



**ORCAS POWER AND LIGHT COOPERATIVE
2024 BUDGET REPORT**

MEMORANDUM

Date: November 09, 2023

To: Board of Directors

From: Foster Hildreth, General Manager

Re: 2024 Budget Presentation

Attached please find our 2024 Budget Presentation. Consistent with last year's projections, staff is recommending a 6% average rate increase for the 2024 budget year and forecasting 6% over the following four years. Staff is recommending that our 2024 budget revenue increase from \$36.3M (projected 2023) to \$37.4M to meet our financial, operational and capital project commitments. The projected figures for years 2025 through 2028 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 to support the design and construction of 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, our ability to make this transition is limited by two key factors: our ability to leverage grant funds as we must keep rates affordable for our membership, and acquisition of a new, redundant submarine cable to the mainland to increase our capacity to match the increased load of decarbonization.

The Island Way Campaign made significant progress toward 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. There are more than 600 member projects completed for a total of \$10.6M in USDA Rural Energy Savings Funds in play (out of total available funds of \$46.8M), which is reflected in the Co-op's equity position. The Board's decision in 2022 to open the program to greater measures (including solar) and raise the ceiling to \$100,000 per membership resulted in a dramatic uptick in project starts and total dollars in play each year: from \$698k in 2021 to \$4.45M in 2022 and a projected \$4.6M in 2023.

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 always a major factor in budgeting. 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 filled five open positions in 2023 and expects to fill two more vacancies in 2024 to bring the total FTE up to 49. With housing scarcity and inflationary cost of living challenges, hiring has been difficult. OPALCO is budgeting for worker housing to be developed on the back lot of the Eastsound headquarters in 2025 to address employee hiring challenges.

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.

OPALCO is committed to programs that help its most vulnerable members keep up with the rising cost of power. Since 2018, OPALCO energy assistance programs have provided >\$1.5M to members in need. The 2024 Budget once again raises the Energy Assist bill credit amounts to offset the rate increase. In late 2024, we are forecasting for the Bailer Hill Microgrid Project to come online (contingent on permitting approval from San Juan County) to generate additional support for the low-income program thanks to a \$1M grant through the Department of Commerce. This strategy is a key part of OPALCO's plan to support low- and fixed-income members through the carbon reduction transformation in the region. OPALCO streamlined applications for both energy assistance programs – Energy Assist and Project Pal – with new online forms that provide a quick eligibility test for members and make it easy to apply.

The 2024 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. Incentivize all electric homes through Switch it Up program and the all electric pilot rate that rewards fuel switching to electricity. Reduce members' total energy budget through electrification of transportation and heating. Leverage grants, state and federal programs to 1) help members increase efficiency and position themselves for sustainability in the rapidly changing energy economy and 2) plan for major upgrades required to meet decarbonization targets and electric ferry deployment.

TOMORROW: Increase local resilience. Bring more local utility-scale microgrid projects 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. Explore demand response programs to reward time of use and peak shaving technologies. Explore rate structure options that guarantee collection of revenue to cover fixed costs of operations.

FUTURE: Give members more control. With the devices and connections OPALCO and Rock Island facilitate, members will participate more actively in making decisions about their power usage in response to real time price signals and demand response. OPALCO's system must evolve to include the equipment, automated control and power supply capacity necessary to manage full adoption of EVs, local distributed power generators and battery storage units – as well as smart home appliances and devices.

The 2024 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 several costly submarine cable replacement projects.

Staff recommends the Board make a motion to approve the 2024 budget as submitted, including a 6% rate increase to be applied equally across the fixed and energy charges. Individual tariffs would come before the Board for a second read in December with the increase applied to all tariffs for review and approval.

BUDGET NARRATIVE

Mission:

OPALCO serves our members with safe, reliable, cost effective and environmentally sensitive utility services. Our mission drives our budget in the following ways:

- ✓ Safety – OPALCO has a rigorous safety program for all employees and provides safety information to members through classroom visits, demonstrations, field assistance and the website. The right-of-way (tree trimming and brush clearing) program is key for system reliability and fire safety. OPALCO depends on member cooperation to address right-of-way issues in a timely manner. The Co-op is committed to continually improving and fortifying our safety programs. OPALCO’s grid is critical for the safety of our community and especially our crew members in the field. OPALCO’s grid connects the County to real-world services for education, economic development, and quality of life.
- ✓ Reliability – OPALCO’s system provides power 99.8% (excluding mainland outages) of the time to its members. This is a reliability rating to be proud of. We continue to budget for replacement of the old unjacketed underground cable (referred to as URD) system wide. This trend will continue with prioritization of replacement targeted at the areas with higher failure rates. With each URD project, where needed, we include fiber and increase the reach of our fiber network and therefore the reach of our monitoring and control system. In 2024, we will construct the solar array for the Bailer Hill Microgrid on San Juan Island and bring it online with production by year end. With this project and the Decatur Microgrid, we are taking steps toward a local power supply in case of emergency.
- ✓ Cost Effective – Our capital construction plan is designed to maximize system efficiency and make best use of member resources. The continual expansion of our grid and fiber-connected devices on our system, helps to contain costs by putting control of the system in the hands of crew members wherever they are. The days of sending linemen out in a storm, in a boat, on a dark night, are going away. Equipment replacement scheduled for 2024 and beyond position the Co-op to benefit from local distributed power resources as we reach grid parity.
- ✓ Environmentally Sensitive – OPALCO has critical infrastructure installed throughout our beautiful and fragile island environs. Doing the right thing comes at a cost that is reflected in our cost of service and OPALCO is committed to good stewardship, working within the County’s Critical Areas Ordinance, complying with all permitting requirements and keeping as low a profile as possible to maintain island character. In every project, OPALCO’s vision of sustainable island communities keeps us focused on best practices and member education to protect ocean health and do our part to mitigate the effects of climate change.

Load Forecast:

The Load Forecast is the heart of the budget and the most precarious aspect of our forecasting. The forecasting drives our power cost, which is one-third of our expenses, and our energy (kWh) sales which is two-thirds of our revenue. The energy management team of PNGC (Pacific NW Generating Cooperative) assisted us with load forecasting for this budget. They bring valuable industry expertise and resources to our Co-op to help us navigate the rapidly evolving energy market.

Forecasting is challenging. Our team uses every available tool to gage what impact the weather may have on our Cooperative; we incorporate analysis from various sources which include BPA’s climatologist, the National Oceanic and Atmospheric Administration (NOAA), the Office of the Washington State Climatologist, and other Northwest climatologists. We also consider local weather and historical data, including air temperature, water temperature, wind speed and direction, and precipitation.

Weather drives heating load. OPALCO’s load peaks in the winter, in large part due to increased heating load. Predicting the weather for a year ahead is fraught with uncertainty due to variations of temperature, wind and humidity and yet we depend on weather forecasting to meet our

budgetary commitments. In 2024, the forecast is for an El Niño weather pattern with projected kilowatt hour purchases of 219M kWh. As a point of reference, OPALCO's load has averaged 223.9M kWh, ranging between 204M (2015) – 241M (2022) kWh. While predicting the weather beyond a few days or weeks with any certainty is not possible, we can use trends to forecast likely scenarios.

Based on the predicted weather pattern, we estimate our purchasing load to be 219M kWh. With that information, we set rates accordingly – to generate the revenue to pay for the expenses. The science of forecasting is imperfect: if it ends up being colder than we forecast, member bills are higher than budgeted and we end up with more money than needed to cover co-op expenses; if weather was warmer than forecast, member bills are lower than budgeted and we end up with less money than needed to cover expenses. To combat this unavoidable situation, the Energy Charge Adjustment (ECA) works well to partially offset weather volatility.

BUDGET ASSUMPTIONS

GENERAL:

- **General Inflation Rate:**

The general annual inflation rate has been projected at 5% for year 2024, and 5% through 2025-2028. We use the US Department of Labor, Bureau of Statistics, Seattle-Tacoma-Bellevue consumer price index as the baseline for inflation.

- **2024-28 Budget Basis:**

The 2024-2028 budgetary figures have been forecast with the use of actual activity from January through September 2023 and adjusted 4th quarter 2023 projections.

- **Power Cost Projections:**

- Over 90% of the power resources we depend on are sourced from our Federal Hydro System via PNGC.
- BPA operates on a two-year rate cycle. 2024 is the first year of their current rate case. In 2024 we are budgeting for an overall flat rate impact in BPA kWh charges over 2023, resulting 6% per kWh cost increase (despite lower purchases). The BPA rate also includes fish spill & oversupply surcharges, potential power cost recovery adjustment clause (CRAC) increase, demand charge volatility, and residential exchange charges. OPALCO works closely with PNGC to identify these cost increases.
- In comparing 2024 to 2023, please note that power costs were reduced in 2023 due to a BPA dividend of \$1.4M that was applied to power costs from January to September 2023, distributed ~60/40% to power cost line item and the Energy Charge Adjustment line.
- From 2025 through 2028, we have maintained a 5% BPA cost increase for each year, with specific adjustments in years for known increases. Market indicators are showing that power costs will be escalating.
- We will be closely monitoring load growth which is expected to be about 1% for 2024-2028.

- **Labor:**

- Staffing levels will be 49 full-time OPALCO employees from 2024 through 2028 depending on ability to fill all funded positions (see organization chart).

- The general wage increase is in accordance with the current estimated Collective Bargaining Agreement.
- The benefit growth assumptions are in accordance with 2024 NRECA and LineCo rate projections based on the changes to the benefits package.
- **Capital Projects:**
 - The 2023 capital projects are based on the 2021 – 2025 RUS Construction Work Plan (CWP). The CWP is derived from outage analysis, system monitoring and system modeling based on load growth projections along with current system loading. The goals are to continue to achieve our Strategic Directives including: safety, voltage stability, greater system reliability and overall system efficiency.
 - Planning – Engineering completed the 20-year Long Range Plan and 2021-2025 Construction Work Plan (CWP) in 2021 with the supporting Environmental Report for the CWP for submittal to USDA RUS. These plans follow growth and planning projections for renewable resources as anticipated in the IRP to ensure our system is built to handle electric vehicle integration, electrification of the ferries, fuel switching and remains stable with the integration of distributed resources (batteries, roof-top solar, etc.) and utility resources to include community solar, utility scale solar, utility scale battery systems, tidal generation, etc.
 - Renewable Tidal Generation Investigation and Tribal/Regulatory Engagement (\$556k in 2024-28) – As OPALCO waits for costs to come down with greater adoption of renewable technologies. OPALCO is laying the groundwork to prepare for grant funding opportunities. Figures above are dependent on federal and state grant funding.
 - Distribution System:
 - New Services are trending slower; staff expect this to continue through 2024 and then rebound toward normal in 2025. Please note, contributions in aid of construction (CIAC) offset new member construction expense.
 - Underground Residential Distribution (URD) replacement will continue based on the following criteria: age, cable type, neutral degradation and, most importantly, outage frequency and outage duration. There are approximately 83 miles of unjacketed URD to replace system-wide over time with problem areas mapped for priority scheduling. In 2024, 10-15 miles of URD is slated for replacement at a budgeted cost of \$2.5M. Staff expect an average annual spending of ~\$2.7M for the foreseeable future for replacement of unjacketed URD. In addition to these replacements an average of \$1M of replacements are anticipated in association with the ARPA Fiber Grant projects, which will take advantage of a reduced cost shared trenching effort.
 - Conversions, Line Changes and Tie Lines - upgrading lines to carry greater capacity and increased ability to reroute power, in addition to the replacement of the Center Island submarine cable.

