

# Board of Directors

## Regular Meeting

Thursday, February 16, 2023  
Virtual Meeting via Zoom

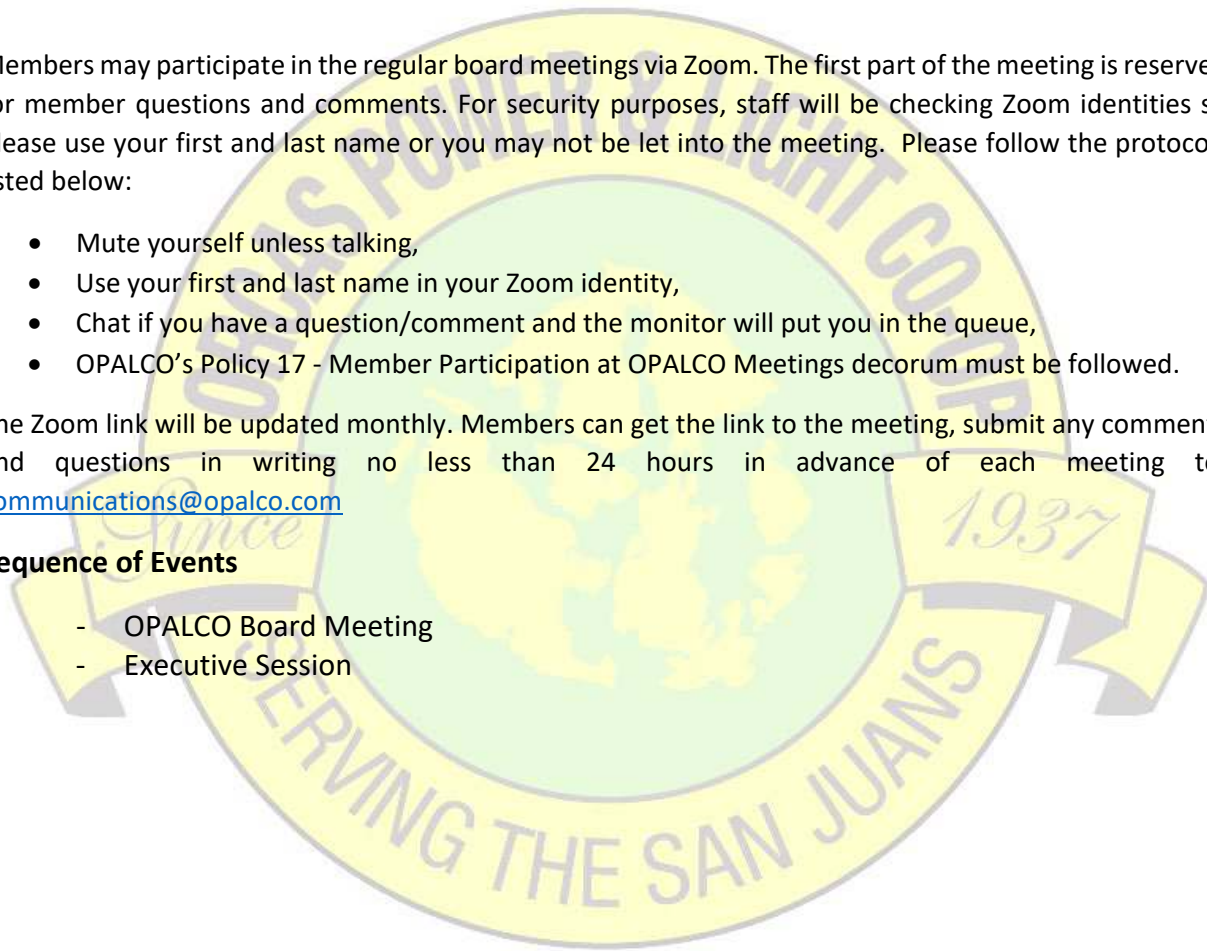
Members may participate in the regular board meetings via Zoom. The first part of the meeting is reserved for member questions and comments. For security purposes, staff will be checking Zoom identities so please use your first and last name or you may not be let into the meeting. Please follow the protocols 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](mailto:communications@opalco.com)

### Sequence of Events

- OPALCO Board Meeting
- Executive Session





Board of Directors  
Regular Board Meeting  
February 16, 2023, 8:30 A.M.\*  
Virtual Meeting via Zoom

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

**WELCOME GUESTS/MEMBERS**

*Members attending the board meeting acknowledge that they may be recorded, and the recording posted to OPALCO's website. Members are expected to conduct themselves with civility and decorum, consistent with Member Service Policy 17. If you would like answers to specific questions, please email [communications@opalco.com](mailto:communications@opalco.com) for post-meeting follow-up.*

**Agenda**

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**EXECUTIVE SESSION**

Legal, Personnel, Competitive, Other

**ADJOURNMENT**

# ACTION ITEMS

## Consent Agenda

All matters listed with the Consent Agenda are considered routine and will be enacted by one motion of the Board with no separate discussion. If separate discussion is desired, that item may be removed from the Consent Agenda and placed as an Action Item by request of a Board member.

