



# Board of Directors Regular Meeting

Thursday, February 20, 2025 Virtual  
Meeting via Zoom

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

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

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

## Sequence of Events

- OPALCO Board Meeting
- Executive Session



Board of Directors  
Regular Board Meeting  
February 20, 2025, 8:30 A.M.\*  
Virtual Meeting via Zoom

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

**WELCOME GUESTS/MEMBERS**

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

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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 2025

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

BAKER, ELI  
 BETINA ROZA  
 CANNERY LANDING L, LC  
 CARACO, HARRY  
 COPE, DAVID  
 ELLIOTT, PAUL  
 FRANKLIN, GARY  
 HINKLE, DONNA & HINKLE, CHRISTY  
 IBOLD, SAM  
 JONES, MARGUERITE  
 MCCUBBIN, DONALD & MCCUBBIN, JUDITH  
 MORENO, PEDRO DANIEL  
 MOUNTFORD, NICHOLAS & MOUNTFORD, SARAH  
 NASH, LARISSA & HUNTSMAN, TRENTON  
 NEAL, BRIAN & HARMON, JESSICA  
 PERONNEAU, TAMRA RAE  
 PHILPOT, MATTHEW & STAUDT, NATISHA  
 PRYDE, MARC & PRYDE, NATALIE  
 SCHULZ, LYDIA & WILSON, JOSEPH  
 SOTO, KIANA  
 STAUDT, CHRIS  
 SWEENEY, MIKE & SWEENEY, DORYLUZ  
 WAGNER, JARRAD  
 WB FAMILY FARM LL, C  
 WEERTMAN, LESLIE & WEERTMAN, BRUCE

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

ANDERSON, KATIE  
 ARMAS, YESENIA  
 DRESSMAN, JACOB  
 HUGHES, PAMELA  
 LUND, PHILO  
 MCKINNEY, BOONE  
 SENTINEL ROCHE HA, RBOR LLC  
 SIEGEL, BRUCE & SIEGEL, ANGELINE  
 SPIKER, MILES  
 STEVENS, AMIE & RAY, JOEL  
 STRAUB, BENJAMIN & SCHAFFER, MARGARET  
 TRYGG, MELANIE  
 WATERFRONT GALLERY  
 WELLMAN & ZUCK CO, NSTRUCTORS

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

DE KANTER, INDIA  
 ERICKSON, ROBERT & ERICKSON, MARILEE  
 FIERROS MEDINA, IRMA & CISNEROS, OSCAR  
 HONE, JASON  
 MORRIS, LAURA  
 NEIDERMEYER, JUSTIN & PERKINS, MELISSA  
 NICHOLS, FRANK  
 POST, RACHEL  
 STURGILL, CINDY  
 ZITAWI, DYLAN

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

None

### 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
26190	698.22
60234	1,937.31
78939	864.23
4180	1,652.09
18270	1,069.65
79087	622.23
30905	813.81
64063	248.53
<b>Total</b>	<b>\$ 7,906.07</b>



**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
AV2412	\$14,894.99	Minor Construction Work Orders
<b>Total</b>	<b>\$14,894.99</b>	

Staff requests a motion to approve the Consent Agenda.



01/23/2025 10:58:20 am

**RUS Form 219 Inventory Of Work Orders**  
 Period: DEC 2024 System Designation: WA O9

Page: 2

Inventory: AV2412

Project	Year	Work Order		Bdgt (3)	Gross Funds Required		Deductions		Contrib In Aid Of Constr and Previous Advances (8)	Loan Funds Subject To Advance By RUS (9)	
		Construction (1)	Retirement (2)		Cost Of Construction: New Constr Or Replacements (4)	Cost Of Removal: New Constr Or Replacements (5)	Salvage Relating To New Construction Or Replacements (6)	Retirements Without Replacements (7)			
1600	2023	3962	3962	1	14,950.07	0.00	0.00	0.00	0.00	14,894.99	
								AFUDC: 55.08			
<b>Grand Totals:</b>						\$ 14,950.07	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 14,894.99

Minor Construction Work Orders

Work Order: 3962 - MOVE TRANSFORMER TO BETTER ACCESS SITE

01/23/2025 10:58:20 am

**RUS Form 219 Inventory Of Work Orders**  
 Period: DEC 2024 System Designation: WA O9

Page: 4

Inventory : AV2412

Budget	Loan	Project	Amount
	1	1600	14,894.99
<b>Total:</b>			14,894.99

**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

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**BORROWER CERTIFICATION**

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

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

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

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**ENGINEERING CERTIFICATION**

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

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

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



**Orcas Power & Light Cooperative**  
**Minutes of the Board of Directors Meeting**  
**Thursday, January 16, 2025**

Streaming through Zoom attendees were Board members Vince Dauciunas, Brian Silverstein, Mark Madsen, Tom Osterman, Jerry Whitfield, Chuks Onwuneme and Wendy Hiester. Staff present were General Manager Foster Hildreth; Manager of Engineering and Operations Russell Guerry; Manager of Finance Travis Neal; Communications Manager Krista Bouchey; Communications Specialist Johanna Lange; 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: Barbara Pesola, Michael Riordan, Chris Wolfe and Heather Nicholson  
Meeting commenced at 8:55 AM

Member Comment Period: Chris Wolfe, representing Rainshadow, advised that there were some residual effects from the December 25 outage on their solar customers. She will follow up with Russell. Michael Riordan discussed the Rate Study and encouraged the cost of service to correlate with usage. Heather Nicholson requested more open conversations at Tidal Workshops as well as dialogue with Tribal Nations.

**ACTION ITEMS**

**CONSENT AGENDA**

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

**DISCUSSION ITEMS**

**Bailer Hill Update:** Staff shared details of their meetings with newly elected County Council members to discuss the increasing demand for reliable electricity due to government mandates, regional power shortages, and delays in renewable energy projects. OPALCO is facing challenges with land-use regulations, outdated zoning, and opposition to energy development in agricultural areas, delaying critical projects like the Bailer Hill microgrid. To address these issues, OPALCO is pausing permitting efforts and proposing an alternative site for the low-income solar portion of the project on Decatur Island, while surveying members to gauge support for future renewable energy initiatives. Discussion ensued.

**Rate Discussion:** Staff shared details of the kickoff meeting with E3 to outline our 2025 Cost of Service Analysis and Rate Design RFI. Discussion ensued.

**Christmas Outage:** The outage from December 25, 2024, on Lopez and briefly on Shaw and Orcas, was discussed.

**REPORTS**

Staff reviewed reports, dashboards, grant and budget tracking, ongoing cooperative-wide safety measures and training, and project updates including the delays with San Juan County involving the Bailer Hill Project.

Regular Session ended: 8:55 – 9:50 AM

Break: 9:50 AM – 10 AM

Executive Session: 10:00- 11:39 AM

Meeting Closed: 11:39 AM

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Vince Dauciunas, President

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Tom Osterman, Secretary-Treasurer



Orcas Power & Light Cooperative

**Minutes of the Board of Directors Special Virtual Meeting  
Wednesday, February 5, 2025**

Streaming through Zoom attendees were Board members Vince Dauciunas, Brian Silverstein, Mark Madsen, Tom Osterman, Jerry Whitfield, Chuks Onwuneme and Wendy Hiester. Staff present were General Manager Foster Hildreth; Manager of Engineering and Operations Russell Guerry; Manager of Finance Travis Neal; Communications Manager Krista Bouchey; Manager of Member Services Joey Wyckoff; Specialist Johanna Lange; and Special Projects Office Coordinator Beth Stanford (serving as recording secretary). Also present was Legal Counsel Joel Paisner.

Members in attendance: No members present  
Meeting commenced at 12 PM

**ACTION ITEMS**

**MOTION** was made by Madsen, to authorize the General Manager to take all steps necessary to evaluate and complete a property transaction. And, furthermore, approve a budget amendment pursuant to policy, Section 8 3.4 in the amount as agreed by the Board in Executive Session and unanimously approach by voice vote.

**DISCUSSION ITEMS**

Board conducted a zoom meeting on Feb 5th at ~12:00pm.

1. Notice of meeting waived as all BoD members were present.
2. Purpose of meeting: grant GM to increase the 2025 budget pursuant to Opalco Policy 8, Section 8.3.4, whereby Board approval is required for procurements exceeding \$25,000.00 which are not within the approved budget.

Regular Session ended: 12 PM  
Meeting Closed: 1:21 PM

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Vince Dauciunas, President

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Tom Osterman, Secretary-Treasurer

# DISCUSSION ITEMS

## E3 Presentation

E3 will present an overview of COSA (Cost of Service Analysis) and rate design principles, providing background on the goals of rate design, including aligning costs with service, ensuring equity, and delivering appropriate pricing signals. The presentation will also cover the need for evolving electric rates, the range of rate design options and ambitions, and practical considerations, supplemented with examples from recent work. Following this a General Manager from another electric cooperative will present their approach to rate design, highlight key initiatives, and challenges. Staff will then outline OPALCO's rate design project and objectives. The session will conclude with a discussion and Q&A session with the board.

## 2024 Year in Review

### OPALCO Team Accomplishments 2024

#### **Safety:**

- Exceeded 298,000 hours worked without a loss-time accident.
- Actively monitor safety improvement plans as outlined in our RESAP program (Rural Electric Safety Achievement Program).
- Committed to NRECA's Zero Contacts initiative.
- Held monthly comprehensive in-person safety meetings to sustain our culture of safety.

#### **Engineering, Operations & Information Technology:**

- Average service availability rate of 99.95% for the year.
- Reached a system extreme of ~88 MW (instantaneous load not hourly demand).
- Replaced ~44,000 feet of aging and failing underground cable and ~88,000 feet of conduit for future aging cable projects.
- ROW Trimming: Roughly 5.8 miles of transmission corridors were able to be cleared for safety and operational access in addition to side trimming of distribution corridors.
- Friday Harbor Substation replacement is complete and was energized in October of 2024.
- Completed feasibility study for tidal generation plus storage. Successfully presented tidal proposal to DOE visiting team and garnered DOE OCED grant for tidal generator in Rosario Strait (Phase 1).
- Finalized Tidal Generation feasibility grant with US DOE Waterpower Technology Office with execution in June 1, 2024. Submitted and received a preliminary permit which hold the proposed location of the project for OPALCO. Feasibility, procurement plan, and draft license agreement to be completed by April of 2025.
- Boyce Road distribution tie line construction began in October 2024. This tie will allow for greater redundancy for San Juan Island substations.
- Lopez Backup Substation construction began in May 2024. Staff anticipate this redundancy to be in service by end of Q3 2025.
- Staff started implementation of high impedance fault detection to aid in faster fault clearing to reduce the chance of a sustained fault.





- Staff completed Ferry Electrification Grid Interconnection Study.

