



Board of Directors

Regular Meeting

Thursday, February 15, 2024
Virtual Meeting via Zoom

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

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

The Zoom link will be updated monthly. Members can get the link to the meeting, submit any comments and questions in writing no less than 24 hours in advance of each meeting to: communications@opalco.com

Sequence of Events

- OPALCO Board Meeting
- Executive Session



Board of Directors
Regular Board Meeting
February 15, 2024, 8:30 A.M.*
Virtual Meeting via Zoom

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

WELCOME GUESTS/MEMBERS

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

Agenda

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EXECUTIVE SESSION

Legal, Personnel, Competitive, Other

ADJOURNMENT

ACTION ITEMS

Consent Agenda

All matters listed on 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 at the request of a Board member.

The Consent Agenda includes:

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

NEW MEMBERS – January 2024

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

4289 WEST SIDE LLC
 ANDREW, JED
 BAKER, DOROTHY & BAKER, DAVID
 BROWN, ALLAN
 ELLIS, BRAD
 FORD, CAROL & FORD, GREGG
 GONZALES, DONALD & GONZALES, SUZAN
 HEATON, JEFFREY
 KENNEDY, CLAIRE
 KIRBY, AARON
 LEWIN, MARK & LEWIN, JOHANNE
 LOO, CHALSA
 MATEUS, JOAN & POYNER, CIERRA
 MILLER, RYAN & MILLER, SAMANTHA
 OLVERA OLVERA, OCTAVIO
 PEDEN, JIM
 PRIEBE, PHILLIP
 RICE, MISTY
 ROACH, JOHN & ROACH, SHERI
 SHADOW RAIN LLC
 TURNER, ROBBIN & LIGHTON, JOHN
 WALLACE, DANICA & LOPEZ, KYLER

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

BASTINE, ALEXANDER & HODKINSON, APRIL
 BEACH, WILLIAM
 CLIFT, STEVE
 COYLE, MEG & COYLE, PATRICK
 DEAR, WILLIAM & LEE, VIVIAN
 GARCIA VILLARREAL, NATALIA
 GRAVETT, GEOFFERY
 KOEPCKE, KEVIN
 LUNDSGAARD, DAVID & PHILLIPS, LORI
 NEDELMANN, MARCUS
 OLSON, JOANIE
 SNYDER, CURTIS & SNYDER, TATE
 STEPHENS, SASCH
 VELAZQUEZ, JEIRI
 WESTBROOK, KRISTOFER & WESTBROOK, ASHLEY

District 3 (Lopez, Center, Decatur, Charles)

PORTER, JEFF & PORTER, NANCY
 SHEFFIELD, LAURA

District 4 (Shaw, Crane, Canoe, Bell)

No new members



Capital Credits

Staff requests payment of capital credits to the estates of the following deceased members and/or to organizations no longer in business by way of approval of the consent agenda:

February	
Customer #	Amount
77268	853.83
67417	67.28
9900	1,178.19
99661	6.66
70624	2,244.68
26150	1,032.80
64010	1,226.92
51528	744.30
Total	\$ 7,354.66

Staff requests a motion to approve the Consent Agenda.



Orcas Power & Light Cooperative
Minutes of the Board of Directors Meeting
Thursday, January 18, 2024

Streaming through Zoom attendees were Board members Vince Dauciunas, Jerry Whitfield, Brian Silverstein, Mark Madsen, Tom Osterman, Chuks Onwuneme, 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; Communications Manager Suzanne Olson (serving as recording secretary) and Head Accountant Travis Neal. Also present were Legal Counsel Joel Paisner and consultant Jay Kimball.

Members in attendance: Robert Memmott, Heather Nicholson, James McCubbin, Steve Bernheim, Justin Wolfe (9a)

Meeting commenced at 8:30 a.m.

Member Comment Period: No member comments.

ACTION ITEMS

CONSENT AGENDA

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

DISCUSSION ITEMS

Member Service Policy 1 – Staff reviewed the workplace schedule and implications for policy change.

2024 Communications Strategy – Staff reviewed an outline of communication priorities and activities planned for 2024. Discussion ensued.

REPORTS

GM REPORTS – Staff reviewed reports, dashboards, grant and budget tracking, and project updates.

Break: 9:45-10

Executive Session: 10 – 11:10

Meeting Closed: 11:10

Vince Dauciunas, President

Brian Silverstein, Secretary-Treasurer

Member Service Policy 1 – *Nature of Services* (Final Read)

With the approved Collective Bargaining Agreement, OPALCO’s work hours have changed, as discussed with the Board in January. Staff requests a second and final read on the changes to this policy.