- Sectionalizing Equipment expenses will be to automated switches on our system improve reliability and give us greater visibility into our system.
 - SCADA spending includes the final phase of our new SCADA software which allows for the automation of switching events to minimize outages.
 - Grid Control Communications Infrastructure (fiber) expansion to install conduits for future fiber jointly with other projects, expanding the original fiber backbone and maintenance of active sites.
- Transmission System – Projects include the routine replacement of transmission poles and realignment of pole locations for increased reliability, reduced tree trimming and coordination with a San Juan County salmon recovery project.
- Substation/Community Solar
 - Energy Storage System (ESS) – includes the San Juan Microgrid with offsetting funds from a WA DOC grant (50% matching funds for the battery). This storage system will be twice the size of the Decatur Microgrid Project and will provide four complementary functions that enhance grid reliability and operation, and community solar array performance, while increasing storage system “capacity factor” and saving money on our power bill from BPA.
 - Community Solar Project – This project will have offsets from member contributions in addition to the WA Department of Commerce CEF3 Solar grant funding of \$1M for the allocation of the output to OPALCOs low-income fund. Permitting, supply chain and labor availability continues to create delays in the project.
 - Friday Harbor Substation – Redesign of this aging substation is essential as it has reached capacity. The substation transformer (circa 1970s) will be replaced. The existing transformer will be fully tested for relocation to another substation to ensure redundancy.
 - Future years include the replacement of aging (> 40 years old) substation transformers.
- Facilities – the 2024 capital project budget (line 1300) includes \$200k (permitting and site preparation) for worker housing development on OPALCO’s Eastsound headquarters back lot. An additional \$1M in 2025 is forecast for construction.
- **Energy Savings:**
 - OPALCO continues to offer RESP funds for the on-bill financing program. Member participation has significantly increased in 2023 and we are anticipating similar levels of participation in 2024.
 - A new Community Solar project will be available for member purchase in late 2024.
 - BPA/PNGC pass-through rebates will continue for ductless heat pumps, weatherization, commercial lighting, and appliances. Members can apply for rebates online.
 - Beneficial electrification (fuel-switching) rebates are offered again in 2024. More self-funded incentives for ductless heat pumps (80) and EV charging stations (30) will be available. These conversions bring new load (kWh usage) and revenue, and help members

breach the cost barrier for these appliances. Switch it Up participants will also receive beneficial electrification incentive off the principle of their projects.

- **Increasing Support for Local Renewable Projects:**

- a. Low-Income Access to Solar Benefits

- OPALCO's primary strategy to provide access to solar benefits for low-income households is to apply grant funding for community solar projects to fund the Energy Assistance Program (EAP) program and help it keep up with the rising cost of power.
 - Subscribers to community solar are given the option to donate all or some of their solar production credits from OPALCO-owned community solar projects into the Energy Assist program to assist low-income members and provide access to the benefits of solar.
 - OPALCO will continue to pursue grant funding to provide access to the benefits of solar for low-income members.

- b. Rooftop Solar

- OPALCO offers on-bill financing for solar installations and energy (battery) storage projects through the Switch it Up! Program. Terms and financing amount per meter to be determined.

- c. Commercial Solar

- OPALCO will work with Sustainable Connections to provide incentives, technical assistance and access to federal grants for commercial solar projects.
 - OPALCO will pursue grant funding to offer solar workshops tailored to business/commercial members.

- **Capital Credits**

- Capital credits pay out cash planning is based on an average 25 year pay back cycle (remaining 1998 capital credits in 2023) plus an additional "smoothing" payout amount (~47% portion of 1999 in 2023). \$1.4M in capital credits are expected to be retired in 2023 going up to \$1.5M in 2024 through 2026 and \$1.6M in 2027. The goal is to smooth out the low and high year payouts by using an average rather than strict year total.

- **Energy Assistance Program:**

- The 2024 Budget includes a continuation of ~\$185k for low-income monthly bill credits, which range from \$36.72 (single person household) to \$71.77 (six-or-more-person household) per month, and not to exceed the total bill amount. The Energy Assistance Program is funded as a line item on all member bills (approximately \$0.89 on the average residential bill). Outreach continues to encourage participation.

- **Communications**

- Member Engagement – the primary activity of the Communications budget in 2024 is a targeted push to increase member project starts through Switch it Up, on a mission to put those USDA-RESP dollars to work for OPALCO members. The Island Way member

engagement campaign will offer a fresh round of workshops and events, promote member investment in the Bailer Hill Microgrid Project, and encourage beneficial electrification and efficiency projects (EVs, rebates, etc.). Outreach to educate members about the all electric pilot rate and ongoing rate structure adjustments will be a high priority.

- Website – new calculators will be developed to help members understand the proposed all electric pilot rate and facilitate member investment in the Bailer Hill Microgrid project. Continual member experience improvement projects are ongoing.
- Annual Meeting – the annual meeting will take a new direction in 2024. The business meeting itself will be a virtual meeting designed to meet the requirements and announce election results. The day after the business portion of the annual meeting, a new Member Appreciation Event (“Annual Meeting”) will be held in person at the Eastsound OPALCO headquarters to include family activities, prizes, informational booths, a BBQ lunch and EV Jamboree.
- Grant Funding – sourcing federal, state and local grant funding opportunities to support the goals outlined in our Integrated Resource Plan and Long-Range Capital Plan continues to be a top priority. The Communications Manager is tasked with grant management and an additional project manager is budgeted for a mid-year hire to support the effort.

OVERALL SUMMARIZATION:

1. Revenue:

For 2024, staff recommends a rate increase of 6.0%, equating to a total revenue increase of ~3% as we continue to monitor uncertain weather patterns, especially in Q4. The Energy Charge Adjustment (ECA) will continue to be in place to alleviate the impact of uncertain weather patterns on rates.

2. Operating Margins:

Per Staff recommendation, projected operating margins are as follows: \$ 3.7M in 2023 (projected), \$2.6M in 2024 (budget), \$2.5M in 2025 (forecast), \$2.7M in 2026 (forecast), \$3.1M in 2027 (forecast), and \$3.6M in 2028 (forecast).

3. TIER & OTIER:

Per Staff recommendation, TIER is as follows: 3.28 in 2023 (projected), 2.51 in 2024 (budget), 2.37 in 2025, 2.29 in 2026 (forecast), 2.31 in 2027 (forecast), and 2.39 in 2028 (forecast). OTIER is as follows: 2.90 in 2023 (projected), 2.20 in 2024 (budget), 2.07 in 2025, 2.01 in 2026 (forecast), 2.05 in 2027 (forecast), and 2.14 in 2028 (forecast).

4. Equity % of Total Capitalization (OPALCO):

Per Staff recommendation, Equity % of Total Capitalization is as follows: 41.3% in 2023 (projected), 40.3% in 2024 (budget), 40.5% in 2025 (forecast), 41.0% in 2026 (forecast), 41.8% in 2027 (forecast), and 42.9% in 2028 (forecast).

5. Debt:

We anticipate borrowing from the RUS-FFB \$6.1M in 2024, \$5.7M in 2025, \$6.6M in 2026, \$6.4M in 2027 and \$5.2M in 2028 for capital projects. This assumes that capital project funding in 2024-28 is approximately 50% through RUS-FFB and 50% through member rates. We anticipate using our approved RUS (FFB) loan funds and have estimated interest rates at 5% for 2024 and 6% for years 2025 through 2027. RUS Rural Energy Savings Program (RESP) funds will be borrowed at 0% over a 10-year period as member demand defines, to provide on-bill financing to members for efficiency / fuel switching measures. RESP borrowing has been projected at \$4M per year for 2024-2027 and \$5M in 2028. \$36.4M in RESP funds are still available at year end 2023.

2024 Budget: Weather Trends

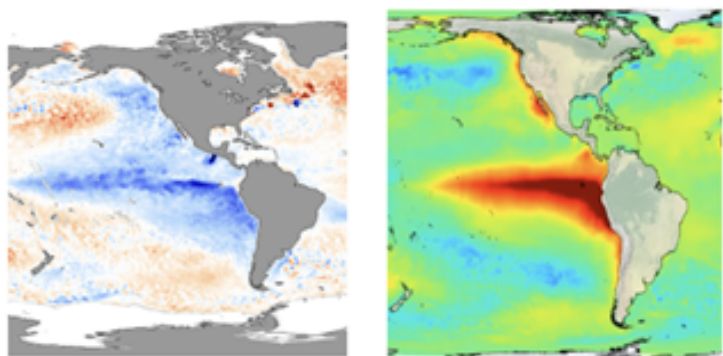
2024 Load Forecast (1 of 2)

1

Global Weather Perspective: Oceanic Niño Index (ONI)

Our winds prevail from the south, and the air temperature is influenced by *southern hemisphere* El Niño and La Niña cycles

Southern Hemisphere Pacific



La Niña
(cooler winters)

El Niño
(warmer winters)

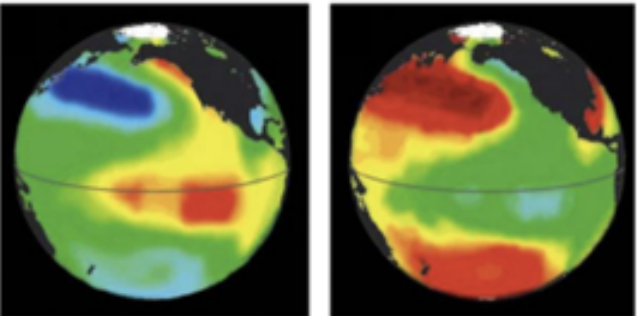
Source: NOAA

2

NW Weather Perspective: Pacific Decadal Oscillation (PDO)

Our air temperature is also influenced by *northern hemisphere* PDO which effects nearby ocean temperatures

Northern Hemisphere Pacific



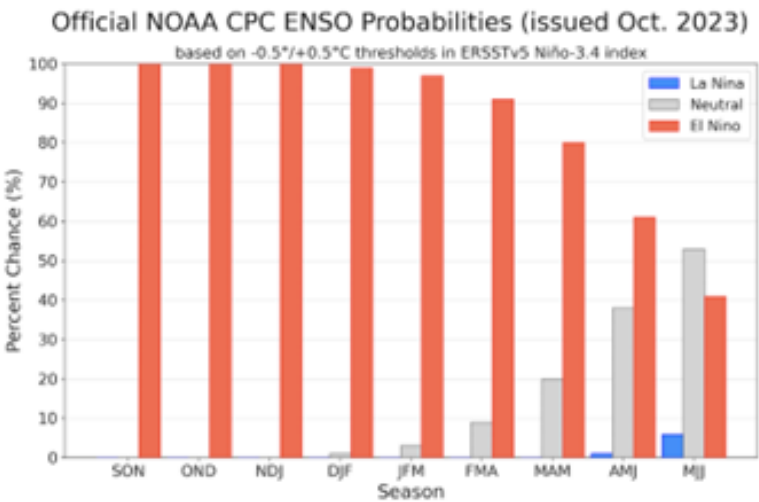
Cold PDO

Warm PDO
(The "Blob" 2016)

Source: NOAA

3

Global Weather Perspective: Oceanic Niño Index (ONI) Forecast



El Niño is anticipated to continue through the Northern Hemisphere spring
(with an 80% chance during March-May 2024)

