

Board of Directors

Regular Meeting

Thursday, June 19, 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: <u>communications@opalco.com</u>

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Sequence of Events

- OPALCO Board Meeting
- Executive Session



Board of Directors Regular Board Meeting June 19, 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 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 – May 2025

District 1 (San Juan, Pearl, Henry, Brown, Spieden) PICKARD, EBONY AUSILIO, ALINA BENDER, KERI BRANDEE BARR LEGA, CY TRUST **BROWN, STACEY** CARTER, VERONICA CASTANEDA, JANET & EMMANUEL, SOLIS NEPOTE CHRISTOFFERSON, STEVEN & CHRISTOFFERSON, KELLY CORONADO LOPEZ, SONIA ESQUEDA, OLIVIA & HAFEY, DAVEN FRANKLIN, TIM FRENCH FAMILY TRUST GAUTHIER, CLINTON GUARD STREET TOWN, HOMES LLC & CHAD, MCGEE HERIN, MIKE HOLAHAN, SARA MARSHMAN, PAUL MCCUTCHEON, JORDYN NEWELL, BRYNN & NEWELL, IZAAC NILES, ALAN & SHRUM, JENNY PRICE-MORRIS, MALIA ROWF NEUMAN MARY-MARGARET SANDWITH, SCOTT & SANDWITH, CARYN SCHIMMEL, KATHERINE VANSLOW. STEVE VENETTA, STEVEN WALTON, LUKE & KUHEIM, HEIDI WESTHAGEN, SUZANNA 7HU 7HIPU

District 2 (Orcas, Armitage, Blakely, Obstruction, Double,

Alegria, Fawn) AREVALO MENDEZ, ELIDA CAREY, GIFFORD CLINE, JASMIN DANIELS, JOSEPH & FORD, KYLE DUCAT STEPHEN HALABISKY, BRUCE & LONEY, TIFFANY HARRINGTON, CORY HERNANDEZ, JOSHUA HOPKINS, GAYE JOHNSON, GABRIEL LANG, SUZIE & LANG, PATRICK NALDER, MICHELLE & NALDER, COLBY **O'BRIEN. DEBBIE** ROBERTS, PETER & ROBERTS, PAMELA SALINAS RODRIGUEZ, HERMELINDO SANTAMARIA, CHELSEA & MITCHELL, GAGE SHANIPRIYA TRAINI, NG LLC TAPPAN, CHUCK & TAPPAN, DIANA TOPACIO, CHAZ WEST. ELI WOLF, KRISTA & WOLF, ANDREW

District 3 (Lopez, Center, Decatur, Charles) ANDERSON, ELIZABETH & SWINBANK, CLAIR HAUGE, ERIK & HAUGE, LISA HONEYWELL, SCOTT & HONEYWELL, LORI KRAUSE, CAROL & RINGEN, JOANNE NEWMAN, MATT WILDER, MAIJA District 4 (Shaw, Crane, Canoe, Bell)

None

Capital Credits

Staff request 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:

JL	ine
Customer #	Amount
61744	1,412.37
66717	1,532.57
68732	1,515.76
68607	1,092.76
70546	844.94
81299	283.48
Total	\$ 6,681.88

Staff requests a motion to approve the Consent Agenda.



Streaming through Zoom attendees were Board members Vince Dauciunas, 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; 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. Special guests, Ari Gold-Parker, Hannah Platter and Paul Picciano from E3 to present.

Members in attendance: Ray Glaze, Barbara Pesola, Chris Wolfe, and Dean.

Meeting commenced at 8:32 AM

Member Comment Period: No comments.

ACTION ITEMS

CONSENT AGENDA

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

Cooperative Finance Corporation (CFC) One-Card Limits

MOTION was made by Madsen to authorize the General Manager to execute and amendment to the Agreement on behalf of the Cooperative, including any future amendments and related documents as necessary to comply with CFC's or U.S. Bank's requirements, seconded by Silverstein and passed unanimously by voice vote.

2024 Audit Presentation

The board went into executive session to discuss at 9:00 am and returned to regular session at 9:29 am. Silverstein made a motion to approve OPALCO's Independent Auditor's Report and Financial Statements for December 31, 2024, and 2023, as audited by Moss Adams LLP, seconded by Whitfield, and passed unanimously by voice vote.

Board Officer Elections

Board members voted electronically, and the vote was tallied by Beth Stanford, Special Projects and Office Coordinator. Results were unanimous support for Vince Dauciunas, Board President; Jerry Whitfield, Vice President; Tom Osterman, Secretary-Treasurer.

DISCUSSION ITEMS

Member Service Policy Update (First Read):

Staff reviewed Member Service Policy 1 and proposed policy additions and revisions. Discussion ensued.

E3 Update

There was a presentation on the continued retail rate discussions with our consultants E3. Discussion ensued.

2025 Q1 Financial Report

Staff reviewed Q1 Financial report and discussion ensued, including weather trends and revenue, equity, margins,



notable drivers, and rate structure.

REPORTS

Staff reviewed reports, dashboards, grant and budget tracking, ongoing cooperative-wide safety measures and training, and projects.

Regular Session ended: 10:45 am RIC Session: 10:45 am – 11:30 am Executive Session: 9-9:29 am & 11:30 am-12:16 pm Meeting Closed: 12:16 pm

Vince Dauciunas, President

Tom Osterman, Secretary-Treasurer



As part of the rate making process, we need to clearly communicate the fundamental principles of rate setting for the organization and third-party consultants as guidance as we analyze and develop rate design alternatives.

Staff recommends adding Section 1.1.4 to Member Services Policy 1: Nature of Services Offered as follows:

1.1 ELECTRIC SERVICES

1.1.1 OPALCO provides 60 cycle (Hertz) alternating current service at the following voltages:

Single Phase, 2 Wire	120 Volts
Single Phase, 3 Wire	120/240 Volts
Three Phase, 4 Wire	120/208 Volts
Three Phase, 4 Wire	277/480 Volts

Service voltage ranges are maintained at +/- 5% of these voltage levels. It will not be considered a violation of this voltage standard when voltages outside of the prescribed limits are caused by any of the following:

- Action of the elements
- Service Interruptions
- Temporary separation of parts of the system from the main system
- Infrequent fluctuation of a short duration
- Voltage control for load management purposes
- Addition of member equipment without proper notification to the Cooperative
- Emergency operation
- Operation of member's equipment
- Other causes beyond the control of the Cooperative

The Cooperative will not be responsible for the installation and maintenance of any equipment needed to accommodate nonstandard voltage, voltage regulation of less than +/- 5% of the standard voltages, or protection for motors and electronic equipment. This equipment will be operated and maintained at the member's expense.

- 1.1.2 OPALCO shall, unless otherwise provided in this policy, construct, operate and maintain the facilities necessary to deliver electrical energy to the point of service connection to the service equipment owned by the member or prospective member (hereinafter "member"). Responsibility for design, construction, operation, maintenance and removal of OPALCO's lines and other facilities shall rest with OPALCO. See Member Service Policy 5 *Line Extension* for a detailed description of OPALCO's responsibility for construction of new facilities.
- 1.1.3 OPALCO shall only provide service to its members.