#### **Finance & Accounting:**

- Unqualified opinion of Financial Audit for 2023. No audit comments in the 'communication of internal control related matters' letter to management and the Board.
- Switch-It-Up on-bill financing program financed 283 energy efficiency projects for over \$6.2M in additional financing provided by OPALCO to our members. 2024 had +9 more projects financed than in 2023. Dollars financed were ~\$700k over 2023.
- Continued capital credit smoothing methodology, retiring \$1.5M in capital credits back to the membership in 2024. Thanks to the continued generosity of our members, capital credit reoccurring donations went from \$15k in 2023 to \$21k in 2024.
- Successfully completed the transition from paper filing of IRS information returns to electronic filings of IRS information returns.
- Managed multiple grant applications, periodic reporting to various State & Federal agencies as well as successful submission & receipt of >\$9M of grant reimbursements in 2024.

#### **Management and Human Resources:**

- Offered farewell to the Manager of Communications and a Journeyman Lineman.
- Promoted the Communications Specialist to the Manager of Communications.
- Hired a Special Projects/Office Coordinator, a Member Services Representative, a Journeyman Lineman and a Communications Specialist.
- Continued training with four Apprentice Lineman with two entering their final year of training.

#### **Energy Savings: Rebates, Electric Vehicles & Renewables**

- Rebate dollars awarded to members through December: ~\$291k.
- Energy saved by members through BPA/PNGC rebates: 504,908 kilowatt hours.
- Total interconnected members generating renewable power: 847 with 142 new in 2024.
- 525 MWh of member solar/wind production incentivized by WA State.
- Supported 48 members in beneficial electrification measures, totaling \$70,200.
- Incentivized the installation of 56 EV charging stations for homes and businesses.
- Decatur Community Solar project:
  - 260 members participated.
  - Produced 501.76 MWh – enough to power 500+ typical SJ County homes for a month, or 42 homes for a year.
  - distributed \$50k through production credits on participants' bills (\$310.5k since energization), including an additional \$9,118 to the PAL and Energy Assist programs.

#### **Member Services:**

- Five Member Services Representatives (one new hire) handled more than 9,130 inbound calls from members.
- Billed members ~\$39.6M for energy usage of ~219.2M kWh.
- During the first part of 2024 (the 2023-2024 PAL season) the Member Services Team awarded ~35.8k of PAL assistance to 143 low-income households.
- During the second part of 2024 (2024 – 2025 PAL season), Member Services Team awarded 169 low-income households with ~ 42.3k of PAL assistance funds.



- Energy Assist participation increased with an average of ~353 households receiving monthly bill credits which totaled ~\$164.2k.
- ~9.6k accounts are on autopay.
- ~7.4k accounts are paperless.

### **Communications:**

- Continued the monthly Ruralite magazine to have consistent wide-reaching communication with OPALCO members on topics such as energy savings, our energy future, the Island Way Campaign, and a variety of timely articles that affect the membership.
- Staff continued the Island Way Campaign including hosting Island Way Workshops via Zoom with a variety of topics including tidal energy, Smart Home Devices, Climate Change in San Juan County, and the Bailer Hill Microgrid. Close to 200 members attended these workshops. The most popular being the Bailer Hill Microgrid and Tidal Generation presentations.
- Changed the format of the Annual Meeting to have the business portion of the meeting via Zoom and an in-person member appreciation event the following day. The Annual Member Festival was held at the Eastsound office parking lot. The festival was a huge success with over 300 Co-op members in attendance. The parking lot was transformed into a family-friendly educational activity center. The whole OPALCO team was on hand to welcome attendees, give out SWAG, and help keep the event flowing.
- Worked with Member Services Team to distribute Washington Families Clean Energy Credits to OPALCO members – a \$200 bill credit. The program distributed \$377.5k to 1,888 members.
- Gained new team member Communications Specialist, Jo Lange.
- Worked with Sustainable Connections to promote grant that helps businesses in San Juan County to get energy efficiency incentives
- Created new and updated an extensive Quick Fact Library – digital information sheets hosted on the website
- Promoted and held the annual Board Candidate election including 2 candidates. 1,826 members voted which is ~16% of the membership
- Attended various community events including Rotary Car show, tour of the Orcas Transfer Station with State Representative, Alex Ramel, educational tour with Canoe Island campers of the Decatur Microgrid, OISD Resource Fair, Touch-A-Truck, Truck-or-Treat, the Future is Electric with Rotary Club, Washington Apprenticeship Vocation Career Fair, Comp Plan Community Input, Community Wildfire Protection Plan Input Session, and Chamber Mixers for outreach opportunities.
- Awarded five Youth Scholarships and took the scholars to the ICUA Youth Rally.
- Co-hosted Historical Museum Exhibit Opening: The History of Bringing Power and Communications to the San Juans with approximately 50 in attendance.
- Celebrated National Cooperative Month with a social media giveaway campaign. Six different members won swag bags filled with OPALCO branded swag and outage essentials. Throughout the month, we received over 100 comments from members interacting with various posts.
- Facebook page has seen an increase in 175 followers, had 3,800 interactions (likes, comments, shares), and reached 33,800 users (posts that have been on user's feeds)
- Instagram page has gained 125 followers, had 472 interactions, and 2,600 reached.
- Two out of the top five performing posts on OPALCO's social media involved video footage from outages or severe storm weather—Nov. 12 2024 Orcas/Shaw outage video of bucket truck in the wind, Jan. 9 2024 storm, waves crashing onto road on Lopez.
- Top performing post was the outage summary and photos from the Christmas Day 2024 outage.
  - 11,654 views

- 138 likes
- 23 comments
- 7 shares
- Thirteen e-newsletters sent to members about all things OPALCO, including meetings and events, community projects, member stories, and more. Sent to an audience of ~9,300 co-op members 47.2% Avg. yearly open rate for newsletters, translating to avg. of 4,400 members opening each newsletter. March and June enewsletter were the most opened of the year, each with an open rate of 49.6%
- Produced and distributed monthly bill inserts, weekly newspaper ads, monthly email newsletters, updated, and created new forms including digitizing and modernizing processes, documents and content for the Member Services and Engineering departments.
- Website analytics: increase in traffic for all top 20 pages, Member Services pages saw a 30% increase in traffic and 82% increase in engagement, Switch It Up and Rebates saw a high share of direct traffic and repeat visitors. Instituted very popular Spanish translation for webpages – saw very high usage of these pages. Other improvements included archive feature, update to FAQs on blog posts, rate graphs, and contractor contacts.

## Rock Island Team Year in Review 2024

### Safety:

- Maintained a 99% injury free work environment.
- RIC enhanced its internal safety training and program development, L&I, and OSHA compliance. This provides staff with more regular access to safety resources, education and training. Overall, it has enhanced the awareness of safety at Rock Island.
- Added a third-party Safety Review Committee to better assess all department needs for a more objective and focused work environment for safety.

### Finance and Operations:

- Well managed employment timing and recruitment strategies helped Rock Island stay under their labor budget by \$160k.
- Ended the year \$3.79M EBITDA positive.
- Successfully completed a highly graded audit.
- Continue to support and grow a community support funding process through Orcas Community Foundation for low-income assistance.
- Established recurring, monthly revenues with T-Mobile beginning in January for our tower facility services including backhaul and maintenance of these. This new, reliable income source will also increase with the upgrading of our towers. Launched the Equal Access program to support customers after the federally funded ACP program ended.
- Enhanced Business Fiber Services by raising speeds without price increases. This helped enforce the migration of historical small businesses from residential rate plans to business rates plans.
- Successfully transferred Pogo Zone customers to Rock Island services by set deadline of agreement and decommissioned the last cable system in operation on Orcas Island.
- Built custom monitoring solutions for the county radio system, giving real-time alerting on all system components.



- Designed and deployed a state-of-the-art management portal for construction that delivers real time updates for project segments, including up to the minute progress totals.
- The portal also offers a direct communication platform for customers to have a one-on-one project communication platform for ease of updating.
- Completed over 50% of our ARPA project, 8 months ahead of schedule.
- Finished 1 of 4 ARPA projects in 2024 within \$1,200 of the project budget.
- Successfully launched a customer portal for grant recipients, enhancing communication and interaction for large-scale projects like grant initiatives and Middle Mile builds. This new framework streamlines the onboarding process with Rock Island by offering a more intuitive, self-service interface.
- Integrated a GIS platform with Salesforce, enabling real-time visibility into construction projects. This will also allow for enhancements to maintenance and emergent work orders for our system, visible by field staff from the mapping platform.
- Rock Island actively supports local business customers with critical, cutting-edge services, offering a comprehensive range of solutions including infrastructure as a service, security consulting, hardware, and software services. This integrated approach ensures businesses have the tools and expertise needed to thrive in a rapidly evolving digital landscape.
- Rock Island has increased the Wireless threshold for speed to up to 50MB based on network performance and upgrades. This is in addition to the Wireless plus and Unlimited options.
- Leveraging our robust Network Operations staff, we have extended remote monitoring and support for other ISP companies, increasing our network consultation revenue stream.
- Expanded services to cross-connect locations for out of County revenue streams in Washington State.
- RIC is now a Lifeline Designated Service Provider which allows for claims reimbursement for Rock Island for lifeline qualified customers on our Equal Access Program offering better equity and inclusion for broadband access in San Juan County.
- Expanded our solicitation of funding to support the local broadband funding account through the San Juan Island Community Foundation to grow access to funding in support of our Equal Access Program.
- Rock Island is now an established Eligible Telecommunications Carrier (ETC) as recognized by the Washington Utility and Transportation Commission, which allows for the awarding of funding from previous RDOF programs to Rock Island.
- RIC enhanced our internal safety training and program development, L&I, and OSHA compliance. This provides staff with more regular access to safety resources, education and training. Overall, it has enhanced the awareness of safety at Rock Island.
- RIC conducted a systematic review of an organization's compensation practices to ensure RIC offers fair market compensation, remains competitive, compliant with wage laws, and has a framework for predictable labor cost structure into the future with measurable increases over time, eliminating compression of wages.
- Using our compensation review, RIC has developed an enhanced career pathing approach for managers to coach on and improve performance development.
- Pivoted to a new office location for 2025 to save on lease costs while preparing for new office and warehouse facilities in future years.
- Conducted some of the most successful hiring processes to date for a year with a total of 6 positions filled from a base of 68 applications resulting in 63 interviews for 4 separate department positions. Including 1 reference sent to OPALCO for a successful hire on the power side.
- Fiber has been made economically available to nearly 8,900 residences in SJC by way of the incentive program and grant funding.
- Delivered a 99.998% reliability rate to our fiber and wireless customers.
- Handled continued local ferry catastrophes by dynamically adapting to crew and schedule needs without advanced notice.



- Pivoted our focus to mitigate higher than anticipated expenses and steered spending to go from \$200k behind plan in Q2 to \$7k better than plan in Q3 2024.
- Secured a grant for \$35k through WASAC for reimbursement of resources in applying for BEAD through San Juan County Government.
  
- Managed labor expense well to come in better than plan by \$140k
- Managed spending on op Ex during Q3 and Q4 to maintain profitability despite heavy expense hits in Q1 and Q2
- Ended the year \$3.7M EBITDA positive Made up a 200k deficit in net profitability from Q2 to YE, ending with a net profitability of \$133k. This was over \$100k better than we projected to come in at during our Q3 meeting with the board.