The Consent Agenda includes:

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

### NEW MEMBERS – January 2023

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

BAIRD, KENDRA  
BROWN, BRANDON & BROWN, JENNIFER  
CHAIRES, ISAC  
COX, TESSA  
GARRETT, NATALIE & GARRETT, CONNOR  
GUERRERO, JAIME  
HENRY ISLAND ESTATE LLC  
HOLTMAN, ALEXANDRA  
LEMKE, WILLIAM  
NIBLER, JUSTIN & NIBLER, KIMBERLY  
NICHOLSON, JOSEPH  
NOLL, CHRISTENE  
PREWITT, DANTE  
RADDEN, DYLAN  
REEVES, KEVIN & GERRY, JOANNE  
RUBIN, CARMEL  
SCHWAKE, KYLE  
WIEHARDT, BRYAN & WIEHARDT, WENDY

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

ADAMS, AVERY  
GENUINE PARTS COMPANY DBA NAPA

JORDAN, JENNY & JORDAN, MATT  
KOROLOG, PHILLIP  
LAGO, ED  
LUVOGT, TRACY & LUVOGT, CHRIS  
ORCAS FERN ST LLC  
SEELEY, SCOTT  
THOMAS, MARY & VASCO, ANDREW  
WOODWARD, ROBIN  
WOOSLEY, DAVID & GROCHAU,  
MICHAEL

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

ASMUSSEN, DAVID & FAIRBANKS, HILAND  
CARR, SALLY & CARR, RON  
PREWITT, RICKY  
RODGERS, KERRY & CROWE, ERIN  
SCHECKEL-MOHLER, CHELA & LOPEZ,  
NOE  
SPRINKLE, SETH & BASSON, JAN  
JOHANNES

#### **District 4** (Shaw, Crane, Canoe, Bell)

CROWELL, FORREST & HITEN, GLORIA

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

<b>February</b>	
<u>Customer #</u>	<u>Amount</u>
40072	278.33
21986	1,098.89
70775	243.54
61894	1,071.80
26980	163.34
50188	986.65
70636	459.74
51040	452.55
65801	767.84
<b>Total</b>	<b>5,522.68</b>

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

Inventory	Amount	RUS Description
202212	\$296,494.22	Pole Replacements
<b>Total</b>	<b>\$296,494.22</b>	

Staff requests a motion to approve the Consent Agenda.



01/30/2023 4:29:08 pm	<b>RUS Form 219 Inventory Of Work Orders</b>	Page: 1
<b>Period: DEC 2022 System Designation: WA O9</b>		

Project	Year	Work Order		Bdgt (3)	Gross Funds Required		Deductions		Contrib In Aid Of Constr and Previous Advances (8)	Loan Funds Subject To Advance By RUS (9)
		Construction (1)	Retirement (2)		Cost Of Construction: New Constr Or Replacements (4)	Cost Of Removal: New Constr Or Replacements (5)	Salvage Relating To New Construction Or Replacements (6)	Retirements Without Replacements (7)		
606	2018	3385	3385	1	281,436.79	27,502.78	0.00	0.00	0.00	296,494.22
							AFLDC: 12,445.35			
					281,436.79	27,502.78	0.00	0.00	0.00	296,494.22
<b>Grand Totals:</b>					\$ 281,436.79	\$ 27,502.78	\$ 0.00	\$ 0.00	\$ 0.00	\$ 296,494.22

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01/30/2023 4:29:08 pm	<b>RUS Form 219 Inventory Of Work Orders</b>	Page: 3
<b>Period: DEC 2022 System Designation: WA O9</b>		

Inventory : 202212

Budget Loan	Project	Amount
1	606	296,494.22
<b>Total:</b>		296,494.22

**BORROWER CERTIFICATION**

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

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

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

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**ENGINEERING CERTIFICATION**

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

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

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

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tnsal



**Orcas Power & Light Cooperative  
Minutes of the Board of Directors Meeting  
Thursday, January 19, 2023**

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; Head Accountant Travis Neal; Member Services Supervisor Joey Wykoff and Communications Manager Suzanne Olson (serving as recording secretary). Also present were Legal Counsel Joel Paisner and consultant Jay Kimball. Rock Island EVP Alan Smith joined the meeting at 10:30am.

Members in attendance included Wendy Heister, Barb Pesola, Bruce Nyden, Doug Rowan, Jim Corenman, Justin Wolfe, Ray Glaze, Robert Dashiell, Ron Zee, Tad Sommerville, Chris Thomerson, and Chuks Onwuneme

Meeting commenced at 8:30 a.m.

Member Comment Period: no comments.

**CONSENT AGENDA**

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

**ACTION ITEMS**

**DIRECTOR PARTICIPATION IN SAN JUAN CLIMATE AND SUSTAINABILITY COMMITTEE**

President reviewed San Juan Climate and Sustainability Committee. Joel/Counsel gave background – does not perceive conflict. Disc ensued. Member comment from Ray Glaze on history and public perception. After discussion, Board found that participation in the San Juan Climate and Sustainability Committee does not pose a conflict of interest.

