

**Mark Madsen**  
**2025 Election – Candidate Answers**

**OPALCO:**

1. OPALCO's mission is to provide safe, reliable, sustainable and cost-effective essential utility services with a commitment to the utilization of renewable resources and carbon reduction. How does this mission align with your vision for the cooperative and community?

Our cooperative is precisely how a small island community can have some control over its energy future, and not simply be at the mercy of the market and larger entities. Renewable local power generation is the key to ensuring that we have adequate energy supply regardless of what else is happening in our region, in addition to its carbon reduction benefits. As the market price of energy strongly increases, it is local generation and storage that can help us stay cost-effective and affordable to members.

2. The region is in a period of major energy transformation away from carbon-emitting sources.
  - a. Where will OPALCO get the capital to invest in required system upgrades and local renewable generators to keep the islands supplied with reliable power during the transition?
  - b. How should OPALCO maintain affordability for all members while complying with legislation for decarbonization?

As a cooperative, we fund projects in several ways. We borrow from the Rural Utilities Service for long-term loans to build core infrastructure such as substations and distribution lines. These are paid for generationally by all the members who use the system. We seek grant funding for new capabilities, although grant funding goes through political cycles that are out of our control. And some portion of the funding for routine operations and maintenance, of course, is built into the rates we charge members for service.

Power prices in the region are going up, there is no question. We can manage and buffer the impact of this in several ways: building storage that allows us to avoid peak demand charges from mainland power; build some local generation capacity, managed by OPALCO, that will lessen how much market-rate power we need to purchase above our low-cost Tier 1 allocation; and encourage member-owned solar installations wherever these are appropriate. All of these will be necessary to buffer our members from the full impact of electricity price increases which are already happening in our region and nationwide.

3. Solar power requires a lot of sunny land for solar arrays. Existing county land use codes favor preserving local rural character over solar generators on open land. How do you think about these potentially conflicting approaches to land use? How can OPALCO work with San Juan County to ensure permitting certainty for these projects?

County land use tables long pre-date the idea of local generation of clean, renewable energy, and come from the days of using polluting diesel generators for our electricity. We need to modernize the land use classifications to allow both landowners and OPALCO to build reasonable amounts of solar generating capacity on non-sensitive properties if all the normal permitting requirements are met. And as the County rebuilds DCD leadership and capacity, we should work with them to establish a predictable process that OPALCO and individual property owners can use to build renewable projects throughout the county – a process that recognizes that funding can be contingent on being able to build within fixed timelines.

4. There is often lots of "Not In My Backyards" (NIMBY) push back on new generation projects. How can OPALCO influence our community when faced with loud NIMBY responses?

My personal feeling is that as the reality of our energy supply challenge begins to be felt, more of us will learn to see local solar production as desirable, and even a point of pride for our community. There will always be specific sites that are opposed by neighbors, of course. And there are conservation, sensitive, and historical sites that we need to avoid, of course. But we need to sit down within our communities and find common ground on the basic need for local power generation. Change may be generational here, but I believe we will come to see this as essential for our community.

5. It's estimated that OPALCO's load growth will double between now and 2050 due to the electrification of heating and transportation. Questions:
  - a. Where should this new energy come from?
  - b. Where should new renewable projects be located?
  - c. Will local resistance limit siting and permitting?
  - d. Who pays for it?

Some of the needed energy will come from additional mainland sources, as OPALCO works through its "Coop-of-Coops" PNGC to partner on additional capacity. But our submarine cables to the mainland are limited in capacity and we are *already* at capacity during the coldest weather events. As a result, much of our need will have to be satisfied by energy we can produce on THIS side of the cable, locally. That's why OPALCO has been working on community-scale solar projects (starting with our successful facility on Decatur), and why we strongly encourage members to deploy rooftop solar, both on individual homes and at larger scale with private business and County buildings. We need to make sure every home that can reasonably support solar does install it, and we have ultra-low-interest on-bill financing to help members make that a reality.

Who pays for it? When grant funding is available – as it has been in the past – we have an excellent track record of receiving it to help fund projects without a direct impact on ratepayers. When grants aren't available, we will need to figure out good financing models that use long-term lending to build infrastructure that can be paid for generationally. This is how nearly all OPALCO's infrastructure is paid for, incidentally. And we need to partner with members to help them finance their own projects using our Switch-It-Up on-bill financing, and get creative on how we can use this program to build projects at different scales.

