



OPALCO

Board of Directors

Regular Meeting

Thursday, August 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



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 – June/July 2024

District 1

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

AMAN, DAN & MORTA, SARAH
 AMAYA, JOSE
 ANSLEY, JORDANA
 BOTTING, ANNE-LISE
 BOYDSTON, NICHOLAS
 BURKE, BRIAN
 CHEPES TAMALES
 CONRAN, CAROLE
 CORAK, RICHARD & CORAK, ROBIN
 DAHLQUIST, MALLORY
 DECHRISTOPHER, SAMANTHA
 DUNATOV, YVONNE & DUNATOV, ROLAND
 ELSEY, JOSEPH & BENNETT-ELSEY, CHELLSEA
 ESTERRE PHASE 1 L, LC
 FORD, MARIAN
 FUND, STEPHEN
 GALLAGHER, JOHN & BITTERMAN, MICHAEL
 GRAHAM, ERIN
 HABEGGER, ELIZA
 HALABURKA, BRIAN & ROHDE, MELISSA
 HINTON, PAMELA
 HUDSON, STEVEN & HUDSON, JESSICA
 JAMES, PEGGE
 KISELYK, JACOB & JOHNSON, HANNAH
 KREIGER, LAUREN
 KRINGLE, SCHYLER
 KUBLY, SARAH
 LEWIS, THEA
 LILES, JAN
 MCCUTCHEON, JORDYN
 MILLER, GARY
 MP4S PROPERTIES L, LC
 NETHERTON, JENNIFER & NETHERTON, STEVE
 OBRAD, KIMBERLY
 PASPA, PAUL
 REISINGER, JASON & REISINGER, WHITNEY
 RICHARDS, RACHEL
 RICHEN, STEPHANIE & RICHEN, OWYN
 ROBERTSON, ARTHUR

ROGERS, PAT
 SALAS-TRUJILLO, YESENIA & SALAS-TRUJILLO, ESMERALDA
 SAN JUAN GARAGE DOOR AND GATES
 SCHMIDT, KIRSTEN
 SHADDOCK, THOMAS & CHRISTENSEN, CANDACE
 TATHAM, ELINOR
 THALER, DAVID & THALER, KAYLENE
 THE REC
 VITARELLI, ARTHUR & VITARELLI, LAURIE
 WEBER, MARIAN
 YEREX, MARK

District 2

(Orcas, Armitage, Blakely, Obstruction, Double, Alegria)

ABRAHAMSON, CINDY
 ASLETT, JENIFER
 BLAINE, KATHERINE
 BOWEN, AARON & BOWEN, RONAO
 BURMAN, SERENA
 CAREY, GIFFORD
 CHAPIN, JUSTIN
 CHIHUAHUA TEAM SE, RVICES LLC
 CLAIR, STEPHANIE
 DENNIS, HOLLY
 ECHO VALLEY WATER SYSTEM
 FORTENBERRY, RADON & FORTENBERRY, JUDITH
 GONZALEZ, ALFREDO
 HEIDT, EDWARD & HEIDT, MICHAL
 HUENING, TED & MARIES, HUENING
 JUSTUS, HEATHER
 LANGFORD, BARBARA
 LEIMGRUBER, ANGELA & CHLOUBA, STEPHANIE
 LYON, GWEN
 MARTINEZ RICO, GLORIA
 MCCUTCHEON, RYAN
 MINNERATH, ASHLEY & MARTY, JACOB
 MORGAN, KYLER & MORGAN, RACHEL
 NORRIS, SUSAN
 PATE, CANDACE & PATE, ROBERT
 ROME, LEE & ROME, SCOTT
 SHADY COVE MANAGM, ENT LLC
 SIM, ROBERT & NATHANI, NISHA



STEPHENS, SARAH
TIMMIS, ANA
VARNEY, BRYAN & VARNEY, STEPHANIE
WIGFIELD, JAMES & WIGFIELD, ALICIA
WOODHAVEN CONSTRUCTION

District 3

(Lopez, Center, Decatur, Charles)
BRUNTON, BONNIE & BRUNTON, TOM
CLANTON, KRISTA
DECATUR ISLAND LI, FE LLC
ESTATE OF CHARLES, E RILEY
FINNERAN, SHANE & FINNERAN, CHRISTINA
GLEASON, MARC
GREVSTAD, CHRISTIAN
HAINES, KATHRYN & HAINES, JASON
HANKS, RENEE

JESPERSEN, ANASTASIA & JESPERSEN, PAUL
KATZOWITZ, NAOMI
LINROTHE, DONALD & LINROTHE, PAMELA
MAES, LAWRENCE & DICKELMAN, JULIANNE
MCNEIL, ANDREW & MCNEIL, STEPHANIE
MORSE, SIBYL VICKI
MUNRO, REBECCA
RITCHIE, REX
RODRIGUEZ, ENRIQUE
RUHMANN, DONALD & WARREN, REBECCA
SHIELDS, PARLIN
SWANSON, BROOK
WARE, MOLLY

District 4

(Shaw, Crane, Canoe, Bell)
PARRA, JOSE



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:

August	
Customer #	Amount
66195	867.28
Total	\$ 867.28

RUS Form 219

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	Description
202405	\$11,348.03	Convert OH to UG in Member provided trench
202406	\$43,376.59	Transformer/Meter replacements, Pole replacements
Total	\$54,724.62	



Orcas Power & Light Cooperative

Rev: 202303050744

06/24/2024 11:24:17 am	RUS Form 219 Inventory Of Work Orders	Page: 2
Period: MAY 2024 System Designation: WA O9		
Preliminary 202405		

Project	Loan	Year	Work Order		Bdgt (3)	Gross Funds Required		Deductions		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)		Contrib In Aid Of Constr and Previous Advances (8)
1600		2023	4025	4025	1	11,411.78	0.00	0.00	0.00	0.00	11,348.03
									AFUDC: 63.75		
						11,411.78	0.00	0.00	0.00	0.00	11,348.03
Grand Totals:						\$ 11,411.78	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 11,348.03

Minor Construction Work Orders
 Work Order: 4025 - COVERT OH TO UG IN MEMBER PROVIDED TRENCH

Orcas Power & Light Cooperative

Rev: 202303050744

06/24/2024 11:24:17 am	RUS Form 219 Inventory Of Work Orders	Page: 4
Period: MAY 2024 System Designation: WA O9		
Preliminary 202405		

Budget		Amount
Loan	Project	
1	1600	11,348.03
Total:		11,348.03

ENVIRONMENTAL CERTIFICATION

1 WE CERTIFY THAT CONSTRUCTION REPORTED ON THE LISTED WORK ORDERS (EXCEPT CERTIFICATION "2" BELOW), IS A CATEGORICAL EXCLUSION OF A TYPE DESCRIBED IN 7 CFR 1970 WHICH NORMALLY DOES NOT REQUIRE PREPARATION OF A BORROWER'S ENVIRONMENTAL REPORT.

