

Board of Directors

Regular Meeting

Thursday, November 17, 2022
Virtual Meeting via Zoom

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
November 17, 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.

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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 – October 2022

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

AIRPORT CENTER ST, ORAGE LLC
BOOMS, DOUGLAS & BOOM, CATHERINE
BREEZ, OSHA & BREEZ, MICHAEL
CHRISTENSEN, ERIKA
CLARK COLE, KAREN
CURLISS, FIONA
DAVIES, JOSHUA
FLORA, MARTIN & PALMA, AMALIA
GALLIGAN, MICHAEL
GILL, MITCHELL
GOELZER, DEBORAH
HATTEN, HAYLEY
HODGES, JULIE & HODGES, RYAN
JAMISON, JULIE
JOHNSON, BRENT & JOHNSON, ANITA
KISELYK, JACOB
MAVENCAMP, LARRY
MOELLER, DIANNE
MOSELEY, JESSICA
OPPLIGER, MATT
OTTO, JANICE & OTTO, LARRY
PARDEE, THOMAS
PETERS, STEPHEN
REIDY, DANIEL
SMITH, ZOEY
SODERLUND, THERON
STETZ, KIM & HAYES, MARQUIS
STEWART, DENISE
TAYLOR, JONATHAN & TAYLOR, DODIE
UMLAND, JEREMY
VERNON, VICTORIA & VERNON, JOHN
WALDEN, KENNETH
WEISBROD, STEPHEN

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

BATEMAN, ALAN & BATEMAN, SUZANNE
BECKER, RICHARD
BUXBAUM, EVAN & BUXBAUM, VALERIE
FERRY, JOHN
KLAUDER, CALEB
KNOELLINGER, OLIVIA & KNOELLINGER, NICHOLAS
MPSI LLC
NEDWESKI, BRIAN
NEUMANN, MARK & NEUMANN, MICHELE
OVERSTREET, DEVIN
PEREZ QUINTERO, VICTOR
RENGAN, RAMESH & RENGAN, SUBHASHINI
SILVES, MICK
SMITH, RYAN & SMITH, ABRAHAM
WAPNOWSKI, DANIELLE
WILSON, ANDREW

District 3 (Lopez, Center, Decatur, Charles)

BOZMAN-MOSS, DENNIS & BOZMAN-MOSS, BARBARA
BURLESON, JANET
COILEY, CHRIS
DOUGAN, KIM
JAEGER, JANET
LONG LANE LLC
MURPHY, SARAH & MURPHY, GABE
TWELKER, BRIAN
VANDENHAZEL, WALKER
WING, RICHARD & WING, MACEALANI

District 4 (Shaw, Crane, Canoe, Bell)

BERLIN, GRIFFIN
ROSSELET, SARAH
VIDELA, CARLOS & SULANTAY, NATALIA

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

November

<u>Customer #</u>	<u>Amount</u>
77132	396.35
50608	1,630.94
3105	739.17
68527	297.55
65083	1,634.01
65091	893.30
82434	549.66
Total	\$ 6,140.98

Staff requests a motion to approve the Consent Agenda.



**Orcas Power & Light Cooperative
Minutes of the Board of Directors Meeting
Thursday, October 20, 2022**

Streaming through Zoom attendees were Board members Vince Dauciunas, Jerry Whitfield, Brian Silverstein, Mark Madsen, Tom Osterman, Rick Christmas 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; and Communications Manager Suzanne Olson (serving as recording secretary). Also present were Legal Counsel Joel Paisner, consultant Jay Kimball and special guests Marcus Perry of Bonneville Power Administration and Alan Watson of Okanogan Electric Cooperative.

Members in attendance included Robert Dashiell, Chris Wolfe, John Fleisher, Ron Zee and Paula Carlson Dix

Meeting commenced at 8:30 a.m.

CONSENT AGENDA

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

2023 BOARD AND ANNUAL MEETING DATES

Staff reviewed a proposed schedule for 2023 board meetings and the annual meeting. Discussion ensued.

- **MOTION** was made to confirm the annual meeting date of April 29, 2023, the virtual format and Joel Paisner, OPALCO legal counsel, as the Parliamentarian. Seconded and passed unanimously by voice vote.

REVIEW OF NEW WEBSITE

Staff presented the new OPALCO website, which launched in October. Discussion ensued.

REVIEW OF BPA/PNGC BILLING COMPONENTS

GM presented an explanation of billing components for how OPALCO gets billed for power each month. BPA Account Manager Marcus Perry provided more detail and answered questions. Discussion ensued.

Executive Session

- **MOTION** was made to approve submittal of the 2021 990 as reviewed by Moss Adams. Seconded and passed unanimously by voice vote.

GM REPORT

GM presented the monthly General Manager's Report. Discussion ensued.

Board Meeting ended at 10:40 am.

Jerry Whitfield, Acting President

Brian Silverstein, Secretary-Treasurer



Orcas Power & Light Cooperative
Minutes of the Board of Directors Special Work Session
Thursday, October 25, 2022

Attending in person at the Eastsound Headquarters were Board members Jerry Whitfield, Brian Silverstein, Tom Osterman, Rick Christmas and Jeff Struthers. Mark Madsen attended by Zoom. Vince Dauciunas was absent and Jerry Whitfield served as acting President. Staff present were General Manager Foster Hildreth; Manager of Engineering and Operations Russell Guerry; Manager of Finance and Member Services Nancy Loomis; and Communications Manager Suzanne Olson (serving as recording secretary).

