additions
- Annual Service Additions
- Revenue Dist. By Rate

Outage

- Historical SAIDI - Graph
- Historical SAIDI - Figures
- Outage Stats – Rolling 12 Mo
- Outage Stats – Monthly
- SAIDI by Category
- Outage Summary

QUICK FACTS

Please review the Quick Facts at <https://www.opalco.com/newsroom/quick-facts/>.

- | | |
|---|--|
| • OPALCO's Plan for our Energy Future | • Staff Compensation |
| • Decarbonization – 4 Part Series | • NRECA |
| • Switch It Up! | • OPALCO Debt and Capital Projects |
| • WA 2021 Energy Strategy | • Ocean Health |
| • Simpson Proposal and the Northwest Energy Evolution | • Northwest Resource Adequacy in a Rapidly Decarbonizing World |
| • Will there be enough power? | • Land for Renewable Energy Projects |
| • OPALCO Rates | • Understanding the Change in Solar Rates |
| • Energy Independence? Not entirely | • Decatur Island Battery Storage Project |
| • Rock Island Communications | • Why Hydropower is Important to our Power Supply |
| • OPALCO election process | • Where does OPALCO stand on regional issues and the dams? |
| • Wireless Services | |
| • Cost of Service | |



ENGINEERING, OPERATIONS, AND INFORMATION TECHNOLOGIES

WIP

As of May 12, 2022, there are 425 work orders open totaling \$5M. Operations has completed construction on 138 work orders, totaling \$1.77M.

Safety

John Spain of Northwest Safety Service conducted back safety and proper lifting training for operations staff. Hearing testing was also completed on all operational staff. The total current hours worked without a loss time accident 169,731 hours.

Grants

As a follow up to Waterpower Week in Washington DC held on April 4-7, DOE requested that OPALCO provide a visioning discussion to help inform their grant making process. Staff met with DOE this week (May 11th) and had a productive discussion, as outlined in the presentation document linked (<https://www.opalco.com/wp-content/uploads/2022/05/OPALCO-Vision-2022.pdf>). This document reviews OPALCO climate action objectives and shows how all the parts of the solution work together. DOE staff are using the information to better serve utilities and cooperatives as they roll out infrastructure grant applications.

Tidal (Preliminary Design Concept Only)

As staff begins to conceptualize tidal power, Orbital Marine, Pacific Northwest National Laboratory (PNNL), OPALCO continues to coordinate efforts with US DOE TEAMER grant, to Orbital and PNNL, and the WA DOC grant for preliminary conceptual design. See updates below.

Washington Department of Commerce - Grid Modernization

- San Juan Microgrid (Grant \$2.4M) (partnered with PNNL) – HDR and staff are working towards a 60% design to allow the RFPs to be published to potential vendors. Staff issued RFPs for battery systems in April 2022.
- WA DOC CEF4 Grid Modernization Grants. OPALCO has received conditional award of the following projects. This conditional award awaits the negotiation of contracts with WA DOC and final approval to proceed.
 - San Juan Islands Tidal Generation Conceptual Design (Phase 1 – Preliminary Design Only) – the WA DOC contract has been executed as well as contracts for the subcontractors. Kick off will be in June. \$150K
 - Friday Harbor Ferry Electrification Preliminary Design (Phase 1 Only) – Scoping for WA DOC contract is underway. Staff is working with WA DOC on interfacing with WSF while negotiating the WA DOC contracting. \$150K
 - Orcas Biomass (Phase 2 – Detailed Design) – On hold until contracting for prior projects have been completed. \$165K

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

- Low-Income Community Solar Deployment (Grant \$1M) – Staff has selected a contractor and is processing the contract for the Bailer Hill Community Solar project on San Juan Island.

US Forest Service (minor in-kind efforts only)

- Biomass Generation with Biochar (60% Design Grant \$72,835) – Design process is ongoing.

USDA REDA – Commercial Energy Audits – with Sustainable Connections (in-kind only)

- Commercial Energy Audits and workshops to assist businesses with efficiency upgrades and solar projects. OPALCO to provide in-kind marketing and member coordination.

FINANCE

2022 Budget Tracking

Energy (kWh) purchases and sales began the year higher than budgeted for Q1 2022. kWh sales included the historic ‘cold-snap’ for both December and January billing cycles, resulting in our highest kWh peak (82MW) for a month. This was curtailed by a below-average February which also included an ECA credit of ~(\$545k). Overall, gross operating revenue is below budget by ~\$106K & purchased power was above budget by ~\$449k. This was curtailed by the ECA which has collected a net ~180k through April. The table presents full year 2022 projection with actuals for prior months where available.