2 WE CERTIFY THAT CONSTRUCTION REPORTED ON WORK ORDERS _____ IS A CATEGORICAL EXCLUSION OF A TYPE THAT NORMALLY REQUIRES A BORROWER'S ENVIRONMENTAL REPORT WHICH IS ATTACHED.

SIGNATURE (MANAGER) _____
DATE

BORROWER CERTIFICATION

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

SIGNATURE (MANAGER) _____
DATE

SIGNATURE (BOARD APPROVAL) _____
DATE

ENGINEERING CERTIFICATION

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

INSPECTION PERFORMED BY _____
FIRM

LICENSE NUMBER _____
DATE _____
SIGNATURE OF LICENSED ENGINEER



07/22/2024 9:31:42 am	RUS Form 219 Inventory Of Work Orders	Page: 1
Period: JUN 2024		System Designation: WA O9

Inventory: 202406

Project	Loan	Year	Work Order		Bdgt (3)	Gross Funds Required		Deductions		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)		Contrib In Aid Of Constr and Previous Advances (8)
601		2023	4058	4058	1	13,728.52	0.00	249.16	0.00	0.00	13,398.78
601		2023	4110	4110	1	29,955.04	752.63	0.00	AFUDC: 80.58	0.00	29,977.81
						43,683.56	752.63	249.16	AFUDC: 729.86	0.00	43,376.59
Grand Totals:						\$ 43,683.56	\$ 752.63	\$ 249.16	\$ 0.00	\$ 0.00	\$ 43,376.59

07/22/2024 9:31:42 am	RUS Form 219 Inventory Of Work Orders	Page: 3
Period: JUN 2024		System Designation: WA O9

Inventory : 202406

Budget		Amount
Loan	Project	
1	601	43,376.59
Total:		43,376.59

BORROWER CERTIFICATION

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

SIGNATURE (MANAGER) _____
DATE

SIGNATURE (BOARD APPROVAL) _____
DATE

ENGINEERING CERTIFICATION

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

INSPECTION PERFORMED BY _____
FIRM

LICENSE NUMBER _____
SIGNATURE OF LICENSED ENGINEER

DATE

Staff requests a motion to approve the Consent Agenda.



**Orcas Power & Light Cooperative
Minutes of the Board of Directors Meeting
Thursday, June 20, 2024**

Streaming through Zoom attendees were Board members Vince Dauciunas, Brian Silverstein, Mark Madsen, Tom Osterman, Jerry Whitfield and Chuks Onwuneme. Staff present were General Manager Foster Hildreth; Manager of Engineering and Operations Russell Guerry; Manager of Finance and Member Services Nancy Loomis; Communications Manager Krista Bouchey; Head Accountant Travis Neal; and Special Projects Office Coordinator Beth Stanford (serving as recording secretary). Also present were Legal Counsel Joel Paisner, and consultant Jay Kimball.

Members in attendance: Rick Fant and Sharon Abreu from Orcas Island; Ray Glaze from Shaw Island

Meeting commenced at 2:30 p.m. Delayed due to BPA site tour with John Hairston, BPA Administrator.

Member Comment Period: No member comments.

ACTION ITEMS

BOARD OFFICER ELECTIONS

Per counsel, no MOTION to delay the Board Officer Elections until August 2024.

CONSENT AGENDA

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

MEMBER SERVICE POLICY and BYLAW UPDATES – FINAL READ – Staff reviewed changes to the policies and bylaws. Discussion ensued.

MOTION was made by Silverstein to approve revisions to Member Services Policies 7, 9, and 16, and Bylaw Adjustments, seconded by Osterman and passed unanimously by voice vote.

DISCUSSION ITEMS

County Candidate Questions

OPALCO and Rock Island have asked each San Juan County Council candidate questions concerning reliable energy and internet. OPALCO will publish the answers from the candidates in various publications. Discussion ensued.

Shaw Roadway Issues

Shaw Island residents asked OPALCO to consider allowing SJC Public Works to store construction material and ditch debris within OPALCO's utility easements. Discussion ensued and it was concluded that OPALCO is unable to provide a resolution as OPALCO only has access to easements for the purpose of providing



utilities. Discussion of landholdings on Shaw also took place and it was concluded that OPALCO lacks the space needed to provide a solution for SJC Public Works.

REPORTS

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

Regular Session ended: 3:46 pm

Break: No break

Executive Session: 3:46 pm

Meeting Closed: 4:11 pm

Vince Daucinas, President

Brian Silverstein, Secretary-Treasurer

**Orcas Power & Light Cooperative
Board of Directors Work Session
Wednesday July 31, 2024**

Attending were Board members Vince Daucinas, Brian Silverstein, Mark Madsen (Zoom), Tom Osterman, and Jerry Whitfield. 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; Robert Smallwood, System Engineer and Special Projects Office Coordinator Beth Stanford. Also present were Legal Counsel Joel Paisner, and consultant Jay Kimball.

Strategic Planning session focused on power reliability and escalating costs in the Pacific Northwest.

No meeting minutes were taken.



Board Officer Elections

The Board needs to elect officers to the OPALCO Board in keeping with our Bylaws and regulatory requirements.

Article V Section 2 of the Bylaws states “The officers shall be elected by ballot, annually by and from the Board of Directors at the first meeting of the Board of Directors held after each annual meeting of the members.”

The Board is encouraged to discuss potential officers and those who are interested in serving. Board members will be asked to vote electronically submitting their votes in the chat function to Nancy Loomis, Manager of Finance & Member Services during this meeting. The 2024-2025 Directors are as follows:

Vince Dauciunas
Mark Madsen
Chuks Onwuneme
Brian Silverstein
Tom Osterman
Wendy Hiester
Jerry Whitfield

The Chart below shows the Board positions to be elected and the current officers.

Position	Current Officers: 2023-2024	2024-2025
President	Vince Dauciunas	
Vice-President	Jerry Whitfield	
Secretary/Treasurer	Brian Silverstein	

Staff will tally the results and report the results once all votes are cast.

DISCUSSION ITEMS

Q2 2024 Financial Report

The 2024 second quarter financial report is posted online and included under separate cover. The second quarter results are consistent with the budget. Included in the report package are the Statement of Revenues and Margins (along with a notable driver analysis), Balance Sheet, Statement of Cash Flows (GAAP), and capital projects budget tracking.

The energy charge adjustment (ECA) collected a net \$13k from the membership through Q2 2024 which was driven by an increase in power costs in Q1 of \$346k. Overall operating revenue was higher than the budget, corresponding with higher kWh sales.

The table below presents the projection of full-year 2024 financial results using actuals from Q2 and budget projections for future months.