Also present were Legal Counsel Joel Paisner and consultant Jay Kimball.

Meeting commenced at 10 a.m.

RATE STRUCTURE REVIEW

Staff presented a draft vision statement for a course correction on rates over the next five years and discussion ensued. Staff will bring an updated version of the vision statement to a future board meeting.

2023 BUDGET

Staff presented a draft load forecast and discussion ensued on notable drivers for the 2023 budget, which will come before the Board in November.

Board Meeting ended at 12 pm.

Jerry Whitfield, Acting President

Brian Silverstein, Secretary-Treasurer



2023 Budget

Attached please find our 2023 Budget Presentation. Consistent with last year's projections, staff is recommending a 6% rate increase for the 2023 budget year and forecasting 6% over the following four years. Staff is recommending that our 2023 budget revenue increase from \$34.8M (projected 2022) to \$35.8M to meet our financial, operational and capital project commitments. The projected figures for years 2024 thru 2027 are for reference only, as future years will be reviewed annually during our normal budgeting process.

OPALCO is strategically positioned to address the future power needs of our membership and sustain our island communities through the escalating costs and challenges of the carbon-free economy. With Washington's Clean Energy Transformation Act (CETA), the clock is now ticking. OPALCO has the expertise in its Board, management and team to get the job done; and, thanks to the foresight of recent past boards, we have built the modern grid and communication infrastructure required to succeed. OPALCO continues to seek federal and state grants and find success in leveraging awards from the Department of Commerce's Clean Energy Fund to design and build the projects that will help to develop the local energy resilience we require to thrive in the new paradigm of electric transportation, renewable generation, grid modernization and the changing price signals in the power industry. As a small cooperative committed to delivering cost-effective services to our membership, our ability to make this transition is limited by our ability to leverage grant funds.

The Island Way Campaign continues to engage the membership in the story of OPALCO's vision, inspiring transformative action and increasing participation in programs such as Switch it Up, commercial upgrades, efficiency rebates and a course correction on retail rate structure. OPALCO has \$4.9M in USDA Rural Energy Savings Funds in play (out of total available funds of \$48M), which is reflected in the Co-op's equity position. In 2022, OPALCO added solar, battery storage, weatherization and appliance upgrades to on-bill financing (Switch it Up), as well as a higher per meter cost ceiling of \$100k, and members responded with a strong wave of project starts.

There are very few discretionary expenses in the budget and staff continually look for ways to reduce costs. The Co-op budget is tightly constrained: one-third for power costs; one-third for labor (bargaining unit and competitive wage rates) and most of the final third in fixed costs such as plant, mortgage and operations; discretionary expenses are largely limited to member facing programs. Labor is a major factor in 2023 with nine positions to fill and a challenging hiring climate with labor shortages and housing scarcity in San Juan County. Staffing levels fell to a low of 42 through the pandemic and due to the highly competitive environment for qualified line workers among electric cooperatives. OPALCO is beginning to budget for development of worker housing on co-op property with permitting expense in the 2023 budget.

Inflation is driving escalating expense in the budget: supply chain issues, rising cost of materials and hiring costs are all contributing to a higher cost of service for the same level of system reliability. While expense is on the rise, OPALCO increases are below the general rate of inflation (8%) and far below the inflationary trends for consumer goods and services.

Since 2014, OPALCO energy assistance programs have provided ~\$1.6M to members in need. The 2023 Budget raises the Energy Assist bill credit amounts to offset the rate increase and the Bailer Hill Microgrid



Project will generate additional support for the low-income program when it comes online in ~Q3. Thanks to a \$1M grant through the Department of Commerce, a portion of production credits from that project will be channeled into Energy Assist. Project PAL continues to be administered through the three island family resource centers.

The 2023 budget continues to align our operations to the mission statement of providing safe, reliable, cost effective, and environmentally sensitive utility services. This budget prepares OPALCO to meet the marks set out in our energy road map:

TODAY: Make the most of our available resources. Reduce members' total energy bills through electrification of transportation and heating while continuing to modernize the grid to meet future needs. Leverage grants, state and federal programs to help members increase efficiency and position themselves for sustainability in the coming carbon economy.

TOMORROW: Increase local resilience. Bring more local renewables on, leveraging our dynamic grid and building emergency back-up power for emergency services. Prepare for grid parity when renewables (local and regional) will be less expensive than our mainland power provider.

FUTURE: Give members more control. In the coming transactive energy world, members will dynamically buy and sell local power, make decisions about their power usage in response to real time price signals and integrate energy storage (EVs, batteries...) into the Co-op grid. To give members access to this dynamic power world, OPALCO must upgrade transformers and other equipment to provide the capacity necessary to manage the number of EVs, local distributed power generators and battery storage units that will be commonplace in member homes – as well as smart appliances and individual devices.

The 2023 budget includes some key capital projects: the Bailer Hill Microgrid Project (on San Juan Island), delayed due to supply chain issues, is on track for construction of the solar array with the battery storage component scheduled for 2024; substation upgrades are planned for Friday Harbor, Olga and Orcas; the Center Island submarine cable will be replaced; and routine replacement of 12 miles of URD as well as routine replacement of distribution and transmission poles.

We curtailed expense during the pandemic knowing the challenges it would present in future years. The rate increases forecast for the next four years must reposition the Co-op's equity for major capital projects on the horizon including a submarine cable replacement from Lopez to Orcas in 2030.