1.1.4 Principles of Service and Rate Design

Any person in San Juan County who qualifies under OPALCO bylaws is eligible to become a member and receive electric and communication services, so long as they continue to satisfy OPALCO Bylaws and Member Services Policies. As an electric cooperative, OPALCO upholds these essential service obligations by ensuring that there are adequate facilities to serve member needs. OPALCO shall provide adequate facilities including both equipment that generates electricity and equipment that transmits such electricity to members. San Juan County has recognized OPALCO's role in providing essential electric service by classifying the cooperative's "primary electrical transmission and distribution systems" as essential public facilities (San Juan County Code (SJCC) 18.20.050; see also SJCC 18.30.055 (concerning the siting and permitting of essential public facilities for purposes of the Growth Management Act). OPALCO's electric distribution systems depend on and assume the availability of adequate electric generation to transmit to members.

OPALCO adheres to fair and transparent utility practices. Rates are set using cost-of-service rate design principles. Retail rates must be based on the cost of providing electric services and shall be consistent with sound utility rate-making principles. The primary goal of setting retail rates is to equitably collect the required revenue to effectively run and operate the cooperative. Ancillary goals to support energy efficiency, conservation, low-income assistance and rebate disbursements shall be independent programs and separate from general rate setting practices.

OPALCO adheres to the cost-of-service ratemaking philosophy. Rate design allocating costs relies upon cost causation principles to ensure that each rate class pays its fair share of system costs. Rate structures will not vary based on a member's income, except where specifically mandated by OPALCO polices or under state law for low-income assistance programs.

OPALCO will not arbitrarily ration or limit kWh usage for any member or member class. While OPALCO may implement demand management programs or emergency load reduction measures when required for grid reliability, these actions will be non-discriminatory and not based upon usage or household size, transparent, and compliant with applicable cooperative policy, member agreements and state and federal regulatory obligations. As an ongoing borrower of the Rural Utilities Service (RUS), OPALCO complies with RUS "area coverage" regulations by continuing to make diligent efforts to extend electric service to all unserved persons in the service area who desire electric service consistent with 7 C.F.R. §§ 1710.2(a), 1710.103. Although OPALCO is a selfregulated electric utility, it is mindful of a continuing obligation to provide electric services to the entire San Juan Island community it has served since 1937.

OPALCO's policies and procedures aim to ensure all members receive equitable and nonpreferential access to electric service, consistent with our cooperative principles, policies and the legal standards we uphold.



DISCUSSION ITEMS

E3 Update

E3 has been supporting OPALCO on cost allocation and rate design. Today, E3 will present updated findings from the rate design study.

Public Electric Vehicle Charging – Member Service Policy 4 – Service Conditions (First Read)

San Juan County has one of the highest growth rates in electric vehicle (EV) ownership and many tourists are now driving EVs. The Port of Orcas has utilized a grant to install a payment enabled level 3 charger.

Staff is proposing guidelines for those owner/members who wish to install publicly accessible payment enabled electric vehicle chargers. Staff is proposing to require owner/installers to provide preferential pricing as outlined below to members and allow non-members to be charged as member/owners determine.

Below you will find the proposed additions to the Member Service Policy 4 – Service Conditions and 2025 Tariffs. The intent for the member rate when charging at this public charging stations is to approximate the Residential Rate plus an addition for the cost for Commercial Demand charges.

Example based on 2025 Tariffs: \$0.1351/kWh + \$0.02 /kWh = \$0.1551/kWh

Member Service Policy 4 – Service Conditions

4.9 RESALE OF ELECTRICITY The member shall not sell to others any of the electric service furnished by OPALCO, with the exception of Section 4.9.5.

4.9.1 Master Meters/Sub-Meters

No service will be supplied through a master meter for sub-metering for resale. This rule does not prohibit a landlord or manager from including a fixed amount as part of the rental charge to cover the cost of electric service to marinas or rental units.

4.9.2 Combined Billing

The rates set forth in the individual rate schedules are based upon the supply of service to one member through one meter on one premise and service measured through two or more meters on the same premise will not be combined for billing purposes. Upon request of an applicant, OPALCO may install more than one meter, but in such instances the bill for service through each meter will be computed separately and billed in accordance with the applicable rate schedule.

4.9.3 Multiple Occupant Commercial Buildings. Primary service will be supplied only to one location for each building. All metering and service entrance equipment will be located at this point. Each separate commercial unit separated by permanent load-bearing walls must be metered separately. No master metering will be permitted. Laundry, furnaces, and other common use areas will be metered and charged



according to the appropriate rate schedules.

4.9.4 Marina Service

Marinas, boat floats or moorings are metered at the point of delivery. The serving transformer's secondary lugs shall not be extended beyond the shoreline and be located no closer than five (5) feet horizontally above the electrical datum plane. These services shall be billed under the appropriate commercial schedule.

The moorage owner may either install an OPALCO approved master meter base or meter the individual slips with an approved OPALCO meter. In both of these cases, the point of delivery shall remain the secondary lugs of the serving transformer, but OPALCO will read the meters and bill the individual slips under the appropriate tariff.

Slips which are occupied for residential purposes shall be billed under the residential schedule only if an OPALCO approved and installed meter is metering the slip. The moorage owner is responsible for all maintenance from the shoreline transformer secondary lugs.

NOTE: Electrolysis may be a major problem for those receiving electric service in the marine environment. Isolation transformers or other means to prevent or reduce electrolysis are the sole responsibility of those taking service. OPALCO assumes no responsibility for electrolysis or similar problems.

4.9.5 Electric Vehicle Supply Equipment

Members may resell energy exclusively for the purpose of providing publicly accessible electric vehicle charging services. Resale of energy to other members shall be per the provisions in the Commercial Tariffs. Resale of energy to others may be as needed for recuperation of the cost to provide the charging services.

OPALCO reserves the right to disconnect the electric service that feeds the Electric Vehicle Charger if in violation of this policy.

Proposed addition to Commercial Tariffs General Provisions. This is first read this language will be incorporated into the Small Commercial, Larger Commercial and Commercial Distributed Energy Resource Tariffs. This will be revisited during the annual Budget and Tariff updates in 4th quarter.

Services with public access to electric vehicle charging shall be allowed to resale energy per the following conditions:

- Resale to other members, rates shall not exceed the current residential Energy Block 1 Tariff plus 0.02 \$/kWh.
- Resale to non-members, rates may be as determine by the member.

State of the PNW Power Grid and OPALCO

The Northwest Grid Is Under Pressure—and So Are We.

The electric grid serving San Juan County is entering a period of unprecedented stress. Reports from the Northwest Power and Conservation Council (NWPCC) and Bonneville Power Administration (BPA) highlight a growing risk of rolling blackouts throughout the Pacific Northwest. The retirement of firm, dispatchable power—without timely renewable replacements—leaves the region vulnerable, particularly during peak demand in winter.