Work Week One			
Day	Start Time	End Time	Hours
Monday	7:30 a.m.	5:00 p.m.	9
Tuesday	7:30 a.m.	5:00 p.m.	9
Wednesday	7:30 a.m.	5:00 p.m.	9
Thursday	7:30 a.m.	5:00 p.m.	9
Friday (Lobby Closed)	7:30 a.m.	4:00 p.m.	8
Work Week Two			
Day	Start Time	End Time	Hours
Monday	7:30 a.m.	5:00 p.m.	9
Tuesday	7:30 a.m.	5:00 p.m.	9
Wednesday	7:30 a.m.	5:00 p.m.	9
Thursday	7:30 a.m.	5:00 p.m.	9
Friday (Office Closed)	Off		0

This change is an operational issue and staff recommends the removal of Section 1.2. The current language that is contained in Member Service Policy 1 – *Nature of Services* section for Board discussion is as follows:

~~1.2 — BUSINESS OFFICE~~

~~1.2.1 — OPALCO shall maintain business offices in Eastsound and Friday Harbor. These offices shall be open from 8 a.m. until 4:30 p.m., Monday through Friday except holidays and occasional closures for safety training and staff development.~~

~~1.2.2 — OPALCO will accept collect telephone calls from members concerning billing or other service related issues.~~

Staff recommends the Board make a motion to approve Policy 1 with the removal of Section 1.2.

DISCUSSION ITEMS

Regional/Local Resources

Roger Gray, CEO of PNGC, will join the Board Meeting to discuss the current state of regional generation resource access. PNGC is a leader in the region on energy strategy and works to cultivate power supply conditions that are advantageous to its 16 member cooperatives. OPALCO General Manager Foster Hildreth sits on the Board of PNGC to keep our cooperative up to speed on key issues and industry trends.

As Roger is preparing to retire, the staff invited him to give us an update on the region – and to give us a chance to express our gratitude for his service. Roger’s presentation will cover contracting with BPA, the Energy Imbalance Market (EIM), and Energy Day Ahead Market (EDAM), give us a regional perspective on load forecasting, reliability and electrification, and answer questions.

Background:

Washington CETA, CCA and 2021 Energy Strategy are filled with great aspirational objectives, rapidly decommissioning coal and methane-powered generation and replacing it with clean energy. But as the January cold snap demonstrated, there is an increasing risk that load growth will outrun new generation project development, leading to increased probability of rolling blackouts and regional outages.

Pacific Northwest Utilities Conference Committee (PNUCC)’s 2023 Northwest Regional Forecast sets the stage for understanding the challenges ahead. Key findings include:

- Accelerated and steeper regional load growth compared to previous estimates.
- Compared to their 2022 load forecast, the 2023 load forecast shows a markedly different trajectory, with a 20 percent increase in load growth in the first five years.
- Much of this load growth is attributed to more certainty in prospective new industrial loads over the next five years.
- Only a portion of EVs and no other beneficial electrification is included in their load forecast. These measures will be included in future projections as industry understanding about the overall effect of electrification becomes more concrete.
- Summer and winter generation deficits are forecast starting in 2025 and projected to grow to 9,500 to 11,000 MW by 2032.
- Only committed new resources of generation are included: by 2033, the region will need 17,371MW’s, but only 868MW are currently committed.

The estimates above don’t consider new electrification loads! How big are those additional loads? Washington’s 2023 [Transportation Electrification Strategy](#) says, “The total amount of electricity required to support transportation electrification will grow significantly this decade and beyond. In the S1 Baseline scenario, light-, medium- and heavy-duty EVs are estimated to require 1.4 terawatt-hours (TWh) of electricity by 2025, increasing tenfold to 14 TWh by 2035. This represents 1.6% and 16%, respectively, of the state’s current annual electricity consumption of approximately 88 TWh. The S3 Strong Electrification



Policy scenario estimates that EV charging would require 1.7 TWh by 2025 and 15 TWh by 2035 (1.9% and 17% of the state’s current consumption, respectively).”

The new generation capacity required for the 14TWh 2035 Baseline Scenario is:

- 1,598 MW if supplied by a 100% Capacity Factor (CF) generator.
- 4,843 MW if supplied by Wind power, with 33% CF, capacity, requiring 242,000 acres of land.
- 14,527 MW if supplied by Solar power, with 11% CF, capacity, requiring 120,000 acres of land.