Income Statement Summary (in thousands)	2022 Projection (actuals for prior months)		
	Budget	Projected	Variance
Operating Revenue	\$ 34,262	\$ 34,156	\$ (106)
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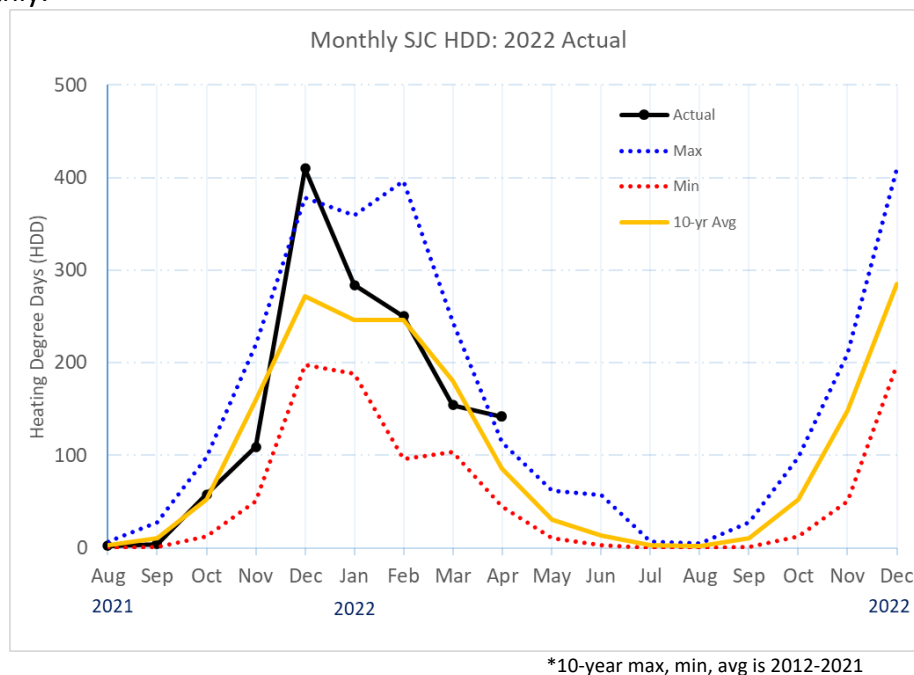
Monthly Energy Charge Adjustment (ECA)

The calculated amount for the April ECA was a bill surcharge of \$.002757 per kWh which collected \$57,477 from members, or \$2.76 per 1,000 kWh. The May billing period ECA is projected to be a

bill credit of \$.002394 per kWh on member bills, or \$2.39 per 1,000 kWh. Beginning in April 2022, staff began using a two-month smoothing methodology in the calculation as approved by the Board in the March meeting. The exact amount of the ECA is an estimation based on known kWh sold and a recalculation of our contractual power bill, which may occasionally include other one-time factors or adjustments.

Heating Degree Days (HDD)

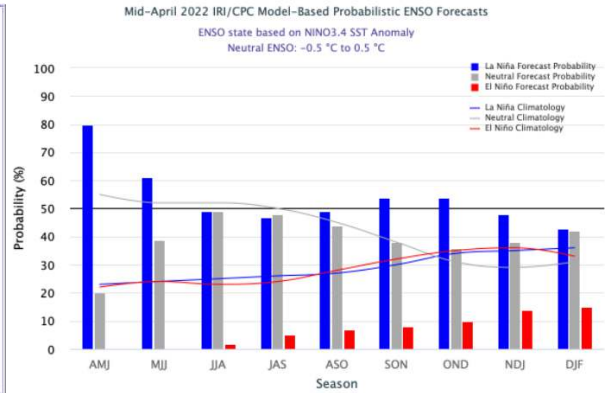
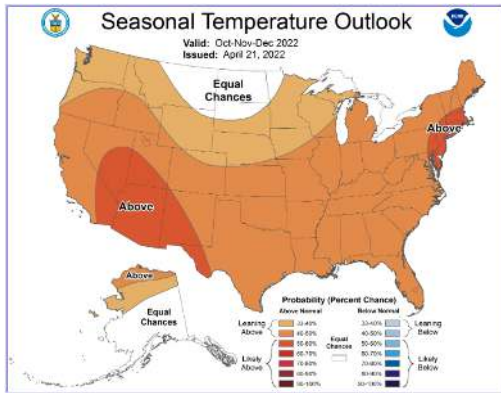
December saw a very cold weather snap and HDDs came in above the 10-yr maximum. January – March 2022 began trending more towards historical averages, with April coming in with a more La Nina pattern. The impacts of the extreme shift seen from November to December can be seen in our financial results for December 2021 & January 2022. We continue to monitor weather trends monthly.