Income Statement Summary (in thousands)	2024 Projection (actuals for prior months)		
	Budget	Projected	Variance
Operating Revenue	\$ 37,407	\$ 38,674	\$ 1,267
ECA Surcharge / (Credit)*	\$ -	\$ 13	\$ 13
Revenue	\$ 37,407	\$ 38,687	\$ 1,280
Expenses:			
Cost of Purchased Power	\$ 9,159	\$ 9,502	\$ 343
Transmission & Distribution Expense	9,817	9,418	(399)
General & Administrative Expense	7,112	6,664	(448)
Depreciation, Tax, Interest & Other	9,314	9,478	164
Total Expenses	35,402	35,062	(340)
Operating Margin	2,005	3,625	1,620
Non-op margin	673	811	138
Net Margin*	2,678	\$ 4,436	1,758
OTIER	1.94	2.76	0.82
TIER	2.25	3.15	0.90
Equity %	40.3%	41.1%	0.8%
HDD	1,029	959	(70)
kWh Purchases	219,000	230,424	11,424
kWh Sales	208,000	217,463	9,463

* The ECA collected a net \$13k from members through June 2024.

For more details, please note the following key points:

- Heating Degree Days (HDD) were ~11% below budgeted levels (actual of 566 vs. budget of 636). Overall kWh sales were ~9M kWh above budget (119M vs. budget of 110M).
- 2024 power purchases were \$343k higher than budgeted due to higher overall kWh purchases. Actual kWh purchases were 12M kWh above budget (128M vs. budget of 116M).



- Excluding purchased power, 2024 operating expenses were approximately \$669k under budgeted amounts. See budget notable drivers within the financial packet for specific account details.
- The ECA for Q2 2024 was a net charge to members (and increase to operating revenue) of \$13k, or \$.69 for a member using 1000 kWh/month.
- Rock Island Communications 2024 Financials included in separate packet.

OPALCO 2024 Financial Package under separate cover.

Bailer Hill Update

OPALCO has submitted all project information previously requested by San Juan County's Department of Community Development as of July 2, 2024. Staff met with Kyle Dodd, Deputy Director of Community Development and Health and Community Services, on August 1, 2024, to discuss the process moving forward. The Bailer Hill Microgrid Conditional Use Permit Application materials are to be transmitted to the Counties Land Use third-party reviewer to process. Staff anticipates another meeting with Kyle Dodd and potentially the third-party reviewer prior to the end of the month. During our discussion with the County, we expect the meeting with the San Juan County Hearing Examiner to be in September.

For background information on the Bailer Hill Project check out this Quick Fact: <https://www.opalco.com/quick-fact-bailer-hill-microgrid/2024/01/>.

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 August 7, 2024, there are 333 work orders open totaling \$15.6M. Operations has completed construction on 140 work orders, totaling \$1.8M.

Safety

Northwest Safety Service conducted CPR and First Aid training for staff. The total current hours worked without a loss time accident 345,564 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	Submitted in April 2024
Waterpower 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	Rosario Strait Tidal Generation 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
Waterpower Technology Office	DOE	Pilot Tidal Project – Phase 1	\$3M	\$750k	Awarded – In Negotiations
Advanced Cybersecurity Technology (ACT) 1 Prize	DOE	OPALCO Cybersecurity Initiative-	\$50k	\$50k	Determination in Q1 2024



FINANCE

2024 Budget Tracking

Energy (kWh) sales were higher than budgeted levels through July 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	\$ 38,985	\$ 1,578
ECA Surcharge / (Credit)*	\$ -	\$ 65	\$ 65
Revenue	\$ 37,407	\$ 39,050	\$ 1,643
Expenses:			
Cost of Purchased Power	\$ 9,159	\$ 9,422	\$ 263
Transmission & Distribution Expense	9,778	9,378	(400)
General & Administrative Expense	7,081	6,633	(448)
Depreciation, Tax, Interest & Other	9,314	9,477	163
Total Expenses	35,332	34,910	(422)
Operating Margin	2,075	4,140	2,065
Non-op margin	673	811	138
Net Margin*	2,748	\$ 4,951	2,203
OTIER	1.97	3.01	1.03
TIER	2.29	3.40	1.11
Equity %	40.3%	41.3%	1.0%
HDD	1,029	959	(70)
kWh Purchases	219,000	230,140	11,140
kWh Sales	208,000	217,487	9,487

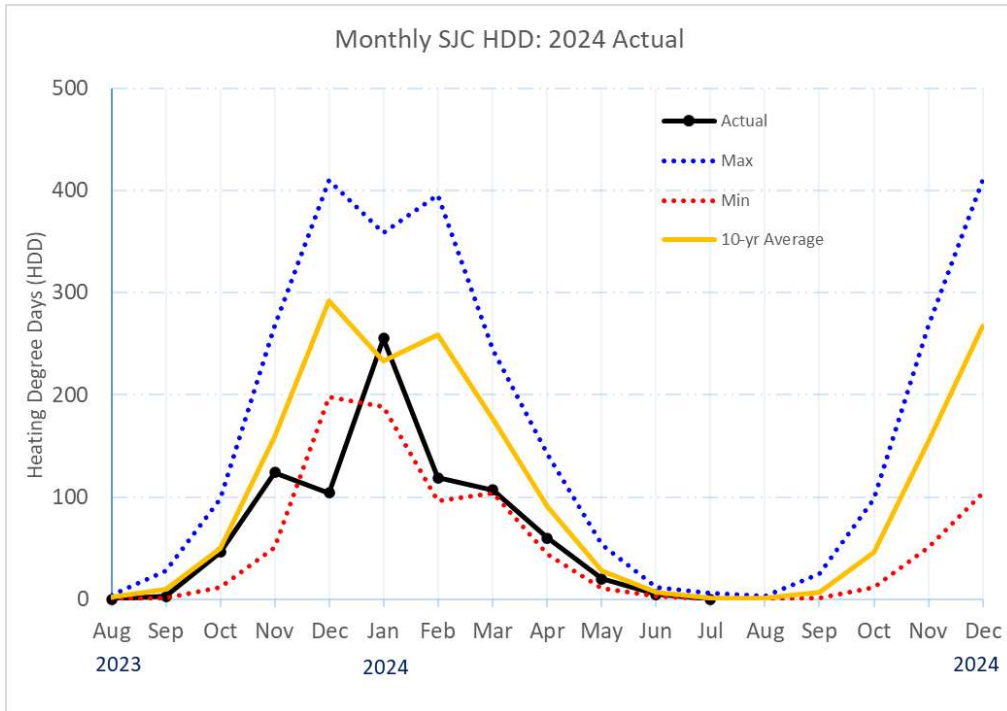
* The ECA collected a net \$65k from members through July 2024.