Land-intensive projects like wind and solar take years to permit. Using Northwest regional wind as an example, the current 3,000 MW of wind capacity took about 25 years to develop, or about 8 years per 1,000 MW. There are more than 300 wind power projects held up by court cases. Last week, a [USA Today analysis](#) found, “local governments are banning green energy faster than they’re building it.”

Add 4,843 to 14,527 MW additional generation to the 9,500 to 11,000 MW deficit in the PNUCC forecast, which doesn’t include the EV load. This implies a 2035 load of 13,000 to 25,000 MW more than forecast today. This also does not include an estimated load impact of building electrification!

Local Implications:

OPALCO estimates load growth from beneficial electrification in San Juan County will accelerate in a similar pattern to the mainland. The scale of what is needed is daunting. Solar and wind projects require lots of land and while the Federal government is currently incentivizing new renewable generation through grants, states and local agencies are becoming overly restrictive on renewable siting by prohibiting, or slow-rolling projects. This situation is compounded by an increase in court cases brought by homeowners who don’t want solar or wind projects in view (NIMBY).

Foreseeing the potential for regional outages, OPALCO has been accelerating local energy development projects and grant-seeking. The County’s Comprehensive Plan vision says the county “strives for energy independence” from the mainland. But as the state endeavors to rapidly shift from fossil fuels to land-intensive renewables – to achieve a 50% reduction of emissions in just six years – national, state, and county land-use policy has not evolved to meet the test.

In the next agenda item, staff will be discussing its seven-month (to date) permitting odyssey with the Bailer Hill Community Solar project and how those delays affect grant timetables. However, as a local energy resilience project, there are several key features and benefits:

- This single project will double local energy production.
- This single array will generate more, higher quality energy than all member rooftop solar exported energy combined.
- The project is configured with storage to provide a microgrid that will help power essential community services during major outages.
- With this project online, the total capacity of local solar (community + rooftop) will supply about 12% of summer load (and almost none in winter). With adoption of ductless heat pumps, there is a small but growing cooling load that lines up well with this resource.



- The project is designed as agri-solar and OPALCO has a partnership with a neighboring farmer to graze their sheep on the land beneath the raised array.

The chart below provides information on load and local community and rooftop solar generation.

2023 Month	Load			Community Solar				Rooftop Solar			Local Solar		
	Load (kWh Sold)	Decatur (kWh)	%	Bailer Hill (kWh)	%	Total Community Solar (kWh)	Community Solar Share of Load (%)	Rooftop Solar Export (kWh)	%	Rooftop Solar Share of Load (%)	Total Local Solar (kWh)	%	Local Solar Share of Load (%)
1	23,530,698	8,269	2%	87,971	2%	96,239	0%	28,294	1%	0%	124,533	1%	1%
2	22,725,760	18,268	4%	188,979	4%	207,247	1%	64,865	2%	0%	272,112	3%	1%
3	26,104,682	45,022	10%	332,574	7%	377,596	1%	158,575	4%	1%	536,171	6%	2%
4	19,919,683	49,204	11%	516,145	11%	565,349	3%	289,837	7%	1%	855,186	9%	4%
5	13,725,073	72,128	15%	644,833	14%	716,962	5%	489,689	12%	4%	1,206,651	13%	9%
6	9,967,841	65,601	14%	661,030	14%	726,631	7%	701,750	16%	7%	1,428,381	15%	14%
7	12,788,948	70,633	15%	755,894	16%	826,528	6%	702,366	16%	5%	1,528,894	16%	12%
8	12,300,207	57,473	12%	647,846	14%	705,320	6%	652,407	15%	5%	1,357,727	14%	11%
9	12,113,633	41,764	9%	437,191	9%	478,956	4%	497,135	12%	4%	976,091	10%	8%
10	13,999,023	23,043	5%	261,632	6%	284,675	2%	289,954	7%	2%	574,629	6%	4%
11	21,442,222	10,034	2%	124,809	3%	134,843	1%	232,622	5%	1%	367,465	4%	2%
12	25,753,081	6,009	1%	78,414	2%	84,424	0%	150,058	4%	1%	234,482	2%	1%
Annual Total	214,370,851	467,450	100%	4,737,319	100%	5,204,770		4,257,552	100%		9,462,322	100%	

In June of 2021, staff briefed the County Council about land use permitting challenges, recommending an approach like the Joint Use Wireless Facilities policy that successfully accelerated accelerate the deployment of reliable broadband and wireless communication services in the county. Little has changed. Permitting certainty is needed to meet grant schedule requirements. We continue to advocate for provisional or conditional use permits of land and are in conversation with various stakeholders in the county who care about land use.