#### **Sales and Marketing:**

- Connected 515 homes and businesses to our fiber network, and 400 to Wireless.
- Captured 53%, and growing, of the total internet subscriber market in the county.
- Continued to increase over ARPU numbers for Wireless and Fiber
- Grew Business Services by over \$150k in recurring revenue
- Added 11 new SLA clients to Business Service Support
- Increased Revenues to nearly \$11M annually
- Came in better than planned in Business Services revenue by nearly \$60k

# 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.

- | <b>Finance</b>   | <b>Member Services</b>   | <b>Outage</b>   |
|--|--|---|
| <ul style="list-style-type: none"> <li>• Budget Variance</li> <li>• TIER/Margin</li> <li>• Expense</li> <li>• Cash</li> <li>• Power Cost</li> <li>• Purchased Power</li> <li>• Annual Power Metrics</li> <li>• Capital</li> <li>• Debt/Equity</li> <li>• WIP</li> <li>• Income Statement Trends</li> </ul> | <ul style="list-style-type: none"> <li>• Disconnects</li> <li>• Uncollectable Revenue</li> <li>• PAL</li> <li>• EAP</li> <li>• Membership</li> <li>• Service Additions</li> <li>• Annual Service Additions</li> <li>• Revenue Dist. By Rate</li> </ul> | <ul style="list-style-type: none"> <li>• Historical SAIDI - Graph</li> <li>• Historical SAIDI - Figures</li> <li>• Outage Stats – Rolling 12 Mo</li> <li>• Outage Stats – Monthly</li> <li>• SAIDI by Category</li> <li>• Outage Summary</li> </ul> |

### Quickfacts

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

- |  |   |
|--|---|
| <ul style="list-style-type: none"> <li>• OPALCO’s Plan for our Energy Future</li> <li>• Decarbonization – 4 Part Series</li> <li>• Switch It Up!</li> <li>• WA 2021 Energy Strategy</li> <li>• Simpson Proposal and the Northwest Energy Evolution</li> <li>• Will there be enough power?</li> <li>• OPALCO Rates</li> <li>• Energy Independence? Not entirely</li> <li>• Rock Island Communications</li> <li>• OPALCO election process</li> <li>• Wireless Services</li> <li>• Cost of Service</li> <li>• Staff Compensation</li> <li>• NRECA</li> <li>• OPALCO Debt and Capital Projects</li> <li>• Ocean Health</li> <li>• NW Resource Adequacy in a Rapidly Decarbonizing World</li> </ul> | <ul style="list-style-type: none"> <li>• Land for Renewable Energy Projects</li> <li>• Understanding the Change in Solar Rates</li> <li>• Decatur Island Battery Storage Project</li> <li>• Why Hydropower is Important to our Power Supply</li> <li>• Where does OPALCO stand on regional issues and the dams?</li> <li>• Future Power Purchase Strategy</li> <li>• Industry Association Memberships and Co-op Benefits</li> <li>• Climate Change News Review - September 2022</li> <li>• OPALCO Tidal Energy Pilot Project</li> <li>• Solar Rate for Residential Members</li> <li>• Right-of-Way Program</li> <li>• Inflation Reduction Act (IRA) Benefits</li> <li>• Wildfire Mitigation</li> <li>• Surge Protection</li> <li>• OPALCO Needs a New Submarine Cable</li> <li>• OPALCO’s Rate for Members who have Rooftop Solar</li> <li>• Why Local Renewable Projects? Mainland Power Demand Will Soon Exceed Supply</li> </ul> |
|--|---|



## Engineering, Operations and Information Technologies

### WIP

As of February 12, 2025, there are 308 work orders open totaling \$12.9M. Operations has completed construction on 123 work orders, totaling \$2.2M.

### Safety

Northwest Safety Service conducted PPE training in January. The total current hours worked without a loss time accident is 27,374 hours.

### Grants

Given the unknowns in the new federal Administration, grants funds are expected to be less available. OPALCO will curtail our pursuit of grants funds accordingly.

#### Grant Seeking

Grant Program / partner	Funder	Project Title (\$\$)	Grant \$\$	Matching \$\$	Timeline
Water Power Technology Office	DOE	Pilot Tidal Project (\$60M)	\$35M	\$25M	Determination in 11/2023
Clean Energy Fund 5 / partner to Port of Orcas	WA Dept of Commerce	EV Charging Project – Orcas	n/a	n/a	TBD
RMUC Program Advanced Cybersecurity Technology ACT 2	US Dept of Energy	OPALCO Cybersecurity Initiative	\$150,000		TBD

#### 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 2025
Remote Communities Broadband ARPA	WA State Broadband Office	Last Mile Broadband	\$15M		Construction in Process
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	Friday Harbor Ferry Electrification Prelim Design	\$150k	\$150k	Q4 2024 (Still waiting to hear)
Clean Energy Fund 3 Grid Modernization	WA Dept of Commerce	Low Income Solar – Bailer Hill Microgrid	\$1M	\$1M	Land Use Permitting
RMUC Program Advanced Cybersecurity Technology ACT 1	US Dept of Energy	OPALCO Cybersecurity Initiative	\$50,000		Phase 1 completed and Phase 2 application submitted Dec 5th, 2024, for second round of funds





**San Juan Island Planned Overnight Outage – March 26, 11 pm – 5 am (March 27)**

The outage will begin at approximately 11:00 pm on Wednesday, March 26 and power is expected to be restored on March 27 no later than 5 am. During this time, OPALCO crews will do the necessary work to energize the new power lines on Pear Point Road. This power outage will be during the night to minimize impact to OPALCO customers.

This work is part of San Juan County’s recovery strategy for protection of salmon populations which includes the Jackson Beach Restoration Project. As part of the plan, OPALCO is moving the transmission poles off Jackson Beach on San Juan Island. These critical high voltage transmission lines carry power to all of San Juan Island. Later this year, the poles will be removed from the beach.

**Finance**

**2025 Budget Tracking**

Energy (kWh) sales were slightly higher than budgeted levels through January 2025. The table presents the full year 2025 projection with actuals for prior months where available.

Income Statement Summary (in thousands)	2025 Projection (actuals for prior months)		
	Budget	Projected	Variance
Operating Revenue	\$ 42,814	\$ 42,428	\$ (386)
ECA Surcharge / (Credit)*	\$ -	\$ (175)	\$ (175)
Revenue	\$ 42,814	\$ 42,253	\$ (561)
Expenses:			
Cost of Purchased Power	\$ 10,985	\$ 10,865	\$ (120)
Transmission & Distribution Expense	9,385	9,425	40
General & Administrative Expense	7,387	7,387	-
Depreciation, Tax, Interest & Other	10,171	10,171	-
Total Expenses	37,928	37,848	(80)
Operating Margin	4,886	4,405	(481)
Non-op margin	793	793	-
Net Margin*	5,679	\$ 5,198	(481)
OTIER	2.99	2.79	(0.20)
TIER	3.31	3.12	(0.20)
Equity %	40.3%	40.0%	-0.2%
HDD	1,446	1,473	27
kWh Purchases	235,000	237,089	2,089
kWh Sales	223,000	223,028	28

\* The ECA returned a net \$175k to members in January 2025.

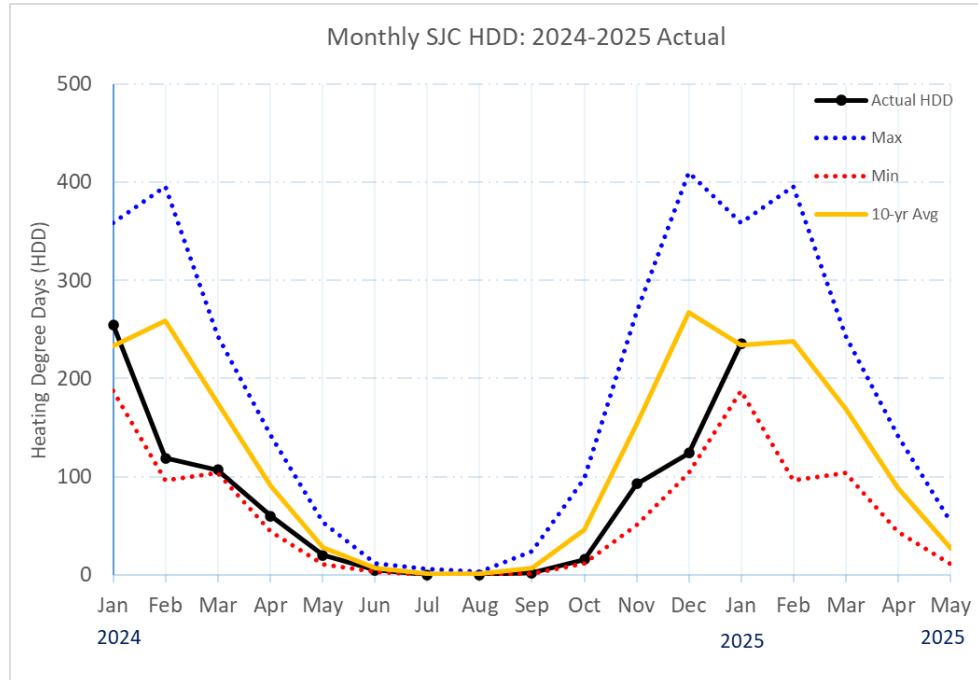
**Monthly Energy Charge Adjustment (ECA)**

The January 2025 ECA returned \$174,650 to members, or \$6.93 per 1,000 kWh. The February billing period ECA will be a credit of \$.007939 per kWh, or \$7.94 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)

This year followed average HDD trends, and we expect the first quarter 2025 to be trending slightly cooler based on National Weather Service forecasts below. We continue to monitor weather trends monthly.

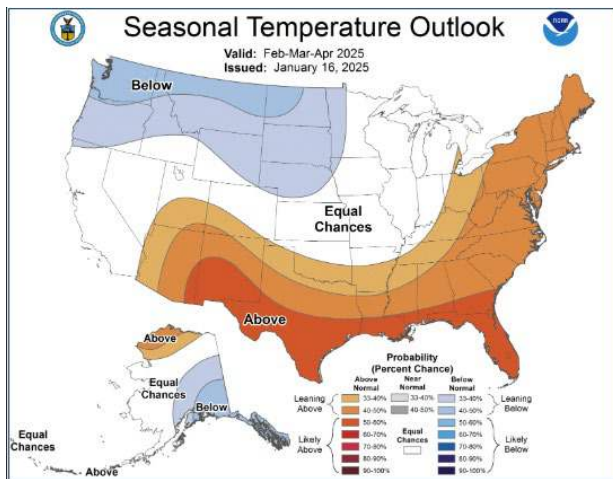


\*max, min, avg is based on 10 year average

### Weather Forecast

Looking ahead to the NOAA 'three-month outlook temperature probability' for Feb-Mar-Apr '25, the outlook is currently showing a slightly La Niña temperature condition in our region through the remainder of the winter season. The models in the International Research Institutes' (IRI) ENSO (weather) prediction forecasts a continued La Niña condition through winter. We continue to monitor these predictors monthly.