Monthly Energy Charge Adjustment (ECA)

The July 2024 ECA collected \$52,219 to members, or \$4.30 per 1,000 kWh. The August billing period ECA is projected to be a bill surcharge of \$.001846 per kWh on member bills, or \$1.85 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 slipped back toward a minimum level February through July 2024. We are anticipating a warmer trend (El Niño) for the remainder of summer & cooling to a La Nina trend as we come into the winter months. We continue to monitor weather trends monthly.

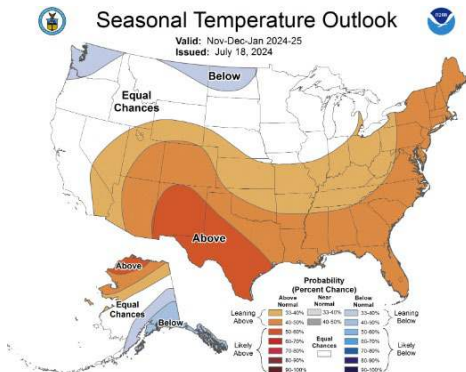


*max, min, avg is based on 10 year average

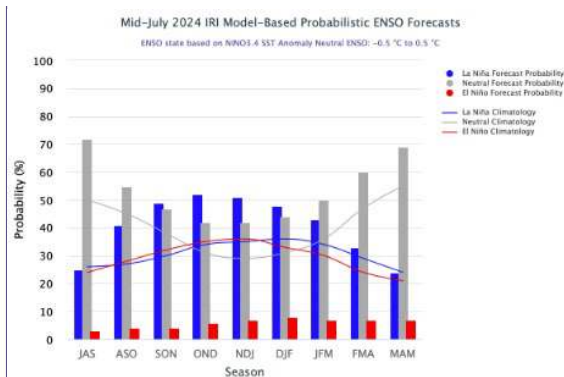
Weather Forecast

Looking ahead to the NOAA 'three-month outlook temperature probability' for Nov-Dec-Jan '24-'25, the outlook is currently showing mild La Nina temperature conditions in our region in the upcoming winter season. The models in the International Research Institutes' (IRI) ENSO (weather) prediction forecast a shift to a La Niña condition through summer and continuing into the fall and upcoming winter. We continue to monitor these predictors monthly.

2024 Nov-Dec-Jan Outlook



Source: NOAA National Weather Service





MEMBER SERVICES

Annual History of Energy Assistance Funding

All values are as of first of the month reported.

		2018	2019	2020	2021	2022	2023	2024	Grand Total
Energy Assist Credit	# of Accounts	444	460	574	577	546	519	470	1,161
	Total Assistance	111,996	135,595	158,434	158,740	156,761	141,748	97,581	960,855
PAL	# of Accounts	212	205	329	363	297	268	150	857
	Total Assistance	45,155	53,137	80,975	104,880	82,912	80,500	37,750	485,310
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	497	1,493
	Total Assistance	157,151	188,732	349,283	390,659	270,018	222,248	135,331	1,713,424

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. 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 June 2024, 258 members received ~ \$10.9 K from the low-income Energy Assist program, compared to 208 members who received ~ \$8.2K in assistance in June 2023. During July 2024, 275 members received ~ \$11.7 K from the low-income Energy Assist program, compared to 220 members who received ~ \$8.8K in assistance in July 2023.

Project Pal: Project PAL award season will resume in November 2024.

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

WA Department of Commerce (DOC) Clean Energy Credits for Washington Families Grant Program: During July OPALCO began distributing bill credits, totaling \$188.6k in electric bill credits to OPALCO’s low and moderate-income members. The program will extend until September 15th.

Switch it Up!

There are now 770 projects completed and billing for a total of \$13.8M net outstanding (total projects less member pay-offs). There are another 40+ projects in various stages of the process. 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	28,480.29	\$ 64,592
Energy Storage				39,510	8,204	43,236.96	\$ 90,950
Ductless Heat Pump	648,252	620,060	641,765	1,571,737	1,781,049	1,192,462.78	\$ 6,455,325
EV Charger						25,775.63	\$ 25,776
Fiber		30,725	48,681	29,301	41,929	54,054.30	\$ 204,690
Ducted Heat Pump	8,119	30,000	15,000	18,127	956,159	304,950.50	\$ 1,332,356
Heat Pump Water Heater	13,985	9,805		5,012	15,701	6,021.56	\$ 50,525
Insulation				256,935	42,634	135,510.72	\$ 435,080
Other	14,543			92,649	188,075	1,500.00	\$ 296,768
Solar + Storage				480,057	425,011	190,013.74	\$ 1,095,081
Solar				1,897,659	2,532,836	938,641.71	\$ 5,369,137
Windows				563,557	437,569	250,373.15	\$ 1,251,500
Grand Total	\$ 684,900	\$ 690,589	\$ 705,446	\$ 4,954,544	\$ 6,465,278	\$ 3,171,021	\$ 16,671,779



Energy Savings

During June and July there were a total of 45 rebates paid out to members totaling ~\$49.9k. This includes 7 fuel switching ductless heat pump rebates and 16 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	120	1,483
	Total Awards	\$228,418	\$167,432	\$149,886	\$227,622	\$313,945	\$133,747	\$1,221,050
	Total Energy Savings (annual kWh)	733,432	783,431	359,269	346,900	440,382	138,060	2,801,474
Switch It Up**	# of Accounts	72	87	69	188	274	151	841
	Total Financed	\$684,900	\$686,947	\$705,466	\$4,954,544	\$6,465,278	\$3,171,021	\$16,671,779

*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 24 new interconnect applications submitted during June and July, with 22 members interconnected with solar for a total of 789. There are an additional 39 members pending connections. (<https://energysavings.opalco.com/member-generated-power/>).

Community Solar

- 1) During the month of June and July 2024 billing cycles, the [Decatur Community Solar](#) array produced 148,160 kWh. A total of ~\$14,875 was distributed to 263 accounts during June and July.
- 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	263	
	Total Payments		\$93,734	\$95,497	\$84,658	\$86,983	\$29,755	\$390,627
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

Youth Rally

In July, more than 65 students representing electric co-ops from Alaska to Nevada attended the 2024 Co-op Youth Rally at Northwest Nazarene College. The week-long event is a leadership camp and scholarship program for rural electric cooperatives and public utilities.

Five high-school students from the islands represented OPALCO. From Orcas Island High School: Riley Helms, Isabel Boyd, Sofia Jauregui-Mahony and Cienna Richardson; and from Friday Harbor High: Matthew VanDyck. Molina Stone, from Orcas Island High School returned for a second year to act as a director and help plan and facilitate the event.

The students had a jam-packed week of learning, leadership development, teambuilding and summer camp fun. Youth take part in classes about the electric industry, governance structures, business challenges, renewable and electrical generation as well as leadership activities and the opportunity to make connections with peers throughout the region.



Decatur Island Tour

Staff took a group of teens attending the Canoe Island French Camp that are interested in renewable energy on a tour of the Decatur Island Microgrid.