6. OPALCO's current rate structure collects almost half of the revenue to cover fixed costs through the kWh (energy use) charge. As we become more energy efficient and embrace more renewable energy, OPALCO won't collect enough kWh revenue to cover fixed costs. How would you address this rate structure dilemma?

The traditional rate structure doesn't work well, but it is what people are used to. We need to explore new rate structures that work for members who generate renewable energy, which give us incentives to move optional activities to non-peak hours, and help the whole County avoid expensive peak charges. This will take time – time to add the meters need to help control and time-shift things like EV charging – and time for new rate structures to be introduced to the membership. We have a start on this already, but we need to be consistent over the next 5 years and introduce good options to our members.

7. What role should the Co-op play in state and regional public power affairs? How do you see OPALCO influencing public policy and elected officials?

OPALCO has a long history of being involved in regional affairs concerning power, and we need to continue that. We're a small cooperative, but we engage with our legislators, our Federal Congressional teams, and with other utilities on a constant basis. We need to continue this effort and ensure that we have a seat at the table for decisions that affect our communities. Obviously, we need to be realistic about how much we can do alone, which is why I support our efforts to work with our Coop peers through NRECA and WRECA. We won't always share the same views as other cooperatives on all issues, but where we have common cause, we are stronger together.

8. The high cost of living in the islands (especially housing) and a very competitive labor pool in the industry has made it challenging to hire and retain staff. What ideas can you offer for hiring and retention of qualified employees?

Like other large private employers in the County, we must explore options for worker housing, at least on a transitional or temporary basis. Hopefully many of these options can be in partnership with our existing organizations across the three main islands. There are few if any large employers in the County that aren't facing the need to plan for this, and I think we need to take judicious steps to ensure that we can hire and retain the talent needed to run a very complex organization.

9. Member engagement is key to a successful cooperative. How would you encourage greater participation from members?

This continues to be one of our toughest challenges. People are busy, and learning about energy is usually not at the top of most people's priorities. We're trying some things – like frequent short "town hall" presentations, and Ruralite magazine, to see how they work. But we'll need to keep finding ways to bring people together to understand complicated topics, especially around siting renewable projects and new rate structures. I don't have the answer to this, except that we need to keep trying new things until we find a combination of means that work.

## ROCK ISLAND:

10. How important is access to communication technology throughout San Juan County?

Good telecommunications are vital for our community. We are no longer just an isolated rural community – many of our members and residents expect to be able to work, participate in remote learning, and conduct business online. Our Rock Island subsidiary has become the “backbone” for our future economy. The ongoing effort to build out fiber and access creates options and opportunities for our next generation that simply would not exist without broadband.

11. Rock Island provides internet connections to nearly 60% of the OPALCO membership. How should Rock Island and OPALCO prioritize reaching the balance of the membership with access to broadband?

Now that Rock Island is a profitable enterprise and no longer a startup effort, we need to work within financially prudent plans to continue expanding access. This means using our debt capacity to drive expansion as much as possible, but in a way that keeps Rock Island sustainable into the future. Of course, to the extent that grant funding is available – as it has been to reach many of our most difficult areas – we will push as quickly as possible to expand access.

12. Who should pay for the cost of internet connections?

We share the costs. Rock Island is building out the core fiber network (along with OPALCO, which owns the core fiber backbone) to reach as much of the county as possible, and then individuals or homeowner’s associations are responsible for the “last mile” and “middle mile” in the case of a “neighborhood” project. Rock Island and OPALCO help individuals finance their last mile with our connection incentive (which functions like a rebate at the time of construction), and ultra-low-interest on-bill financing. This shared responsibility helps increase adoption by making fiber construction feasible in what would otherwise be tricky and expensive areas.

13. What would you bring to the Co-op to help Rock Island realize its full vision?

As a board member, I have brought consistent oversight of Rock Island and am proud of what we’ve accomplished, including profitability – which makes Rock Island stable and sustainable for our members into the future. I have a strong background in telecommunications and networking and beyond financial and strategic oversight, I have a deep understanding of the business itself at the level of its technology and operations.