Weather Forecast

Looking ahead to the NOAA ‘three-month outlook temperature probability’ for Oct-Nov-Dec 2022, the outlook is currently showing ‘leaning above’ normal temperatures in our region in the coming early winter months. We continue to monitor these predictors monthly.

2022 Oct-Nov-Dec Outlook



Source: NOAA National Weather Service



MEMBER SERVICES

Annual History of Energy Assistance Funding

All values are as of first of the month reported.

		2014	2015	2016	2017	2018	2019	2020	2021	2022	Grand Total
Energy Assist Credit	# of Accounts			241	407	444	460	574	577	454	1,028
	Total Assistance			29,151	81,957	111,996	135,595	158,434	158,740	63,364	739,237
PAL	# of Accounts	180	226	228	217	212	205	329	363	186	1,002
	Total Assistance	31,560	46,345	46,885	48,833	45,155	53,137	80,975	104,880	46,962	504,733
EAP Residential - COVID	# of Accounts							88	74	63	98
	Total Assistance							21,535	27,606	8,323	57,464
EAP Commercial - COVID	# of Accounts							107	97	79	119
	Total Assistance							73,340	87,233	21,998	182,570
PAL - COVID	# of Accounts							131	122		222
	Total Assistance							15,000	12,200		27,200
Grand Total	# of Accounts	180	226	325	447	460	488	835	825	654	1,527
	Total Assistance	31,560	46,345	76,036	130,790	157,151	188,732	349,283	390,659	140,647	1,511,204

Note: EAP funds are collected, primarily, from a program OPALCO created by including a line item on all OPALCO member bills. Additional funds are directed to the EAP from the Decatur Solar Project (10% of all production credits). In 2020/2021, additional funds (not included in this chart) were paid out to members who were impacted by COVID. When the Bailer Hill Microgrid Projects comes online, up to 45% of its production will be directed to EAP. The "# of Accounts" are the distinct accounts assistance was provided to over the year or as a total. The "Total Assistance" many vary based on single account adjustments.

EAP: During April 2022, 412 members received ~\$15.8k from the low-income Energy Assist program, compared to 440 members who received ~\$16.7k in assistance in April 2021. We received a nice note from a member about Energy Assistance: "I am so grateful to OPALCO for having this program, as well as Project Pal. I never thought I would be needing help on bills when we moved to ORCAS in '89, but my wife and I do now. I do know one thing - OPALCO does a great job in providing reliable power and the Linemen and women are "airborne rangers", as well as the support staff, when there is a power outage."

Project PAL: During April 2022, 63 Members received ~ \$16.3K in Community/Family Resource Center Awards.

T-RAP: Treasury funds for Rental Assistance and Utilities continue to be available through 2022.

LIHEAP: Low Income Home Energy Assistance Program awards continue to be applied to members accounts.

Switch it Up!

There are now 262 projects complete and billing for a total of \$2.6M outstanding. There are another 41 projects in various stages of the process. Some projects have been delayed as residential contractors have been limited by COVID-19. Staff have made the new Switch It Up measures available and have received lots of interest from members.

Energy Savings

There were 10 rebates paid out to members totaling \$10.8k. This includes four fuel switching ductless heat pump rebates.



Member Benefits from Energy Efficiency and Fuel Switching Programs:

OPALCO is committed to helping members prepare for an efficient and sustainable energy future with programs, incentives, and rebates. All values are as of first of the month reported.

		2014	2015	2016	2017	2018	2019	2020	2021	2022
EE Rebates*	# of Accounts	490	524	266	155	264	442	303	147	44
	Total Awards	\$367,552	\$359,835	\$146,601	\$84,809	\$161,262	\$228,418	\$167,432	\$149,886	\$47,180
	Total Energy Savings	1,423,477	1,696,662	731,392	896,425	479,323	733,432	783,431	359,269	88,422
Switch It Up**	# of Accounts						72	87	69	50
	Total Financed						\$684,900	\$687,589	\$705,446	\$967,636

2014-2022		Totals
EE Rebates*	# of Accounts	2,635
	Total Awards	\$1,706,961
Switch It Up**	# of Accounts	278
	Total Financed	\$3,045,571
Total		\$4,752,532

*BPA includes the cost of the Conservation (Rebate) program in the power bills that OPALCO pays. When members utilize the rebates and OPALCO documents it, the Co-op then gets credited back that amount. In essence, we are overbilled for the rebate program and only get credited if members utilize the rebates. OPALCO is unique in the pool of BPA utilities for consistently using all or most of the available conservation dollars in this program. We have often used conservation funds allocated to other Co-ops that they were unable to use through their member rebate programs.