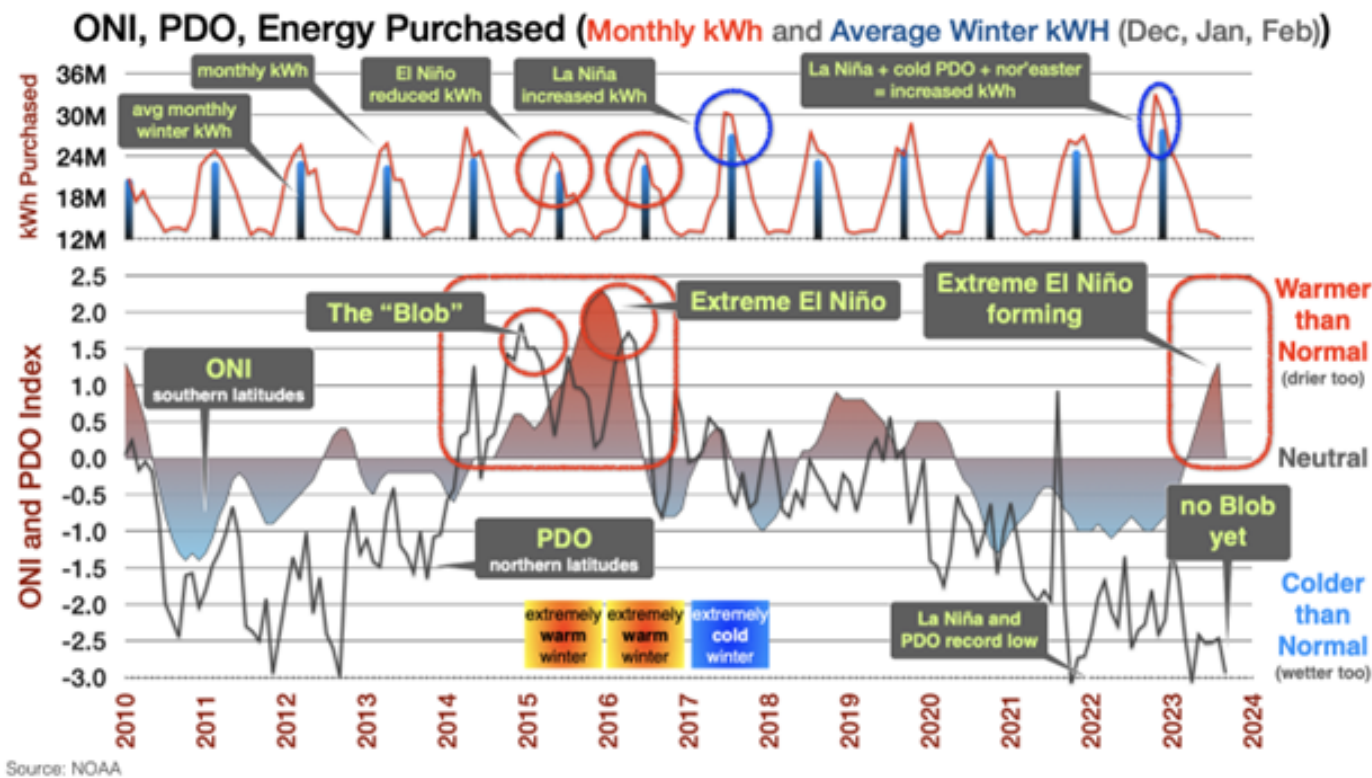
Source: NOAA

Notes

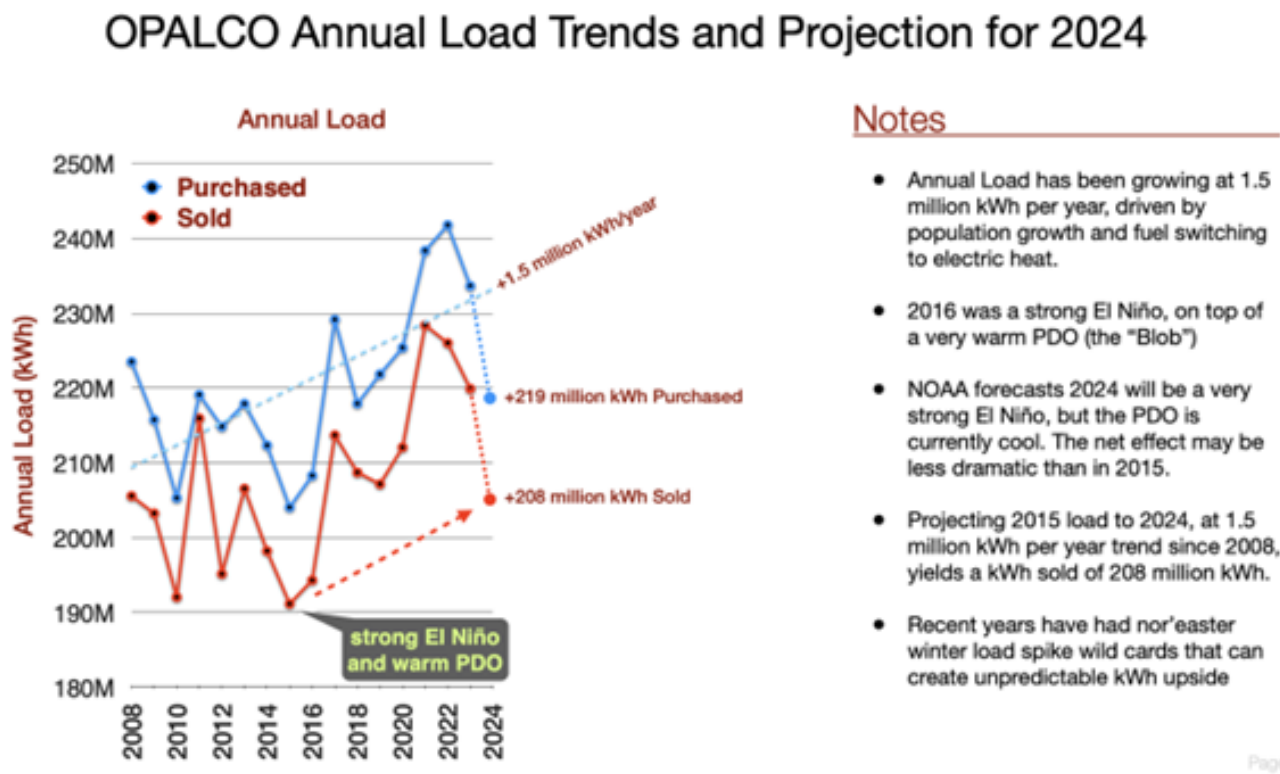
- El Niño/Southern Oscillation (ENSO)
- Global perspective - influences NW, but other factors pertain too - e.g. Pacific Decadal Oscillation (PDO), local wind, sun, rain, overcast, etc.

2024 Load Forecast (2 of 2)

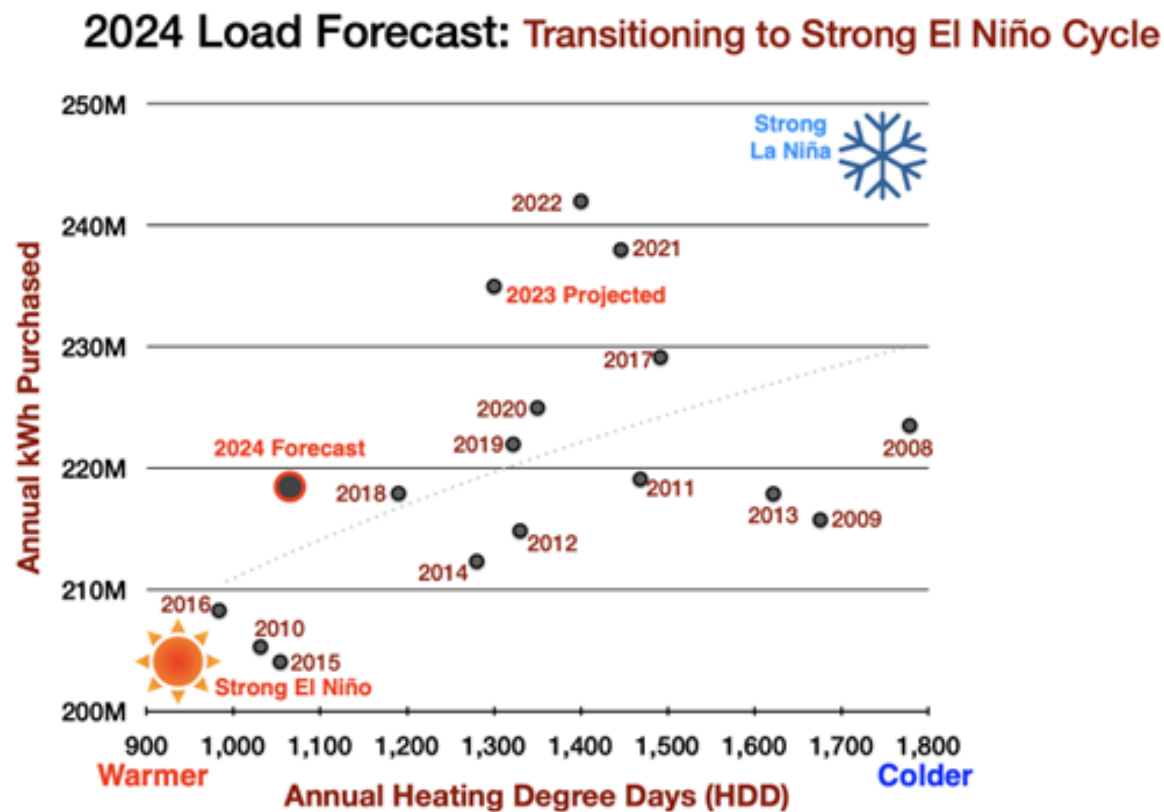
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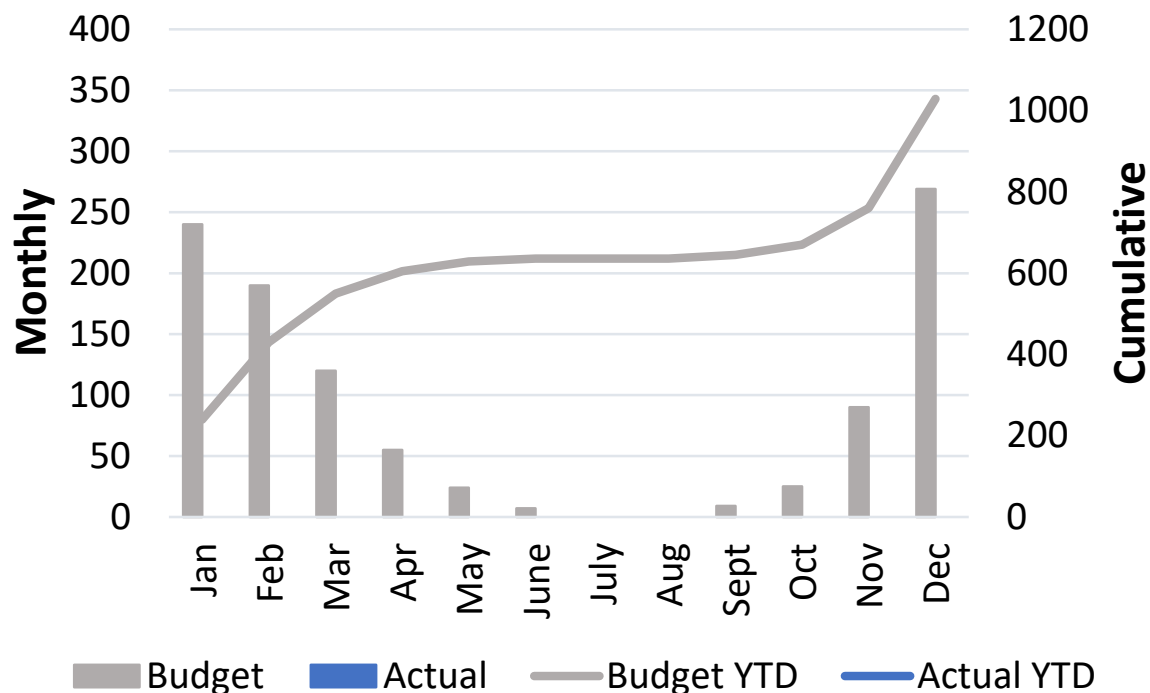
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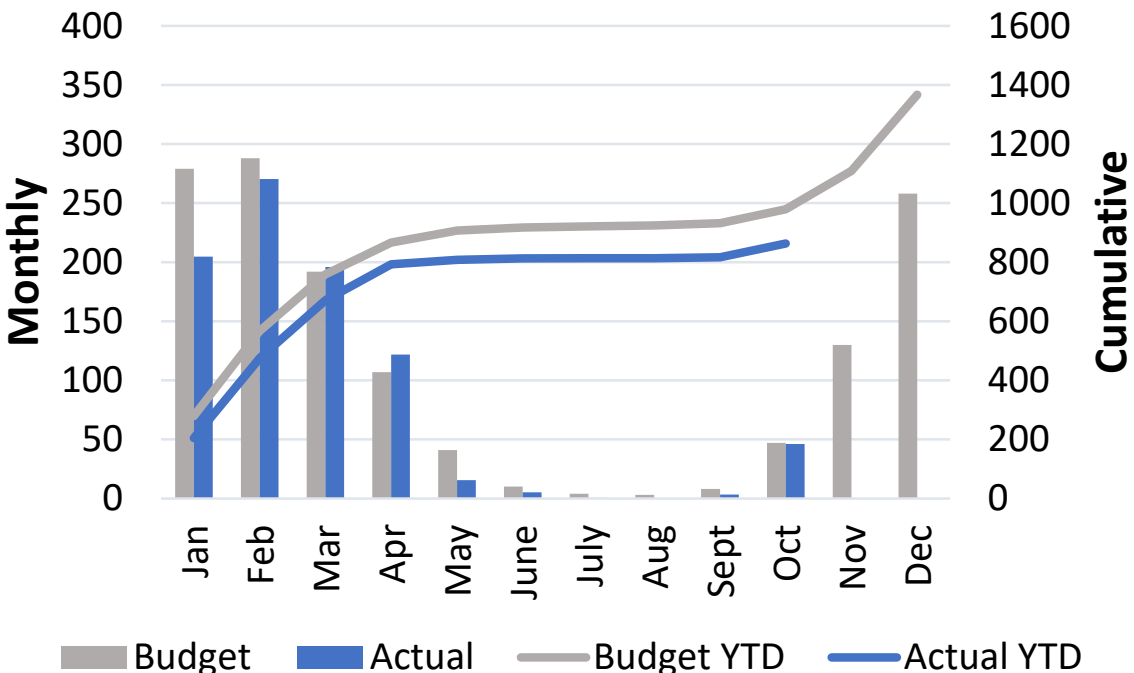
Note:
The Load Forecast actuals can vary widely due to unpredictable weather conditions, particularly winter nor'easters, which bring in very cold arctic air, in contrast to the prevailing warmer winter southerlies.