- **MOTION** was made by Silverstein, seconded by Christmas and passed in a 5-0 voice vote with Daciunas and Whitfield recusing themselves.

**DISCUSSION ITEMS**

**OUTAGE RECAP**

Staff reviewed the outages of Dec 22-24 and protocols of working with PSE and BPA system. Member Jim Corenman shared his concerns. Discussion ensued.

**GRANTS**

Staff reviewed the federal Infrastructure Investment and Jobs Act (IIJA) grant submittals to the Department of Energy. Discussion ensued on grant process, timeline and current system capacity.

**REPORTS**

Staff reviewed reports, dashboards, budget tracking and project updates. Discussion ensued including on USFS grant, fire danger, ROW protocols and mitigation efforts. Staff introduced the concept of a pilot rate to mitigate revenue uncertainties due to the weather volatility.

Board paused the Regular Meeting at 10:15 am for a break and then went into Executive Session. Board returned to Regular Session and meeting ended at 12:30 pm.

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Vince Dauciunas, President

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Brian Silverstein, Secretary-Treasurer



## Corporate Debt Limit

Although our current outstanding loan balance is well below the maximum corporate debt limit at \$69.2M, RUS is requiring OPALCO to update our corporate debt limit to accommodate the additional RUS Construction Work Plan (CWP) - FFB Loan AV8. Staff is proposing to raise OPALCO’s corporate debt limit to accommodate the new debt facility, currently set at \$160M, to \$190M.

RUS has a unique way of defining the maximum debt limit to be the “face value” of all original loan facilities for loans with outstanding balances, as opposed to the current outstanding loan balances. The corporate debt limit does not include any short-term lines of credit or loan guarantees.

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

### OPALCO Funding Limits

<u>Lender</u>	<u>“Face Value” Original Loan Facility</u>	<u>Current Outstanding Loan Balance</u>	<u>RUS Maximum Debt Limit</u>
<b>Capital Funding</b>			
CFC	\$23.4M	\$7.5M	
RUS	88.9M	59.5M	
Subtotal	\$112.3M	\$67.0M	
<b>Member Relending Programs</b>			
RUS RESP 1.0	\$5.8M	\$2.2M	
RUS RESP 2.0	15.0M	0M	
RUS RESP 3.0	26.0M	0M	
Subtotal	\$46.8M	\$2.2M	
Existing Total	\$159.1M	\$69.2M	\$160M
<b>New CWP Loan</b>			
FFB AV8	27.5M	0M	
<b>Proposed</b>	<b>\$186.6M</b>	<b>\$69.2M</b>	<b>\$190M</b>

Staff requests a motion to approve Resolution Number 2-2023 which will establish the funding for RUS FFB CWP AV8 loan by raising the current corporate debt limit of \$160M to a proposed \$190M.



**BOARD OF DIRECTORS  
RESOLUTION 2-2023  
CORPORATE DEBT LIMIT**

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

**NOW THEREFORE BE IT RESOLVED**, that the Board of Directors of Orcas Power and Light Cooperative is authorized, on behalf of the Cooperative, to borrow from time to time additional sums from the United States of America pursuant to the provisions of the Rural Electrification Act of 1936, as from time to time amended, and such sums as it may deem advisable from the National Rural Utilities Cooperative Finance Corporation and other lending agencies or lending corporations; and to incur indebtedness from time to time by the assumption of indebtedness of third parties to United States of America, to National Rural Utilities Cooperative Finance Corporation or to other lending agencies or lending corporations, such loans and such assumptions of indebtedness to be in such amounts and upon such terms as the Board of Directors shall deem advisable to finance the construction, acquisition and operation of such electric generating, transmission, distribution and service facilities as the Board of Directors shall from time to time determine upon; provided, however, that the aggregate amount of such loans, together with the aggregate amount of such indebtedness so assumed and the aggregate amount of loans heretofore made to the Cooperative shall not exceed \$190,000,000 at any one time outstanding.

**CERTIFICATION OF SECRETARY**

I, Brian Silverstein, Secretary of Orcas Power and Light Cooperative, do hereby certify that the above is a true and correct excerpt from the minutes of the meeting of the Board of Trustees of the Orcas Power and Light Cooperative, held on the 16<sup>th</sup> day of February 2023 at which meeting a quorum was present.

---

Brian Silverstein, Secretary





## Board Resolution in support of WSF Grant Application

Washington State Ferries (WSF) and OPALCO have partnered on a concept paper to Department of Energy (DOE) for the Smart Grid Innovation grant (see GM report below). This project proposes to begin building out the landward infrastructure improvements to facilitate electric ferry charging in the islands.

Although DOE has “discouraged” a full application, staff are meeting with the WSF team to strategize the best approach going forward: whether we reposition the current proposal for submission in March or delay the application until 2024. The full application is due March 17<sup>th</sup>. In order to meet the timeline, staff requests the board pass this resolution in support of the grant application. In the March meeting, staff will provide an update on the grant submittal and the status of Resolution 3-2023.