Staff recommends Board make a motion to approve the 2023 budget as submitted.

Attached please find our 2023 Budget Presentation.

Special Retirement to Uncollectable Accounts

As is the routine practice each year, staff has transferred delinquent inactive accounts to an uncollectable account (UA) status. The next step in this process is to proportionately apply previously allocated member capital credits to UA balances. Note: These accounts do not impact any active accounts or members on payment arrangement plans (i.e., caused by pandemic).



It is important to note that our billing software 'flags' accounts and associated capital credit payment processes when member accounts are transferred to the status of uncollectable. When staff processes the year-end check run to pay allocated member capital credits, our software will first pay uncollectable account balances before issuing a capital credit check for any remaining balance.

Staff is requesting that \$2,641.48 of member capital credits be applied to UA balances. The member capital credit allocation transfers are as follows:

Capital Credits Applied to UA Balance	\$2,641.48
Discounted Capital Credits Remain in Equity	\$20,128.39
Total Capital Credits Retired	\$22,769.87

Staff recommends the board make a motion to approve the use of member allocated capital credits to reduce and/or offset individual member delinquent UA balances as referenced in the Capital Credit /Bad Debt Payment Program report.

General Retirement of Capital Credits

The purpose of this memorandum is to obtain Board approval to fund the general retirement of capital credits. More than ever, the cooperative benefits demonstrated by capital credits and OPALCO's concern for community are critical to communicate through this general retirement. Please note staff is continuing with the concept of smoothing, whereby we fund the remaining unretired balance from 1997 and a portion of 1998 as follows.

Year (% of unretired)	Retirement	Projected Checks
1997 (~100%)	\$465,297	~\$361,000
1998 (~60%)	\$934,703	~\$725,000
Total	\$1,400,000	~\$1,086,000

The difference between the Retirement and Projected Checks above are individual members who in most cases have inactive accounts, moved out of the service territory and have not updated their contact information.

This will continue our 25-year retirement rotation and capital credit retirement smoothing methodology established by the board in December 2016. As a reminder, smoothing the annual general retirements produces a predictable schedule that will allow us to not only stay ahead of the 25-year retirement schedule, but also avoid fluctuations in margins, cash and equity stemming from capital credits.

Staff is requesting a motion to approve the payment and retirement of capital credits for the remainder of 1997 and a portion of 1998, as outlined above.

DISCUSSION ITEMS

Member Services Policy 4: Service Conditions – First Read

In light of the OPALCO tariff revisions proposed for the new year 2023, Staff would like the Board to consider a few minor changes to Member Service Policy 4 – Service Conditions. The proposed changes are more of a clean-up of old language since the current policy has been in place since January 2007. The changes are highlighted yellow in the Policy.

This is the first read, and if approved after the second read, staff will implement the policy change.

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.

4.3 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.

4.4 FEES

4.4.1 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).

4.4.2 ~~Service Charge~~ Transfer Fee

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).

4.4.3 **Disconnect/Reconnect Service 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.~~ Each member (or members service agent) who has requested a disconnect /reconnect of meter service over same day or multiple days, to facilitate repair or update of equipment past the point of distribution (meter) shall be charged a fee. In the event of transfer of a service request, and no receiving party has been identified, the member may choose to disconnect the service. (see Schedule of Deposits and Charges in the OPALCO tariff book).

4.5 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.

4.6 ACCESS

4.6.1 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.

4.6.2 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~~ Automated Clearing House (ACH) return or credit card decline 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.

4.9 RESALE OF ELECTRICITY

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

4.9.1 Master Meters/Sub-Meters

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.

4.9.2 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.

4.9.3 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, 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.

4.10 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.

4.11 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.

Tariffs 2023

The Board will review a comprehensive set of tariff options. The tariffs below have been edited to include the recommended revenue increases to meet the revenue requirements as proposed in the 2023 budget. The first set of tables show the current tariffs, proposed tariffs, and other tariff options. Also included is the comprehensive tariff document which is based on the proposed tariff.

This is the first read, and if approved after the second read, staff will implement the tariffs in the January 2023 billing period.