Communications New Hire

We have a new edition to the OPALCO Communications Team. Jo Lange joins us as the new Communications Specialist. She graduated from the University of Washington Communications Department and moved to Orcas Island in May.

Alex Ramel Visit

OPALCO staff toured the Orcas Island Transfer Station with State Representative Alex Ramel. A key topic was using old landfill sites for solar energy generation. San Juan County staff and Representative Ramel are supportive of landfill sites being used for clean energy generation. There are some regulatory hurdles to overcome to make it easier to install solar panels on an inactive landfill.



Energy Credits

Through the Washington Families Clean Energy Credits Grant program, OPALCO residential customers could be eligible for a \$200 Bill Credit. This program is supported with funding from Washington's Climate Commitment Act. Per state guidelines, these funds will be prioritized to members at or below the 80% area median income and if funds remain can go up to 150% of the area median income. This is a one-time \$200 credit for eligible residential electric utility accounts. It's super easy to apply for this program, visit https://wacleanenergycredits.com/relief_program. OPALCO is working with the Washington State Department of Commerce and the software company Promise to administer this program. The credits are available until September 15th

San Juan Rotary Car Show

Staff brought the Island Way Electric Car to the Rotary Club Car show this month and chatted with members about beneficial electrification and the Bailer Hill Microgrid.



Historical Museum Exhibit Opening

August 15 @ 2:00 pm - 4:00 pm

Connecting the Islands: The History of Bringing Power and Communications to the San Juans
181 North Beach Road – Eastsound

Join OPALCO and the Museum team for the opening of the newest exhibit and see how the islands were electrified. The exhibit includes the history of the co-op, hands-on activities, and displays of old equipment used by line crews back in the day. There will be lemonade and snacks. Come on by!

Island Way Workshop: Tidal Generation Project

August 27th at 5 pm

Virtual

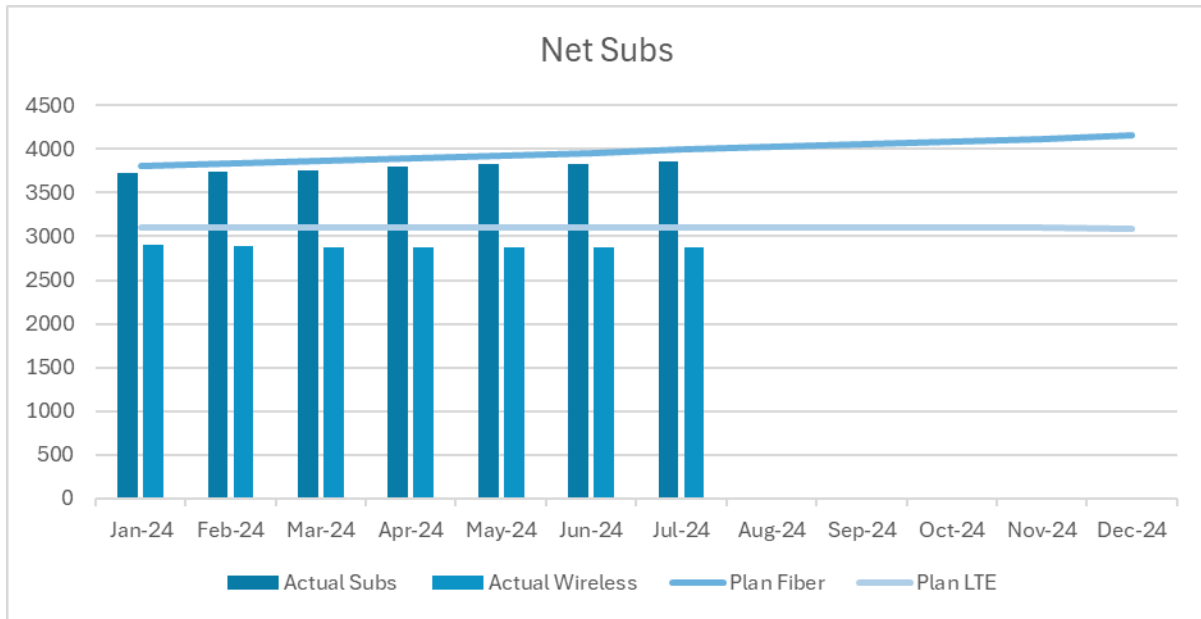
OPALCO was selected by the Department of Energy for Phase 1 grant funding to explore the development of a tidal generation project in San Juan County. The funding is to explore the feasibility of this pilot project. The workshop will go over the various aspects of this project including the technical and logistical considerations involved. Learn more about this innovative project and its potential for a new renewable energy source in the Salish Sea. Email communications@opalco.com to register.

Rock Island Snapshot

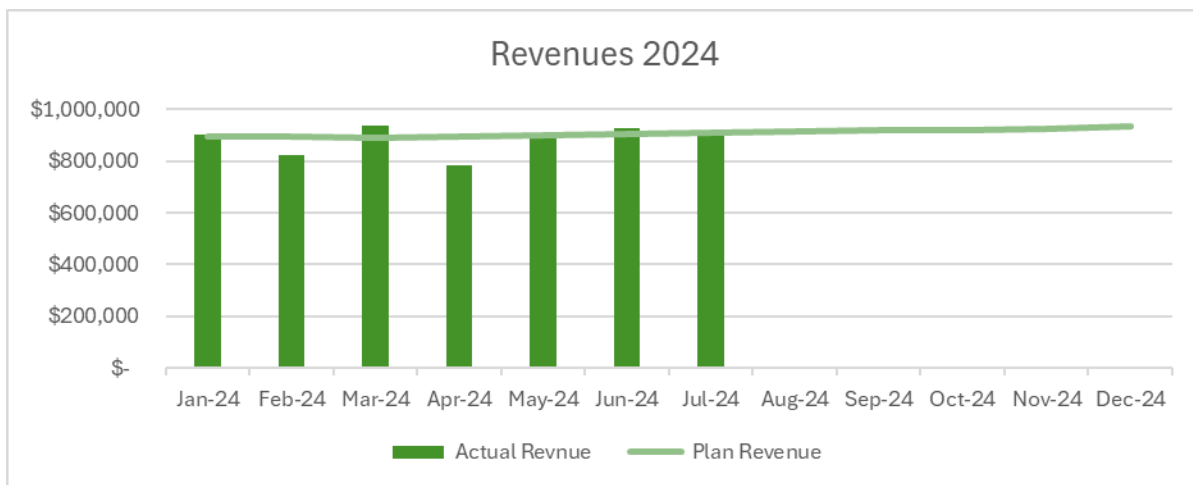
6,724 Internet Service Customers

Net Subscribers

7/31/2024



Revenues



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

Appendix

San Juan County Council Candidates Questions and Answers

The primary election occurred on August 6th and results are still being tallied. Preliminary results indicated District 1 candidates will be Kari McVeigh and District 2 with be Justin Paulsen and Rick Hughes.