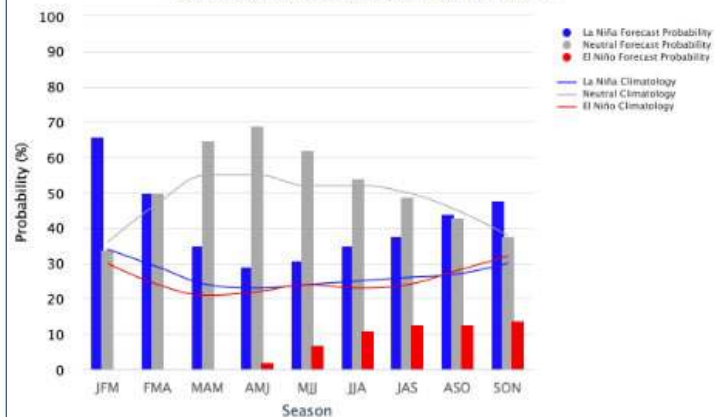
#### 2025 Feb-Mar-Apr Outlook



Source: NOAA National Weather Service

#### Mid-January 2025 IRI Model-Based Probabilistic ENSO Forecasts

ENSO state based on NINO3.4 SST Anomaly Neutral ENSO: -0.5 °C to 0.5 °C



### 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	2025	Grand Total
Energy Assist Credit	# of Accounts	444	460	574	577	546	519	524	379	1,209
	Total Assistance	111,996	135,595	158,434	158,740	156,761	141,748	164,175	17,730	1,045,179
PAL	# of Accounts	212	205	329	363	297	268	264	31	901
	Total Assistance	45,155	53,137	80,975	104,880	82,912	80,500	74,750	7,750	530,060
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	566	388	1,549
	Total Assistance	157,151	188,732	349,283	390,659	270,018	222,248	238,925	25,480	1,842,498

*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.*

### Project PAL

During January 2025, 37 Members received ~ \$9.3K in Project PAL Awards, compared to 58 Members who received ~\$14.5K in Project PAL Awards in January 2024.

### Energy Assistance

**EAP:** During January 2025 387 members received ~ \$17.8K from the low-income Energy Assist program, compared to 362 members who received ~ \$15.5K in assistance in January 2024.

### LIHEAP and State Home Energy Assistance Program (S-HEAP)

LIHEAP and S-HEAP Awards continue to come in to members on behalf of the Opportunity Council.

The State Home Energy Assistance Program (S-HEAP), funded through the Cap-and-Invest Climate Commitment Act, continues to provide critical assistance to Washington State households who may not qualify for the Federal Low-Income Home Energy Assistance Program (LIHEAP) due to factors such as naturalization status. SHEAP will remain operational beyond November 2024. Currently, local San Juan agencies are referring eligible households to the Opportunity Council which in turn is directly engaging with clients to ensure they receive timely support.



## Energy Savings

During January there were a total of 10 rebates paid out to members totaling ~\$11.5k. This includes three fuel switching ductless heat pump rebates and two EV charging station rebates.

### Member Benefits from Energy Efficiency and Fuel Switching Programs:

OPALCO is committed to helping members prepare for an efficient and sustainable energy future with programs, incentives, and rebates. All values are as of first of the month reported.

		2014-2019	2020	2021	2022	2023	2024	Totals
EE Rebates*	# of Accounts	2,141	303	147	210	210	10	3,282
	Total Awards	\$1,348,477	\$167,432	\$149,886	\$227,622	\$259,445	\$11,594	2,478,401
	Total Energy Savings (annual kWh)	5,960,711	783,431	359,269	346,900	253,675	4,454	8,148,822

\*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.

## Switch It Up

OPALCO can utilize \$46.8M in Rural Energy Savings Program (RESP) funds to provide on-bill financing for co-op members for energy efficiency measures. OPALCO is reimbursed for the funds once member measures are installed. There are now 908 projects completed and billing for a total of \$16.8M net outstanding (total projects less member pay-offs). There are another 40+ projects in various stages of the process. Current project details are as follows:

Measure	Project Origination Year							Grand Total
	2019	2020	2021	2022	2023	2024	2025	
Appliance					36,112	51,093		\$ 87,204
Energy Storage				39,510	27,159	47,766		\$ 114,435
Ductless Heat Pump	648,252	620,060	637,599	1,554,579	1,788,412	2,402,150	36,982	\$ 7,688,033
EV Charger						34,031	2,948	\$ 36,979
Fiber		30,725	48,681	29,301	41,929	85,080		\$ 235,715
Ducted Heat Pump	8,119	30,000	15,000	18,127	956,159	446,017	30,527	\$ 1,503,949
Heat Pump Water Heater	13,985	9,805		5,012	15,701	13,700		\$ 58,203
Insulation				256,935	42,634	240,729	18,234	\$ 558,532
Other	14,543			92,649	188,075	31,981		\$ 327,249
Solar + Storage				480,057	425,011	328,258	52,107	\$ 1,285,432
Solar				1,897,659	3,063,784	2,013,615	96,950	\$ 7,072,007
Windows				563,557	402,434	510,919	9,916	\$ 1,486,826
<b>Grand Total</b>	<b>\$ 684,900</b>	<b>\$ 690,589</b>	<b>\$ 701,280</b>	<b>\$ 4,937,386</b>	<b>\$ 6,987,409</b>	<b>\$ 6,205,337</b>	<b>\$ 247,663</b>	<b>\$ 20,454,565</b>

The following table shows the utilization of the RUS Rural Energy Savings Program (RESP) loan funds, used to fund the Switch It Up program. These funds are available for use through 2031.



	Total (in millions)	Remaining Available
RESP 1.0	5.80	-
RESP 2.0	15.00	4.00
RESP 3.0	26.00	23.46
<b>\$</b>	<b>46.80</b>	<b>\$ 27.46</b>

## Solar Programs

### Interconnects

There were 15 new interconnect applications submitted in January, with nine members interconnected with solar for a total of 842. (<https://energysavings.opalco.com/member-generated-power/>). There are an additional 45 pending connections.

### Community Solar

- 1) During the month of January 2025 billing cycles, the [Decatur Community Solar](#) array produced 5,520 kWh. A total of ~\$556 was distributed to 263 accounts.
- 2) Bailer Hill Status: OPALCO has paused our permitting efforts on Bailer Hill. In the coming months, OPALCO will be checking in with our membership (via a membership survey) to determine if we have the support from the majority of our members to continue permitting/building local renewable energy projects in San Juan County or not.
- 3) Low Income Solar Grant: Great News! OPALCO is working with San Juan County to site the solar needed to receive the \$1M low-income solar grant funds from Department of Commerce. San Juan County has the adjacent parcel next the Decatur Microgrid. We are working together to lease 3-acres of this Public Works site. We are so appreciative to the County for working with OPALCO on this project.

### Solar Benefits Paid to Members

All values are as of first of the month reported.

		2019	2020	2021	2022	2023	2024	2025	Table Total
Comm Solar*	# of Accounts	265	265	268	262	264	263	263	
	Total Payments	\$50,567	\$50,688	\$52,009	\$46,825	\$46,708	\$50,037	\$556	<b>\$297,390</b>
WA State Incentives*	# of Accounts	256	259	325	319	323	316	-	
	Total Payments	\$224,766	\$218,222	\$174,149	\$158,831	\$158,890	\$150,684	-	<b>\$1,085,542</b>
MORE**	# of Accounts	144	144	140	135	-	-	-	
	Total Payments	\$53,109	\$51,897	\$50,896	\$123,477	-	-	-	<b>\$279,379</b>

\*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. Includes State incentives paid to community solar participants.

\*\*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

### Tidal Town Halls Recap with Q&A

During the week of January 21st, OPALCO held a series of Tidal Town Hall Meetings on Orcas, San Juan, and Lopez Islands. Throughout the week, we had close to 150 members attend the events. On Orcas and San Juan, the meeting was held in a round-robin format, designed to create an open, two-way dialogue and provide opportunities for one-on-one interactions. The approach ensured that as many members as possible could interface directly with OPALCO team members or project experts to share their concerns and get their questions answered. On Lopez, the format was shifted to an open Q&A session since the group was smaller and the space was less accommodating to the open format. This adjustment allowed questions to be addressed directly,



allowing an interactive and informative dialogue. OPALCO has done several virtual presentation style meetings with Q&A on this project, so the team was looking for a different format to engage the membership.

Informational posters covered key topics such as FAQs, the technology, project location, tribal engagement, and the importance of local renewable energy generation. Attendees were encouraged to leave comments, ask further questions, and indicate their level of support for the project.

The meetings provided a valuable platform for feedback, and several members expressed appreciation for the updated format, which allowed them to engage more meaningfully. OPALCO is committed to offering a variety of ways to engage on this project as we continue through our exploratory phase. Overall, members who responded were supportive of OPALCO exploring tidal generation.

See the Appendix for the full list of comments.

### OPALCO Election

**Elections and Governance Committee Update:** The EGC met with each incumbent Board Director on January 28, 2025. It was unanimously recommended that all three incumbents be added to the slate for the 2025 election. Letters from the EGC can be found in the appendix.

### Timeline

Event	Date
Legal Notice for Election (RUS requires minimum 30 days prior to nominating process)	12/14/24 (extra time to avoid holidays)
Member Initiated Bylaw Amendment	12/25/24-1/23/25
Director Applications due to EGC	01/21/25
Nominations posted - (80 days prior to meeting)	02/03/25
Nominations by petition due to office	02/15/25
Nominations by petition posted - (55 days prior to meeting)	02/28/25
Candidate Forum (virtual)	03/05/25
Notice to members/Ballots mailed - (21-50 days prior to meeting)	03/05/24-04/03/25
Election closes - (3 days prior to meeting)	04/21/25
Annual Meeting	04/24/25

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

Election Year	District 1 San Juan	District 2 Orcas	District 3 Lopez/Decatur	District 4 Shaw
<b>2025</b>	<b>1B - Madsen</b>		<b>3A - Silverstein</b>	<b>4 - Whitfield</b>
2026	1A - Dauciunas	2B - Onwuneme		
2027		2A - Hiester	3B - Osterman	

\* All terms are 3-year terms

### Election Communications:

OPALCO has utilized a wide range of outlets to communicate to our membership regarding the 2025 Board Elections. Formats utilized include print media, digital media, and eNewsletters. See the following list for a look at all the different platforms used to share information about Board Nominations with OPALCO members:

- Advertisements:
  - San Juan Islander, San Juan Journal, The Orcsonian
- Ruralite full page articles:
  - December 2024 Issue (pg. 25)
  - January 2025 Issue (pg. 25)
  - February 2025 Issue (pg. 25)
- Chamber Blasts/Enewsletters
  - Lopez Letter
  - OPALCO January Member eNewsletter
  - OPALCO December Member eNewsletter
- Social Media Posts:
  - Facebook and Instagram posts
- Flyers posted
- Media Release – December 2024
- Website – Home Page, Why Run Page
- Bill Inserts – November & December

### San Juan County Council Meeting – February 10

The OPALCO team attended and presented at the San Juan County Council meeting on February 10<sup>th</sup>. The team outlined the dire situation that the regional power supply is facing. Our shrinking power supply and increasing demand is leaving our local community vulnerable to price shocks and power blackouts. OPALCO is anticipating a 30% load growth by 2040 and want to ensure that we have local power to account for this growth. That will be approximately 540 acres of 175,000 acres in San Juan County which is 0.3% of the land. Local, renewable power will provide us with local resiliency and protect us from price shocks.