If WSF and OPALCO were to awarded this grant, staff would come to the Board for final approval and to discuss the fund matching requirement.

**BOARD OF DIRECTORS  
RESOLUTION 3 -2023  
BOARD OF DIRECTORS SUPPORT FOR  
DOE ELECTRIC FERRY INFRASTRUCTURE GRANT APPLICATION**

**WHEREAS**, the Board of Directors of Orcas Power & Light Cooperative (OPALCO) seeks to provide its members and residents of San Juan County, Washington with electric services and meet the challenges of decarbonization in its service territory, and

**WHEREAS**, the Board of Directors of OPALCO is aware of grant funding opportunities through the Department of Energy (DOE) that would fund infrastructure upgrades necessary to meet the energy transformation requirements of San Juan County, Washington as provided for in the DOE Grid Resilience and Infrastructure Program (GRIP), Topic Area #2, and

**WHEREAS**, OPALCO is a an electric distribution operator and is not eligible to apply for this grant on its own, and

**WHEREAS**, OPALCO seeks to partner with Washington State Ferries (WSF) who, as a state agency is eligible to apply for this grant and who plans to deploy electric ferries to serve San Juan County, Washington; and

**WHEREAS**, the Board of Directors of OPALCO understands that the DOE GRIP Program grant (Topic Area #2) requires a 50% match, in cash or in kind, which will be met through an agreement to be developed between the two partners and brought before the Board.

**IT IS HEREBY RESOLVED**, that the foregoing recitals are incorporated herein to this Resolution as if fully set forth below; and

**IT IS FURTHER RESOLVED** the Board of Directors of OPALCO supports the DOE GRIP Topic Area #2 (Electric Ferry Infrastructure) grant application and agrees to contribute toward the 50% match to be achieved through existing construction work plan projects; and

**IT IS FURTHER RESOLVED**, that attached to this Resolution is Exhibit No. 1 reflecting the executive summary of the grant application that will begin the first phase (of five total phases) to update infrastructure to serve ferry terminals where electric ferries will charge while docked in San Juan County. This grant application seeks \$30M.

**IT IS FURTHER RESOLVED**, that the Board of Directors of OPALCO hereby grants to its General Manager, J. Foster Hildreth, the authority to execute all necessary agreements to support the WSF application to the DOE GRIP Program (Topic Area #2).



**ADOPTED** unanimously by the Board of Directors for Orcas Power & Light Cooperative, at its meeting held this 16<sup>th</sup> day of February, 2023.

**CERTIFICATE OF SECRETARY**

I, Brian Silverstein, Secretary of the Board of Orcas Power & Light Cooperative, do hereby certify that the above is a true and correct Resolution of the Board of Directors, held on the 16<sup>th</sup> day of February, 2023 at which meeting a quorum was present, and that the above Resolution has not been modified or rescinded.

**IN WITNESS WHEREOF**, I have set my hand and affixed the seal of Orcas Power & Light Cooperative, this 16<sup>th</sup> day of February 2023.

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Brian Silverstein, Secretary

# 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
- 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/>.

- 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
- 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
- Solar Rate for Residential Members



## ENGINEERING, OPERATIONS, AND INFORMATION TECHNOLOGIES

### WIP

As of February 9, 2023, there are 438 work orders open totaling \$10.34M Operations has completed construction on 145 work orders, totaling \$3.76M.

### Safety

Northwest Safety Service conducted winter and defensive driving training for operations staff. The total current hours worked without a loss time accident 226,650 hours.

## GRANTS

### Submitted Grants/Concept Papers

OPALCO submitted three concept papers as a preliminary step in applying for funding through the Department of Energy's (DOE) Grid Resilience and Innovation Partnerships, which is part of the Infrastructure Investment and Jobs Act. If any of the concepts are encouraged to move forward to the next step by DOE, OPALCO and their partners will submit a full application in March - May. Each of these grants has matching fund requirements. Staff are researching matching fund options; however, it will be a financial challenge to meet these requirements if any of these grant applications are successful.

1. Grid Resilience: \$30M - Grid Transformation Readiness. Update aging infrastructure to increase reliability and add resilience through construction and integration of two microgrids (Orcas and Lopez) to mitigate disruptive events. Includes EV charging banks on Orcas and Lopez.

Current Status: Discouraged by DOE. Competition in this category is very high. DOE received 110 concept papers from small utilities and only three awards will be made to small utilities. Will retool these projects for a better fit in the next tranche of funding (Q1 2024).

2. Smart Grid Innovation: \$30M - Smart Grid Modernization for Electric Ferry Charging and Future Load Management in partnership with Washington State Ferries - Phase one: Infrastructure on Orcas and San Juan. Includes substation upgrades and preparation for future battery storage to manage demand and peak shaving for electric ferry charging. Future grant phases will include battery installation and infrastructure at the other two island terminals.