OPALCO and Rock Island asked each San Juan County Council candidates questions concerning reliable energy and internet. The general election takes place in November 2024.

We need a County Council that will work closely with OPALCO to realize a healthy, sustainable energy future in the islands. Here are the responses to each question from each candidate for the general election:

District 1



Kari McVeigh

Q: The current Utility Element (Section B8) in the Comprehensive Plan states: “Our community strives for energy independence...we use renewable energy.” To achieve this vision will require significant land and water areas to host local renewable energy power sites. What is your vision for the future of energy for San Juan County as a whole?

A: My vision is that San Juan County can generate enough power for itself to run our most critical services and first responders if power from the mainland is interrupted, or unavailable in an outage. I believe we need to protect ourselves against electricity supply issues, which are starting to occur as the entire region switches to carbon-free power. Our mainland power supply is critical, and we will likely never be wholly self-sufficient, but we need enough capacity that we can protect ourselves and have some control over our costs, and our destiny.

Q: How would you direct County staff to prioritize this goal of energy independence (as referenced above) and facilitate implementation of these renewable energy sites?

A: I believe it is essential to create an inclusive but efficient process for determining where renewable energy projects can be sited within the County and create some predictability so that San Juan County can qualify for as much grant funding as possible without delays. Since the actual design and construction work is done by OPALCO, it is really the public dialogue about siting, addressing land use designations, and creating permitting certainty that the County leadership and staff need to accomplish.

Q: What are you, as a candidate, doing to educate yourself on the complexities and impacts of energy policies on the citizens of San Juan County?

A: When I began running for this office, I immediately began educating myself on the issues that face us as a community. I have talked with all the principal people and groups involved in our energy and



climate policy and have read OPALCO's plans for increasing solar energy production and tidal power exploration.

Q: Ten years ago, when the county lacked sufficient broadband capacity, OPALCO and the county worked together to streamline land use and permit guidelines. This provided us with permitting certainty and allowed us to meet schedule obligations. The Comprehensive Plan Update (Section B, Element 2, Land Use) speaks to land use for alternative energy resources and identifies essential public facilities. Would you support a similar permitting approach to development of provisional use codes for local, renewable energy facilities to provide essential services to the community?

A: My hope is that we can come up with a predictable permitting process for renewable projects that incorporates public feedback. We need a process that creates uniform expectations for OPALCO, the County staff, and the community, so that we can keep vital projects moving and ensure that we qualify for grant funds when they're available. But almost more important than the process details themselves is working with the community so that everyone is informed, and everyone understands how the process will work.

Q: Where will you draw the line between local energy resilience and island aesthetics?

A: This is always going to be the most difficult issue we face. Of course, our community wants resiliency in the face of mainland outages and supply issues, and nobody wants to see the cost of electricity soar as the regional production of electricity lags behind the demand. But we also need to bring the community along and let their voices be heard about the changes this will mean for our landscape. Solar panels are part of rural landscapes in many parts of the country, and I believe they will be here. I believe we need to move forward with projects that create local resilience but have an open dialogue so that everyone feels heard.

Q: Studies indicate that rooftop solar only provides a fraction of the energy needed to replace electricity lost from the elimination of fossil fuel generation. SJC Comprehensive Land Use Plan limits utility scale solar in agriculture areas and excludes utility scale solar be built in forested areas. Are you in favor of changing the comprehensive plan and land use tables to allow more renewable generation in the non-environmentally sensitive areas of SJ County? If so, how?

A: My understanding is that the land use restriction on generation does come from a different era with different technologies. We do need to evaluate where we can and should place community solar projects, since rooftop solar is only part of the solution. I am in favor of having a dialogue about the necessity for changing land use restrictions, and then coming up with an inclusive but efficient process for permitting renewable projects. And the comprehensive plan update that we will be responsible for does need to address this issue.

Q: Given our need to also firm up local renewables with power generated on the mainland (when the sun doesn't shine, wind doesn't blow, and batteries are fully discharged), how important is hydropower in your vision of the County's future energy supply?

A: As I understand it, the amount of electricity we consume here in the islands is much greater than we ourselves can generate, especially during the shorter and darker days of winter. As a result, the



submarine cables that link us to the mainland, and bring us hydropower, are absolutely critical to our community. Solar and tidal power may be growing and critical parts of our energy future, but we will always need the “always on” power from the mainland and hydropower not just to firm up our renewable power when it fluctuates, but often to provide the bulk of our needs.

Q: Do you plan to encourage electrification of transportation in San Juan County, and if so, how?

A: Absolutely we need to encourage electrification of transportation. The greenhouse emissions studies show that transportation is the major contributor to emissions in the County. The County can help in many ways. We can help our citizens make the transition to electric vehicles by collaborating with landowners, OPALCO, and public entities to have more public charging stations, for example. We can support the school districts in their trials with electric buses, and eventual electrification of their fleets. But the biggest project will be the eventual electrification of the Washington State Ferries. Our job at the County is to be ready for the major construction and permitting efforts that will be required to get megawatts of power to the ferry docks. That’s going to be huge job involving the County, the State, and OPALCO, and we will need to work together to get it done.

Q: In a chart above from San Juan County, of voters’ top concerns, power and internet service didn’t even make the list. How do we get citizens to prioritize these issues that are critical to the quality of life in the islands?

A: To be honest, I think when the lights always stay on, and we improve our internet services the way Rock Island has done for so many, people stop worrying about it. That doesn’t mean that we don’t have longer term issues like the regional electricity supply or how to increase our local generation of renewable energy, but I understand why it’s not top of mind for many people, especially given housing and ferries. But we do need to use the Comprehensive Plan update and the work we do to revamp the permitting processes as ways to get people engaged and educated about the challenges we face.

Q: How will you address disparities in access to broadband services – especially for seniors in need of remote telemedicine, low-income members, and households with kids in school?

A: I believe this is an area where OPALCO and the County could work together on seeking grants and state funding. I know there are ways that OPALCO was able to help during the pandemic, and there are sources of funding the County should have access to that private entities by themselves do not. I’d like to see more collaborative work to ensure that we help our most vulnerable and those in need.



Stephanie O'Day

Q:The current Utility Element (Section B8) in the Comprehensive Plan states: "Our community strives for energy independence...we use renewable energy." To achieve this vision will require significant land and water areas to host local renewable energy power sites. What is your vision for the future of energy for San Juan County as a whole?

A: No answer. General response below.

Q:How would you direct County staff to prioritize this goal of energy independence (as referenced above) and facilitate implementation of these renewable energy sites?

A: No answer. General response below.

Q: What are you, as a candidate, doing to educate yourself on the complexities and impacts of energy policies on the citizens of San Juan County?

A: No answer. General response below.