## Nominations for OPALCO Board are OPEN NOW!



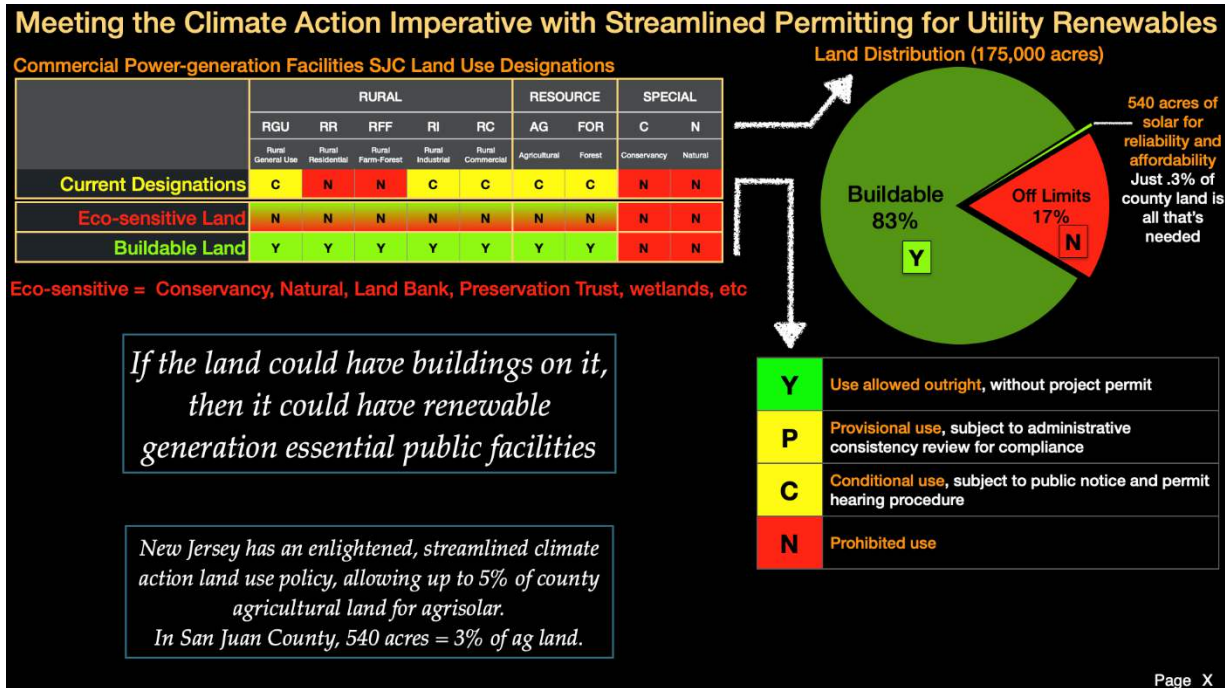
## IT'S THE CO-OP WAY

Apply to be a candidate  
(via committee process) by Jan. 21st

For eligibility, application, & timeline  
information, visit:

[WWW.OPALCO.COM/WHY-RUN](http://WWW.OPALCO.COM/WHY-RUN)





OPALCO and the County are working together to ensure that the essential service OPALCO provides remains reliable. OPALCO outlined why we should be considered an essential public facility and to ask the County to expedite review of the land use tables to ensure that OPALCO can have some degree of permitting certainty. OPALCO also presented the option to utilize a 3-acre portion of San Juan County Public Works land to site a solar project for the \$1M low-income solar grant from WA Department of Commerce. All was well received by the Council.

### Olympia visit – February 12

On February 12, the twelve electric cooperative utility members of our Washington Statewide organization (WRECA) gathered in Olympia to meet with our respective legislators. Below is a summary of our discussions with them.

- Informed our legislators of our collective power reliability and future power blackout concerns
- Describe the extreme permitting challenges the state and local governments are piling on utilities trying to build renewable generation projects
- Recommended language adjustments to various bills
- Supported wildfire mitigation approaches and right of way maintenance provisions included in wildfire bills

### Noteworthy Take-aways:

- Our legislators continue to stack new legislation wherever possible, without ever removing old out-of-date legislation
- Washington State is experiencing a \$10-15 billion budget shortfall (depending on who you ask)
- Newly elected Governor Ferguson is trying to minimize budgetary shortfalls by cutting various programs. This is creating dissension amongst various legislators
- The vast majority of Climate Commitment Act (CCA) funding is spent on projects that do not reduce carbon emissions (2% of \$3.35 billion)

We discussed the increased potential for grid blackouts once the Centralia Coal plant is decommissioned (750MW)



of 24/7 power is lost). We agree with the coal plant shut down, however, permitting replacement power renewable energy projects has proved to be close to impossible. The legislator's response was as follows:

- One of our three legislators was trying to craft legislation to proactively avoid electricity blackouts and asked OPALCO to review bill provisions
- One of our legislators suggested, "Let's not let an energy blackout emergency go to waste"
- One of our legislators doesn't consider rolling energy blackouts to be a big deal if emergency medical and essential equipment is backed up and UPS power is provided

Conclusion: Unfortunately, it seems that meaningful solutions will only be agreed upon and implemented once major reliability issues affect our communities.

### **Decatur Community Meeting**

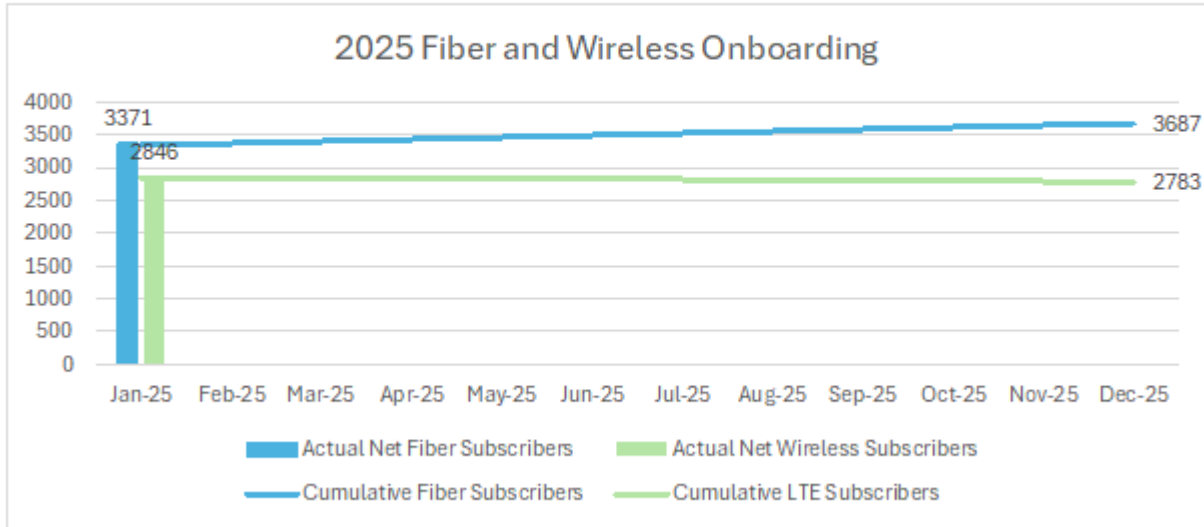
OPALCO has been working with San Juan County to utilize a 3-acre part of their 5-acre parcel on Decatur Island to site solar and utilize the \$1M grant from Department of Commerce to benefit low-income co-op members. San Juan County has 5-acres adjacent to the Decatur microgrid that Public Work uses. In discussions with Public Works Director, Colin Huntmer and County Manager, Jessica Hudson, they are open leasing 3-acres of the parcel for OPALCO to use for a solar site. The OPALCO team organized a meeting with the Decatur Community to let them know about the possibility of expanding utility scale solar on Decatur. Decatur residents were receptive to the idea of expanding the solar site. They will be the most resilient community in the San Juans. The OPALCO team is appreciative of this opportunity to partner with San Juan County to benefit the low-income community.



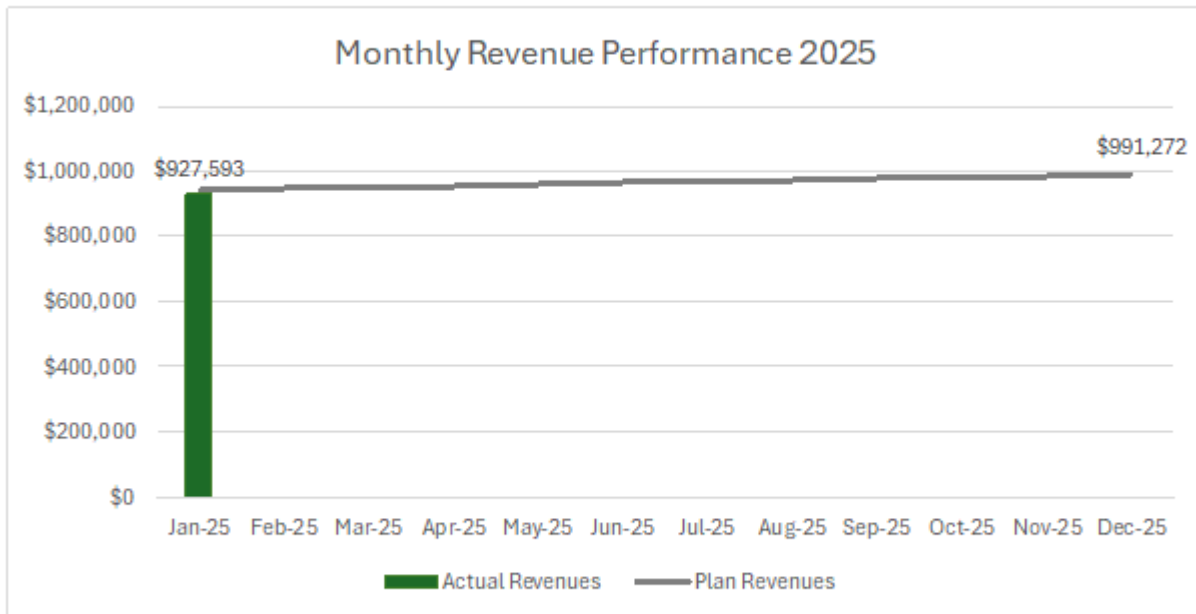
## Rock Island Communications

### 6,654 Rock Island Service Customers

#### Net Subscribers



#### Revenues



\*Previous months revenues, not closed out, are subject to change.