OPALCO’s current direction is to offset load increases due to electrification of heating and transportation as well as population growth with local generation. We as a community need to figure out how to balance land use for local clean generation, worker housing, agriculture, etc.

Bailer Hill Community Solar

Staff continue to work with the San Juan County Department of Community Development to move this project through permitting. While we see progress in permitting, it’s a challenging process and we don’t have a solid estimate for permit certainty. However, once permitting is granted, the project team is ready to move quickly toward construction, member subscriptions, and additional grant funding opportunities.

To review the high-level economic picture, the Bailer Hill Project is forecast to cost approximately \$2.80/W DC compared to \$1.68/W DC for the Decatur Project (2017). Please note the Decatur cost per Watt was built seven years ago so the Bailer Hill project has been burdened with inflation and supply chain issues. Note, these figures are preliminary only and further cost increases are likely. However, staff expects to offset any project cost increases with future incentives and grants. Once permitting is complete, we will be able to submit for further grants and other incentives (USDA REAP Grants and Federal Investment Tax Credits (ITC)). The total project cost is estimated at \$8.5M; \$1M of that cost is covered by a WA Department of Commerce Clean Energy Fund grant to share the benefits of this project with OPALCO’s low-income members through Energy Assist and member subscriptions will cover the remaining \$7.5M.



If OPALCO is successful in garnering additional grants/credits, the subscribing members will receive a rebate, like they did on the Decatur project.

In order to develop materials to prepare members for project investment decisions, we need to solidify two key cost elements: 1) cost per unit for member subscription; and 2) the rate OPALCO will pay subscribers for kWh solar production credits. As you can see below, staff are recommending a cost per unit of \$300 (Decatur was \$150) and keeping consistent with the rate OPALCO pays for solar credits as stated in the Residential Distributed Energy tariff (\$0.0868/kWh net for 2024).

With these decision points, staff can build the materials that will be necessary to explain and offer subscriptions to the Bailer Hill project. More detail will be provided as it is available.

Staff request that the Board make a motion to solidify the following Bailer Hill components: 1) energy credit rate is per Production Energy Rate as found in the Residential Distributed Renewable Tariff, 2) the solar unit price of \$300 per unit.

Project Specifications – Bailer Hill Community Solar (Project 2)

Program administrator:	OPALCO
Location:	OPALCO Bailer Hill Microgrid Site, San Juan Island
Size:	3,045 kW DC capacity or 2,625 kW AC capacity
Annual estimated production:	4,737,000 kWh generated in the first full year with a ~0.5% degradation each following year.
Solar Unit Price:	\$300 (planned)
Solar units available:	28,450 (estimated) (includes 3,333 low-income grant units)
Estimated project cost:	\$8,500,000 (estimated)
Energy credit rate:	See Production Energy Rate from the RDR Tariff
Participation term:	25 years
Unknown Credits and Grants:	USDA REAP Investment Tax Credit (ITC)

*Any remaining net benefits after the participation term revert to the Energy Assist Program.

Estimated Unit Statistics

Unit Annual Energy:	155 kWh/Unit
Unit 2024 Annual Energy Value:	\$13.45/Unit (Est for First Year)
Unit Capacity:	107 kW/Unit

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
- 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
- Right-of-Way Program
- Inflation Reduction Act (IRA) Benefits
- Wildfire Mitigation
- Surge Protection
- OPALCO Needs a New Submarine Cable
- Bailer Hill Microgrid



ENGINEERING, OPERATIONS, AND INFORMATION TECHNOLOGIES

WIP

As of February 7, 2024, there are 358 work orders open totaling \$12.3M. Operations has completed construction on 212 work orders, totaling \$3.0M.

Safety

Northwest Safety Service conducted Personal Protective Equipment training for operations. The total current hours worked without a loss time accident 305,810 hours.

Grants

Grant Seeking

Grant Program / partner	Funder	Project Title (\$\$)	Grant \$\$	Matching \$\$	Timeline
Grid Resilience and Innovative Partnerships Program (GRIP) - Topic 1 (grid resilience) Concept Paper / BPA partner	DOE	Energy Resilience Transmission Project: Submarine Cable (\$100M)	\$66.6M	\$33.3M	February 2024 - encourage/dis-courage for full application
GRIP – Topic 3 (grid innovation) Concept Paper WSF is primary OPALCO is secondary	DOE	Grid Modernization for Electric Ferry Charging and Future Load Management (\$50M)	\$25M	\$25M	February 2024 - encourage/dis-courage for full application
Energy Improvement in Rural or Remote Areas (ERA)	DOE	Submarine Cable Project (\$100M)	\$80M	\$20M	Determination in Q1 2024
Clean Energy Fund 5 / partner to Port of Orcas	WA Dept of Commerce	EV Charging Project – Orcas	n/a	n/a	TBD
Advanced Cybersecurity Technology (ACT) 1 Prize	DOE	OPALCO Cybersecurity Initiative-	\$50k	\$50k	Determination in Q1 2024
Water Power Technology Office	DOE	Pilot Tidal Project – Phase 2	\$29M	\$7.25M Minimum	Dependent on Project Awarded Below