A.			B.		C.	
Residential			Present Rates		Recommended Even 6% increase to all components	
1	Residential		Present Rates		Recommended Even 6% increase to all components	
2	Service Access Charge (\$/Service/Month)		\$50.35		\$53.38	
3	Energy Assistance Program (\$/kWh)		\$0.00079		\$0.00084	
4	Energy Rates (\$/kWh)					
5	Summer		Winter			
6	Block 1	< 2,000 kWh	< 4,000 kWh	\$0.1133	\$0.1201	
7	Block 2	2,000 kWh to 3,000 kWh	4,000 kWh to 5,000 kWh	\$0.1284	\$0.1362	
8	Block 3	> 3,000 kWh	> 5,000 kWh	\$0.1478	\$0.1567	
9						
10	Residential Distributed Energy Resource		Present Rates		Recommended Even 6% increase to all components	
11	Residential Distributed Energy Resource		Present Rates		Recommended Even 6% increase to all components	
12	Service Access Charge (\$/Service/Month)		\$50.35		\$53.38	
13	Energy Assistance Program (\$/kWh)		\$0.00079		\$0.00084	
14	Net Consumed Energy Rates (\$/kWh)					
15	Summer		Winter			
16	Block 1	< 2,000 kWh	< 4,000 kWh	\$0.1133	\$0.1201	
17	Block 2	2,000 kWh to 3,000 kWh	4,000 kWh to 5,000 kWh	\$0.1284	\$0.1362	
18	Block 3	> 3,000 kWh	> 5,000 kWh	\$0.1478	\$0.1567	
19	Net Produced Energy (\$/kWh)					
20	Renewable Generation Credit		(\$0.0990)		(\$0.0990)	
21	Grid Usage Charge		\$0.0108		\$0.0115	
22						
23	Residential TOU		Present Rates		Recommended Even 6% increase to all components	
24	Residential TOU		Present Rates		Recommended Even 6% increase to all components	
25	Service Access Charge (\$/Service/Month)		\$60.53		\$64.17	
26	Energy Assistance Program (\$/kWh)		\$0.00079		\$0.00084	
27	Energy Rates (\$/kWh)					
28	TOU Period 1 (6 AM - Noon)		\$0.1878		\$0.1991	
29	TOU Period 2 (Noon - 6 PM)		\$0.1127		\$0.1195	
30	TOU Period 3 (6 PM - 8 PM)		\$0.1878		\$0.1991	
31	TOU Period 3 (8 PM - 6 AM)		\$0.0510		\$0.0541	
32						
33	Small Commercial (<20 kW)		Present Rates		Recommended Even 6% increase to all components	
34	Small Commercial (<20 kW)		Present Rates		Recommended Even 6% increase to all components	
35	Service Access Charge (\$/Service/Month)		\$70.28		\$74.50	
36	Energy Assistance Program (\$/kWh)		\$0.00079		\$0.00084	
37	Energy Rates (\$/kWh)					
38	Block 1 (< 5,000 kWh)		\$0.1117		\$0.1185	
39	Block 2 (> 5,000 kWh)		\$0.1238		\$0.1313	
40	Demand Rates (\$/kW)					
41	First 20 kW (Flat Rate)		\$6.67		\$7.08	
42						
43	Large Commercial (> 20kW)		Present Rates		Recommended Even 6% increase to all components	
44	Large Commercial (> 20kW)		Present Rates		Recommended Even 6% increase to all components	
45	Service Access Charge (\$/Service/Month)		\$70.28		\$74.50	
46	Energy Assistance Program (\$/kWh)		\$0.00079		\$0.00084	
47	Energy Rates (\$/kWh)					
48	Block 1 (< 5,000 kWh)		\$0.1014		\$0.1075	
49	Block 2 (5,000-150,000 kWh)		\$0.1125		\$0.1193	
50	Block 3 (>150,000 kWh)		\$0.1499		\$0.1589	
51	Demand Rates (\$/kW)					
52	Block 1 (< 300 kW)		\$4.10		\$4.35	
53	Block 2 (> 300 kW)		\$6.16		\$6.53	

	A.	B.	C.
54			
55			
56	Commercial Distributed Energy Resource	Present Rates	Recommended Even 6% increase to all components
57	Service Access Charge (\$/Service/Month)	\$70.28	\$74.50
58	Energy Assistance Program (\$/kWh)	\$0.00079	\$0.00084
59	Energy Rates (\$/kWh)		
60	Block 1 (< 5,000 kWh)	\$0.1014	\$0.1075
61	Block 2 (5,000-150,000 kWh)	\$0.1125	\$0.1193
62	Block 3 (>150,000 kWh)	\$0.1499	\$0.1589
63	Net Produced Energy Rates (\$/kWh)		
64	Renewable Generation Credit	(\$0.0990)	(\$0.0990)
65	Grid Usage Charge	\$0.0108	\$0.0115
66	Demand Rates (\$/kW)		
67	Block 1 (< 300 kW)	\$4.10	\$4.35
68	Block 2 (> 300 kW)	\$6.16	\$6.53
69			
70	Pumps	Present Rates	Recommended Even 6% increase to all components
71			
72	Service Access Charge (\$/Service/Month)	\$45.23	\$47.94
73	Energy Assistance Program (\$/kWh)	\$0.00079	\$0.00084
74	Energy Rates (\$/kWh)		
75	0 - 370 kWh	\$0.1204	\$0.1277
76	370-5,000 kWh	\$0.0965	\$0.1023
77	Over 5,000 kWh	\$0.1172	\$0.1243
78	Demand Rates (\$/kW)		
79	First 20 kW (Flat Rate)	\$1.26	\$1.34
80	Over 20 kW	\$4.15	\$4.40
81			
82	Energy Assist	Present Rates	Recommended Even 6% increase to all components
83			
84	Energy Assistance Program (\$/kWh)	\$0.00079	\$0.00084
85	Household Size (\$ Credit/Month)		
86	1	(\$32.67)	(\$34.64)
87	2	(\$38.91)	(\$41.25)
88	3	(\$45.15)	(\$47.86)
89	4	(\$51.39)	(\$54.48)
90	5	(\$57.63)	(\$61.09)
91	6+	(\$63.87)	(\$67.71)
92			
93	Private Outdoor Lighting	Present Rates	Recommended Even 6% increase to all components
94			
95	Billing Charge (\$/Service/Month)	\$2.91	\$3.09
96	Fixture Charge (\$/Service/Month)	\$13.12	\$13.91
97	Energy Rates (\$/kWh)		
98	100 Watt Light (and LED Equivalent)	\$4.83	\$5.12
99	200 Watt Light (and LED Equivalent)	\$9.80	\$10.39
100			
101	Line Retention	Present Rates	Recommended Even 6% increase to all components
102			
103	Service Access Charge (\$/Service/Month)	\$45.23	\$47.94
104			