In San Juan County, OPALCO anticipates electricity demand will grow 30% to 50% in the next decade. This is driven by population growth and the increasing shift to electric vehicles and heating. As BPA does not plan to expand its hydropower generation, all new load must be met with new energy resources.

Meanwhile, bringing new generation online is harder than ever. More than 70% of proposed utility-scale renewable projects nationwide are canceled or delayed due to permitting, interconnection limits, and local opposition. Washington's regulatory system lacks a clear, efficient path for these projects to advance—even as Centralia, the state's last coal plant, prepares to shut down its final 670 MW unit at the end of 2025.

The planned replacements for Centralia total only 352 MW—142 MW of solar, 200 MW of short-duration battery storage, and 10 MW of pilot long-duration storage. This creates a net deficit of more than 300 MW of firm capacity. NWPCC estimates a 17% Loss of Load Probability (LOLP) by 2026 under these conditions.

Compounding this, mainland demand is surging due to data centers and AI computing loads. These factors drive up wholesale power prices—costs that pass directly to OPALCO through our BPA contracts. Although we are remote, we are deeply connected to mainland grid and market dynamics.

The January 2024 cold snap exposed our vulnerability. The region narrowly avoided blackouts, while market prices spiked 2,400%. OPALCO absorbed significant cost impacts, reinforcing the case for greater local control and energy independence.

Local Renewables

OPALCO's Response: Local Solutions for Energy Resilience

Our strategy is to invest in local utility-scale solar, tidal, and battery storage. Rooftop solar and conservation are valuable, but insufficient alone. As an island community, we lack access to other firm generation options like natural gas or geothermal. Our focus areas include:

- · Scalable solar, tidal, and battery technologies
- · Agri-solar partnerships that co-locate farming and energy production
- · Inclusive energy programs to support low-income members

Projects like the Bailer Hill Microgrid and the Decatur Solar Expansion are designed to meet these needs—but they too could face further permitting delays. OPALCO is fully committed to compliance with all San Juan County building regulations, including CEPA, wetland buffers, stormwater control, setbacks, archeological protections, etc.

Every year we wait to build these projects is equivalent to burning 230,000 gallons of gasoline. Delay is not harmless—it accelerates climate damage. Ocean acidification, as highlighted in the Orcasonian, is the "evil twin" of climate change, threatening marine life and local livelihoods. Local renewables help mitigate both carbon and ocean impacts.

We must also prepare for infrastructure risks. The two BPA submarine cables supplying our islands are 25 and 41 years old. A replacement cable will cost over \$125 million and require years to install. Until then, our ability to import power remains vulnerable.



State policies continue to emphasize clean energy goals, but without viable pathways to permit and build infrastructure. Targets without tools will not keep the lights on. OPALCO must act where the state cannot.

We urge our members, board, local advocates, and state leaders to support practical local energy development. Blocking every project in the name of preservation is shortsighted and harmful. It will result in higher rates, greater environmental degradation, and grid instability.

OPALCO is committed to 24/7 service. We must now build the infrastructure needed for a climate-resilient, affordable, and reliable energy future. Just saying "no" is not an option.

Decatur

OPALCO has begun exploring expanding Community Solar on Decatur Island. Staff is currently working on completing permit documents for a provisional use permit. In March 2025, OPALCO acquired 19 acres adjacent to the existing Community Solar plot. This does not include the County Public Works parcel that was previously discussed as part of the project, since the lease agreement negotiations are on hold. This critical process is designed to retain the WA Department of Commerce grant funds for Low Income Solar and will necessitate breaking the OPALCO parcel permit into stages.

This project is still in early stages, and OPALCO is committed to communicating with Decatur Island residents as project details are worked out. All updated information will be available on the landing page for Decatur Solar 2025, linked below.

www.opalco.com/decatur

Bailer Hill

Due to permitting delays and requests for additional information, this project is temporarily on hold. OPALCO has been working for four years to site, plan, permit, and construct the Bailer Hill Microgrid. OPALCO is ready to perform the additional requirement made by San Juan County to further investigate any needed wetland delineation, but this will take many more months to accomplish. OPALCO is not giving up on this project, simply putting it on pause in order to prioritize the Decatur Community Solar extension and retain the Department of Commerce grant funds for our low-income community.

Once successfully permitted, this Bailer Hill Microgrid will be the first agri-solar project of its kind in San Juan County. Agri-solar allows for the pairing of solar energy production with farming, which has a number of benefits – Including economic and environmental. As the project is resumed, OPALCO will be communicating status updates to members.

www.opalco.com/bailerhill

Tidal

Staff have completed all submissions to US Department of Energy for the Rosario Strait Tidal Energy Phase 1 grant. The submissions include the "Draft License Application" (DLA). OPALCO anticipated requests to allow extensions to the Tribal comment period due to the shortened nature of a pilot project permitting process. This extension is fully supported by the OPALCO team to allow sufficient time to review all the materials submitted as part of the DLA. This will extend work until September. Due to federal administration changes, DOE has placed the down selection process on hold indefinitely. Without continued funding, this project is very unlikely to continue. OPALCO has minimal staff efforts continuing for this project in the near term and continues to monitor submissions of comments to the project to FERC. All information can be found on the Tidal Quick Fact page linked below.

www.opalco.com/tidal.



REPORTS

General Manager

Dashboards

Please review the dashboards at <u>https://www.opalco.com/dashboards</u>. Note that all the dashboards are within board approved strategic parameters.

Finance

Member Services

- Budget Variance
- TIER/Margin
- Expense
- Cash
- Power Cost
- Purchased Power
- Annual Power Metrics
- Capital
- Debt/Equity
- WIP
- Income Statement Trends

Disconnects

- Uncollectable Revenue
- PAL
- EAP
- Membership
- Service Additions
- Annual Service Additions
- Revenue Dist. By Rate

Outage

- Historical SAIDI Graph
- Historical SAIDI Figures
- Outage Stats Rolling 12 Mo
- Outage Stats Monthly
- SAIDI by Category
- Outage Summary

Quickfacts

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

- OPALCO's Plan for our Energy Future
- Decarbonization 4 Part Series
- Switch It Up!
- WA 2021 Energy Strategy
- Simpson Proposal and the Northwest Energy Evolution
- Will there be enough power?
- OPALCO Rates
- Energy Independence? Not entirely
- Rock Island Communications
- OPALCO election process
- Wireless Services
- Cost of Service
- Staff Compensation
- NRECA
- OPALCO Debt and Capital Projects
- Ocean Health
- NW Resource Adequacy in a Rapidly Decarbonizing World

- Land for Renewable Energy Projects
- Understanding the Change in Solar Rates
- Decatur Island Battery Storage Project
- Why Hydropower is Important to our Power Supply
- Where does OPALCO stand on regional issues and the dams?
- Future Power Purchase Strategy
- Industry Association Memberships and Co-op Benefits
- Climate Change News Review September 2022
- OPALCO Tidal Energy Pilot Project
- Solar Rate for Residential Members
- Right-of-Way Program
- Inflation Reduction Act (IRA) Benefits
- Wildfire Mitigation
- Surge Protection
- OPALCO Needs a New Submarine Cable
- OPALCO's Rate for Members who have Rooftop Solar
- Why Local Renewable Projects? Mainland Power Demand Will Soon Exceed Supply



Engineering, Operations and Information Technologies

WIP

As of June 2, 2025, there are 318 work orders open totaling \$13.5M. Operations has completed construction on 113 work orders, totaling \$1.2M.