Current Status: Discouraged by DOE. Staff are meeting with the WSF team to strategize the best approach: whether we reposition the current proposal for submission in March or rebuild for the 2024 tranche. This topic area is also very competitive: DOE received 326 concept papers and encouraged 157 proposals for full application. This topic area intends to fund 25-40 projects. While the current WSF plan for deployment in the islands begins in mid 2030's, the concept paper exercise drove home the need for the full five years of funding to build out the system upgrades for all island terminals.

3. Grid Innovation: \$100M - Enhanced Reliability Transmission Project in partnership with San Juan County, the Lummi Nation and Bonneville Power Administration to install a redundant submarine transmission cable connecting the San Juan Islands to the mainland. This transmission redundancy



is critical and a fundamental requirement for OPALCO to achieve decarbonization goals and even more so once electric ferries are charging in the county. Without additional capacity, OPALCO is facing reliability concerns exacerbated by the doubling of load which will result from the transformation required by CETA in Washington State.

Current Status: Staff expect to hear from DOE in early March on this topic area and have reached out to elected officials to support funding this project proposal. This topic area is the most competitive: DOE plans to give out as few as four awards in the grid innovation category.

## **Awarded Grants**

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

- San Juan Microgrid (Grant \$2.4M) (partnered with PNNL) – Staff is in process of executing purchase agreements on the battery systems with the balance of plant RFP in progress.
- 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. Staff will begin public outreach starting with the Island Way Webinar on March 22. \$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 construction contract and is working with the contractor engineering design to finalize engineering design. Conditional Use Permit is anticipated to be submitted to the County by the end of Q1 2023 with public outreach to begin slightly prior.

**FINANCE**

**2023 Budget Tracking**

Energy (kWh) purchases and sales were lower than budgeted levels through for January 2023. January was generally warm, with HDD's approaching the 10-yr low for the month. This January El Nino condition, paired with a large ECA credit of \$253k (resulting from the cold snap in December) resulted in gross operating revenues below budget by ~\$976k. The table presents full year 2023 projection with actuals for prior months where available.

Income Statement Summary (in thousands)	2023 Projection (partial Jan data only)		
	Budget	Projected	Variance
Operating Revenue	\$ 35,842	\$ 35,119	\$ (723)
ECA Surcharge / (Credit)*	\$ -	\$ (253)	\$ (253)
Revenue	\$ 35,842	\$ 34,866	\$ (976)
Expenses:			
Cost of Purchased Power	\$ 9,631	\$ 9,631	\$ -
Transmission & Distribution Expense	7,780	7,780	-
General & Administrative Expense	6,621	6,621	-
Depreciation, Tax, Interest & Other	9,080	9,094	14
Total Expenses	33,112	33,126	14
Operating Margin	2,730	1,740	(990)
Non-op margin	457	457	-
Net Margin*	3,187	\$ 2,197	(990)
OTIER**	2.31	1.84	(0.48)
TIER**	2.37	2.06	(0.31)
Equity %	39.6%	39.0%	-0.6%
HDD	1,367	1,293	(74)
kWh Purchases	222,000	222,000	-
kWh Sales	208,700	206,331	(2,369)

\* The ECA returned \$253k to members in January 2023

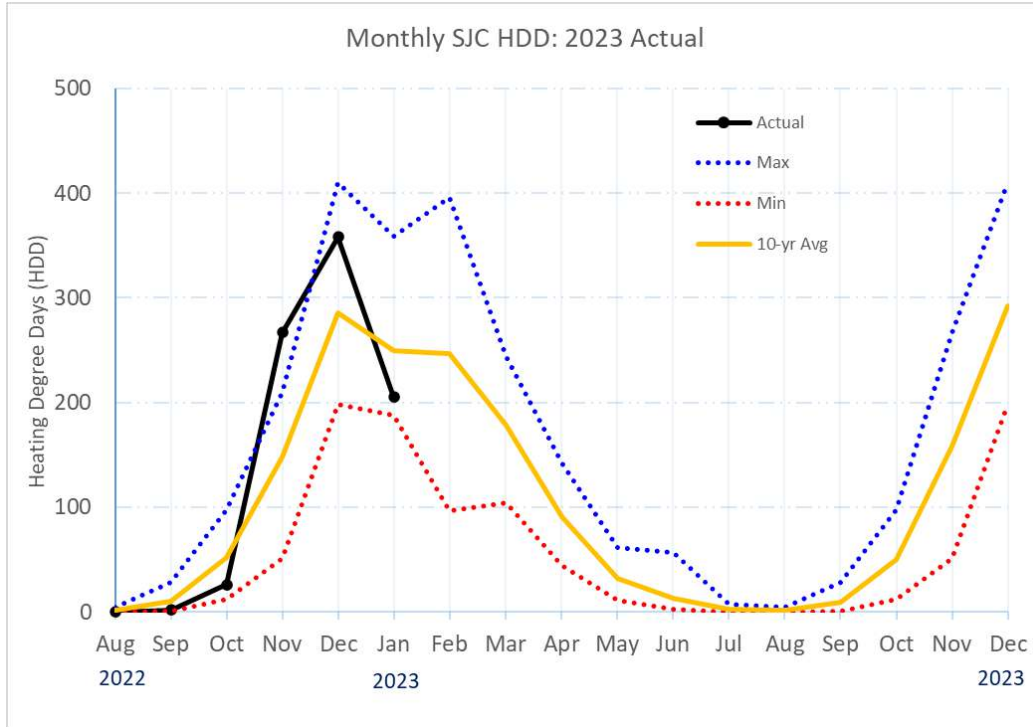
\*\* TIER is a 'full-year' metric, thus not representative in early months as there has not been an accumulation of interest expense