**Funds for the Switch it Up! Program come from the USDA Rural Energy Savings Program for relending to members. OPALCO charges 2% interest to cover administrative costs for members financing projects with these funds; there is no impact to member rates.

Solar Programs

Interconnects

There were 9 new interconnect applications submitted in April, 10 members were interconnected with solar for a total of 541 (<https://energysavings.opalco.com/member-generated-power/>). There are an additional 21 pending connection. 222 members have already opted out of the new solar rate and wish to remain on the legacy tariff.

Community Solar

During the April 2022 billing cycles, the [Decatur Community Solar](#) array produced 43,120 kWh. A total of ~\$4,079 was distributed to 268 accounts.

Solar Benefits Paid to Members

All values are as of first of the month reported.

		2014	2015	2016	2017	2018	2019	2020	2021	2022
Comm Solar	# of Accounts							265	268	268
	Total Payments							\$50,688	\$51,928	\$8,814
WA State Incentives*	# of Accounts	136	162	171	197	268	256	259	58	0
	Total Payments	\$100,425	\$100,000	\$114,037	\$125,635	\$167,971	\$224,766	\$218,222	\$91,461	\$0
MORE**	# of Accounts	104	132	147	149	145	144	144	140	0
	Total Payments	\$58,451	\$50,674	\$52,587	\$53,259	\$54,173	\$53,109	\$51,897	\$50,896	\$0

2014-2022		Totals
Comm Solar	Total Payments	\$107,351
WA State Incentives*	Total Payments	\$1,142,517
MORE**	Total Payments	\$425,046
Total		\$1,674,914

*The funds paid out to members for the Washington State Incentives are included in OPALCO's state tax bill and then credited when paid out to members.

**The MORE (Member Owned Renewable Energy) program closed to new participants in 2016. Members purchased "green leaves" of renewable power to support local solar producers. OPALCO fully supported this voluntary member program until member interested died out.

COVID-19 UPDATE

San Juan County is reporting a sharp uptick in COVID-19 cases – including some members the OPALCO and Rock Island teams. The OPALCO offices will remain closed to the public while staff continue to monitor the situation to ensure OPALCO's staff remains healthy and can keep business running seamlessly. See the following link with the latest information from San Juan County: <https://www.sanjuanco.com/1668/2019-Novel-Coronavirus>

COMMUNICATIONS

Election

Election results were announced at the virtual annual member meeting on Saturday, April 30th. The successful directors are: In District 1 (San Juan et al), Mark Madsen retained his position with 995 votes; followed by challengers Jessa Madosky with 595 and Steven Carelton with 527. In Districts 3 & 4 (Lopez, Decatur et al), the two unopposed candidates were voted in: Brian Silverstein received 1,724 votes and Jerry Whitfield received 1,654 votes. A total of 2,213 ballots were cast, which represents 19.24% of the membership.

Annual Meeting

Attendance was good at the 85th annual member meetings held via Zoom on Saturday, April 30th. About 165 memberships were in attendance for the 90-minute meeting, which included a state of the Co-op address, election results and a Q&A session. Members in attendance received a \$10 bill credit and 31 prizes were awarded by random selection. Read the full story: <https://www.opalco.com/opalco-2022-board-election-results-madsen-silverstein-and-whitfield/2022/05/>.

An informal poll was conducted with a sample of 20 members who attended the meeting and all but one enthusiastically preferred the virtual format versus the time and logistics of meeting on the ferry. Many reported they attended for the first time because of the ease of the virtual meeting. Some comments collected from these calls include:

- “This is the first year I could actually HEAR what the people were saying. No noise or distractions like on the ferry. I learned lots and am inspired by how conscientious OPALCO is about climate and the planet.” – Teddy
- “Really good meeting – I’m excited to know what OPALCO is up to. I miss the ferry meetings. Could you do a hybrid?” – Barry
- “Very impressed with OPALCO’s work in decarbonization. I’ve never made it to a meeting on the ferry – Zoom is so much more accessible. I look forward to sharing the information with my science classes.” – Tim
- “Thanks for providing a virtual option. I've always worked on Saturdays and haven't been able to jump aboard the ferry for the annual meeting. Thanks for making it accessible for working folks.” – Jenny

Staff is considering a virtual annual meeting format for future years due to cost and carbon savings, ferry reliability issues, member feedback and safety. Smaller in-person meetings

throughout the year, like the EV Jamboree, could meet the need for targeted outreach and engagement.