# APPENDIX

Tidal Town Hall Comments	Support Yes/Not	OPALCO Responses
<p>Leslie Veirs: I need to know more about this project. It seems that the speakers here on the floor are more managers and less scientists. I will check your website and hope to understand more about this project. Right now, I am more on the "No" side.</p>	No?	<p><a href="#">Quick Fact: OPALCO Tidal Energy Pilot Project - OPALCO</a> OPALCO continually add all relevant information to this page and will ensure all the most current and factual information is provided as it become available.</p>
<p>Beth Helstien: We need power. Public doesn't believe that there isn't enough. Doesn't understand demand vs availability. We also need a local power conservation effort. Tiered pricing (sic) to discourage peak demand turn off lights, etc</p>	Yes	<p>One of the challenges we face is raising awareness about the impending supply and demand issues, which will likely result in more frequent blackouts. OPALCO has strong conservation programs through rebates and on-bill financing for energy savings projects. In 2025, we will be conducting a rate analysis to explore ways to promote efficiency while ensuring a balance with renewable energy sources. We have to balance local generation with efficiency and conservation. Also note that we have a mandate that requires OPALCO to provide as much power as is being used by members.</p>
<p>David Robison: We need add'l energy sources, local. Not fair to put all the burden on others. Appreciate the due diligence on enviro &amp; tribal.</p>	Yes	<p>Comment noted. Thanks for attending the event.</p>
<p>Donald Kane: Need to explore all options for renewable energy, especially locally produced.</p>	Yes	<p>What we've discovered is that there's no single solution—rather, we need to integrate as many renewable energy options as possible into our community. Each renewable source performs optimally under different conditions, so by diversifying the types of renewables we use, we can reduce reliance on battery storage. While some may believe that installing solar panels on every rooftop will solve the problem, the reality is that even if we fully maximized rooftop solar in SJC, it would only cover about 5% of our energy needs. To make a meaningful impact, we must also focus on adding utility-scale renewable projects to our community.</p>
<p>Alison Longley: Expensive project (somebody's paying even if its not us) – need to think about long term. Potential for injury to sea life (orca whales- J pod especially do use Rosario Strait- you should maybe check with (UNREADABLE)) There are less risky alternatives, energy conservation via much improved insulation, etc, in honest businesses. Much anticipated power use is (UNREADABLE) to data centers – they should be required to produce their own power. Potential for alternative energy sources in waste wood from inland forests that is a current fire hazard – could power a (UNREADABLE) while reducing fire risk – should be (UNREADABLE) in a sustainable way.</p>	No	<p>We're currently in the process of conducting the analysis for the pilot, and we haven't reached any conclusions yet. Leveraging grant funds can help us afford these local options. The O2 unit in Scotland has been operational since 2021, with cameras monitoring the area, and there have been no reported collisions. Risks to marine mammals and the habitat will continue to be evaluated as we proceed further with this project. The Pacific Northwest Laboratory (PNNL), under the direction of the U.S. Department of Energy, has developed an environmental risk register to provide a third-party objective analysis of environmental risks. The analysis looked at various receptors, specifically southern resident killer whales, as well as other receptors such as marine mammals, fish, birds, benthic habitat, and more. Each of these is analyzed in the context of various stressors such as entanglement, habitat change, and more. We are also working with the National Marine Fishery Service to address potential impacts to the SRKW under the Endangered Species Act (ESA), which will inform future studies. The protection of the SRKW and other marine mammals in the area are mandated by the Marine Mammal Protection Act and ESA. We have been exploring different alternatives, but there are pros and cons with every energy source. Conservation alone is not enough to address demand challenges entirely; it is one part of the solution. It is essential for us to keep all alternatives on the table. We realize there are pros and cons for each and we need to take that into consideration. We do a really good job with energy conservation through our SIU program and rebates. There are government requirements for energy efficiency, but OPALCO cannot require that homes be more energy efficient than the existing standards established by state and</p>

		local code. Data centers are coming to our region because our energy prices through BPA are relatively inexpensive, and businesses are taking advantage of that. We are required to provide power to these organizations. While we don't have data centers in our service territory, they still impact the price of power from off-island sources. Bio-char is one of the many alternative energy sources we should be considering, with the goal of being a sustainable community that balances all of the needs of our community, i.e. agriculture, energy production, worker housing, forest health, fire mitigation, water availability. We need to figure out how to balance all of these competing priorities.
Josiah: I must strongly oppose impractical – it is dangerous unsustainable and a direct threat to the ecological & cultural integrity of our unceded and unsundered waters.	No	Our grant is to study the viability of tidal generation which is still underway, so we have not come to any conclusions yet. Please stay tuned, thank you for your input.
Stephen Shubert: Please explain a comprehensive need and plan for San Juan County and how tidal power is an important element to solving long power price increases and availability. No power – no growth; No power – lack of comfort & Safety	Yes	Thanks for understanding what we are challenged with as a utility. In SJC we are challenged with how to handle our load growth and adding renewable projects that have member support that we can all embrace. OPALCO has several long-term planning documents on our website – additionally the San Juan County Comprehensive Plan calls for energy independence.
Gretchen Gubelman: I am VERY concerned about the negative impact on sea creatures, both flora and fauna. I have also learned from experts on tidal power generation that it is not reliable or cost effective.	No	Thank you for your concerns. OPALCO is also very concerned with our marine environment. It is top priority as we move through this project to ensure it will not negatively impact the environment. We have many studies to accomplish before moving forward on this project. Please provide your list of experts on tidal generation. Some people make the comparison to the cost of power on the market when in reality we should be comparing it to cost of batteries, or the cost of additional supply.
Sharon Grace: Not appropriate for such a small co-op. Too costly <ol style="list-style-type: none"> <li>1. Not appropriate for Salish Sea as 73 critically endangered orcas – the only critically endangered orcas on the west coast.</li> <li>2. Please make a comment box that is easy to find on the OPALCO website and share all comments as members. Please publicly the availability of the comment box</li> <li>3. Please contact Jason Wood. He studied marine turbines for SnoPUD. I believe he can be contacted thru the Whale Museum. As a result of the study Sno PUD did not construct marine turbines.</li> </ol>	No	<ol style="list-style-type: none"> <li>1. Our cooperative is the recipient of a grant from Department of Energy (DOE) to study this, and the feasibility stage will determine the overall financial viability. Grant funding can make a project go from not viable to viable with financial support from the government.</li> <li>2. There are pros and cons with all sources, please see this report: <a href="#">OES-ENVIRONMENTAL 2024 State of the Science Report</a>.</li> <li>3. Once our three town halls have concluded on Thursday, we will summarize our events and make all comments we have collected available to the public. For our already existing list of members questions and comments, please view our Tidal Generation Quick Fact here.</li> <li>4. Thank you for your feedback! We have reached out to SnoPUD in the past and our current team includes someone from SnoPUD's tidal generation project, but we appreciate any additional contacts. We would love to gather insight and information from Jason Wood.</li> </ol>
Nathan Donnelly: Would appreciate a town hall style community meeting about this soon. Everyone facing the wall talking to a PR person is not productive. Thanks.		Sorry this event did not meet your expectations. We will continue engagement on this project as we move forward and will bring a variety of ways to engage. We got some great feedback from members who attended that they had the chance to ask a lot of questions and have productive dialogue with OPALCO team members including our science consultants and engineers on the team.
George Hunt: There is too little energy and too many environmental challenges. OPALCO should put almost all its renewable power emphasis on solar. A hit on the island and much more investment in Eastern WA where the sun shines so much more. Build solar farms in Eastern WA and add another power cable from Anacortes.	No	Thank you for acknowledging that there are supply and demand issues and power needs to be thoughtfully embedded in our sensitive environmental community. Unfortunately, solar is not the silver bullet, as it doesn't work at night or when the sun isn't shining. We need as much renewable energy diversity as possible so we can maintain reliability. The more diverse the generation mix, the less expensive battery storage we will require to meet load at night when the sun doesn't shine. We are looking at building alternative sources at other parts of the mainland, but that may come with other challenges as that

		generation would be in other communities. Mainland power users may have adverse reactions to that as well, especially if they don't also have access to the power that comes from that generation source. It's hard to ask other counties to make compromises for the benefit of San Juan County.
Betty Corbett - We need energy independence! Thanks for hosting	Yes	Comment noted. Thanks for coming to our event to learn more!
Camerons - We need to explore all available alternatives to electrical power. Kudos to OPALCO for exploring this!	Yes	Comment noted. Thanks for coming to our event to learn more!
Anne Garfield - To try and get some (?) source of power.	Yes	Comment noted. Thanks for coming to our event to learn more!
Tessa Ormenyi - Please have an actual renewable energy town hall.	Yes	We are committed to continuous engagement throughout this project and will be hosting a variety of event styles to accommodate as many members as possible. Thank you for the feedback.
Anonymous Lots of questions. Imperative to get feedback from tribes and to address issues of endangered species and legal restrictions. FYI lots of us older folks have not great hearing. This is a really difficult format to hear speakers – lots of background noise.	?	Thank you for this feedback. We will be hosting a variety of events to accommodate different needs throughout the tidal power project. We will continue meeting with the tribal nations and incorporating their feedback as we move forwards. We will be following the federal requirements for working in a habitat that has endangered species and will continue to be transparent as we move forward on this project.
Miriam Ziegler - We have to come up with alternative energy sources to meet the demand! Hopefully tidal will prove to be feasible.	Yes	Comment noted. Thanks for coming to our event to learn more!
Tom Baldwin - Basically its free CO2-less power. Only concern is for the whales.	Yes	Comment noted. OPALCO is also concerned for the critical marine habitat and the whales who live here. We will be doing lots of studying to see what the potential impacts will be.
Mark Padbury - If we can capture “free” energy, (ya right) then why don't we do it. This is virgin territory but ya gotta start somewhere. Good job OPALCO.	Yes	Comment noted. Thanks for coming to our event to learn more!
Ryan Uken - I'm in support of any green energy project. With the climate crisis worsening we need to do whatever we can to meet our energy needs in a sustainable way. Tidal, solar, wind, hydro, geothermal, and even nuclear are preferable to fossil fuels.	Yes	Comment noted. Thanks for coming to our event to learn more!
Howard Barbour – 1. Seems to make perfect sense. 1. The service is right here. 2. The program is grant assisted. 3. Demand is bound to increase.	Yes	Comment noted. Thanks for coming to our event to learn more!
Rusty - Initial feedback is positive.	Yes	Comment noted. Thanks for coming to our event to learn more!
Bill Wulff - We must transition to renewable sources of energy. It's a long haul that needs exceptional growth. Keep up the good work!	Yes	Comment noted. Thanks for coming to our event to learn more!
Steve Diepenbrock - I believe we need to study all energy production options in detail. This project seems on obvious category to research. There will be trade offs for any project. To secure funding to weigh and consider all pros & cons is essential. To engage all members of the community and government and tribes is essential. I hope OPALCO is	Yes	Comment noted. Thanks for coming to our event to learn more! We do have the funding for this first phase of feasibility but will need to secure more funds to keep the project moving forward.