Q:Ten years ago, when the county lacked sufficient broadband capacity, OPALCO and the county worked together to streamline land use and permit guidelines. This provided us with permitting certainty and allowed us to meet schedule obligations. The Comprehensive Plan Update (Section B, Element 2, Land Use) speaks to land use for alternative energy resources and identifies essential public facilities. Would you support a similar permitting approach to development of provisional use codes for local, renewable energy facilities to provide essential services to the community?

A: No answer. General response below.

Q: Where will you draw the line between local energy resilience and island aesthetics?

A: No answer. General response below.

Q: Studies indicate that rooftop solar only provides a fraction of the energy needed to replace electricity lost from the elimination of fossil fuel generation. SJC Comprehensive Land Use Plan limits utility scale solar in agriculture areas and excludes utility scale solar be built in forested areas. Are you in favor of changing the comprehensive plan and land use tables to allow more renewable generation in the non-environmentally sensitive areas of SJ County? If so, how?

A: No answer. General response below.

Q: Given our need to also firm up local renewables with power generated on the mainland (when the sun doesn't shine, wind doesn't blow, and batteries are fully discharged), how important is hydropower in your vision of the County's future energy supply? 8. Do you plan to encourage electrification of transportation in San Juan County, and if so, how?

A: No answer. General response below.

Q: In a chart above from San Juan County, of voters' top concerns, power and internet service didn't even make the list. How do we get citizens to prioritize these issues that are critical to the quality of life in the islands?

A: No answer. General response below.

Q: How will you address disparities in access to broadband services – especially for seniors in need of remote telemedicine, low-income members, and households with kids in school?

A: No answer. General response below.

General Response:

The need for reliable power in the islands is evident. I applaud OPALCO for investigating all possible resources to provide our county citizens with an affordable reliable power source. We must continue to explore the alternatives in a deep dive to balance the costs and reliability of every option. The County Council is the legislative authority and has the final say in how to and whether there is a need to amend the directives in the upcoming Comprehensive Plan review. I look forward to receiving more information and more data on the alternatives. The job of the Council with regard to this issue is to balance energy requirements with private property rights. Many years ago a previous Council adopted the Open Space Atlas, which defines the specific vistas in our islands that must be protected. The adoption of any regulations regarding the siting of solar farms must take the protection of these vistas into consideration.

As to broadband disparity – we are all now captives of the internet and our dependance upon access is paramount. Other options, such as Starlink, have become available and may in the future be less costly than broadband. I invested in fiber at considerable cost. We must continue to research and develop options to keep our citizens warm, lit, informed and safe. I look forward to learning all the facts that surround each option.

District 2



Rick Hughes

The current Utility Element (Section B8) in the Comprehensive Plan states: "Our community strives for energy independence...we use renewable energy." To achieve this vision will require significant land and water areas to host local renewable energy power sites.

San Juan County, in partnership with OPALCO and the community need to determine where in the county that the best placement of renewable energy should be and make that land use an outright yes for development both upland and in the aquatic environment.



First the KW capacity of developed land needs to be figured out, followed by land like land fills, schools, parking lots, etc.

Finally, necessary capacity and placement of that capacity needs to be identified and agreed upon by county residents, so permits will be approved quickly.

I would propose renewable energy overlay districts that will identify and locate the desired acreage for solar fields.

I support Rural Farm Forest (RFF) designation to be a yes for allowable development.

I will push locally and at the state for renewable energy placement to be considered AG activity.

Q: What is your vision for the future of energy for San Juan County as a whole?

A: The future follows the OPALCO long range plan where power prices per KW will increase dramatically, demand on the clean hydro power in the NW will exceed supply and who knows how the new Bonneville power contract will work out. OPALCO and San Juan County will need to start now and buildout as close to 50% of energy used via local production. OPALCO will need to create large scale solar and tidal power, San Juan County and local business will need to cover all buildings with solar panels and back up batteries and all residents will need to deploy solar panels where possible.

The future will see blackouts and struggles to keep year round power available with out locally produced and sustainable power generations.

Q: What are you, as a candidate, doing to educate yourself on the complexities and impacts of energy policies on the citizens of San Juan County?

A: I have been a renewable energy supporter for many years and have installed 85 KW of solar panels on residential and commercial buildings. In addition, when I was on the San Juan County Council from 2013-2020. I do my best to be current on all forms of renewable energy.

Q: How would you direct County staff to prioritize this goal and facilitate implementation of these renewable energy sites?

I would direct county staff to work with the public and OPALCO to determine the amount of land need for future renewable projects and then hold public forums to determine where the best location should be for solar feeds.

Q: Ten years ago, when the county lacked sufficient broadband capacity, OPALCO and the county worked together to streamline land use and permit guidelines. This provided us with permitting certainty and allowed us to meet schedule obligations. The Comprehensive Plan Update (Section B, Element 2, Land Use) speaks to land use for alternative energy resources and identifies essential public facilities. Would you support a similar permitting approach to development of provisional use codes for local, renewable energy facilities to provide essential services to the community?



A: When I was in the San Juan County Council, I worked with OPALCO to streamline land use and permit guidelines (as mentioned above) and I would support working with OPALCO for a similar path for renewable energy placement in the future.

So yes I would support a similar permitting approach.

Q: Where will you draw the line between local energy resilience and island aesthetics?

A: I support local energy resilience and feel this is a priority, but there needs to be a community process to determine where future renewable energy would be supported.

Q: Studies indicate that rooftop solar only provides a fraction of the energy needed to replace electricity lost from the elimination of fossil fuel generation. SJC Comprehensive Land Use Plan limits utility scale solar in agriculture areas and excludes utility scale solar be built in forested areas. Are you in favor of changing the comprehensive plan and land use tables to allow more renewable generation in the non-environmentally sensitive areas of SJ County? If so, how?

A: I support solar power generation to be considered an ag activity and will look to add this to the comprehensive plan and work with the state to develop this activity for State law. In addition, I would work toward allowance in Rural Farm Forest and Ag Resource land. Needs to be balanced and a plan to place large scale solar only on lands with poor soil quality and do what is possible to find ways to have renewable energy production and other AG activities to occur on the same parcel.

Q: Given our need to also firm up local renewables with power generated on the mainland (when the sun doesn't shine, wind doesn't blow, and batteries are fully discharged), how important is hydropower in your vision of the County's future energy supply?

A: I support 100% the production of clean, renewable hydropower and think it needs to continue or expand its production capacity.

Q: Do you plan to encourage electrification of transportation in San Juan County, and if so, how?

A: When I was in office, we began purchase of electric vehicles for San Juan County employees and plan to expand that long time purchase plan, goal will be to have all fleet vehicles to be electric or hybrid.

I 100% support the hybrid, electric ferry construction and conversion of existing ferries to hybrid capabilities. Also will work with OPALCO for the deployment of electric charging stations around the county and support resident conversion from gas powered vehicles to electrical/hybrid options.