Grant Awards

Grant Program / partner	Funder	Project Title (\$\$)	Grant \$\$	Matching \$\$	Timeline / Notes
Zero Energy Vehicle Infrastructure (ZEVI) / partner with OPAL CLT	Bonneville Environmental Foundation	EV Chargers for OPAL Neighborhoods (\$45k)	\$25k	\$20k	Working with OPAL Install in 2024
Remote Communities Broadband ARPA	WA State Broadband Office	Last Mile Broadband	\$15M		In contracting
Clean Energy Fund 3 Grid Modernization	WA Dept of Commerce	Bailer Hill Microgrid	\$2.4M	\$2.4M	Land Use Permitting
Clean Energy Fund 4 Grid Modernization	WA Dept of Commerce	San Juan Islands Tidal Generation Conceptual Design (feasibility study)	\$150k	\$150k	Q1 2024
Clean Energy Fund 4 Grid Modernization	WA Dept of Commerce	Friday Harbor Ferry Electrification Prelim Design	\$150k	\$150k	Q4 2024
Clean Energy Fund 3 Grid Modernization	WA Dept of Commerce	Low Income Solar – Bailer Hill Microgrid	\$1M	\$1M	2024
Water Power Technology Office	DOE	Pilot Tidal Project – Phase 1	\$3M	\$750k	Awarded – In Negotiations



FINANCE

2024 Budget Tracking

Energy (kWh) sales were slightly higher than budgeted levels in January 2024. The table presents the full year 2024 projection with actuals for prior months where available.

Income Statement Summary (in thousands)	2024 Projection (actuals for prior months)		
	Budget	Projected	Variance
Operating Revenue	\$ 37,407	\$ 37,379	\$ (28)
ECA Surcharge / (Credit)*	\$ -	\$ (164)	\$ (164)
Revenue	\$ 37,407	\$ 37,215	\$ (192)
Expenses:			
Cost of Purchased Power	\$ 9,159	\$ 9,789	\$ 630
Transmission & Distribution Expense	9,343	9,332	(11)
General & Administrative Expense	7,054	7,055	1
Depreciation, Tax, Interest & Other	9,316	9,311	(5)
Total Expenses	34,872	35,487	615
Operating Margin	2,535	1,728	(807)
Non-op margin	673	681	8
Net Margin*	3,208	\$ 2,409	(799)
OTIER	2.19	1.81	(0.38)
TIER	2.50	2.13	(0.37)
Equity %	40.3%	39.9%	-0.4%
HDD	1,029	1,044	15
kWh Purchases	219,000	223,469	4,469
kWh Sales	208,000	209,898	1,898

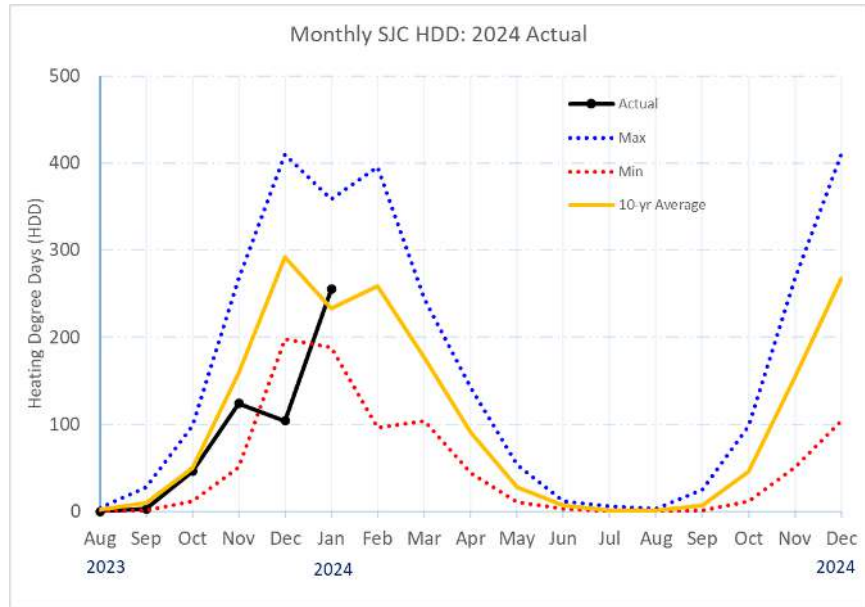
* The ECA returned \$164k to members in Jan 2024.