**Monthly Energy Charge Adjustment (ECA)**

The calculated amount for the January 2023 ECA was a bill credit of \$.009600 per kWh which returned \$253,316 to members, or \$9.60 per 1,000 kWh. The February billing period ECA will be a bill credit of (\$.008821) per kWh on member bills, or \$8.82 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 2022 saw a very cold weather snap similar to what we saw in 2021, followed by a flip to a warmer trending January '23. We continue to monitor weather trends monthly.

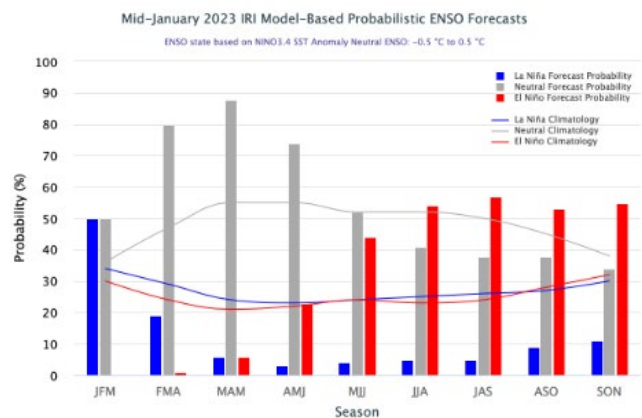
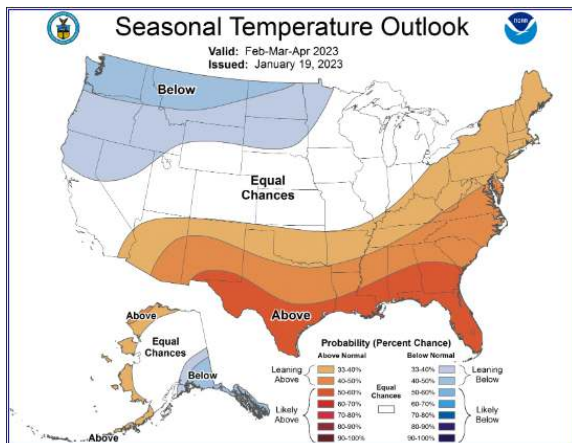


\*max, min, avg is based on 2012-2022

### Weather Forecast

Looking ahead to the NOAA 'three-month outlook temperature probability' for Feb-Mar-Apr '23, the outlook is currently showing 'likely below' normal temperatures in our region in the coming winter months. We continue to monitor these predictors monthly.

### 2023 Feb-Mar-Apr Outlook



Source: NOAA National Weather Service



## MEMBER SERVICES

### Annual History of Energy Assistance Funding

All values are as of first of the month reported.

		2018	2019	2020	2021	2022	2023	Grand Total
Energy Assist Credit	# of Accounts	444	460	574	577	546	369	995
	Total Assistance	111,996	135,595	158,434	158,740	156,761	14,910	736,436
PAL	# of Accounts	212	205	329	363	297	46	751
	Total Assistance	45,155	53,137	80,975	104,880	82,912	13,550	380,610
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	460	488	835	825	754	391	1,331
	Total Assistance	157,151	188,732	349,283	390,659	270,018	28,460	1,384,304

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 January 2023, 426 members received ~ \$28.9K from the low-income Energy Assist program, compared to 426 members who received ~ \$23.6k in assistance in January 2022.

**Project PAL:** During January 2023, 51 members received ~14k from Project PAL, compared to 42 members who received ~9.4k in January 2022.

**LIHEAP:** Awards are still trickling in.

### Switch it Up!

There are now 417 projects complete and billing for a total of \$5.5M net outstanding (total loan less member pay offs). There are another 39 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. Current project details are as follows:

Project	2019	2020	2021	2022	2023	Grand Total
Energy Storage				39,510		\$ 39,510
Ductless Heat Pump	648,252	617,060	641,765	1,545,754	140,222	\$ 3,593,053
Fiber		30,725	48,681	29,301	6,581	\$ 115,288
Ducted Heat Pump	8,119	30,000	15,000	18,127	45,282	\$ 116,528
Heat Pump Water Heater	13,985	9,805		5,012		\$ 28,802
Insulation				235,753		\$ 235,753
Other	14,543			90,649	2,245	\$ 107,437
Solar				1,371,485	162,353	\$ 1,533,837
Windows				471,166		\$ 471,166
Appliance					12,132	\$ 12,132
<b>Grand Total</b>	<b>\$ 684,900</b>	<b>\$ 687,589</b>	<b>\$ 705,446</b>	<b>\$ 3,806,756</b>	<b>\$ 368,814</b>	<b>\$ 6,253,505</b>





## Energy Savings

During January there were a total of 26 rebates paid out to members totaling \$23.9k. This includes four fuel switching ductless heat pump rebates and five 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.