able to secure funding for this feasibility study!		
Issa Parker	Yes	Thanks for coming to our event to learn more!
Betsy Wilson – Very cool! Low impact sustainable energy generation looking towards the future of our islands electric needs	Yes	Comment noted. Thanks for coming to our event to learn more!
Jim Rorabaugh: I support clean energy any way we can accomplish this.	Yes	Comment noted. Thanks for coming to our event to learn more!
Jaime Beechum: Making sure that tribal nations are up to date on information energy is being put in to do so. Including holistic view of overall energy need and long view plan. Having a comprehensive and accurate baseline of environment, how to mitigate impacts.	Still waiting to hear more	Keeping the tribal nations up to date on this project has been priority since before we received this particular grant and was an initial step we took when we began this project. We will definitely be looking at environmental impacts and how mitigate them.
Lyn Sorenson Thanks for the presentation today on Lopez. Events like this are really good for understanding Opalcos concerns and priorities and how that, ultimately, affects us.		Comment noted. Thanks for coming to our event to learn more!
Lopez Comments/Questions		
You should look at how the tidal fluctuation fits in with where the demand on our grid is. Because we may not get enough tidal energy from this device on those days/times as well.		One of the exciting parts of tidal power is that tidal flow happens at night when solar power is not generating electricity so this could be a nice supplement for our region that uses a lot of energy when the sun isn't shining. It's not a completely firm power source so will need to be kept firm with batteries or our mainland power supplier.
If BPA doubles their rates today, would this device become more feasible?		With predicted power rate increases and the grant funds this device becomes more cost effective but it is still very costly so OPALCO will be doing extensive analysis to make sure this power source pans out financially in addition to all the other factors.
If you don't do 2, 3, or 4, what is the point of doing 1? Are the studies being done to look at the area of impact for multiple devices?		We are focused on getting this one device sited under a FERC pilot project license.
Is there anything out there aside from solar, hydro, and tidal? Aside from nuclear? Maybe biochar as well?		Our energy future is going to need to leverage all available energy sources – geothermal, green hydrogen, battery storage.
Do the turbines on the machine pose a risk of oil leak (oil is lubricant for the turbines)?		No. if any fluids are needed, they are biodegradable and <u>not</u> hydrocarbon-based.
What is the fire suppression system for the device? And what is the potential for pollution?		There is a fire suppression system. There will be safety protocols and emergency procedures in place. Safety first! OPALCO is in the middle of a third-party environmental risk register with Pacific Northwest National Labs which will be analyzing the risks for various environmental concerns.
How much does this cost?		Full costs are part of this feasibility study. We will make this information available when complete.
Depends on many variables. Costs to community still seem high for limited benefit. Impacts to endangered species seem primarily unknown – need much more data! Overall project seems too experimental to implement at this time. Too many unknowns. Especially to the many endangered species that use the San Juans. Seems too premature to implement. We don't need and should be on the bleeding edge of this technology. I strongly support trying to implement as much sustainable energy as possible – much needed! But we <u>can not</u> add additional risk and stressors to the SRKW who are barely hanging on! Our community <u>can not</u> afford to be the vanguard of technology that is much too risky.		Thank you for your feedback. With the increase in electrical demand throughout the region and lack of new sources for supply – the OPALCO team feels it is important to explore these opportunities to understand what trade-offs there are and when we have a more complete picture decide if this is a good project for our region.
General Questions from audience		

Are there other countries besides Scotland who have tidal energy?		Yes, numerous countries around the globe are investigating tidal energy. The 2024 State of the Science Report published by PNNL summarizes each country and the status/number of devices.
Do other countries share their results of marine mammal interactions and other relevant environmental observations?		Yes, PNNL hosts a clearing house of all marine energy scientific studies and gathers this information from around the world. It's called Tethys. <a href="https://tethys.pnnl.gov/">https://tethys.pnnl.gov/</a>
What has been the feedback received so far from the Tribal Nations?		We are still in the early phase where not all Tribal Nations have formally commented. We are still gathering and sharing information and helping define what should be studied or how best to effectively engage with Tribal Nations. To date, the Tribal Nations have been responsive and engaged and have been great to work with.
How was it determined which Tribal Nations to engage with?		OPALCO started early outreach in 2022 and started with the Tribal Nations that OPALCO regularly consults with as part of their standard operations and projects. OPALCO followed the federal guidelines for tribal consultation and officially contacted each of the Tribal Chairpersons. Additional communications occurred at the direction by the Tribal Chairpersons and/or the directors of the technical departments (i.e., Natural Resources, Environmental Policy, Culture, Special Projects, etc.). OPALCO also expanded engagement efforts based on direction from FERC and recommendations from the Northwest Indian Fisheries Commission.
Why are some Tribal Nations not being included?		All of the Tribal Nations who signed the Treaty of Point Elliott with the U.S. Government have been engaged. At this point, Tribal Nations based in British Columbia/Canada who have not signed treaties with the U.S. government have not been engaged. OPALCO has reached out to FERC to determine the process for engaging with International Tribal Nations.
How is this going to work for the best interest of OPALCO financially, both for building and operating it?		OPALCO is committed to ensuring that this project would be financially viable to our co-op and not to add to the energy burden of co-op members.
I didn't know the power on the mainland was so precarious. Members did not understand the supply and demand problems that we're facing. Recommend that we spend the time communicating that to our membership so that problem is understood.		Comment notes. Thank you for the feedback. We are trying to get the membership to understand what our energy future is looking like and to engage with these important projects.
Have you spoken to Orca Experts/Scientists?		We are also working with the National Marine Fishery Service to address potential impacts to the SRKW under the ESA, which will inform future study needs. The protection of the SRKW and other marine mammals in the area are mandated by the Marine Mammal Protection Act and ESA. Other orca interest groups are welcome to share their feedback with us at the Town Hall meetings, email OPALCO with questions or concerns, and engage in the official FERC 30-day public comment period once the Draft License Application (DLA) is submitted. If there are orca or other groups in the area that you would like us to be aware of feel free to send us their information.
What type of information did OPALCO have to share with Tribes in 2022 ahead of this Phase 1 grant?		OPALCO had a grant from Department of Commerce in 2022 for the early exploration of this project. The project would be in the Usual and Accustomed (U&A) fishing area for the region's Tribal Nations who were signatory to the Treaty of Point Elliott. The early outreach informed those Tribal Nations of our intention to explore the feasibility of this project.
Will Tribes ultimately have to sign off on the project for it to move forward?		The role of the Tribal Nations is not to approve or deny the project. The federal lead agency is FERC and it is their responsibility to approve or deny the application. FERC incorporates extensive tribal consultation and public engagement into their process and will review and analyze the feedback and data they receive from the application, Tribal Nations, and public to inform their decision.





## Elizabeth Robson Comment Sheet with OPALCO Response

Questions and Concerns about Rosario Strait Tidal Power Plant

Our letter of opposition: <https://www.orcaconservancy.org/blog/growing-concerns-regarding-tidal-turbines-in-srkw-critical-habitat>

### OPALCO Response to Machine and infrastructure details:

[The Quick Fact: OPALCO Tidal Energy Pilot Project](#) site includes the technical specifications for the Orbital Marine Power floating tidal turbine. We encourage you to refer to the website for the latest information. By referencing the OPALCO site we will work to ensure all information is correct and up to date.

### Concern bullet points

- Fish species most at risk: salmon, bocaccio, and yellowed rockfish.
- Dolphin species most at risk: endangered southern resident orcas.
- Average adult male orca size: 7 meters; blade rotor diameter 20 meters each.
- Possible impacts to diving birds.
- Likely impacts to benthic species, including sea anemones, sponges, corals, sea stars, and more, especially from cables and anchors.
- Noise impacts.
- Experimental: this is completely new technology and has barely been tested.

### OPALCO Response to Concern Bullet Points

- Environmental studies for feasibility in this phase include fish tag receivers and analyzing noise impacts. Also, the Pacific Northwest Laboratory (PNNL), under the direction of the U.S. Department of Energy, has developed an environmental risk register to provide a third-party objective analysis of environmental risks. In addition, the analysis studies various receptors, including fish and birds. Each of these is studied in the context of various stressors such as entanglement, habitat change, and more.
- We are working with the National Marine Fishery Service. The protection of marine mammals in the area are mandated by the Marine Mammal Protection Act and ESA.
- Orbital Marine out of Scotland has had the floating stream O2 device in the water in the Orkney Islands. You can find pictures of the location with the technology at <https://www.orbitalmarine.com/>. They have been successfully harvesting power since 2021. Numerous countries around the globe are investigating tidal energy. The 2024 State of the Science Report published by PNNL summarizes each country and the status/number of devices. [https://tethys.pnnl.gov/sites/default/files/publications/OES-Environmental-2024-State-of-the-Science-Report\\_1\\_0.pdf](https://tethys.pnnl.gov/sites/default/files/publications/OES-Environmental-2024-State-of-the-Science-Report_1_0.pdf). PNNL hosts a clearing house of all marine energy scientific studies and gathers this information from around the world. It's called Tethys.

More in-depth concerns and questions:

The withdrawal of wind energy areas by the Trump administration on January 21, 2025, with an executive order that emphasizes both cost and impacts to marine environments indicates this project may be even more risky now in terms of federal support.

### OPALCO Response:

**Based on the outcomes of the yearlong grant, our project could be selected to receive more grant funds and advance to the next phases. We would not proceed without these federal funds.**

The two nacelles in the O2 tidal machine are similar to wind turbine nacelles. We know that wind turbine nacelles often leak oil. They sometimes catch on fire. The nacelles in the O2 will, like a wind turbine nacelle, house a gearbox, shaft, and generator, and so will require lubrication. Leaked oil, even a small amount, will damage the marine environment, and fire suppression systems often use foam which contains toxic chemicals that could leak into the marine environment.

The hydraulic system to lift and lower the arms of the machine also require lubrication, posing yet more risk of oil spill into the marine environment.

### OPALCO Response:

**If any fluids are needed, they are biodegradable and not hydrocarbon-based.**

Cooling systems in the nacelles: these cooling systems will bring in sea water that is piped through the gearbox to cool the components. The water is then dumped back into the sea.

If these cooling systems are anything like those in offshore substations, the water dumped back in the sea will be hot, probably over 90 degrees F, and potentially contain biocides they add to the cooling system to protect it from algae growth. This will have an impact on the immediate surrounding marine environment.

**OPALCO Response: OPALCO is working with PNNL to create an environmental risk register that collates all the latest information from projects like this around the world. We will be identifying what environmental issues will need to be addressed before moving**



forward.

The rotor blades are made out of carbon fiber and resin — this is plastic. It is likely these will shed large amounts of microplastic into the marine environment.

**OPALCO Response: OPALCO is working with PNNL to create an environmental risk register that collates all the latest information from projects like this around the world. We will be identifying what environmental issues will need to be addressed before moving forward.**

The mooring lines are estimated to be about 740 feet long. Rosario Strait ranges from about 100 feet (once offshore) to about 450 feet at the deepest parts. So the cables are between 2x and 7x the depth of the Strait. As the machine moves and the current shifts the cables, the cables could potentially scrape along the seabed damaging the benthic communities and potentially raising significant amounts of sediment that can harm marine life.

**OPALCO Response: The next phase of the project will determine how much disturbance may be created. We will make this information public as it becomes available.**

For the O2 installation in Orkney, the company placed “nylon aggregate bags” around the anchors to prevent “scour”. Nylon breaks down in the environment, and thus will serve as yet another source of microplastics in the marine environment.

**OPALCO Response: OPALCO is working with PNNL to create an environmental risk register that collates all the latest information from projects like this around the world. We will be identifying what environmental issues will need to be addressed before moving forward.**

The Salish Sea is already impacted by pollution, shipping, shoreline development and noise. We are severely damaging the sea, cut by cut. In death by 1000 cuts, how do you know which cut will be the last?