Safety

Northwest Safety Service conducted First Aid/CPR/AED training in May. The total current hours worked without a loss time accident is 55,092 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	On Hold. Awaiting DOE Down select process
RMUC Program Advanced Cybersecurity Technology Phase 2	US Dept of Energy	OPALCO Cybersecurity Initiative	\$150,000		Completed Phase 1: \$50K

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 (OPAL)	Working with OPAL Install by Aug 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	Battery Storage Eastsound Substation	\$2.4M	\$2.4M	Land Use Permitting
Clean Energy Fund 3 Grid Modernization	WA Dept of Commerce	Low Income Solar	\$1M	\$1M	Land Use Permitting



Finance

2025 Budget Tracking

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

Income Statement Summary	2025 Projection (actuals for prior months)						
(in thousands)		Budget	Projected		Variance		
Operating Revenue	\$	42,814	\$	42,579	\$	(235)	
ECA Surcharge / (Credit)*	\$	-	\$	(753)	\$	(753)	
Revenue	\$	42,814	\$	41,826	\$	(988)	
Expenses:							
Cost of Purchased Power	\$	10,985	\$	10,634	\$	(351)	
Transmission & Distribution Expense		9,385		9,282		(103)	
General & Administrative Expense		7,387		7,199		(188)	
Depreciation, Tax, Interest & Other		10,171		9,883		(288)	
Total Expenses		37,928		36,998		(930)	
Operating Margin		4,886		4,828		(58)	
Non-op margin		793		766		(27)	
Net Margin*		5,679	\$	5,594		(85)	
OTIER		2.99		3.04		0.05	
TIER		3.31		3.36		0.05	
Equity %		41.5%		41.4%		0.0%	
HDD		1,446		1,278		(168)	
kWh Purchases		235,000		236,956		1,956	
kWh Sales		223,000		226,973		3,973	

* The ECA returned a net \$753k to members through May 2025.

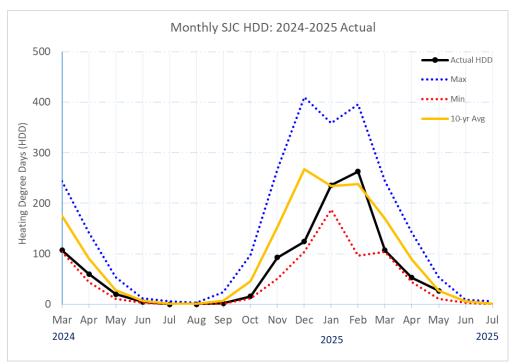
Monthly Energy Charge Adjustment (ECA)

The May 2025 ECA returned \$131,255 to members, or \$9.25 per 1,000 kWh. The June billing period ECA will be a credit of (\$.005025) or (\$5.03) 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)

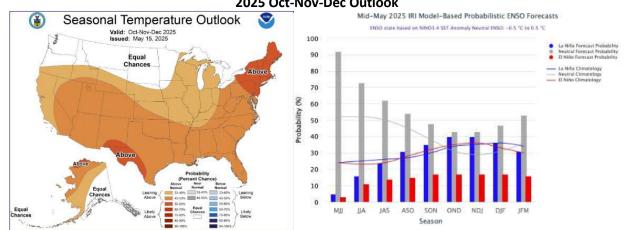
The first quarter 2025 trended slightly warmer, despite previous projections based on National Weather Service forecasts initially indicating a cooling weather pattern. As seen in the table below, April & May continued the trend from March and landed right around the 10-year minimum & average HDD, respectively. 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 Oct-Nov-Dec '25, the outlook is currently showing a neutral temperature condition in our region coming into the next fall/winter season. The models in the International Research Institutes' (IRI) ENSO (weather) prediction forecasts a neutral condition. We continue to monitor these predictors monthly.



2025 Oct-Nov-Dec Outlook

Source: NOAA National Weather Service



Member Services

Annual History of Energy Assistance Funding

All values are as of first of the month reported.

		2018	2019	2020	2021	2022	2023	2024	2025	Grand Total
Energy Assist Credit	# of Accounts	444	460	574	577	546	519	524	482	1,260
	Total Assistance	111,996	135,595	158,434	158,740	156,761	141,748	164,175	90,599	1,118,048
PAL	# of Accounts	212	205	329	363	297	268	264	157	951
	Total Assistance	45,155	53,137	80,975	104,880	82,912	80,500	74,750	39,289	561,598
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	516	1,598
	Total Assistance	157,151	188,732	349,283	390,659	270,018	222,248	238,925	129,887	1,946,905

Note: EAP funds are collected, primarily, from a program OPALCO created by including a line item on <u>all</u> 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

The regular Project PAL Award Season 2024-2025 is complete. Project PAL Award Season 2025-2026 will begin in November 2025.

Energy Assistance (EAP)

During May 2025, 340 members received ~ \$15.1K from the low-income Energy Assist program, compared to 234 members who received ~ \$9.8K in assistance in May 2024.

LIHEAP (Low Income Home Energy Assistance Program)

As of this writing LIHEAP remains a federally appropriated program.

Energy Savings

There were no rebates paid out to members in May.

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	2025	Totals
	# of Accounts	2,141	303	147	210	261	210	60	3,332
EE	Total Awards	\$1,348,477	\$167,432	\$149,886	\$227,622	\$313,945	\$259,445	\$96,531	2,563,338
Rebates*	Total Energy Savings (annual kWh)	5,960,711	783,431	359,269	346,900	440,382	253,675	114,507	8,258,875

*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.

Interconnects

There were 27 new interconnect applications submitted in May, with 8 members interconnected with solar for a



total of 885. (<u>https://energysavings.opalco.com/member-generated-power/</u>). There are an additional 46 pending connections.