2024 Budget: Heating Degree Days

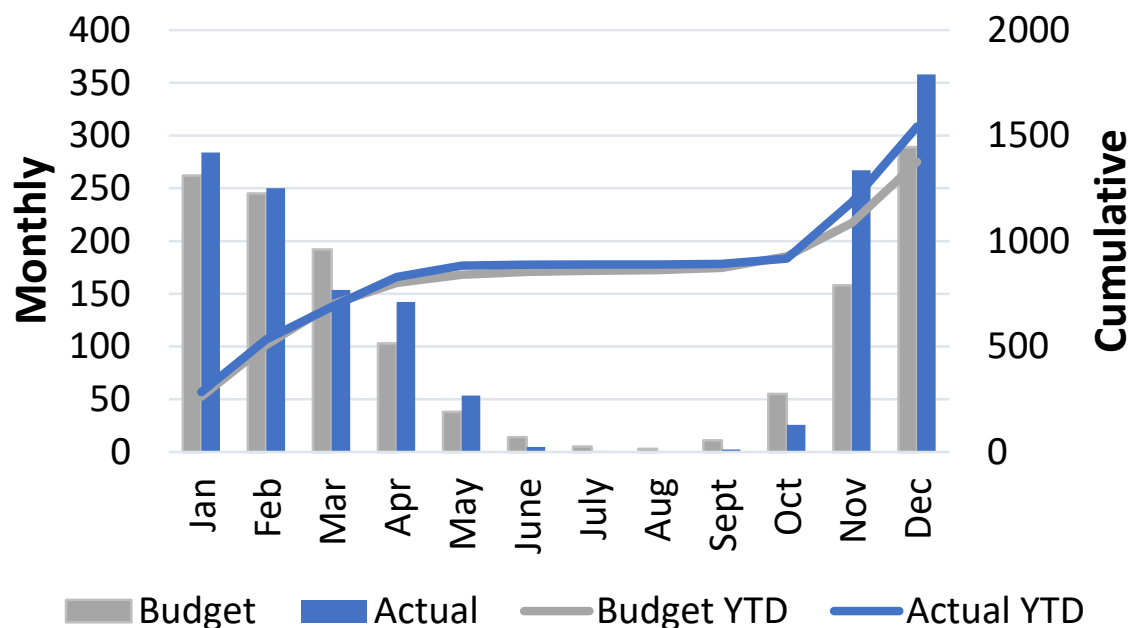
2024 HDD's



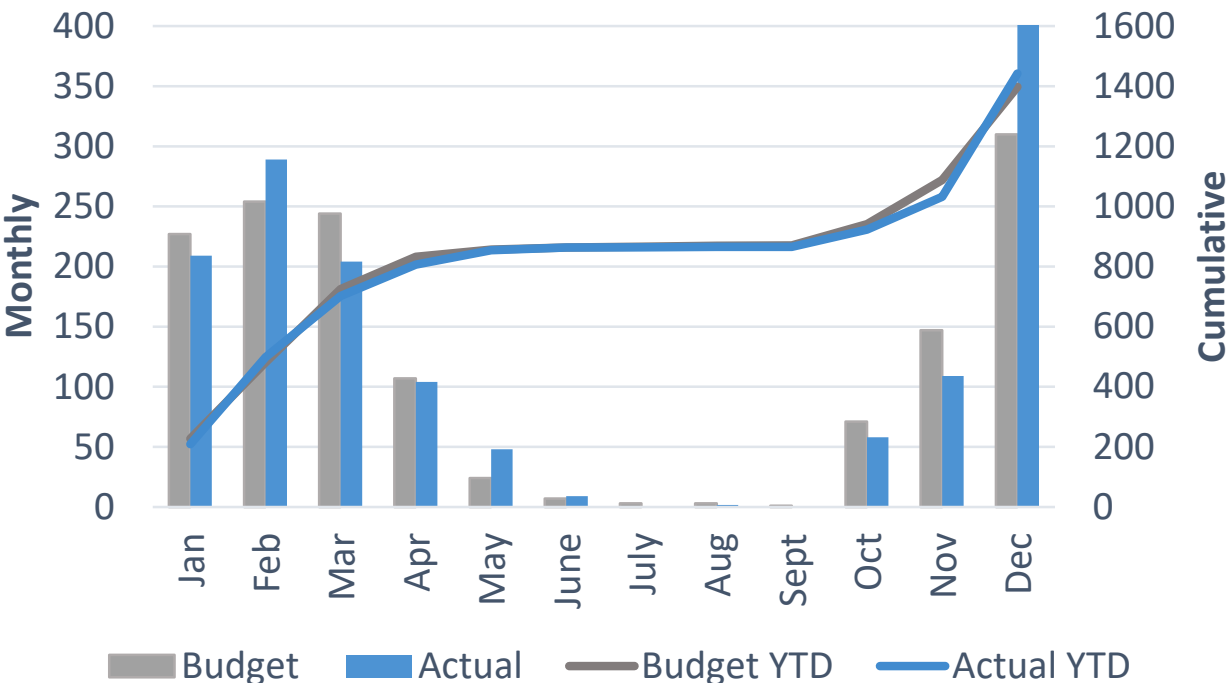
2023 HDD's



2022 HDD's



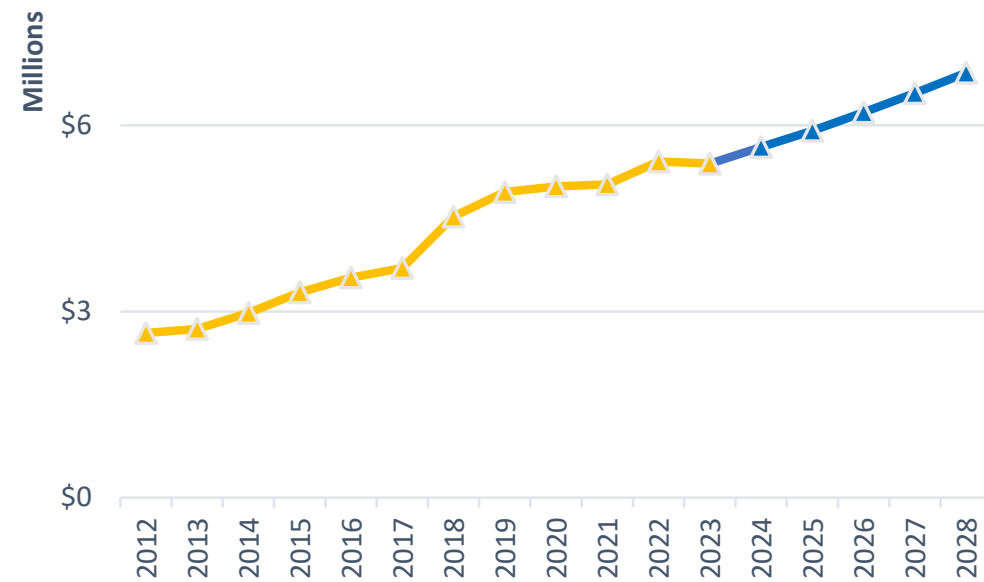
2021 HDD's



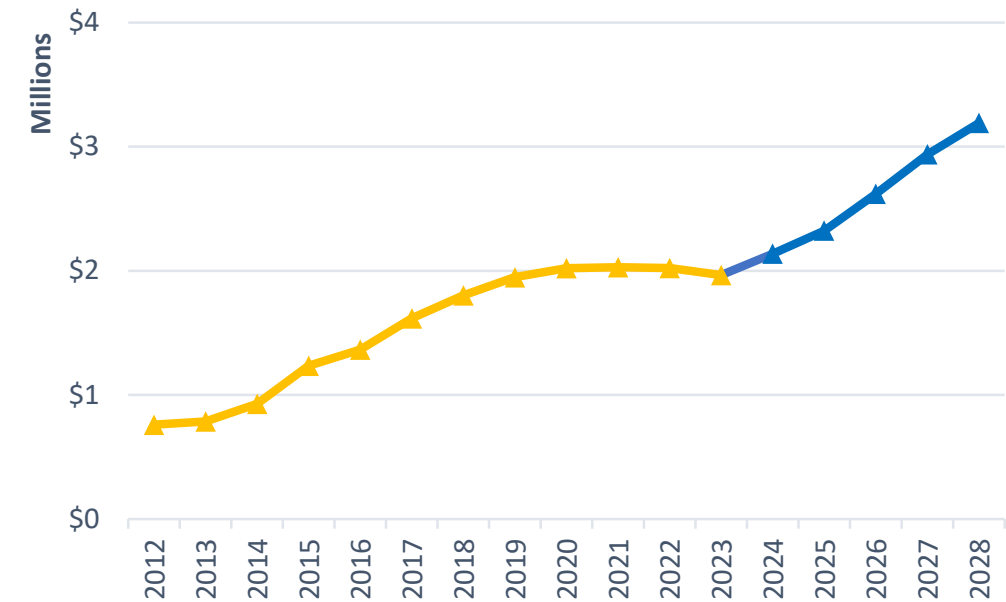
2024 Budget: Financial Highlights

2024 Budget: Financial Metrics

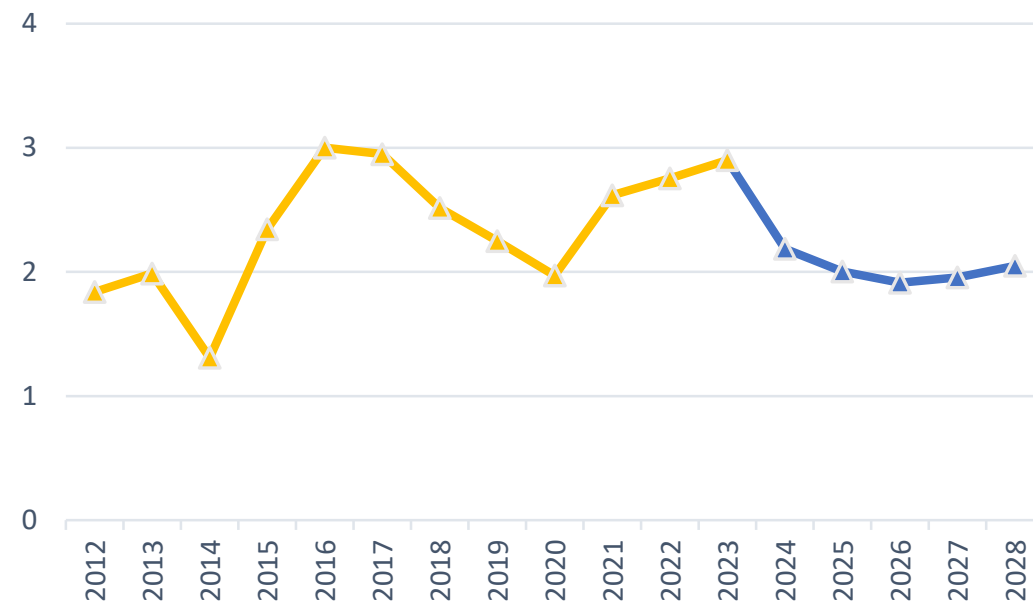
Depreciation & Amortization



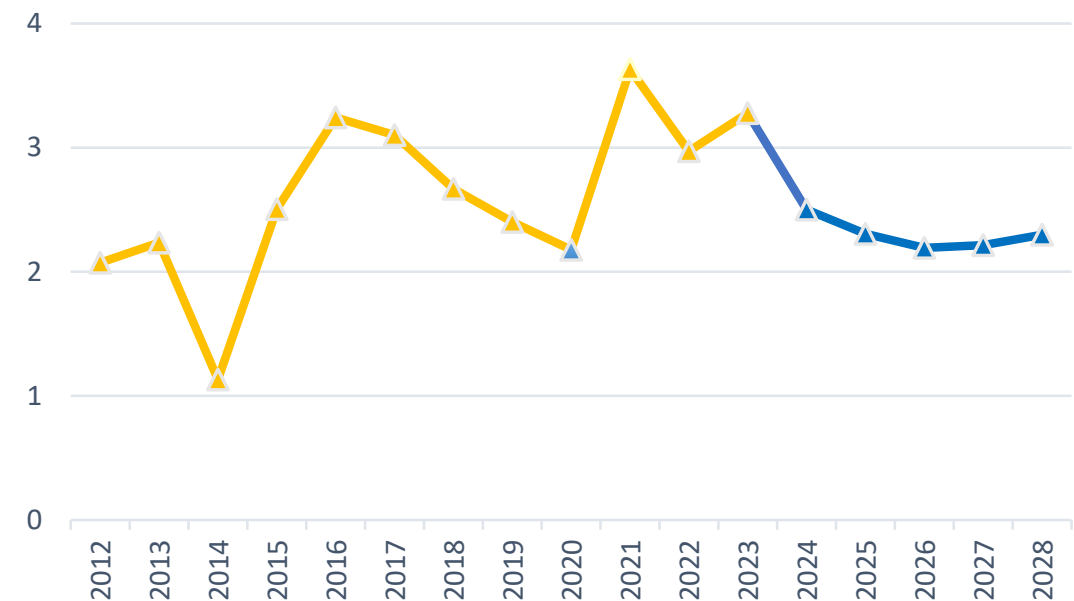
Interest



OTIER

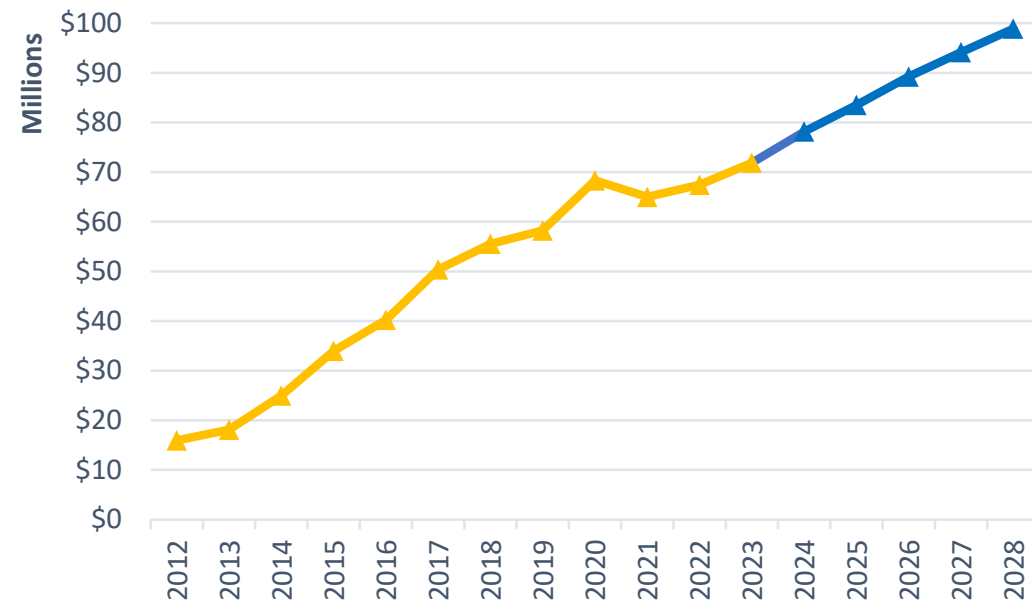


TIER

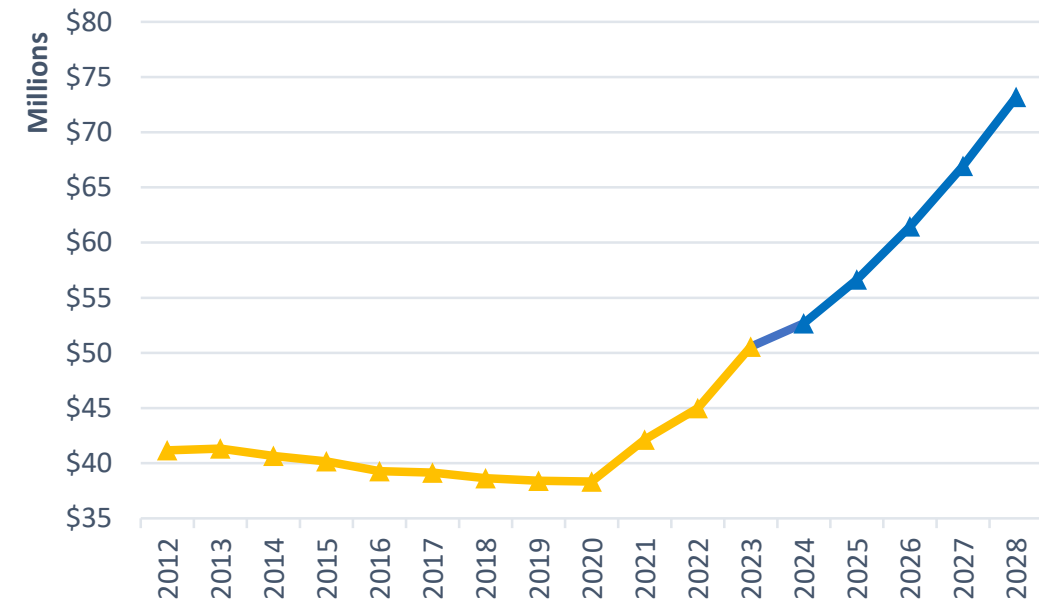


2024 Budget: Financial Metrics

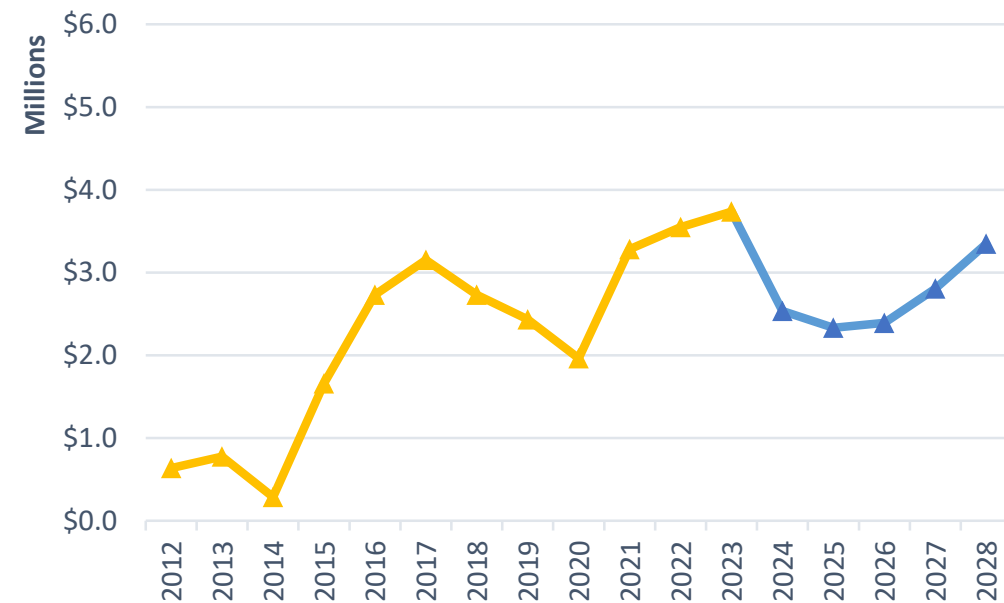
Debt



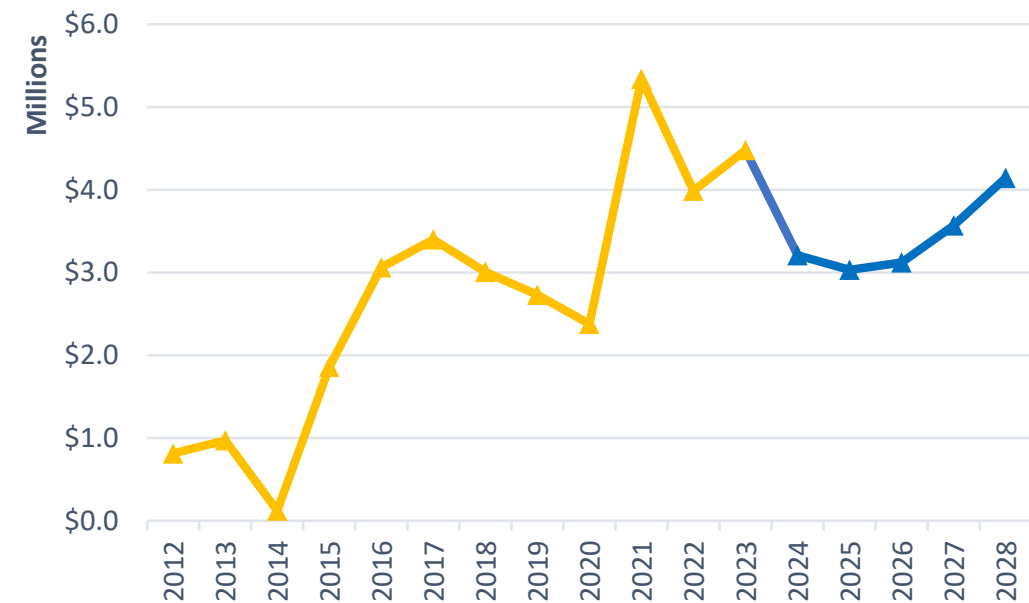
Equity



Operating Margin

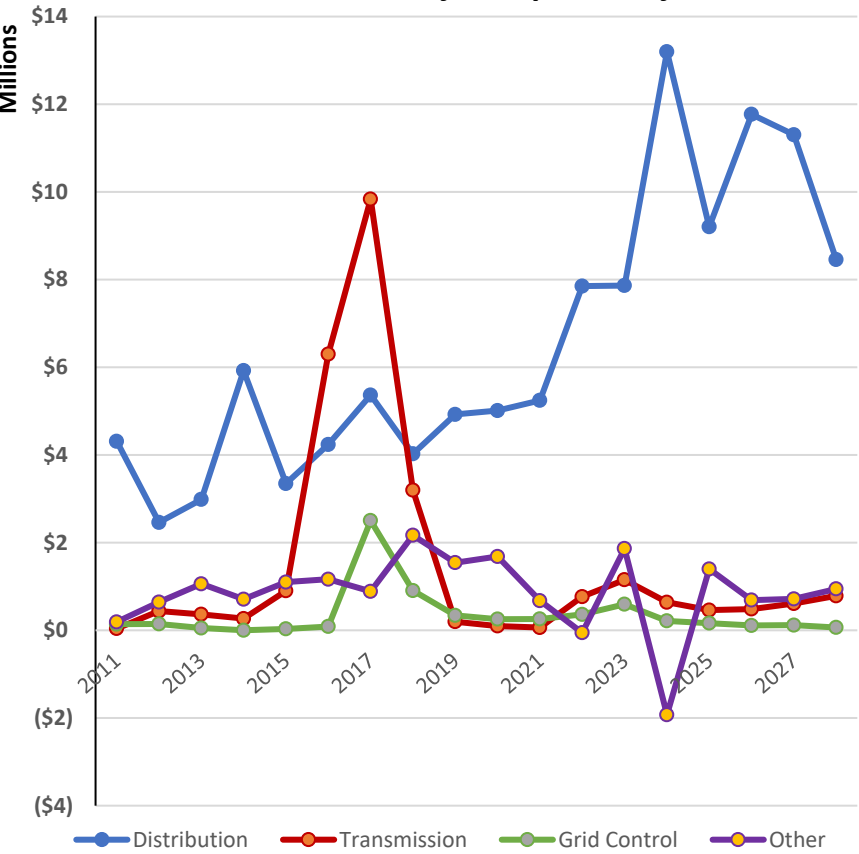


Net Margin

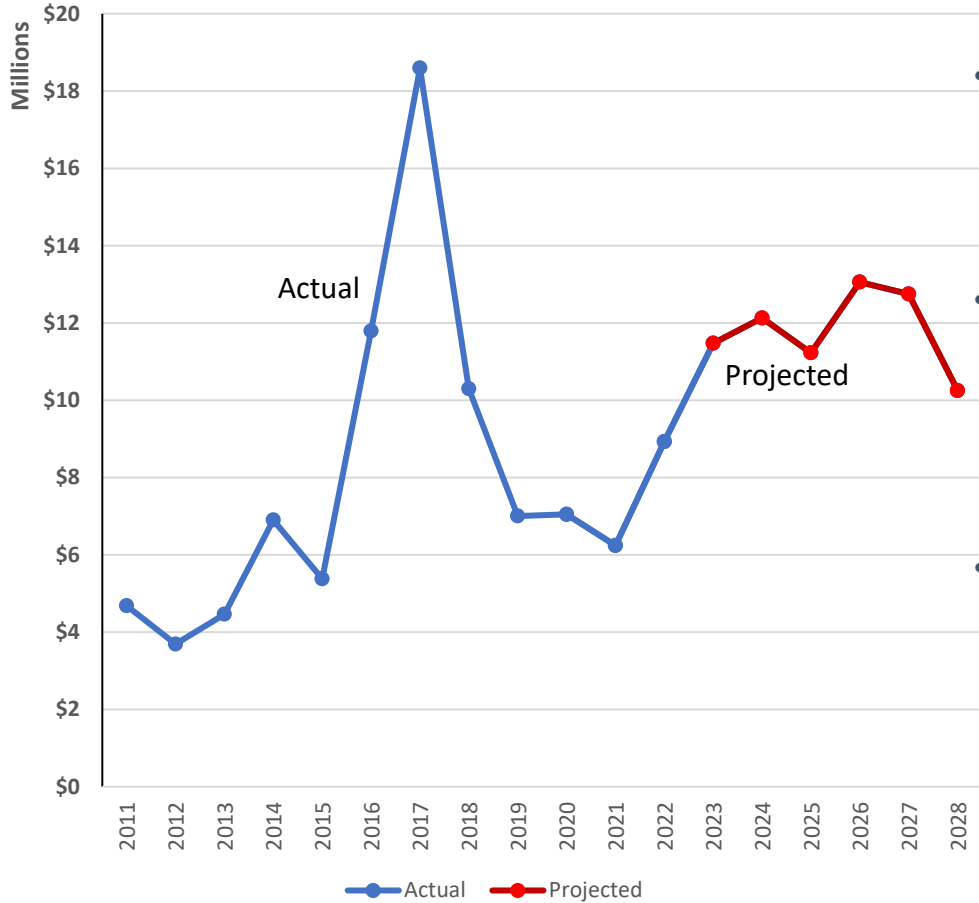


2024 Budget: Capital Projects

Major Capital Project



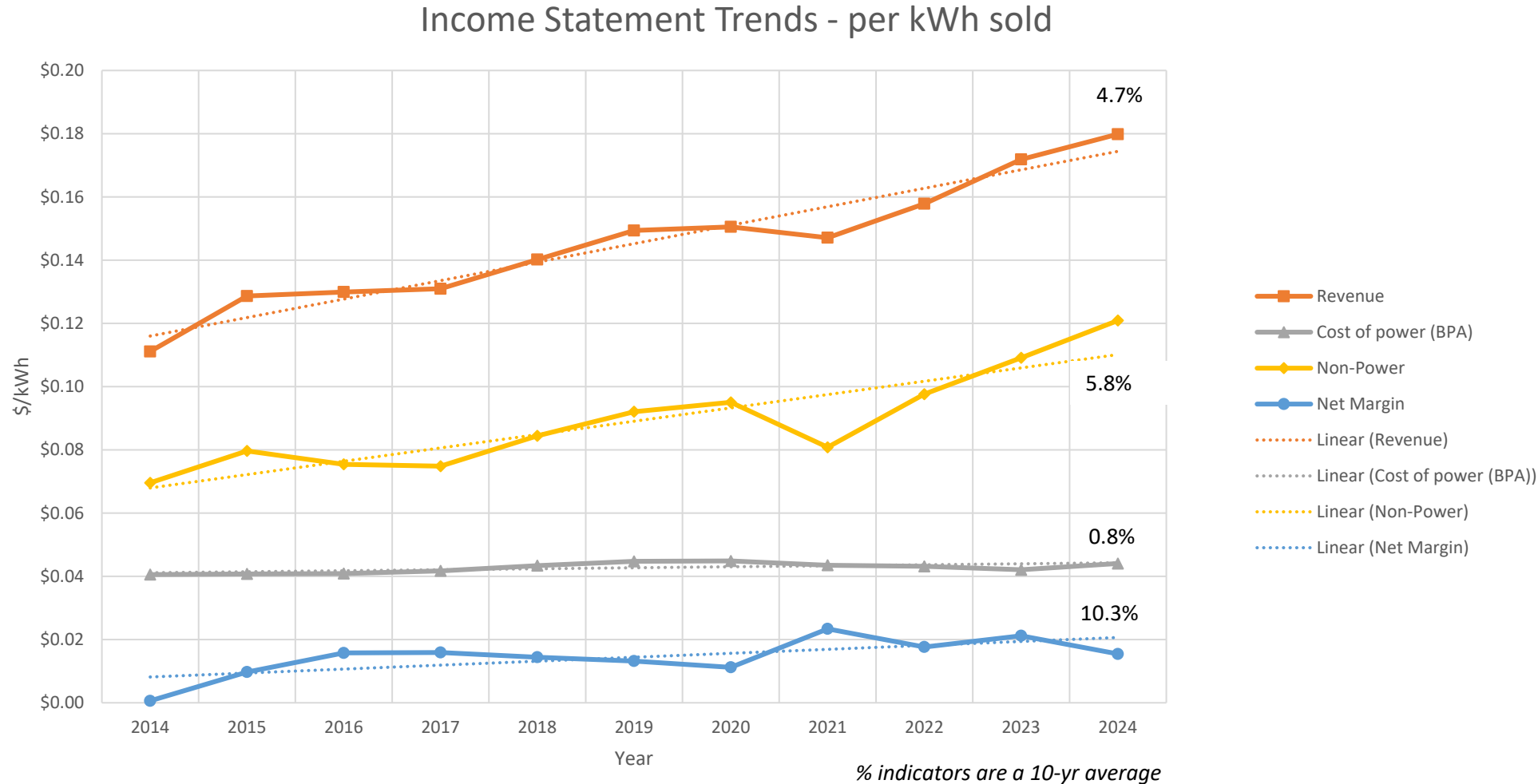
Total Capital Projects



Notes:

- Transmission: peak is Lopez San Juan submarine cable
- Distribution: Normal undergrounding to improve reliability, substation upgrades, microgrid projects
- Grid Control Backbone: Expansion to improve reliability, field communications, preparing for intermittent local renewable energy resources
- Other: Replacement of aging fleet vehicles & facilities. Community solar project & member participation funding (2024).

2024 Budget: Components of Electric Rates



ORCAS POWER AND LIGHT COOPERATIVE

BUDGET EXECUTIVE SUMMARY

		A. Audited Year End 12/31/2021	B. Audited Year End 12/31/2022	C. Projected Year End 12/31/2023	D. Proposed Budget 12/31/2024	% Change from 2022	E. Forecast 12/31/2025	F. Forecast 12/31/2026	G. Forecast 12/31/2027	H. Forecast 12/31/2028	Comments