Monthly Energy Charge Adjustment (ECA)

January 2024 ECA returned \$164,664 from members, or \$6.25 per 1,000 kWh. The February billing period ECA is projected to be a bill surcharge of \$.007574 per kWh on member bills, or \$7.57 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)

At the year end 2023, we experienced very warm weather, as predicted, with December HDD's coming in below the 10-year minimum. In January 2024, we transitioned back to an average (yellow line) HDD trajectory, though still anticipating a warmer trending (El Niño) for the remainder of the winter months. We continue to monitor weather trends monthly.

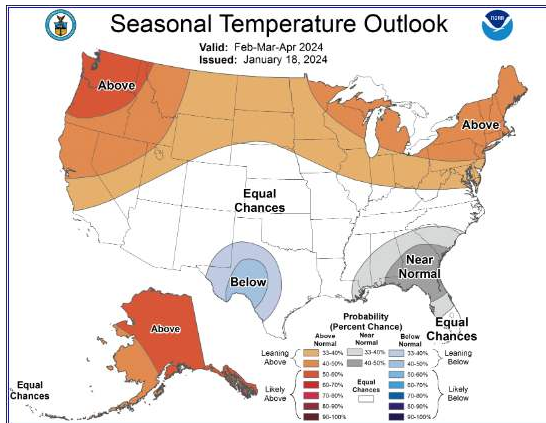


*max, min, avg is based on 10 year average

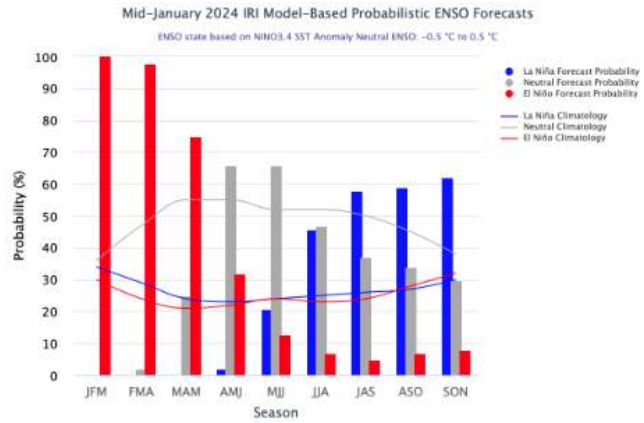
Weather Forecast

Looking ahead to the NOAA 'three-month outlook temperature probability' for Feb-Mar-Apr 2024, the outlook is currently showing strong El Niño temperature conditions in our region in the coming winter months. We continue to monitor these predictors monthly.

2024 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	2024	Grand Total
Energy Assist Credit	# of Accounts	444	460	574	577	546	519	354	1,105
	Total Assistance	111,996	135,595	158,434	158,740	156,761	141,748	15,533	878,807
PAL	# of Accounts	212	205	329	363	297	268	47	822
	Total Assistance	45,155	53,137	80,975	104,880	82,912	80,500	11,750	459,310
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	584	365	1,445
	Total Assistance	157,151	188,732	349,283	390,659	270,018	222,248	27,283	1,605,376

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” varies based on single account adjustments.

EAP: During January 2024, 362 members received ~ \$15.5k from the low-income Energy Assist program, compared to 375 members who received ~ \$114.9k in assistance in January 2023.

Project Pal: During January 2024, 58 members received ~\$14.5k from the Project PAL Award program, compared to 51 members who received ~\$14k in January 2023.

Project Pal is an important safety net for islanders during the heating season and we encourage all members to donate by rounding up their bill or making a contribution here: <https://www.opalco.com/account-services/project-pal/contribute/>.

LIHEAP: Notifications and Awards for LIHEAP and T-RAP have slowed considerably from the Opportunity Council.

Switch it Up!