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 996 projects completed and billing for a total of \$20.0M 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:

		Project Origination Year								
Measure	2019	2020	2021	2022	2023	2024	2025	Grand Total		
Appliance					36,112	51,093	3,249	\$ 90,453		
Energy Storage				39,510	27,159	47,766	2,659	\$ 117,094		
Ductless Heat Pump	648,252	620,060	637,599	1,554,579	1,788,412	2,382,578	933,170	\$ 8,564,650		
EV Charger						34,031	2,948	\$ 36,979		
Fiber		30,725	48,681	29,301	41,929	85,080	4,492	\$ 240,207		
Ducted Heat Pump	8,119	30,000	15,000	18,127	956,159	462,287	204,499	\$ 1,694,193		
Heat Pump Water Heater	13,985	9,805		5,012	15,701	13,700	57,531	\$ 115,733		
Insulation				256,935	42,634	240,729	663,368	\$ 1,203,666		
Other	14,543			92,649	188,075	31,981		\$ 327,249		
Solar + Storage				480,057	474,806	638,121	259,759	\$ 1,852,741		
Solar				1,897,659	3,154,359	2,235,606	686,206	\$ 7,973,830		
Windows				563,557	424,438	517,772	696,651	\$ 2,202,418		
Grand Total	\$ 684,900	\$ 690,589	\$ 701,280	\$ 4,937,386	\$ 7,149,783	\$ 6,740,743	\$ 3,514,532	\$ 24,419,213		

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 millions)		maining ailable
	 ,	,	anabie
RESP 1.0	5.80		-
RESP 2.0	15.00		1.60
RESP 3.0	 26.00		21.46
	\$ 46.80	\$	23.06

Communications

Communications Mid-Year Check In

OPALCO's 2025 communication strategy has been working to engage with our members from a high-level perspective to explain why we are taking steps towards local renewable energy and driving members to be prepared for our energy future. The amount of new infrastructure to accommodate for climate change legislative mandates, climate change effects on the environment, high energy usage data centers, electric vehicles, and energy growth is staggering. Electricity costs are going up and power reliability is going down. We are entering a period where many people do not understand the complex reliability issues facing our energy industry, legislative mandates are phasing out carbon-based resources without enough consideration for firm power supply, and "not in my backyarders" (NIMBY) need to understand the cost and reliability ramifications of saying "no" to locating renewable energy and transmission projects within their communities.

The strategy is built on budgeted priority programs and projects. For 2025, the main initiatives are: 1) Island Way



Campaign (inc. Switch it Up); 2) In-Person Annual Meeting; 3) Community Solar; and 4) Tidal Power Generation Pilot Project. Other communication efforts that are ongoing include advertising, bill inserts, website development and maintenance, Ruralite Magazine, monthly e-mail newsletters, media relations and social media management. The Communications team is also responsible for board coordination and minute taking, annual elections, meeting internal department communication needs, building company culture, coordination of hiring outreach and candidate correspondence, public affairs, member correspondence, grant coordination and writing. Board members play an active role in communication events and member discussions. Staff will be looking to the board to get more connected to various groups on each island.

Here is an outline of the outreach done by topic to date:

1) Island Way Campaign

Ruralite Articles:

- JANUARY 2025:
 - Friday Harbor STEM Class Builds an EV
 - o Home Weatherization
- FEBRUARY 2025:
 - Why Local Generation?
- MARCH 2025:
 - o Solar Farming Protects Rural Character
 - What's Next for Local, Renewable Generation
- APRIL 2025:
 - Letter from OPALCO Board: Our Energy Future
 - Why Local Renewable Generation Infographic
- MAY 2025:
 - o San Juan County Comp Plan
 - o Island Efficiency: Local Business Makes the Switch to Ductless Heat Pumps
 - o Local author highlights agriculture and climate change
- JUNE 2025:
 - Meet your Board: Tom Osterman
 - o EVs Growing on Orcas Island

Press releases:

- Why Bailer Hill/Local Generation? Part 1 of 3
- Why Bailer Hill/Local Generation? Part 2 of 3
- Why Bailer Hill/Local Generation? Part 3 of 3
- OPALCO and the San Juan County Comp Plan

E-newsletter:

• January Newsletter: Why Bailer Hill/Local Generation? Part 1 of 3

Social Media:

• CNL2 Video Interview – Why Local, Renewable Generation? (Feb 24)

Quick Fact:

- San Juan Comprehensive Plan
- Privileges and Obligations of Co-op Members



- OPALCO Rate for Rooftop Solar Members
- Updated Mainland Supply/Demand

2) Annual Meeting

Ruralite Articles:

• Gearing up for the Annual Member Festival (April 2025)

Press Releases:

- Upcoming Annual Member Festival: April 25, 3-6 pm
- Annual Member Festival a Big Success!

E-newsletter

- February Newsletter: Save the Date, Annual Member Festival
- March Newsletter: Ad for Annual Member Festival
- April Newsletter: Countdown to Annual Member Festival

Advertisements:

• Upcoming Annual Member Festival (ran March-April 2025)

Social Media:

- Upcoming Annual Member Festival (posted February 2025)
- Annual Member Festival Reminder (posted April 14)
- Annual Member Festival Video Ad (posted April 23)

Bill Insert:

- February Bill: Save The Date
- March Bill: Save the Date
- April Bill: Ad for Annual Member Festival

Chamber Blasts/Community Bulletins:

- SJI Chamber news blast: Save The Date (March-April 2025)
- OI Chamber news blast: Save The Date (March-April 2025)
- LI Chamber news blast: Save The Date (March-April 2025)

3) Election: Board of Directors

Ruralite Articles:

- Ad: Run for Board of Directors (December 2024)
- Ad: Board Nominations Open (January 2025)
- Nominations by Petition (February 2025)
- Candidates Announced/Candidate Forum (March 2025)

Press Releases:

- Board Nominations Open Now!
- 2025 Board Candidates Announced



E-newsletter:

- December Newsletter: Board Nominations open soon!
- January Newsletter: Last chance to run
- February Newsletter: 2025 Candidates Announced
- Candidate Forum reminder newsletter March 3
- March Newsletter: Election now open

Advertisements:

- Why Run? Ad (Dec 2024-Jan 2025)
- Co-ops Vote Ad (February March 2025)

Social Media:

- Board nominations open (posted December 16)
- Candidate Forum information (posted February 27)

Bill Insert:

- November 2024 Bill: Run for Board of Directors
- December 2024 Bill: Run for Board of Directors
- February Bill: Ballots arriving soon
- March Bill: Ballots arrive March 5
- April Bill: Vote reminder

4) Community Solar – Bailer Hill Project (2025)

Ruralite Articles:

• Why Bailer Hill? 3-part series (Feb – March 2025)

Press Releases

• Why Bailer Hill? 3-part series

E-newsletter:

- December 3 Newsletter: Update and announcement of 12/18 CUP Hearing
- December 10 Newsletter: Update, CUP Hearing Delayed

5) Community Solar – Decatur Island (2025)

Press Releases:

OPALCO Explores Solar Expansion on Decatur Island

E-newsletter:

- Project update to Decatur Community May 28
- Project update (withdrawal of county lease) to Decatur Community May 30
- June Newsletter: Exploring solar expansion

Workshops/Meetings:

- February 13 Virtual Meeting (Introduce the project concept)
- May 10 Community meeting (Decatur schoolhouse and virtual)

Page **20** of **35**



- June 26 Community meeting
- Individual community organization meetings throughout the month of June (including meetings with the Decatur water group and HOAs)
- Contacted neighboring property owners for individual meetings

Website:

• Decatur 2025 Project home-base webpage created: www.opalco.com/decatur

6) <u>Tidal Generation Pilot Project</u>

Ruralite Articles:

- Tidal Energy Pilot Project Article (October 2024)
- Prepare for the new year: Information on tidal town halls (December 2024)
- Information on Tidal townhalls (January 2025 Back Page)

Press Releases:

- Phase 1 DOE Grant Funding for Tidal Energy Pilot Project
- OPALCO Files DLA for Tidal Energy Pilot Project

E-newsletter:

• January Newsletter: Tidal Town Halls information

Social Media:

- Tidal Town Halls information (posted January 17)
- Recap of Tidal Town Halls (posted February 19)
- Tidal Q&A Video with OPALCO leadership (posted May 21)

Chamber Blasts/Community Bulletins:

- LI Chamber news blast: Island Way Workshop Tidal (August)
- OI Chamber news blast: Island Way Workshop Tidal (August)
- Lopez Rocks Community board: Tidal town halls location and schedule changes (January 2025)

Workshops/Meetings:

- August 27 Island Way Workshop: Tidal Generation Pilot Project (virtual)
- Tribal Nations Engagement (ongoing since 2022 see log on website)
- Individual Stakeholder Meetings and Political Outreach (July 2024 February 2025)
- January 21 Tidal Town Hall San Juan Island
- January 22 Tidal Town Hall Orcas Island
- January 23 Tidal Town Hall Lopez Island

7) Youth Rally Scholarship Program

Ruralite Articles:

- 2024 Nourdine Jensen Cooperative Youth Scholarship & Rally recap article (September 2024)
- 2025 Youth Rally & Nourdine Jensen Cooperative Youth Scholarship information (March 2025)

E-newsletter:



- March newsletter: 2025 Youth Rally program and application info
- April newsletter: 2025 Youth Rally program and application reminder

Bill Inserts:

- February Bill: Youth rally program information and application
- March Bill: Youth rally program information and application
- April Bill: Youth rally program information and application

UPCOMING OUTREACH EFFORTS

July 2025:

- Events: Youth Rally
- Education Article: Wildfire Safety
- Quick Fact: Load Growth
- Ads and Stories:
 - Local EV successes
 - o Local, renewable generation start advertising town halls

August 2025:

- Events:
 - Virtual Decatur Update
 - o Rate Workshop
- Education Article: Switch It Up Member Story
- Quick Fact: 2025 Rate Study broken down
- Ads & Stories:
 - Renewable Energy Town Halls
 - Youth Rally Summary

September 2025:

- Events: Town Halls Second Week of August
- Education Article: OPALCO Rates Summarize Study and where we are headed
- Ads & Stories:
 - Survey Foreshadowing
 - o Donate to Project Pal

October 2025:

- Campaign: Launch survey late October
- Education Article: Rate increases/OPALCO Budget Season
- Ads & Stories:
 - o Donate to Project Pal
 - o Summarize Town Halls

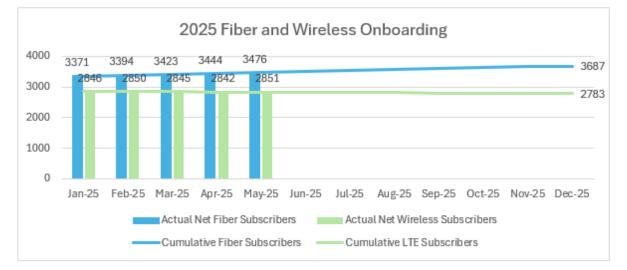
November & December 2025:

- Education Article: Year Long Rate Study Summary (2026 communicate upcoming rate changes)
- Ads & Stories:
 - o Project Pal Sign Up
 - o 2026 Budget
 - o Election kick off

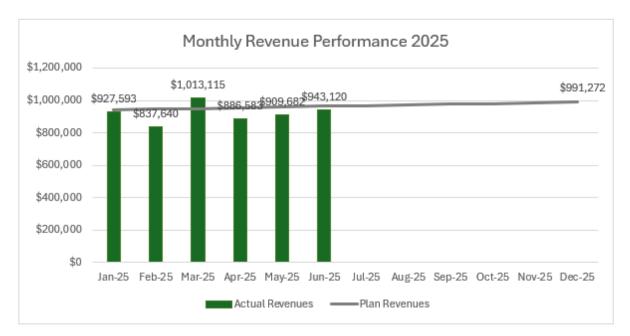


6,797 Rock Island Service Customers

Net Subscribers



Revenues



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



Appendix

Letter sent to Krista Bouchey from Molina Stone – Youth Rally Delegate and Returning Director

This spring has brought back so many memories of the past rallies – seeing the posters in the halls and nearing all of the excitement for the up-coming summer rally from Cienna and other directors has made me reflect on just how much this experiment has meant to me. I wanted to take a moment to say thank you for everything. Looking back, the rally had such a huge impact on me, It helped me grow more confidence to put myself out there, I've met so many amazing people through his program and I'm still in contact with a bunch of them. I absolutely loved the rallies and cherished all the memories I've made over the past two summers! I'm beyond grateful to have been part of this experience and appreciate everything you did to make it what it was.

Letters to "Contact the Board"

Dear Board members,

A fellow islander suggested that we include you in our correspondence with the County Coucil. Of course, I had just sent my follow up letter. So, I am including it below. Thank you for reading it.

Warmest Island Regards, Dawni Cunnington

Hi Justin,

Thank you again for taking the time to speak with me after last weeks meeting- I truly appreciate the opportunity to connect.

As you can imagine the potential lease of the only publicly owned parcel was a major topic at our community farmers market this past Saturday. Emotions are running high, and there is deep concern about the possibility of losing what many see as the only usable public land available.

Understandably, people are asking: Why would the County lease this land? This parcel represents an irreplaceable resource, and many feel it should be preserved to serve current or future community needs such as:

- * A Fire station
- * Mail facility
- * Recycling/Trash collection site
- * Parkland
- * Or Needs not yet Imagined

Given its unique value, the question keeps coming up: How does this lease benefit our residents.

When I mentioned that the head of Public Works supports OPALCO clearing the forested land "in case we want to use it someday", the response was overwhelmingly negative. I'm reaching out in earnest to ask: what is the rationale behind the County's consideration of this lease. Is there a clear-community centered explanation that I could share with others?

Also, could someone send me a copy of the lease that was discussed at the May 20 meeting? So far, we have only seen the version provided in the initial FOIA request, and we'd like to review any updates or documents that the Council has received since that meeting.



Thanks again and I look forward to seeing you on the 3rd.

Warmest Island Regards Dawni Cunnington

To the Board of OPALCO,

I am a Decatur resident and one of the many/majority on the Island who have gone on record as deeply opposed to this project in terms of location, scale and process. The island learned of this less than a month ago (other than a select few who knew more). I am impressed with the level and organization of opposition in this short time, and also dismayed that so much was done to date that we were not informed of in an open and transparent manner consistent with your values.

As you may now know, many spoke up in person, by email and phone at the recent County Council meeting in opposition to the county leasing land to OPALCO for this purpose. We anticipate further engagement at various levels should OPALCO not back down fully from this project.