Q: In a chart above from San Juan County of voters' top concerns, power and internet service didn't even make the list. How do we get citizens to prioritize these issues that are critical to the quality of life in the islands?

A: Constant education about what the future will bring. I think San Juan County and OPALCO will need to work together to bring the subject to the top of the community thought process. OPALCO has done such a good job of keeping the lights on, so the community just assumes that power is not an issue of concern.



Q: How will you address disparities in access to broadband services – especially for seniors in need of remote telemedicine, low-income members, and households with kids in school

A: I will work with OPALCO and the Telecommunication fund to help expand connections, via expanded, Wifi, mesh overlay to help reach those not currently being served by fiber or LTE wifi access points.



Justin Paulsen

Q: The current Utility Element (Section B8) in the Comprehensive Plan states: “Our community strives for energy independence...we use renewable energy.” To achieve this vision will require significant land and water areas to host local renewable energy power sites. What is your vision for the future of energy for San Juan County as a whole?

A: It’s not immediately feasible for San Juan County to be energy independent. We will continue to depend on the low-cost hydro power “extension cord” from the mainland as the foundation to meet our energy needs. However, San Juan County should embrace as much renewable generation as it can to provide a stabilized power supply for times of disruption and help manage our total demand for power. Achieving this goal will require us to balance the clear need for energy with the concerns of our residents related to land use.

My vision for the future of energy in San Juan County is a mix of 1) low-cost renewable hydro power from the mainland; 2) lowering our demand for energy through efficiency gains which will improve our housing stock and affordability; 3) supporting transportation systems which reduce emissions and provide alternatives for our residents ; 4) supporting local renewable generation wherever it makes sense: rooftop solar, community solar – even tidal generation if funded by grants.

Q: How would you direct County staff to prioritize this goal of energy independence (as referenced above) and facilitate implementation of these renewable energy sites?

A: I will work closely with the County Climate and Sustainability Committee to understand best practices for County planning and implementation; will advocate for language in the update of the Comp Plan to allow for local renewable generation; and work to clear up conflicts in our various governing codes in an effort to prevent aggravating and costly delays which inhibit implementation.

Q: What are you, as a candidate, doing to educate yourself on the complexities and impacts of energy policies on the citizens of San Juan County?

I’ve met with members of the County Climate and Sustainability Committee to understand the work that is currently in progress, studied the Comprehensive Plan, and met with leadership of OPALCO to learn from their expertise in the area. As a building contractor, I’m very familiar with the benefits of efficiency measures, requirements for building codes and the trade-offs of balancing today’s investments with tomorrow’s uncertain energy landscape.

Q: Ten years ago, when the county lacked sufficient broadband capacity, OPALCO and the county worked together to streamline land use and permit guidelines. This provided us with permitting certainty and



allowed us to meet schedule obligations. The Comprehensive Plan Update (Section B, Element 2, Land Use) speaks to land use for alternative energy resources and identifies essential public facilities. Would you support a similar permitting approach to development of provisional use codes for local, renewable energy facilities to provide essential services to the community?

A: The Comp Plan and land use designations in San Juan County must be updated to accommodate clean renewable energy development. I will be advocating for policy changes and language updates that allow for renewable projects that clearly define where and how those projects should be executed . As power costs increase and carbon reduction mandates increase, it could create the same type of situation that expedited the expansion of broadband facilities. I thank OPALCO for their hard work to make fast and reliable broadband available throughout the County and for being a leader in pioneering renewable energy initiatives.

Q: Where will you draw the line between local energy resilience and island aesthetics?

A: As a small family farmer and long-time 4H supporter, I understand the conflict between preserving agricultural land and potential impacts from renewable energy projects. I believe we will find ways to do both. OPALCO's Bailer Hill Project is an example of a site where solar can potentially coexist with grazing and soil improvement for future agricultural use of the land. The line between resilience and aesthetics will evolve as people better understand the emerging energy climate (with decarbonization requirements and increasing climate impacts) and become more familiar with renewable energy. It's my hope that we can strike an acceptable balance in our community by clearly defining parameters in the code that preserve open space while allowing us to grow our own power and keep ourselves safe during mainland disruptions.

Q: Studies indicate that rooftop solar only provides a fraction of the energy needed to replace electricity lost from the elimination of fossil fuel generation. SJC Comprehensive Land Use Plan limits utility scale solar in agriculture areas and excludes utility scale solar be built in forested areas. Are you in favor of changing the comprehensive plan and land use tables to allow more renewable generation in the non-environmentally sensitive areas of SJ County? If so, how?

A: Again, the Comp Plan and land use designation language both need to be updated to meet the current needs of San Juan County. I will advocate for bringing the outdated land use restrictions into a modern understanding of clean, renewable energy projects and work with County staff and island constituents to move the needle toward greater resilience. We need to do the necessary work on the front end of this discussion so that moving forward we have eliminated roadblocks in the way of creating capacity.

Q: Given our need to also firm up local renewables with power generated on the mainland (when the sun doesn't shine, wind doesn't blow, and batteries are fully discharged), how important is hydropower in your vision of the County's future energy supply?

A: Hydropower from the mainland is essential to maintaining reliable power for the County and will be even more important as more renewable projects are realized – both on the mainland and on the islands. It is a critical, reliable piece of our energy supply and a relatively low-cost piece to our energy puzzle.



Q: Do you plan to encourage electrification of transportation in San Juan County, and if so, how?

A: Yes. In my discussions with County stakeholders, support of individual vehicle electrification and public electric transportation systems were both key issues. I will support and encourage the County's efforts to electrify fleet vehicles as viable, support electric vehicle charging infrastructure and continue to advocate as a member of the WSF Ferry Advisory Committee for creation of transportation solutions that allow will us to reduce the number of cars transiting to and from our County.

Q: In a chart above from San Juan County, of voters' top concerns, power and internet service didn't even make the list. How do we get citizens to prioritize these issues that are critical to the quality of life in the islands?

A: If elected to serve the County, I would bring these issues to public listening sessions around the islands and support OPALCO's outreach efforts by participating in OPALCO's Island Way workshops and annual meetings. As you can glean from the chart, voters' concerns follow affordability: when it hurts the pocketbook, it rises to the top. We are lucky that OPALCO rates have remained relatively stable and most people have reliable broadband service. We must act now to maintain that stability and reliability.

Q: How will you address disparities in access to broadband services – especially for seniors in need of remote telemedicine, low-income members, and households with kids in school?

A: OPALCO and Rock Island are already doing a great job of providing access to underserved islanders. Through COVID, through the schools and through their low-income bill assistance credit, they have been a valued partner in serving our community. I would support future grant applications by OPALCO as a Councilperson and encourage the County in its policy language to consider access to broadband as essential infrastructure.