**OPALCO Response: OPALCO shares your concern for the marine habitat surrounding our islands. We are deeply concerned that without energy alternatives, our diet of fossil fuel based energy sources will continue to impact our environment. Creating local, carbon free energy sources is key to mitigating the impacts of climate change.**

Questions

A video describing the O2 produced by Orbital Marine and available on YouTube, describes the immense pressure placed on the hull of the machine and the cables and anchors holding it in place. What is the plan for a worst case scenario in which the hull breaks, a cable breaks, or a blade falls apart as happened recently at Vineyard Wind (on the East Coast)?

**OPALCO Response: As with all of OPALCO's day to day business we will have a hazard mitigation plan and emergency response protocols.**

What kind of anchors will be used for the O2: gravity anchors or rock bolt anchors? If gravity anchors, how will OPALCO mitigate for the benthic habitat disruption from these large (approximately 30 feet by 30 feet wide, and 10 feet high, 35 metric tons) anchors? Similarly for the 30 foot long rock bolt anchors, installing these anchors may do significant damage to the seabed—how will OPALCO mitigate this damage?

**OPALCO Response: This issue is part of the current feasibility being studied. We will have more information about the kind of anchors and what, if any, mitigation needs to be done.**

Did you notify the local community via local newspapers four weeks in a row as required by the Federal Power Act when you applied for the FERC permit?

**OPALCO Response: OPALCO has not applied for a FERC license yet, which will trigger the reference notification requirement. OPALCO applied for and received a FERC Preliminary Permit. This is not actually a permit to conduct any activities, and it lets us have first priority in applying for a license for the project that is being studied. It does not allow for any specific work to be done – it is a step to ensure the study of the project's feasibility. If the project is found feasible then we can use the data and info gathered to prepare an application for a license and then would need permits to get specific work done. Here is the link to our Preliminary Permit Docket Number P-15368-000: <https://elibrary.ferc.gov/eLibrary/search>.**

Cost: The less subsidy OPALCO gets, the more it will cost ratepayers. If we continue down this path, and the federal gov pulls subsidies, we'd be on the hook for millions of dollars. What will happen to the project if we get half way there and the federal funding is no longer available? Or something catastrophic happens?

**OPALCO Response: OPALCO has financial feasibility top of mind for this project. The co-op will only move forward if it makes financial sense and does not add to energy burden of co-op members. Investing now in renewable generation projects will help with the long term financial viability of power costs in San Juan County as mainland costs go up and renewable generation costs go down or we can get these projects funded by grants.**

When will you know the exact costs per kWh for rate payers?

**OPALCO Response: We will have the estimated costs for this project by the end of this grant. Exact costs are not known until the project is actually being built.**

You've said that you'll respond to the environmental concerns raised by the community and by the Swinomish in the FERC permit application at licensing time. But isn't that too late in the process? I think we'd all like to know \*now\* what these environmental impacts will be.

**OPALCO Response: Once we submit the Draft License Application on April 1<sup>st</sup> then further environmental studies will be evaluated. There will be extensive studies required in order to get the permits to install such a device in the water. The process is years out from**





an actual device being installed.

Will the machine have an “early warning” orca detection? What about other species? What will this cost? What will it look like? Was it developed with orca experts, because none of the orca experts we’ve talked to have been contacted.

**OPALCO Response: It is too early in the process to have this level of detail about what is installed and/or mitigated. If you have Orca Experts for OPALCO to talk to, please send their contact information and we will add them to the list of experts we have been working with.**

O2 has said, “Each rotor is imparting about the same thrust as jumbo jet engines taking off” How will the noise from these turbines impact the marine environment?

**OPALCO Response: The state of the science on Marine Renewable energy projects states noise levels are generally below harmful thresholds for marine mammals. We will continue studies on these specific devices to ensure that the noise levels are appropriate.**

We know from wind turbines that blades made with carbon fiber and resin shed large amounts of microplastics into the environment. How will you mitigate and/or compensate for the damage microplastics do to the environment, including microplastics in the food chain, and the toxics that leak from microplastics into the water and the marine life who eat the plastic?

**OPALCO Response: Every energy source has tradeoffs in our environment. OPALCO will be analyzing the various risks and mitigate as required via the FERC process.**

In a blackout, how will you determine who will get the power generated by the machine? Who gets priority?

**OPALCO Response: This device's location was determined because we have infrastructure on Blakely Island that we can tie into to get the power through our transmission system that feeds Orcas Island. Logistics and how the electrons flow is how we determine who will get power during outages.**

What will happen in 20 years when the machine(s) need to be replaced? Who will be responsible for disposing of the machine and paying for that?

**OPALCO Response: There will be a decommissioning plan for this.**

What will happen if we don't have the money to replace the machine? The machine's lifespan is only 20 years—this is a large financial burden for a short lifespan.

**OPALCO Response: The lifespan is 25 years. This will need to be determined based on the success of this project.**

#### Claims

OPALCO claims adding local electricity will make us more resilient, but because of San Juan County population projections, it seems like that the 400 homes-worth of electricity will quickly be eaten up by new development.

**OPALCO Response: OPALCO's intent is to find innovative solutions for the projected growth for electricity. This is our opportunity to be part of the solution for our future energy supply.**

OPALCO claims that so-called renewable energy will help meet WA state and US climate change goals, but if there is more growth in the county, this is not true. In addition, any electricity we free up on the Pacific Northwest Grid because of this machine and other local electricity generation will be used by other power users elsewhere on the PNW grid, such as the proliferating data centers around WA state.

**OPALCO Response: Check out our Quick Fact on what trends we are seeing with the mainland power supply:**

<https://www.opalco.com/20989-2/2024/03/>

OPALCO claims that local energy will supply power in a blackout. But this is only true for our entire local grid if supply matches demand. It is unlikely that one solar install (or even two, if Bailer Hill is built) and a tidal machine that can power only 400 homes will come anywhere close to meeting demand, especially during a cold snap. This means that OPALCO or someone will have to choose who gets the power from local power plants. In addition, if enough growth happens in the county while this machine is being studied and installed over the next few years, then the additional power will be very unlikely to make any difference to us whatsoever in a blackout.

**OPALCO Response: Renewable energy projects need to be part of the solution for our future energy load growth. It takes years and years to get these projects sited, designed, permitted and installed. We need to start finding solutions now.**

#### Demand

OPALCO is mandated to match supply with our demand. Therefore it is upon us to reduce our demand so we are not putting the marine environment of the Salish Sea at risk.

**OPALCO Response: OPALCO wholeheartedly agrees and encourages energy savings and efficiency through our rebate programs and switch it up.**

#### Notes on FERC Permit

A FERC preliminary permit was issued Jan 13, 2025. Only Swinomish Tribe consulted with (not OPALCO ratepayers, and not Lummi, or other tribes).

**OPALCO Response: OPALCO has been consulting with a variety of tribes and the OPALCO members about this project since 2022. A full list of our consultations is on the website in the Additional Resources section of this page: <https://www.opalco.com/quick-fact-opalco-tidal-energy-pilot-project/2022/11/>**



Swinomish concerns:

- + Impact to Treaty resources and the environment.
- + Tribal fishing rights in the Salish Sea.
- + Asked for cost/benefit analysis.
- + Impact to the marine environment, specifically benthic habitats.
- + Impact to aquatic species including salmon, rockfish, orcas, humpbacks, and other endangered or tribally important species.
- + Impact to culturally significant sites.

OPALCO: because this is a preliminary permit, OPALCO has not responded to these concerns, and says it will do so at licensing time.

**OPALCO Response: Here is the link to our Preliminary Permit Docket where we responded to the Swinomish's concerns Number P-15368-000: <https://elibrary.ferc.gov/eLibrary/search>.**

Swinomish have asserted that OPALCO must conduct environmental studies to:

Assess potential impacts of anchor and mooring systems on benthic habitats and species;

Analyze how the subsea cable will affect benthic habitats and species;

Determine how the anchored turbine will impact tidal flows and sediment transportation;

Evaluate the cumulative impacts of adding more turbines to the project;

Conduct a formal cultural resource assessment to ensure that no culturally significant sites will be affected by the project construction or operation.

Include other tribes so far not included in preliminary permit consultation be included:

Tribal nations including the Confederated Tribes of the Umatilla Reservation, Jamestown S'Klallam, and the Port Gamble S'Klallam, along with the Swinomish, Lummi Nation, Suquamish Indian Tribe, Tulalip Tribes, and Samish Nation.

OPALCO states that it will describe its Tribal engagement in its license application and has not addressed any of the Swinomish concerns so far.

**OPALCO Response: Here is the link to our Preliminary Permit Docket where we responded to the Swinomish's concerns Number P-15368-000: <https://elibrary.ferc.gov/eLibrary/search>.**

**We also have our full tribal engagement schedule on our website here: <https://www.opalco.com/quick-fact-opalco-tidal-energy-pilot-project/2022/11/>**

The FERC permit allows FERC in conjunction with OPALCO to “make investigations and to collect and record data concerning the utilization of the water resources of any region to be developed, the water-power industry and its relation to other industries and to interstate or foreign commerce, and concerning the location, capacity, development cost, and relation to markets of power sites” under the Federal Power Act (FPA).

The FPA includes allowing FERC to issue a license to a corporation (such as a utility) “for the purpose of constructing, operating, and maintaining dams, water conduits, reservoirs, power houses, transmission lines, or other project works necessary or convenient for the development and improvement of navigation and for the development, transmission, and utilization of power across, along, from or in any of the streams or other bodies of water over which Congress has jurisdiction.”

The FPA also authorizes FERC to “issue preliminary permits for the purpose of enabling applicants for a license hereunder to secure the data and to perform the acts required by section 9 hereof: Provided, however, That upon the filing of any application for a preliminary permit by any person, association or corporation the Commission, before granting such application, shall at once give notice of such application in writing to any State or municipality likely to be interested in or affected by such application; and shall also publish notice of such application once each week for four weeks in a daily or weekly newspaper published in the county or counties in which the project or any part thereof or the lands affected thereby are situated? (Emphasis added.)

I personally do not recall seeing weekly notices of OPALCO's FERC preliminary permit application anywhere in the county, but perhaps I missed them.

**OPALCO Response: We have received the preliminary permit and have therefore met those requirements for that part of the process. The above requirements are related to the Draft License Application of which OPALCO will be following all requirements.**



## Notification to the Board

To the Board of Directors of OPALCO

As instructed by Section 3 of the Bylaws, we reviewed the applications of all eligible members submitted for the April 2025 election for the board positions in each of the following districts: District 1 (San Juan, and Obstruction islands); District 3 (Lopez, Decatur, Center and Charles islands); and District 4 (Shaw, Crane, Canoe and Bell islands).

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

Based on our evaluation of the applications and interviews, we unanimously nominate the following members as candidates for the April 2022 election:

District 1	District 3	District 4:
Mark Madsen	Brian Silverstein	Dr. Jerry Whitfield

Please contact any one of us if you have any questions.

Respectfully submitted,  
The OPALCO Elections and Governance Committee