We have been in contact with the WA Department of Commerce to obtain documents relating to the original grant and all amendments. Local media has taken an interest in this matter including how it came to be that an original site on San Juan Island was abandoned in favor of Decatur, which presently hosts the only solar site in the San Juans, notwithstanding OPALCO's stated plans and goals to site small installations across the islands.

Furthermore, island residents are continuing to review and consider all options moving forward should this project proceed. To say that we feel betrayed, blindsided and belittled by the staff who have engaged with us is an understatement.

Personally I challenge the concept that island-based solar with no current battery backup plans, will move the needle in addressing future needs or in any way substitute for a robust undersea cable system to ensure that we have redundant linkage to the regional and national grid, which clearly will need to be improved.

I don't want to use this email to speak to all of the many details that have emerged, or the many views expressed by island residents. I do urge you to watch the video of the Council meeting of Tuesday May 20, 2025. <u>County</u> <u>Council Regular Session Meeting • San Juan County, WA - Agendas & Minutes • CivicClerk</u>

Also I sent to the Orcasonian my letter to the council. It is here: <u>Guest Opinion | Regarding OPALCO solar project</u> proposed for Decatur Island - theOrcasonian.com And please review the 11 comments to date.

We have learned from the landowner that recently sold a parcel for this project to OPALCO that there have been discussions to purchase another 16.6 or so acres adjacent and to the south of the current property they purchased from the landowner, extending the project significantly. Due to wetland setbacks it could be entirely along forested and quiet Armitage Road, where people, including my family, live.

I don't know the timing of these discussions but would be most concerned if - given the history learned and yet to be learned over the past weeks, and the widespread opposition and interests by various parties to review and



reconsider this - OPALCO would actually attempt to proceed with further land acquisition on top of that which they already purchased and may have to dispose of. And their ability to lease the county land is by no means a done deal given the turnout at the council meeting and statements of concerns by at least one council member.

An islander did an analysis using AI to review your strategic plan to address how this project fits into OPALCO's own stated strategic plan and whether the Solar array is consistent. You may find the results interesting:

Chat GPT to review the OPALCO strategic plan and address the question whether a 20-30 acre solar installation on Decatur Island is consistent with the strategic plan. (<u>https://www.opalco.com/wp-content/uploads/2021/02/OPALCO-2020-2040-LRP-Final-20210209.pdf</u>

Chat GPT analysis of the plan and how consistent the solar project would be with this plan. As you can see, not very much. An interesting read:

Based on OPALCO's 2020–2040 Long Range Plan (LRP), there is no clear rationale for siting a utility-scale solar installation of 20–30 acres on Decatur Island in 2025. The plan articulates a cautious, distributed approach to solar development that does not identify Decatur as a priority site.

1. Total Utility-Scale Solar Goal Is Modest and Distributed

The LRP proposes increasing local renewable generation to just **13% of projected 2040 load**, through community solar, limited utility-scale solar, and eventually tidal power—not large, centralized projects.

"The preferred plan will increase local renewable utility energy generation to 13% of projected 2040 load." (*p. 12*) "Utility-Scale Solar will be built **if there are too few subscribers** to the Community Solar program... The objective is to have a combined capacity of about 20 MW." (*p. 10*)

2. Decatur Island Is Not Designated for Solar Development

Nowhere in the plan is Decatur identified as a target location for solar. Instead, OPALCO prioritizes "population centers and critical systems" for renewable integration:

"Configure population centers and critical systems as micro-grids... using sectionalizing to isolate from the larger grid, and allocate local co-located solar and storage resources." (*p. 9*)

"Local renewable generation... will be sited subject to **availability of permittable land**" (*p. 10*)—not predesignated for Decatur

3. The Plan Calls for "No Regrets" Projects—Not Premature Overbuilds

The plan prioritizes modest, rate-neutral projects that are tactically phased:

"Capital projects are kept modest, focused on 'no regrets' projects that provide maximum benefit to co-op members, with minimum rate impact." (*p. 6*)

A 20–30 acre project on an outer island is **disproportionate** to the scale and phasing described in the plan.

4. Decatur-Specific Energy Independence Is Explicitly Rejected

The plan directly addresses and dismisses the feasibility of island-specific energy independence: "Though there have been calls by co-op members for energy independence from the mainland, it is **not remotely practical** for our little distribution co-op, in a rural predominantly residential low load customer base." (*p. 35*)

5. Grid Parity for Local Renewables Not Expected Until ~2030

The plan does not project local solar + storage as cost-competitive with mainland BPA energy until the **end of the decade**:



"We estimate wholesale power grid parity to be around 2030." (*p. 8*) This further undergines any urgency to install a utility scale project in 2025 on land with (

This further undermines any urgency to install a utility-scale project in 2025 on land with sensitive ecological or aesthetic value.

<u>3M</u>

Conclusion:

The proposed 20–30 acre solar installation on Decatur is **inconsistent** with the siting logic, scale, cost justification, and timeline laid out in OPALCO's own Long Range Plan. Any assertion that such a project is grounded in this planning document is inaccurate. The LRP favors a gradual, flexible deployment strategy that centers **community buy-in**, **ratepayer benefit**, and **system-wide resilience**—none of which are fulfilled by the current Decatur proposal.

In conclusion, I ask that the OPALCO Board consult with Island residents, do their own homework and review of the actions and decisions that have led us to this place, and do the right thing, which will be to put a stop to this large-scale project on our small island. As one resident said, so succinctly and accurately: "This isn't just a solar array. It's a long-term industrial footprint being carved into Decatur without transparency, public process, or any regard for our community's needs."

As an aside, I would be very surprised if the granting entity would feel that the processes and decisions made reflect well on their agency and agency goals, and that if asked, they would be quite open to extending any deadlines to remove any implied or real sense of urgency that some believe exists to proceed with this ill-advised project that clearly will not move the needle in meeting future energy needs for the San Juans.

Thank you for your attention and consideration. Don't hesitate to contact me if you have any questions.

Brian L. Grant 206.447.3449 BrianLGrant@gmail.com

Dear OPALCO Board and Leadership,

As a Decatur Island resident and co-op member, I strongly oppose the planned 20-acre solar project on our island. This project:

- Provides no power to Decatur while industrializing nearly 1% of our total landmass.
- Comes after a previous 3.7-acre clearing seven years ago, totaling **almost 24 acres** of natural land lost.

- Contradicts OPALCO's stated values of environmental protection, ethical governance, and community representation. I'll use your own values per your website:

- "We hold ourselves accountable to the highest ethical standards," is being violated by choosing one of the smallest rural islands in the San Juans with more signatures against this project than we have full time residents. It disproportionately targets a small community with fewer political resources and less voice. This is a manipulation and is ethically bankrupt.
- "We care deeply about our island communities and are dedicated to the protection of our sensitive environs." The percentage of acreage this project will take from Decatur is proportionately much more Page 27 of 35



than other options.