Energy Roundtables

Due to staff capacity and low member interest, staff will be focusing on Island Way Workshops. The Energy Roundtable events scheduled through the summer are cancelled.

EV Jamboree

Plans are underway for an in-person event at the San Juan County Fairgrounds to celebrate and explore electric vehicles of all types. The second EV Jamboree is on June 8th from 3:00 – 6:00pm outside at the Fairgrounds. Mainland dealers will bring new EVs for members to check out and test drive, electric bikes and scooters, electric boats and garden tools. Members are invited to bring their own EVs for show and tell – and there is VIP parking and special swag for anyone who arrives at the event without using fossil fuels! OPALCO staff will be barbequing hot dogs for members, there will be games and activities for all ages – and lots of cool swag to give away.

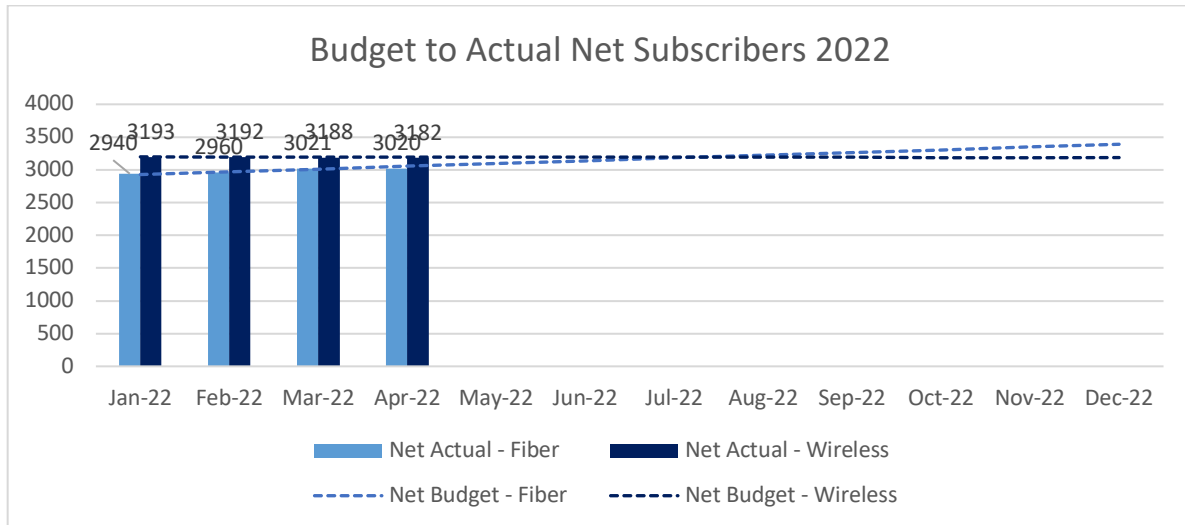


Rock Island Snapshot

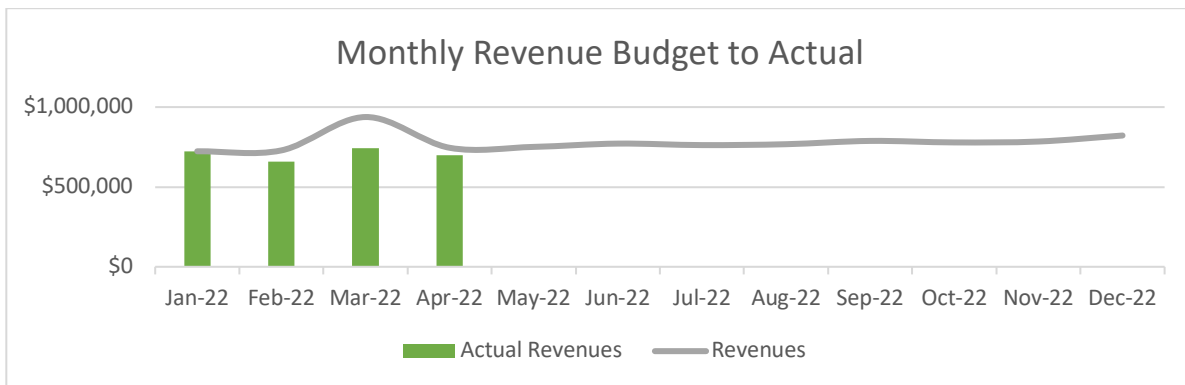
Subscriber Update

6,458 Internet Service Customers

Net Subscribers



Revenues



❖ Previous months revenues are not closed out and are subject to change. Normal dip in February is due to total recognized revenue days in month. Variance in March is due to continued delays in recognized revenue for the radio project being shifted to Q2. Normal revenue lines are ahead of plan.