	A.	B.	C.
105	Deposits and Charges		Recommended
106		Present Rates	
107	New Members		
108	Membership Fee	\$5.00	\$5.00
109	Deposits (Refundable):		
110	Residential/Residential TOU	\$250.00	\$250.00
111	Commercial (Small/Large)	TBD by OPALCO*	TBD by OPALCO*
112	*Surety bond required in amount of deposit		
113	New of Transfer Service	\$25.00	\$25.00
114	Returned Payment Charge	\$30.00	\$30.00
115	Late Payment Charge	5% of current charges	5% of current charges
116	Disconnect/Reconnect Fees		
117	Disconnect Notice	\$10.00	\$10.00
118	Door Tag Fee	\$50.00	\$50.00
119	Reconnect (After Disconnt for Non-payment)		
120	During OPALCO business hours	\$75.00	\$75.00
121	Outside of OPALCO business hours	\$150.00	\$150.00
122	Seasonal Reconnect (after disconnected for two (2) or more consecutive billing periods)		
123	During OPALCO business hours	\$250.00	\$250.00
124	Outside of OPALCO business hours	\$400.00	\$400.00
125	Member Caused Outage	Actual Cost	Actual Cost
126	Meter Seal Breakage	\$100.00	\$100.00
127	Meter Test Fee (at member's request)		
128	Performed by OPALCO	\$100.00	\$100.00
129	Performed by other qualified person	Actual Cost**	Actual Cost**
130	**OPALCO will refund cost of meter testing if proven in error by more than two percent (2%)		

REPORTS

2022 Q3 Financial Report

The 2022 third quarter financial report is posted online and included under separate cover. The third 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 \$10k from the membership through Q3 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 ~\$595k. Overall operating revenue was higher than budget as kWh sales came in over budget.

The table below presents the projection of full-year 2022 financial results using actuals from Q3 and budget projections for future months.

Income Statement Summary (in thousands)	2022 Projection (actuals for prior months)		
	Budget	Projected	Variance
Operating Revenue	\$ 34,256	\$ 34,770	\$ 514
ECA Surcharge / (Credit)*	\$ -	\$ 10	\$ 10
Revenue	\$ 34,256	\$ 34,780	\$ 524
Expenses:			
Cost of Purchased Power	\$ 9,496	\$ 9,664	\$ 168
Transmission & Distribution Expense	7,125	7,123	(2)
General & Administrative Expense	6,078	5,865	(213)
Depreciation, Tax, Interest & Other	8,568	8,814	246
Total Expenses	31,267	31,466	199
Operating Margin	2,989	3,314	325
Non-op margin	283	391	108
Net Margin*	3,272	\$ 3,705	433
OTIER	2.46	2.64	0.18
TIER	2.64	2.83	0.19
Equity %	39.9%	39.4%	-0.5%
HDD	1,375	1,365	(10)
kWh Purchases	220,000	230,930	10,930
kWh Sales	206,800	213,264	6,464

* The ECA collected \$10k from members through October 2022

For more details, please note the following key points:

- Heating Degree Days (HDD) were ~2% above budgeted levels (actual of 892 vs. budget of 876). Overall kWh sales were ~10M kWh above budget (156M vs. budget of 146M).
- 2022 power purchases are \$274k higher than budgeted due to a combination of higher overall kWh sales and large peak charges. Actual kWh purchases were 12M kWh above budget (168M vs. budget of 156M).
- Excluding purchased power, Q3 YTD operating expenses were approximately \$212k under budgeted amounts.
- The ECA for 2022 was a net charge to members (and increase to operating revenue) of \$10k, or \$.92 for a member using 1000 kWh/month.

OPALCO 2022 Financial Package under separate cover.

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
- Membership
- 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

QUICKFACTS

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

- | | |
|---|--|
| <ul style="list-style-type: none"> • OPALCO's Plan for our Energy Future • Decarbonization – 4 Part Series • Switch It Up! • WA 2021 Energy Strategy • Simpson Proposal and the Northwest Energy Evolution • Will there be enough power? • OPALCO Rates • Energy Independence? Not entirely • Rock Island Communications • OPALCO election process • Wireless Services • Cost of Service • Staff Compensation • NRECA | <ul style="list-style-type: none"> • OPALCO Debt and Capital Projects • Ocean Health • NW Resource Adequacy in a Rapidly Decarbonizing World • Land for Renewable Energy Projects • Understanding the Change in Solar Rates • Decatur Island Battery Storage Project • Why Hydropower is Important to our Power Supply • Where does OPALCO stand on regional issues and the dams? • Future Power Purchase Strategy • Industry Association Memberships and Co-op Benefits • Climate Change News Review - September 2022 • OPALCO Tidal Energy Pilot Project |
|---|--|



ENGINEERING, OPERATIONS, AND INFORMATION TECHNOLOGIES

WIP

As of November 9, 2022, there are 476 work orders open totaling \$9.14M Operations has completed construction on 183 work orders, totaling \$4.15M.

Safety

Northwest Safety Service conducted rigging and ladder safety for operations staff and office safety for internal staff. The total current hours worked without a loss time accident 208,280 hours.