1	kWh Purchases	238,379,768	241,801,858	227,956,219	219,000,000	-3.9%	221,000,000	223,000,000	225,000,000	227,000,000	OPALCO estimate conservative for predicted El Nino conditions
2	% Rate Increase		4%	6%	6.0%		6.0%	6.0%	6.0%	6.0%	
3	% Total Revenue Increase	5%	6%	2%	3.0%		6.7%	6.7%	6.7%	6.7%	2024 operating revenue increase from rate change
4	Gross Operating Revenue	34,893,000	35,679,000	36,915,000	37,407,000	1.3%	39,902,000	42,564,000	45,405,000	48,437,000	Revenue necessary to meet budget and cash flow requirements
5	Energy Charge Adjustment	(1,294,000)	1,000	(604,000)	-		-	-	-	-	2023 is actual ECA through October, no budgeting for future ECA
6	Net Operating Revenue Total	33,599,000	35,680,000	36,311,000	37,407,000	3.0%	39,902,000	42,564,000	45,405,000	48,437,000	
7	Cost of power	9,935,000	9,756,000	8,887,000	9,159,000	3.1%	9,714,000	10,286,000	10,893,000	11,537,000	BPA rate increases, surcharges, power and financial reserve cost recovery
8	Operations & G&A	12,035,000	13,501,000	14,899,000	16,407,000	10.1%	18,010,000	19,350,000	20,436,000	21,593,000	General inflation at 5% and employee count target of 49 - all years.
9	Depr, Int & Taxes	8,348,000	8,874,000	8,788,000	9,306,000	5.9%	9,963,000	10,660,000	11,398,000	12,094,000	Depreciation on new assets & interest on related borrowings, taxes & other pat cap allocations
10		30,318,000	32,131,000	32,574,000	34,872,000	7.1%	37,687,000	40,296,000	42,727,000	45,224,000	Years 2025-'28 includes estimate for union contract increases
11	Net Operating Margins	3,281,000	3,549,000	3,737,000	2,535,000	-32.2%	2,215,000	2,268,000	2,678,000	3,213,000	Acceptable margin levels in order cover capital credit retirements only
12	Non-Operating Margins	2,058,000	439,000	743,000	673,000	-9.4%	701,000	731,000	762,000	795,000	Non-operating margin retained as permanent equity