There are now 658 projects completed and billing for a total of \$10.8M net outstanding (total projects less member pay-offs). There are another 30+ projects in various stages of the process. Some projects have been delayed as residential contractors have been limited by 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	2024	Grand Total
Appliance					36,112	5,834	\$ 41,946
Energy Storage				39,510	8,204		\$ 47,713
Ductless Heat Pump	648,252	617,060	641,765	1,575,722	1,770,540	174,708	\$ 5,428,047
Fiber		30,725	48,681	29,301	41,929	1,291	\$ 151,926
Ducted Heat Pump	8,119	30,000	15,000	18,127	889,537	92,570	\$ 1,053,354
Heat Pump Water Heater	13,985	9,805		5,012	15,701		\$ 44,503
Insulation				256,935	42,634		\$ 299,569
Other	14,543			90,649	188,075		\$ 293,268
Solar + Storage				435,748	250,438		\$ 686,185
Solar				1,731,564	2,065,292	55,314	\$ 3,852,170
Windows				563,557	246,848	59,719	\$ 870,125
Grand Total	\$ 684,900	\$ 687,589	\$ 705,446	\$ 4,746,125	\$ 5,555,309	\$ 389,436	\$ 12,768,805

Energy Savings

During December there were a total of 19 rebates paid out to members totaling ~\$19.9k. This includes four fuel switching ductless heat pump rebates and four 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.

		2019	2020	2021	2022	2023	2024	Totals
EE Rebates*	# of Accounts	442	303	147	210	261	19	1,382
	Total Awards	\$228,418	\$167,432	\$149,886	\$227,622	\$313,945	\$19,907	\$1,106,940
	Total Energy Savings (annual kWh)	733,432	783,431	359,269	346,900	440,382	13,220	2,676,634
Switch It Up**	# of Accounts	72	87	69	188	274	21	711
	Total Financed	\$684,900	\$674,814	\$697,799	\$4,581,706	\$5,449,776	\$389,436	\$12,478,430

*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 comes 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 four new interconnect applications submitted in January, with 11 members interconnected with solar for a total of 720 (<https://energysavings.opalco.com/member-generated-power/>). There are an additional 37 pending connections.

Community Solar

- 1) During the January 2024 billing cycle, the [Decatur Community Solar](#) array produced 6,000 kWh. A total of ~\$677 was distributed to 259 accounts in January.
- 2) Bailer Hill Solar is contingent on a successful San Juan County Conditional Use Permit, in progress.

Solar Benefits Paid to Members



All values are as of first of the month reported.

		2019	2020	2021	2022	2023	2024	Totals
Decatur Comm Solar	# of Accounts		265	268	262	264	264	
	Total Payments		\$93,734	\$95,497	\$84,658	\$86,983	\$677	\$361,549
WA State Incentives*	# of Accounts	256	259	58	57	59	0	689
	Total Payments	\$224,766	\$218,222	\$91,461	\$84,828	\$82,717	\$0	\$701,994
MORE**	# of Accounts	144	144	140	135	0	0	563
	Total Payments	\$53,109	\$51,897	\$50,896	\$123,477	\$0	\$0	\$279,379

*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

Election Update

The Elections & Governance Committee has submitted two candidates for the 2024 election:

- Wendy Heister – District 2
- Tom Osterman – District 3

Sitting Director Jeff Struthers has announced his retirement from the Board with this election cycle.

Nomination by petition are due February 16th by noon and the full slate of candidates will be announced by March 1st.

Election Timeline

Event	Date
Legal Notice for Election (RUS requires minimum 30 days prior to nominating process)	12/15/23 (extra time to avoid holidays)
Director Candidate Applications due (via EGC)	01/22/24 (12:00 Noon PST)
Nominations posted - (80 days prior to meeting)	02/05/24
Nominations by petition due (via OPALCO)	02/16/24 (12:00 Noon PST)
Nominations by petition posted - (55 days prior to meeting)	03/01/24
Candidate Forum (virtual)	03/06/24
Notice to members/Ballots mailed - (21-50 days prior to meeting)	03/06/24-04/04/24
Election closes - (3 days prior to meeting)	04/22/24
Annual Meeting	04/25/24

It should be noted this will be the that we have three board positions from three different districts as outlined below:



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

* All terms are 3-year terms starting in 2022

1) Struthers has announced his retirement and will not run for re-election.