Awarded Grants

Washington Department of Commerce - Grid Modernization

- San Juan Microgrid (Grant \$2.4M) (partnered with PNNL) – Staff anticipates issuing an RFP for battery system balance of plant in December 2022 since battery vendors RFPs have been received.
- 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) – Staff and subcontractors have initiated outreach with the tribes and regulatory agencies. \$150K
 - Friday Harbor Ferry Electrification Preliminary Design (Phase 1 Only) – On hold until WA DOC releases the next stage in contracting. \$150K

Washington Department of Commerce – Clean Energy Fund 3 Solar

- Low-Income Community Solar Deployment (Grant \$1M) – Staff has executed the notice to proceed for the engineering and site design with the remainder of the contract to be executed by end of year.

US Forest Service (minor in-kind efforts only)

- Biomass Generation with Biochar (60% Design Grant \$72,835) – Project report and economics are anticipated in Q4.

FINANCE

2022 Budget Tracking

Energy (kWh) purchases and sales have been higher than budgeted levels through October 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 above budget by ~\$514K & purchased power was above budget by ~\$168k. This was curtailed by the ECA which has collected a net ~10k through October. The table presents full year 2022 projection with actuals for prior months where available.

Income Statement Summary		2022 Projection (actuals for prior months)		
(in thousands)		Budget	Projected	Variance
Operating Revenue	\$	34,256	\$ 34,790	\$ 534
ECA Surcharge / (Credit)*	\$	-	\$ (10)	\$ (10)
Revenue	\$	34,256	\$ 34,780	\$ 524
Expenses:				
Cost of Purchased Power	\$	9,496	\$ 9,664	\$ 168
Transmission & Distribution Expense		7,125	7,123	(2)
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Net Margin*		3,272	\$ 3,705	433
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TIER		2.64	2.83	0.19
Equity %		39.9%	40.0%	0.1%
HDD		1,375	1,365	(10)
kWh Purchases		220,000	230,930	10,930
kWh Sales		206,800	213,264	6,464
Capital Expenditures		10,320	8,877	(1,443)

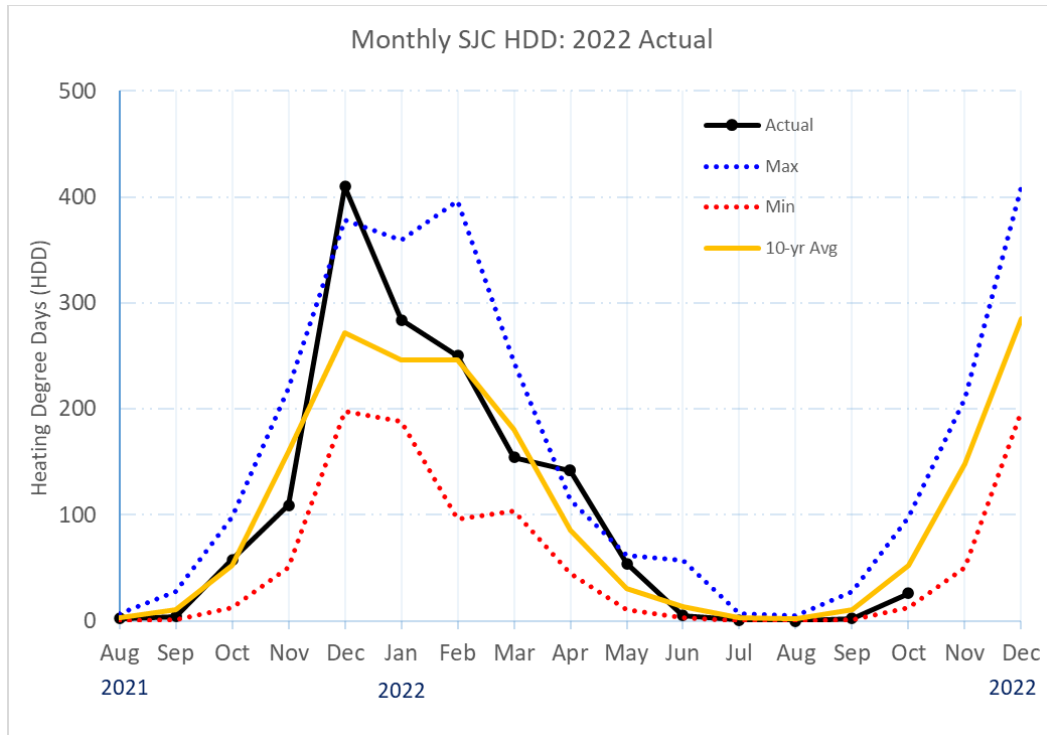
* The ECA returned \$10k to members through October 2022

Monthly Energy Charge Adjustment (ECA)

The calculated amount for the October ECA was a bill credit of \$.001671 per kWh which returned \$20,023 to members, or \$1.67 per 1,000 kWh. The November billing period ECA is projected to be a bill surcharge of \$.005403 per kWh on member bills, or \$5.40 per 1,000 kWh. 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 2021 saw a very cold weather snap and HDDs came in above the 10-yr maximum. The rest of 2022 began trending more towards historical averages, with a more La Nina spring pattern & El Nino October. We continue to monitor weather trends monthly.