13	Net Margins	\$ 5,339,000	\$ 3,988,000	\$ 4,480,000	\$ 3,208,000	-28.4%	\$ 2,215,000	\$ 2,268,000	\$ 2,678,000	\$ 3,213,000	Net margin levels cover capital credit retirements and equity growth
14	OTIER	2.62	2.75	2.90	2.19		2.00	1.91	1.96	2.05	Fluctuates with changes in weather (operating revenues) & borrowing rates
15	TIER	3.63	2.97	3.28	2.50		2.31	2.19	2.21	2.30	
16	Equity % of Total Cap	39.3%	40.0%	41.3%	40.3%		40.4%	40.8%	41.6%	42.5%	Continue to manage closely to ensure we accelerate trending upwards for future capital investment.
17	Equity	42,130,000	44,990,000	50,562,000	52,677,000	4.2%	56,646,000	61,461,000	66,935,000	73,190,000	Equity trending upwards (gradual building for next large capital investment)
18	Total Debt	67,075,000	69,194,000	75,140,000	82,037,000	9.2%	87,939,000	94,216,000	99,762,000	105,118,000	Borrowings to fund new capital investment while also meeting equity growth targets (includes RESP)
19	RESP Debt Only	1,235,000	2,225,000	10,006,000	13,044,000	30.4%	15,583,000	17,721,000	19,460,000	21,748,000	0% debt, Switch It Up! funding source, reduces Equity % ratios, increases with uptick in projects
20	Capital Spending	(6,243,027)	(10,320,000)	(11,477,000)	(12,129,000)	5.7%	(11,229,000)	(13,057,000)	(12,750,000)	(10,254,000)	Capital spending necessary for system upgrades & replacements in 2024-2028.
21	Capital Credit Retirement (net)	(1,100,000)	(1,189,000)	(1,216,000)	(1,216,000)	0.0%	(1,294,000)	(1,294,000)	(1,294,000)	(1,372,000)	Smoothing of capital credit retirements (reduces volatility in margin, cash and equity requirements)
22	Annual HDD	1,446	1,543	1,250	1,029		1,195	1,205	1,216	1,227	HDD definition: Number of degrees that a day's average temperature is below 50 degrees F
23	kWh per HDD	164,855	156,709	182,365	212,828		184,937	185,062	185,033	185,004	