		2018	2019	2020	2021	2022	2023	Totals
EE Rebates*	# of Accounts	264	442	303	147	210	27	1,393
	Total Awards	\$161,262	\$228,418	\$167,432	\$149,886	\$227,622	\$23,951	\$958,571
	Total Energy Savings (annual kWh)	479,323	733,432	783,431	359,269	346,900	37,147	2,739,502
Switch It Up**	# of Accounts		72	87	69	188	27	443
	Total Financed		\$684,900	\$687,589	\$705,446	\$3,806,756	368,814	\$6,253,505

\*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 2-3% interest to cover administrative costs for members financing projects with these funds; there is no impact to member rates.

## Solar Programs

### Interconnects

There were five new interconnect applications submitted in January and seven members were interconnected with solar for a total of 609 (<https://energysavings.opalco.com/member-generated-power/>). There are an additional 27 pending connection.

### Community Solar

During the January 2023 billing cycle, the [Decatur Community Solar](#) array produced 5,440 kWh. A total of ~\$671 was distributed to 262 accounts in January.

### Solar Benefits Paid to Members

All values are as of first of the month reported.

		2018	2019	2020	2021	2022	2023	Totals
Comm Solar	# of Accounts			265	268	262	262	
	Total Payments			\$93,734	\$95,497	\$84,658	\$671	\$274,560
WA State Incentives*	# of Accounts	268	256	259	58	57	0	
	Total Payments	\$167,971	\$224,766	\$218,222	\$91,461	\$84,828	\$0	\$787,248
MORE**	# of Accounts	145	144	144	140	135	0	
	Total Payments	\$54,173	\$53,109	\$51,897	\$50,896	\$123,477	\$0	\$333,552

\*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**

**Island Way Workshops**

Staff continues to hold virtual workshops for OPALCO members on topics important to the Island Way Campaign. Upcoming schedule includes:

- February 22 @ 5 pm: Maximize Ductless Heat Pump Efficiency
- March 22 @ 5 pm: Tidal Power

Staff hosted a workshop, Energize San Juan Islands, in January for businesses with about 20 members in attendance. There will be additional workshops added for the spring and an EV Jamboree scheduled on Lopez.

**Annual Meeting**

Save the date for April 29<sup>th</sup> – OPALCO’s Annual Meeting. This year the meeting will be virtual. The event will have updates on the state of the co-op, great prizes and the results of the election.

**Board Election**

The Elections and Governance Committee (EGC) met on Monday, February 6<sup>th</sup> to review and interview the candidates. Here is the communication to the Board from the EGC:

To the Board of Directors of OPALCO

As instructed by Section 3 of the Bylaws, we reviewed the applications of all eligible members submitted for the April 2023 election for one board seat in each of the following districts: District 1 (San Juan, and Obstruction islands) and District 2 Orcas, Armitage, Big Double, Blakely, Fawn, Little Double and Obstruction islands)

We found the quality of all applicants to be strong. All candidates demonstrated strong business backgrounds, technical strengths, and/or intellectual qualities that we believe would benefit OPALCO’s governance. Our review of each applicant’s qualifications was conducted following the directives under OPALCO Policy 1, 1.5 and 1.12, particularly with respect to our tasks to “facilitate the ability of the membership to elect board members who are most qualified and appropriate to serve the best interests of OPALCO as a member-owned non-profit cooperative.”

We interviewed incumbent applicants as well as non-incumbents for equality of process.

Based on our evaluation of all of the applications and interviews of the non-incumbents, we unanimously nominate the following members as candidates for the April 2023 election:

District 1	District 2
Vincent Dauciuнас	Chucks Onwuneme
	Rick Chistmas

Please contact any one of us if you have any questions. In view of the small number of EGC members, we dispensed with the formality of a chair.

Respectfully submitted,

The OPALCO Elections and Governance Committee



Meet the candidates and find out how to vote at: <https://www.opalco.com/about-community/elections-hub/>. The candidate forum is happening on March 9<sup>th</sup> via Zoom. Register here: <https://www.opalco.com/event/candidate-forum/>.