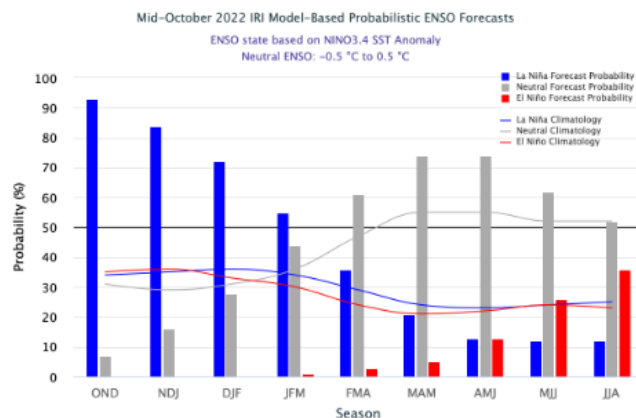
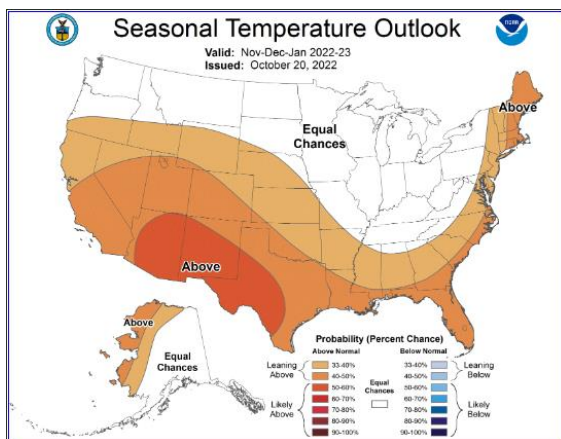


*10-year max, min, avg is 2012-2021

Weather Forecast

Looking ahead to the NOAA 'three-month outlook temperature probability' for Nov-Dec-Jan '22-'23, the outlook is currently showing 'equal chances' of normal temperatures in our region in the coming winter months. We continue to monitor these predictors monthly.

2022 Nov-Dec-Jan 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	522	1,071
	Total Assistance			29,151	81,957	111,996	135,595	158,434	158,740	130,813	806,685
PAL	# of Accounts	180	226	228	217	212	205	329	363	203	1,009
	Total Assistance	31,560	46,345	46,885	48,833	45,155	53,137	80,975	104,880	52,212	509,983
EAP Residential - COVID	# of Accounts							88	74	63	98
	Total Assistance							21,535	27,606	8,348	57,489
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	714	1,563
	Total Assistance	31,560	46,345	76,036	130,790	157,151	188,732	349,283	390,659	213,370	1,583,928

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 October 2022, 318 members received ~\$12.1k from the low-income Energy Assist program, compared to 333 members who received ~\$12.3k in assistance in October 2021.

Project PAL: Project PAL Agreements for 2022-2023 Project PAL Award Season have all been signed and returned by the Family and Community Resource Centers. Applications have already started to arrive and are being forwarded to the responsible agency to be reviewed for the November awards.

LIHEAP: Extended Award Season Notifications have slowed down.

Switch it Up!

There are now 355 projects complete and billing for a total of \$4.1M outstanding. There are another 35 projects in various stages of the process. Some projects have been delayed as residential contractors have been limited by COVID-19 and supply chain issues. Staff have made the new Switch It Up measures available and have received lots of interest from members.

Energy Savings

During October there were a total of 21 rebates paid out to members totaling \$20.3k. This includes six fuel switching ductless heat pump rebates and three EV charging station 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	171
	Total Awards	\$367,552	\$359,835	\$146,601	\$84,809	\$161,262	\$228,418	\$167,432	\$149,886	\$189,900
	Total Energy Savings (annual kWh)	1,423,477	1,696,662	731,392	896,425	479,323	733,432	783,431	359,269	308,390
Switch It Up**	# of Accounts						72	87	69	151
	Total Financed						\$684,900	\$687,589	\$705,446	\$2,778,272

2014-2022		Totals
EE Rebates*	# of Accounts	2,762
	Total Awards	\$1,849,681
Switch It Up**	# of Accounts	379
	Total Financed	\$4,856,208
Total		\$6,705,889

*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 14 new interconnect applications submitted in October and 12 members were interconnected with solar for a total of 586 (<https://energysavings.opalco.com/member-generated-power/>). There are an additional 37 pending connection.

Community Solar

During the October 2022 billing cycle, the [Decatur Community Solar](#) array produced 39,760 kWh. A total of ~\$4,018 was distributed to 262 accounts in September.

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	276
	Total Payments							\$50,688	\$51,928	\$79,948
WA State Incentives*	# of Accounts	136	162	171	197	268	256	259	58	57
	Total Payments	\$100,425	\$100,000	\$114,037	\$125,635	\$167,971	\$224,766	\$218,222	\$91,461	\$84,828
MORE**	# of Accounts	104	132	147	149	145	144	144	140	135
	Total Payments	\$58,451	\$50,674	\$52,587	\$53,259	\$54,173	\$53,109	\$51,897	\$50,896	\$123,477

2014-2022		Totals
Comm Solar	Total Payments	\$182,564
WA State Incentives*	Total Payments	\$1,227,345
MORE**	Total Payments	\$548,523
Total		\$1,958,432

*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. The program ended September 30, 2022, with a final payout of all program dollars that remained.

COMMUNICATIONS

Fall Island Way Workshop Series

Staff hosted two successful workshops one on power rates and one on winter preparation. These workshops continue to be a good way to engage with the membership. The 2023 calendar of workshops will be announced in January.

Co-op Month

OPALCO participated in National Co-op Month with a social media campaign and celebrating our co-op team with staff luncheons on San Juan and Eastsound.



Touch A Truck

Staff participated in the San Juan Island community event, Touch A Truck for the first time in three years. This a community event highlighting the different first responders and the cool trucks they get to drive. Member feedback was very positive.