ORCAS POWER AND LIGHT COOPERATIVE

RATE SENSITIVITY

Proposed 2024 Budget Figures; Future Years for Reference Only

	A. Budget 12/31/2024	B. Forecast 12/31/2025	C. Forecast 12/31/2026	D. Forecast 12/31/2027	E. Forecast 12/31/2028	Comment
kWh Purchases	219,000,000	221,000,000	223,000,000	225,000,000	227,000,000	
BASE LINE: No Rate Change (Not Financially Viable Long Term)						
% Avg. Residential Rate Increase	0.0%	0.0%	0.0%	0.0%	0.0%	Baseline only to see the implication of no rate increase.
% Revenue Increase (Decrease)	-2.8%	0.7%	0.7%	0.7%	0.7%	
Operating Margin	\$ 427,099	\$ (2,016,358)	\$ (4,363,081)	\$ (6,530,218)	\$ (8,759,729)	
Margin	\$ 1,100,094	\$ (1,315,059)	\$ (3,632,063)	\$ (5,767,995)	\$ (7,964,655)	
OTIER	1.20	0.13	(0.67)	(1.22)	(1.75)	
TIER	1.51	0.43	(0.39)	(0.96)	(1.50)	
Equity % of Total Capital	39.3%	37.5%	35.1%	32.0%	28.0%	
OPTION 1 - Recommended						
% Avg. Residential Rate Increase	6.0%	6.0%	6.0%	6.0%	6.0%	Recommended rate/revenue increase. Meets internal goal of TIER of >2, balances our need for equity building and covers operational costs.
% Revenue Increase	3.0%	6.7%	6.7%	6.7%	6.7%	
Operating Margin	\$ 2,535,546	\$ 2,332,038	\$ 2,390,900	\$ 2,806,222	\$ 3,348,035	
Margin	\$ 3,208,541	\$ 3,033,337	\$ 3,121,918	\$ 3,568,445	\$ 4,143,109	
OTIER	2.19	2.00	1.91	1.96	2.05	
TIER	2.50	2.31	2.19	2.21	2.30	
Equity % of Total Capital	40.2%	40.4%	40.8%	41.5%	42.5%	
OPTION 2 - TIER ~2						
% Avg. Residential Rate Increase	3.0%	7.0%	7.0%	5.5%	5.5%	Rate increases sufficient to maintain capital credit retirement cycle and build equity needed for future capital projects, but rate changes are more volatile than desired for short-term planning.
% Revenue Increase	0.1%	7.7%	7.7%	6.2%	6.2%	
Operating Margin	\$ 1,476,233	\$ 1,561,743	\$ 1,956,853	\$ 2,134,025	\$ 2,408,685	
Margin	\$ 2,149,228	\$ 2,263,042	\$ 2,687,871	\$ 2,896,248	\$ 3,203,759	
OTIER	1.69	1.67	1.75	1.73	1.75	
TIER	2.01	1.97	2.03	1.99	2.00	
Equity % of Total Capital	39.8%	39.6%	39.9%	40.4%	41.2%	

ORCAS POWER AND LIGHT COOPERATIVE

RATE SENSITIVITY

Proposed 2024 Budget Figures; Future Years for Reference Only

		A. Budget 12/31/2024	B. Forecast 12/31/2025	C. Forecast 12/31/2026	D. Forecast 12/31/2027	E. Forecast 12/31/2028	Comment
kWh Purchases		219,000,000	221,000,000	223,000,000	225,000,000	227,000,000	
OPTION 3 - 5% starting							Example of 5% rate increase in 2024. Slower equity growth than desired for capital project planning.
% Avg. Residential Rate Increase		5.0%	6.0%	6.0%	6.0%	6.0%	
% Revenue Increase		2.0%	6.7%	6.7%	6.7%	6.7%	
Operating Margin		\$ 2,175,652	\$ 1,947,961	\$ 1,981,013	\$ 2,368,791	\$ 2,881,209	
Margin		\$ 2,848,647	\$ 2,649,260	\$ 2,712,031	\$ 3,131,014	\$ 3,676,283	
OTIER		2.02	1.84	1.76	1.81	1.90	
TIER		2.33	2.14	2.04	2.07	2.15	
Equity % of Total Capital		40.1%	40.1%	40.3%	40.9%	41.8%	
OPTION 4 - 4% starting							Example of 4% rate increase in 2024. Requires larger rate increases in future years in order to build equity for essential capital projects in the coming years. Puts TIER below internal threshold of >2.
% Avg. Residential Rate Increase		4.0%	4.0%	5.0%	6.0%	6.0%	
% Revenue Increase		1.1%	4.7%	5.7%	6.7%	6.7%	
Operating Margin		\$ 1,825,943	\$ 847,353	\$ 425,579	\$ 708,832	\$ 1,109,700	
Margin		\$ 2,498,938	\$ 1,548,652	\$ 1,156,597	\$ 1,471,055	\$ 1,904,774	
OTIER		1.85	1.36	1.16	1.24	1.35	
TIER		2.17	1.67	1.44	1.50	1.60	
Equity % of Total Capital		39.9%	39.4%	39.1%	39.2%	39.5%	

ORCAS POWER AND LIGHT COOPERATIVE

RATE SPLIT OPTIONS

The chart below demonstrates options for how the marginal difference in revenue is collected by the proposed 6% rate increase that could be spread between different fixed and volumetric scenarios. Each option will collect the required revenue. The recommended option (1) has been our historical approach to collecting revenue and provides a level rate philosophy (6% to all individual billing components) that would give members a level point of comparison when considering the proposed “All Electric” pilot rate. As the Board has previously discussed, the other rate options guarantee increasing levels of revenue collection via the “service access charge” (fixed) in comparison to the kWh charge (variable), but the percentage change to fixed costs on these options are higher than the stated 6% rate increase and may create confusion among the membership. The rate collection option approved by the Board will be applied to all tariffs upon a second read in December. The three tariffs included in the chart give a range for comparison and review.

2023 - Current Rates		
	Service Access	\$ / kWh
Residential	\$ 53.38	\$ 0.1201
SML & LG Commercial*	\$ 74.50	0.1158
Pump	\$ 47.94	0.1277

2024 Rate Scenarios		6% Average Rate Increase														
		Option 1 - Recommended			Option 2			Option 3			Option 4			Option 5		
		Even Increase	\$ Change	% Inc	60% fixed	\$ Change	% Inc	70% fixed	\$ Change	% Inc	80% fixed	\$ Change	% Inc	100% fixed	\$ Change	% Inc
Service Access																
Residential	\$	56.58	\$ 3.20	6.0%	\$ 59.18	\$ 5.80	10.9%	\$ 60.14	\$ 6.76	12.7%	\$ 61.11	\$ 7.73	14.5%	\$ 63.04	\$ 9.66	18.1%
SML & LG Commercial	\$	78.97	\$ 4.47	6.0%	\$ 88.06	\$ 13.56	18.2%	\$ 90.32	\$ 15.82	21.2%	\$ 92.58	\$ 18.08	24.3%	\$ 97.10	\$ 22.60	30.3%
Pump	\$	50.82	\$ 2.88	6.0%	\$ 50.69	\$ 2.75	5.7%	\$ 51.15	\$ 3.21	6.7%	\$ 51.60	\$ 3.66	7.6%	\$ 52.52	\$ 4.58	9.6%
kWh Charge																
Residential	\$	0.1273	\$ 0.0072	6.0%	\$ 0.1242	\$ 0.0041	3.4%	\$ 0.1232	\$ 0.0031	2.6%	\$ 0.1221	\$ 0.0020	1.7%	\$ 0.1201	\$ -	0.0%
SML & LG Commercial*	\$	0.1227	\$ 0.0069	6.0%	\$ 0.1196	\$ 0.0038	3.3%	\$ 0.1187	\$ 0.0029	2.5%	\$ 0.1177	\$ 0.0019	1.6%	\$ 0.1158	\$ -	0.0%
Pump	\$	0.1354	\$ 0.0077	6.0%	\$ 0.1358	\$ 0.0081	6.3%	\$ 0.1337	\$ 0.0060	4.7%	\$ 0.1318	\$ 0.0041	3.2%	\$ 0.1277	\$ -	0.0%
* kWh charge is a weighted average of small & large commercial accounts																

ORCAS POWER AND LIGHT COOPERATIVE

STATEMENT OF OPERATIONS

	A.	B.	C.	D.	E.		F.	G.	H.	I.
	Audited	Audited	Approved	Projected	Proposed	% Change	Forecast	Forecast	Forecast	Forecast
	Year End	Year End	Budget	Year End	Budget	from 2023	12/31/2025	12/31/2026	12/31/2027	12/31/2028
	12/31/2021	12/31/2022	12/31/2023	12/31/2023	12/31/2024					
1 OPERATING REVENUES										
2 kWh Purchases	238,379,768	241,801,858	222,000,000	227,956,219	219,000,000		221,000,000	223,000,000	225,000,000	227,000,000
3 % Rate Increase	0%	4%	6%	6%	6.0%		6.0%	6.0%	6.0%	6.0%
4 % Operating Revenue Increase	5%	6%	0%	2%	3.0%		6.7%	6.7%	6.7%	6.7%
3 Residential	\$ 25,597,555	\$ 26,565,416	\$ 26,438,064	\$ 26,953,475	\$ 27,769,404	3%	\$ 29,633,977	\$ 31,623,850	\$ 33,747,442	\$ 36,013,740
4 Commercial	7,880,616	8,841,060	9,136,502	9,068,314	9,342,762	3%	9,969,932	10,639,248	11,353,543	12,115,839
5 Other	121,190	273,149	267,580	289,020	295,060	2%	298,011	300,992	304,001	307,041
6 Total operating revenue	33,599,361	35,679,624	35,842,146	36,310,809	37,407,226	3%	39,901,920	42,564,090	45,404,986	48,436,620
7										
8 OPERATING EXPENSES										
9 Cost of power	9,934,871	9,756,442	9,631,310	8,886,613	9,159,300	3%	9,713,841	10,286,327	10,893,462	11,537,345
10 Transmission	402,069	730,538	561,801	1,527,338	1,369,332	-10%	1,446,905	1,524,358	1,602,059	1,683,843
11 Distribution - operations	3,625,309	3,900,840	3,888,958	3,852,441	4,123,097	7%	4,607,337	5,004,564	5,308,695	5,634,643
12 Distribution - maintenance	2,564,054	3,107,333	3,329,063	3,451,671	3,850,445	12%	4,225,961	4,545,090	4,788,989	5,047,910
13 Consumer accounts	1,093,181	1,113,268	1,197,992	1,108,949	1,231,969	11%	1,350,959	1,448,188	1,533,611	1,624,914
14										
15 General and administration										
16 Administration G&A	4,057,726	4,316,867	5,095,737	4,685,263	5,491,691	17%	6,023,594	6,457,647	6,819,830	7,205,056
17 Energy services G&A	200,205	239,843	228,109	181,311	243,479	34%	258,215	273,689	286,216	299,642
18 Subsidiary Charges	92,062	92,039	99,420	91,987	96,586	5%	96,586	96,586	96,586	96,586
19 Total general and administration	4,349,993	4,648,749	5,423,266	4,958,561	5,831,756	18%	6,378,395	6,827,922	7,202,632	7,601,284
20										
21 Depreciation and amortization	5,047,791	5,416,108	5,540,419	5,382,265	5,650,687	5%	5,913,375	6,208,761	6,518,916	6,844,579
22 Taxes	1,502,418	1,629,555	1,663,434	1,613,832	1,689,196	5%	1,787,629	1,891,822	2,002,113	2,118,861
23										
24 Total operating expenses	28,519,686	30,302,833	31,236,243	30,781,670	32,905,782	7%	35,424,402	37,737,032	39,850,477	42,093,379
25										
26 Operating margins before fixed charges	5,079,674	5,376,791	4,605,903	5,529,139	4,501,444	-19%	4,477,518	4,827,058	5,554,509	6,343,241
27										
28 FIXED CHARGES										
29 Interest on long-term debt	1,932,928	1,958,757	2,017,820	1,900,482	2,077,260	9%	2,262,410	2,558,935	2,877,203	3,130,568
30										
31 Total fixed charges	1,932,928	1,958,757	2,017,820	1,900,482	2,077,260	9%	2,262,410	2,558,935	2,877,203	3,130,568
32										
33 Operating margins after fixed charges	3,146,747	3,418,035	2,588,083	3,628,657	2,424,184	-33%	2,215,108	2,268,123	2,677,306	3,212,673
34										
35 PATRONAGE CAPITAL CREDITS	135,327	130,840	141,902	108,118	111,362	3%	116,930	122,777	128,916	135,362
36										
37 Net operating margins	3,282,073	3,548,875	2,729,985	3,736,775	2,535,546	-32%	2,332,038	2,390,900	2,806,222	3,348,035
38										
39 NON-OPERATING MARGINS										
40 Interest income	149,031	340,489	280,417	615,722	645,722	5%	674,028	703,749	734,956	767,724
41 Other income	1,908,741	98,453	176,449	127,274	27,273	-79%	27,271	27,269	27,267	27,350
42										
43 Net non-operating margins	2,057,772	438,941	456,866	742,996	672,995	-9%	701,299	731,018	762,223	795,074
44										
45 NET MARGINS	\$ 5,339,845	\$ 3,987,816	\$ 3,186,851	\$ 4,479,771	\$ 3,208,541	-28%	\$ 3,033,337	\$ 3,121,918	\$ 3,568,445	\$ 4,143,109
46										
47 OTIER	2.62	2.75	2.31	2.90	2.19	-25%	2.00	1.91	1.96	2.05
48 TIER	3.63	2.97	2.53	3.28	2.50	-24%	2.31	2.19	2.21	2.30
49 Equity % of Total Capital	39.3%	40.0%	39.7%	41.3%	40.3%	-3%	40.4%	40.8%	41.6%	42.5%