### 2023 Election Timeline

Event	Date
Candidate application available online	12/16/22
Director Applications deadline - to EGC	01/25/23
Nominations posted - (80 days prior to meeting)	02/08/23
Nominations by petition deadline	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

### Legislative Update

Staff have meetings scheduled with Senator Lovelett, Representative Ramel and Representative Lekanoff during the WRECA legislative rally in Olympia February 13-14. The bills that OPALCO is closely following include:

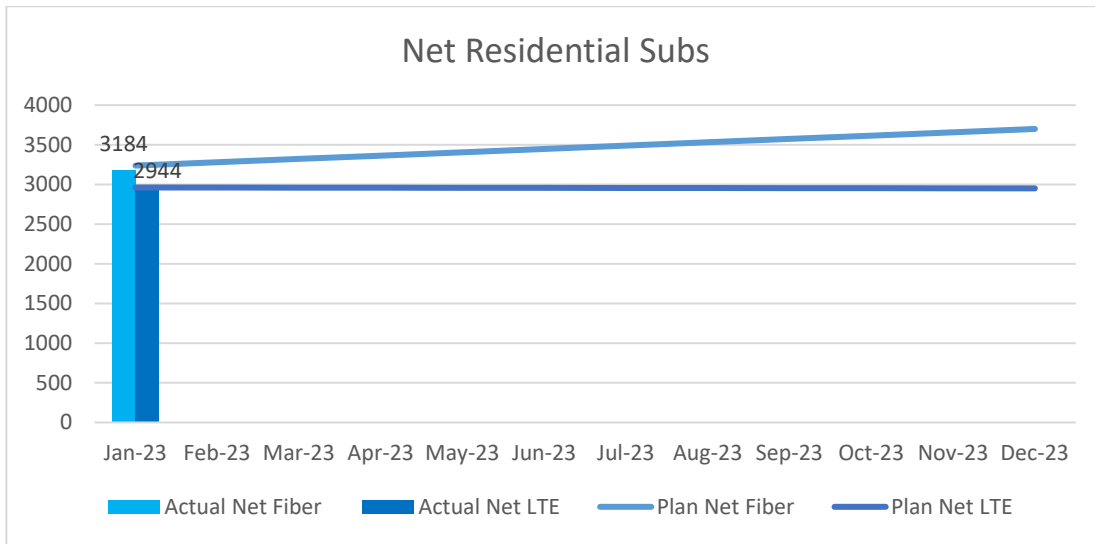
- **HB 1427** - Solar Net Metering: concerned about low-income disparity, value of solar compared to market cost of power, value of grid usage, system sizes and thresholds in new BPA (2028) contract, administration of banking mechanisms, register functions and billing integration, grandfathered tariffs and use of other financial incentives (like on bill finance).
- **HB 1329** - Summer Disconnect/Reconnect: a new draft striker representing a practical approach to achieve the goal of increasing public health and safety during heat events via a statewide utility shutoff moratorium.
- **SB 5203** - Improving the state's response to climate change by updating the state's planning framework: adds a goal of climate change action and resiliency to the Growth Management Act (GMA) and adds a climate change action and resiliency element to the list of elements that must be included within county comprehensive plans. Staff comments are focused on simplifying land use codes to streamline the permitting process for the deployment of renewable energy systems.

Staff will be participating in the NRECA Legislative Rally in Washington DC this April to advocate for grant funding, renewable energy legislation including tidal power, and essential capacity upgrades (redundant submarine cable) for OPALCO's transmission system that connects us to our mainland power supply.

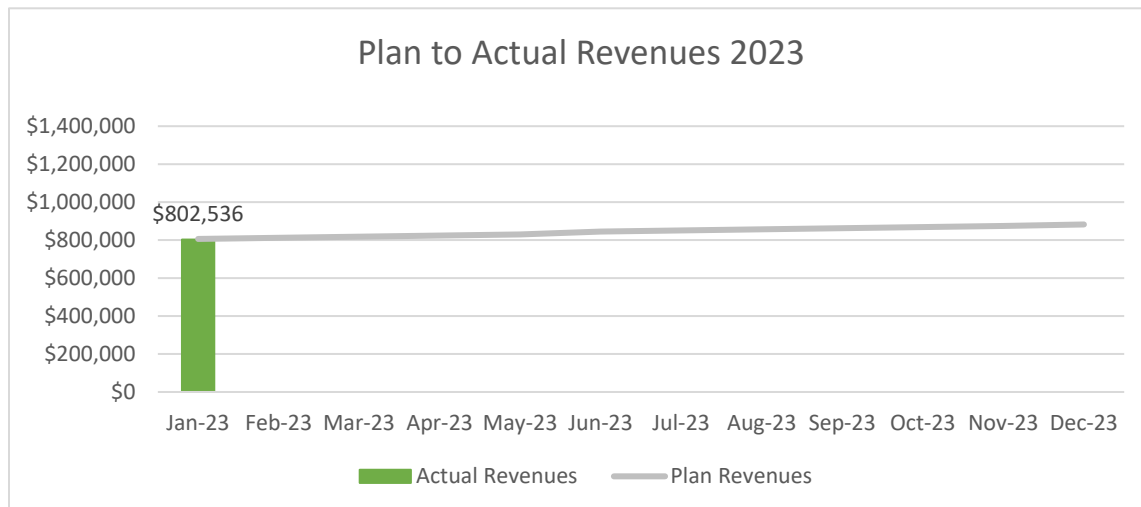
# RIC Snapshot

**RIC Snapshot February 2023 Board Meeting**  
**6,543 Internet Service Customers**

## Net Subscribers



## Revenues



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