2023 Election Timeline

Event	Date
Legal Notice for Election (RUS requires minimum 30 days prior to nominating process)	12/16/22 (extra time to avoid holidays)
Director Applications due to EGC	01/25/23
Nominations posted - (80 days prior to meeting)	02/08/23
Nominations by petition due to office	02/17/23
Nominations by petition posted - (55 days prior to meeting)	03/03/23 (03/05/22 – 55 day – Sun)
Candidate Forum	03/09/23
Notice to members/Ballots mailed - (21-50 days prior to meeting)	03/10/23-04/08/23
Election closes - (3 days prior to meeting)	04/26/23
Annual Meeting	04/29/23

The 2023 election will include two board positions from two different districts as outlined below:

Election Year	District			
	D1 - San Juan	D2 - Orcas	D3 - Lopez	D4 - Shaw
2022*	1B - Madsen		3A - Silverstein	4 - Whitfield
2023	1A - Dauciunas	2B - Christmas		
2024		2A - Struthers	3B - Osterman	
2025	1B		3A	4

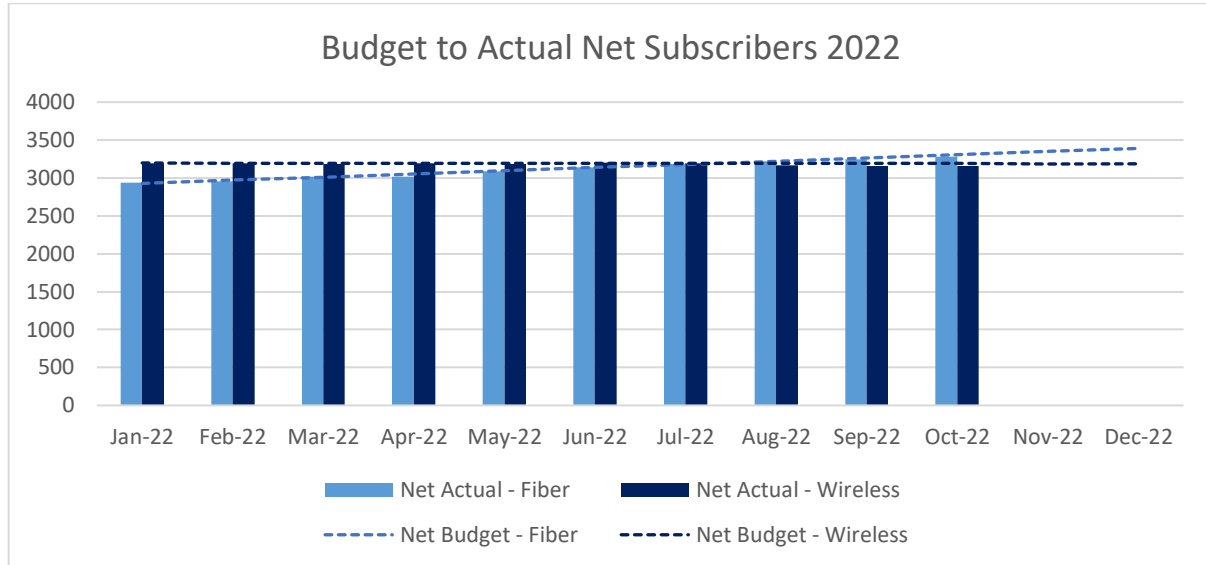
* All terms are 3-year terms starting in 2022

ROCKISLAND

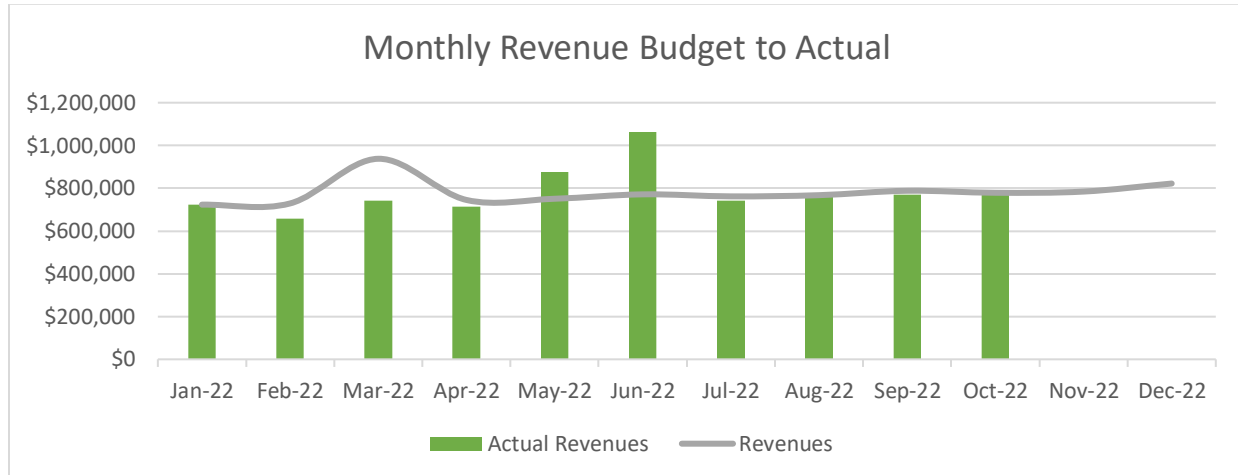
Rock Island Snapshot

6,552 Internet Service Customers

Net Subscribers



Revenues



❖ Previous months revenues are not closed out and are subject to change.