For further information, please visit our election hub:

<https://www.opalco.com/about-community/elections-hub/why-run/>

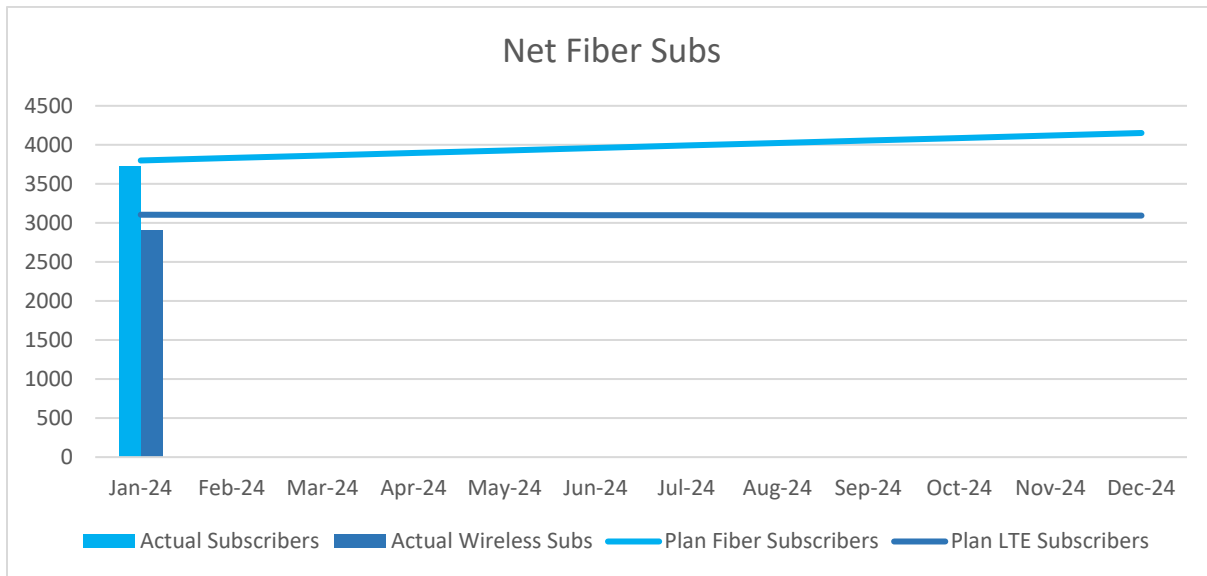
Island Way Workshops

A workshop on **Smart Home Devices** is scheduled for February 15 from 4-5pm on Zoom. Dive into the world of smart home devices like the Nest Thermostat, Smart Plugins and Switches, and Smart Breakers. Join the OPALCO team to get tips and tricks on how to make your home energy saving smarter and easier.

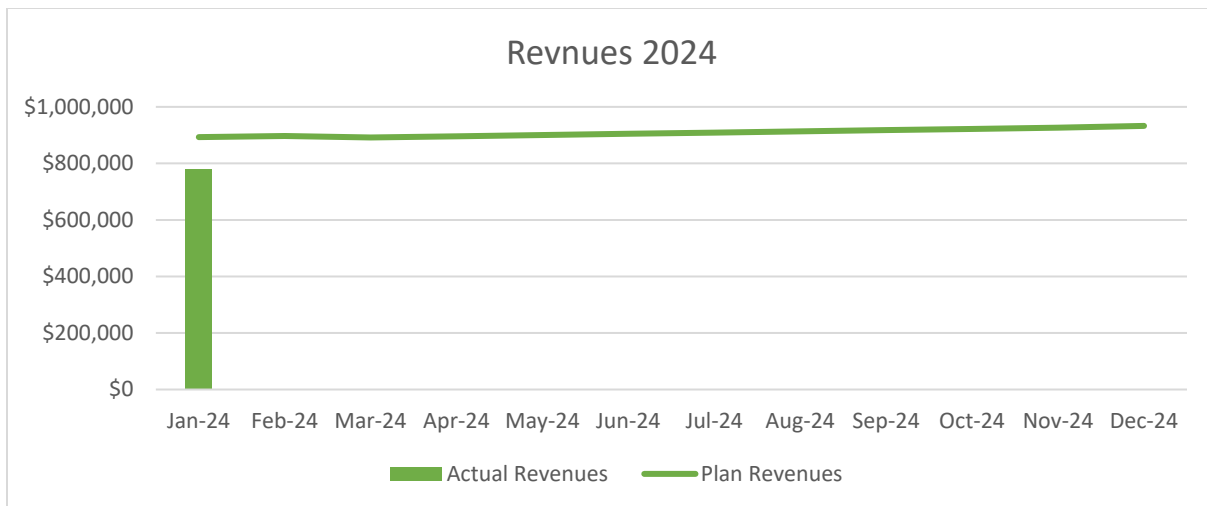
Rock Island Communications

6,615 Internet Service Customers

Net Subscribers



Revenues



❖ Previous months revenues are not closed out and are subject to change. Major contract revenue for January will be recognized at the close of agreements with partners, which will bring January revenues up to forecasted levels.