ORCAS POWER AND LIGHT COOPERATIVE

CAPITAL PROJECTS BUDGET

RUS CWP DESCRIPTION			2023	2023	2024	2025	2026	2027	2028	Safety	Reliability	Environment	Comments								
1	DISTRIBUTION																				
2	100	New Services	\$	797,000	\$	655,894	\$	600,000	\$	635,000	\$	672,000	\$	711,000	\$	752,000				Decrease in New Services (2024)	
3	200	New Tie Lines		20,000		208,003		-		-		1,000,000		-		-	*				
4	300	Conversions and Line Changes		910,000		978,997		1,825,000		985,000		1,034,000		1,086,000		1,140,000	*	*	*	Center Island Submarine Cable (2024) (dependent on permitting)	
5	400	New Substations, switching station, metering point, etc.		-		-		-		-		-		-		-					
6	500	Substation, Switching Station, Metering Point Changes		4,800,000		2,979,015		5,800,000		2,150,000		4,200,000		5,300,000		2,000,000	*	*		FH Substation and Bailer Hill Battery (23-24), Eastsound/Orcas Substation (25-28)	
7	600	Miscellaneous Distribution Equipment																			
8	601	Transformers & Meters		1,232,000		578,934		1,100,000		1,440,000		982,000		1,027,000		1,474,000	*	*	*	Transformer deliveries are scheduled to 2027	
9	602	Sets of Service Wires to increase Capacity		-		-		-		-		-		-		-					
10	603	Sectionalizing Equipment		695,000		632,425		650,000		660,000		431,000		604,000		383,000	*	*		Replacement of Switchgear	
11	604	Regulators		-		-		-		-		-		-		-		*			
12	606	Ordinary Replacements		400,000		12,626		412,000		433,000		455,000		478,000		502,000	*	*		Projected + Proactive Pole Replacements	
13	607	Overhead to Underground Conversions		300,000		20,879		100,000		105,000		111,000		117,000		123,000	*	*			
14	608	Underground Dist. Cable Replacements		2,270,000		3,239,520		3,500,000		3,625,000		3,757,000		2,897,000		3,044,000	*	*	*	Standard Replacements and Joint Fiber Project with ARPA Grant	
15	700	Other Distribution Items																			
16	701	Engineering Fees		-		-		-		-		-		-		-					
17	704	LMS & SCADA		135,000		137,245		-		-		-		-		-	*	*			
18	705	AMR		-		-		-		-		-		-		-					
19	706	Communications/Fiber		205,000		456,813		216,000		164,000		112,000		118,000		66,000	*	*	*	Replacement of Switches and Batteries	
20		ARPA Grant Fiber Projects						7,600,000		3,000,000		4,400,000								APRA Fiber Grant (See Line 44) (2024-2026)	
21	TRANSMISSION																				
22	800	New Tie Line		-		-		-		-		-		-		-					
23	900	New substations, switching station, metering point, etc.		-		49,992		-		-		-		-		-		*			
24	1000	Line/Station Changes and Pole Replacements		700,000		955,916		540,000		357,000		375,000		494,000		664,000	*	*		Aging Transmission Pole Replacments	
25	1100	Other Transmission		-		-		-		-		-		-		-					
26	GENERATION																				
27	1200	Generation		225,000		148,116		100,000		105,000		111,000		117,000		123,000		*	*	Tidal Energy Investigation and Interconnection Upgrades	
28	OTHER																				
29	1300	Facilities		420,000		327,419		578,000		1,158,000		108,000		113,000		419,000	*			New Employee Housing (permitting in 2024, construction in 2025)	
30	1400	Acquisitions		50,000		-		-		-		-		-		-					
31	1500	All Other		-		-		-		-		-		-		-					
32	1501	Transportation/Equipment/Tools/Radios		798,000		521,054		716,000		550,000		446,000		462,000		377,000	*	*	*	Digger/Bucket replacements (2023, 2024, 2026), Boat (2025)	
33	1502	Office Equipment/Furniture/Etc.		11,000		3,509		12,000		13,000		14,000		15,000		16,000					
34	1503	Computer/Servers/Software		100,000		144,810		138,000		159,000		122,000		128,000		134,000	*	*			
35	1504	Community Solar (member funded)		7,500,000		1,746,796		6,000,000		-		-		-		-		*	*	Bailer Hill (2023/2024) (dependent on permitting)	
36	1600	Minor Projects		184,000		96,782		135,000		142,000		150,000		158,000		166,000					
37	RUS CWP SUBTOTAL			21,752,000	13,894,743	30,022,000	15,681,000	18,480,000	13,825,000	11,383,000											
38	CONTRIBUTION IN AID OF CONSTRUCTION (CIAC)																				
39		New Services		(686,000)		(445,923)		(500,000)		(525,000)		(552,000)		(580,000)		(609,000)				Offset to Line 2 - New Services	
40		Meters and Transformers		(432,000)		(311,975)		(325,000)		(342,000)		(360,000)		(378,000)		(397,000)				Offset to Line 8 - Transformers and Meters	
41		Joint Projects		(71,000)		(781,016)		(100,000)		(105,000)		(111,000)		(117,000)		(123,000)				Offset to Lines 3,4,13,14 - Tie Lines, Conversion, OH to UG Conv., URD	
42		Grant Funding		(3,000,000)		(508,663)		(1,368,000)		(480,000)		-		-		-				Offset to Line 6 - San Juan Battery	
43		Community Solar Member Contributions/Grants		(6,500,000)		(370,000)		(8,000,000)		-		-		-		-				Offset to Line 35 - Community Solar	
44		ARPA Grant Fiber Funding						(7,600,000)		(3,000,000)		(4,400,000)		-		-				Offset to Line 20 - ARPA Fiber Grant	
45	RUS CWP NET TOTAL			11,063,000	11,477,166	12,129,000	11,229,000	13,057,000	12,750,000	10,254,000											
46																					
47	Notes:	1 ~50% of capital projects are funded from rates and ~50% from borrowings.																			
48		2 Excludes \$500k annual investment in regional renewable generation (PNGC)																			

ORCAS POWER AND LIGHT COOPERATIVE

STATEMENT OF CASH FLOW

NON GAAP

	A.	B.	C.	D.	E.	F.
	Projected	Proposed	Forecast	Forecast	Forecast	Forecast
	Year End	Budget	Forecast	Forecast	Forecast	Forecast
	12/31/2023	12/31/2024	12/31/2025	12/31/2026	12/31/2027	12/31/2028
1 % Rate Increase		6.0%	6.0%	6.0%	6.0%	6.0%
2 OPERATING ACTIVITIES:						
3 Margins	\$ 4,480,000	\$ 3,209,000	\$ 3,033,000	\$ 3,122,000	\$ 3,568,000	\$ 4,143,000
4 Plus Depreciation/Amortization	5,382,000	5,651,000	5,913,000	6,209,000	6,519,000	6,845,000
5 Cash Flow Operations	9,862,000	8,860,000	8,946,000	9,331,000	10,087,000	10,988,000
6						
7 Plant Investment (Net)	(11,662,000)	(12,324,000)	(11,450,000)	(13,288,000)	(12,987,000)	(10,498,000)
8 Renewable Generation (PNGC) (Note 1)		(500,000)	(500,000)	(500,000)	(500,000)	(500,000)
9 Cash Flows from Patronage Capital	(1,216,000)	(1,216,000)	(1,294,000)	(1,294,000)	(1,294,000)	(1,372,000)
10 Net Borrowings	5,946,000	6,897,000	5,902,000	6,277,000	5,546,000	5,356,000
11 Annual Estimated Cash Increase (decrease)	2,930,000	1,717,000	1,604,000	526,000	852,000	3,974,000
12						
13 RUS Capital Borrowings	295,000	6,100,000	5,700,000	6,600,000	6,400,000	5,200,000
14 0% RESP Borrowing	8,068,000	4,000,000	4,000,000	4,000,000	4,000,000	5,000,000
15 Gross Borrowings	8,363,000	10,100,000	9,700,000	10,600,000	10,400,000	10,200,000
16						
17 OUTSTANDING DEBT BALANCE	75,140,000	82,037,000	87,939,000	94,216,000	99,762,000	105,118,000
18						
19 EQUITY BALANCE	50,562,000	52,677,000	56,646,000	61,461,000	66,935,000	73,190,000
20						
21 NET UTILITY PLANT	107,012,000	112,634,000	118,443,000	124,440,000	130,569,000	136,861,000
22						
23 Note 1 - 2024 - Accounted for \$500k in Board Designated funds						

ORCAS POWER AND LIGHT COOPERATIVE

2024 - 2028 BUDGETED STAFFING LEVELS

	A.	B.	C.	D.
		ACTUAL	APPROVED BUDGET	APPROVED
		# EMPLOYEES	# EMPLOYEES	# EMPLOYEES
	DEPARTMENT	2023	2024	2025 - 2028
1	Operations ¹	22.5	23.5	23.5
2	Engineering ¹	7.5	8.5	8.5
3	General Management	4	5	5
4	Technical Services	1	1	1
5	Member Services	4	6	6
6	Administration	4	4	4
7	Energy Savings	1	1	1
8	Total	44	49 ²	49

Notes:

1 Engineering & Operations Manager split between departments

2 Vacant-funded positions not filled

OPALCO ORGANIZATIONAL CHART - 2024 BUDGET

OPALCO MEMBERSHIP

BOARD OF DIRECTORS

DIRECTOR
MADSEN (D1)

DIRECTOR
OSTERMAN (D3)

VICE PRESIDENT
WHITFIELD (D4)

PRESIDENT
DAUCIUNAS (D1)

SECRETARY/TREASURER
SILVERSTEIN (D3)

DIRECTOR
ONWUNEME (D2)

DIRECTOR
STRUTHERS (D2)

MANAGER OF ENGINEERING
& OPERATIONS
GUERRY

GENERAL MANAGER
HILDRETH

MANAGER OF FINANCE &
MEMBER SERVICES
LOOMIS

SAN JUAN GENERAL
FOREMAN
GUARD

SAN JUAN CREW
FURBER - LF
VACANT/FUNDED
BLACK
OLSON
SUB TECH
PARSONS
APPRENTICE
IRBY
JONS

ORCAS GENERAL
FOREMAN
FOWLER

ORCAS CREW
WATTERS - LF
LOOK
ROSS
SUB TECH
MINNIS
APPRENTICE
AKERS

LOPEZ GENERAL
FOREMAN
DENGLER

LOPEZ CREW
SWANSON - LF
BAIR
WARNER
SUB TECH
BURLESON
APPRENTICE
KRAMER

SYSTEM ENGINEER
SMALLWOOD

GIS TECHNICIAN
SOMMER

WORK ORDER CLERK
VACANT/UNFUNDED*

E&O ADMIN SPECIALIST
BOSSERT

METER TECHNICIAN
HISER

SYSTEM DESIGN
ENGINEER
VEKVED

ENGINEERING
TECHNICIANS
DEINES
LAGO

STAKING TECHNICIANS
HELMS (ES)
VACANT/FUNDED (ES)

MANAGER OF IT
HEINZ

COMMUNICATIONS
TECH
TILSTRA (ES)
HAROLD (FH)

INFO SYSTEM
SPECIALIST
VACANT/UNFUNDED*

EXECUTIVE ASSISTANT
VACANT/FUNDED

MANAGER OF
COMMUNICATIONS
OLSON

ASST MANAGER OF
COMMUNICATIONS
BOUCHEY

ROCK ISLAND COMMUNICATIONS
SEE SEPARATE ORG CHART

ASSISTANT MANAGER OF
MEMBER SERVICES
VACANT/UNFUNDED*

ENERGY SERVICES
SPECIALIST
VACANT
UNFUNDED*

ENERGY SERVICES
COORDINATOR
GROSS

MEMBER SERVICES
SUPERVISOR
WYCKOFF

MEMBER SERVICE
REPRESENTATIVES
PENWELL (FH)
VACANT/FUNDED (FH)
VACANT/FUNDED (FH)
KIMPLE (ES)
DANIELSON (ES)

HEAD ACCOUNTANT
NEAL

ACCOUNTANT
BEAL

SPECIAL PROJECTS
COORDINATOR
KELLY

PURCHASING
BECKER

*Unfunded positions

LEGEND

NON-BARGAINING UNIT POSITION

BARGAINING UNIT POSITION