- Has gathered **over 150 verified petition signatures** — more than the full-time population of Decatur. Our community is clearly against this project. Please see <u>here.</u>

- This violates the Growth Management Act's rural protection standards and may trigger cumulative impact thresholds under SEPA.

This is a violation of co-op ethics and community trust. We ask that OPALCO:

- Suspend the project until a full EIS and member review are completed.

- Conduct transparent town halls and site evaluations on larger lands and actually record the opposition presented at these town halls (May 10th meeting today was clearly full of opposition).

- Acknowledge that this project goes against your values and is taking advantage of a small community - multiple times.

- Recognize that this may contradict the **HEAL Act's** goals.

Please confirm this letter is entered into the record as a formal member grievance.

Sincerely,

Amanda O'Hara

Thank you for your email.

I am not available at 8am on 5/20 for a meeting. And I think it's not appropriate for OPALCO to try and "collaborate" with me to do some kind of deal. I am merely one co-op owner/customer, and not as affected as much as many, many other Decatur Islanders as I only have recreational property on the island. I don't need to further understand your plans. I have seen them and their history in detail.

I believe that OPALCO and its leadership have not approached this project in good faith, nor with respect for Decatur Island's natural environment and its residents and property owners, nor for residents of other islands in its service area. I think that your intentions started out in a good place and your desire to build a resilient power grid that includes renewable sources is a good one. But it has to work for the special place that you serve. And this shoehorned backup scheme *<for industrial-scale power> generation on an environmentally and culturally-sensitive site does not. Investor-owned utilities would proceed with more humility and respect for "mere customers" than the co-op has shown its member-owners.

Regrettably, OPALCO has proceeded in secret and with deliberate disregard for any meaningful and honest engagement or public process, working to secure special treatment, deals with the county, and avoid permitting and environmental review. All of this rushed — with literal winks and nods.

My feedback is this: stop advancing this industrial-scale power generation project at the remote and fragile Decatur site. It is totally inappropriate on so many levels. Clearcutting 25 acres in the civic and environmental heart of a tiny, rural, remote island is shocking in its disregard for the ethos of the San Juan Islands and all who care about them.

Please know that Decatur Islanders and other interested parties are prepared to advance all remedies - at the Page **28** of **35**



OPALCO ballot box for governance, for OPALCO bylaws changes, in court, at the County Council, at the state, at the UTC, and elsewhere - to ensure that this proposal does not advance, and that OPALCO doesn't attempt to do the same to other special lands in its service area. OPALCO's "get the grant money and stick it anywhere we can" approach should be beneath your organization's values and principles as a customer-owned cooperative. Please stop, reflect and reset. The County and its secret attempt to give away public works land should similarly reflect on its conduct as demonstrated in the public records produced to date.

OPALCO needs to get real about its communications and candor with its member-owner-customers. The recap of the meeting from the school was disingenuous at best, and dishonest in actuality (your staff claimed that only a small minority opposed it - everyone on the island saw that as an obvious lie). Share your survey results and comments.

I strongly encourage OPALCO and its leadership, and the County, to re-assess this project and develop more appropriate strategies and options for its service needs in a strategic and partnering approach with its member-owner-customers on all islands. Large scale solar projects requiring clear cutting of virgin forestlands, filling wetlands, threatening protected species, and risking fire safety, seem inconsistent with the fragile lands of your service area and the ethos of the Islands, in a similar way that the tidal energy project was for the health of our whales and other wildlife was ultimately found improper by our Tribal stakeholders.

If you would like to meet to work on a serious, strategic thoughtful approach grounded in respect and partnership, I would be happy to encourage a broad coalition of residents and stakeholders in the San Juan Islands Archipelago to participate.

Thank you again for your email.

Rod Dembowski WSBA #31479

Ms. Krista Bouchey Manager of Communications, OPALCO

Ms. Bouchey,

I am writing to follow up on the May 20th San Juan County Council meeting, at which both you and Russell Guerry were present. I regret that you declined even the most basic courtesy of acknowledging or greeting members of the community afterward—particularly disappointing given the seriousness of the issues discussed and the opportunities that might have been explored together. I hope this message outlines clearly why such engagement is not just appropriate but essential.

Below, I am providing a detailed chronology and context that reflects a consistent pattern of OPALCO leadership being unresponsive to good-faith outreach—particularly regarding the only existing fire resources on Decatur Island, which are now housed on OPALCO-owned property.



Background and Communication History

I participated in the February 13th online meeting for Decatur Island and was, perhaps, the most vocal *supporter* of OPALCO's proposed project. At that time, I outlined at least five specific approaches that could create a "win-win" for both OPALCO and the community.

On April 15th—two months later—I followed up with you requesting access to the video recording of that meeting, which had not yet been made publicly available. You responded on April 17th with a link to the video: <u>https://youtu.be/Bubyi3dogl4</u>.

What was not disclosed at the 2/13 community meeting (which had ~40 attendees) was that OPALCO had already appeared before the County Council three days earlier to discuss matters related to the Decatur proposal. Furthermore, the adjacent 20-acre parcel that was discussed during the meeting was, in fact, purchased by OPALCO on March 6, 2025.

It's worth noting that the <u>invitation to the February 13th meeting</u>, sent by OPALCO Board Member Tom Osterman on February 7th, went to just 37 recipients—apparently drawn from a personal contact list. OPALCO's own "outage page" shows 298 accounts on Decatur Island, which implies access to significantly more member contact information. I attempted to work constructively with Tom prior to that meeting and shared ideas for collaborative success.

In-Person Interaction and Media Coverage

On May 9th, you, Russell Guerry, Joey Wyckoff, and I crossed paths on Decatur Island around 11 a.m., alongside five neighbors that you interacted with. KING 5 News was present preparing a segment that aired later that day: <u>https://www.king5.com/video/tech/science/environment/decatur-island-locals-push-back-on-solar-grid-expansion/281-c77a889a-febf-4382-9f3a-dff941264660</u>

During that impromptu conversation, I reiterated my desire—as an OPALCO member and solar investor—to help build a genuinely successful project and to contribute to a replicable model for future endeavors. I was surprised that we could not align on a basic recognition that the Bailer Hill project may have been a setback and that the current Decatur initiative could benefit from reevaluation across planning, communication, and governance.

Community Engagement and Operational Transparency

We also discussed OPALCO's communication strategy. I expressed concern that your outreach did not extend to all property owners on Decatur. Facebook is not a reliable communication method for full coverage—my personal estimate is that it reliably reaches perhaps a third of the island. Our 501(c)(3) nonprofit, the Decatur Emergency Brigade (DEB), maintains a comprehensive contact list we believe reaches over 99.5% of property owners. I offered to collaborate or compare lists. You declined.

I also offered suggestions to improve OPALCO's communication and project management, including:

- Hiring a dedicated project manager for large/complex/community projects to relieve existing staff and build continuity and community contact.
- Creating a member-only online forum where questions and answers are visible and archived.
- Publishing key documents relevant to ongoing projects to reduce burdensome and redundant public records requests of local and state agencies.



All of these proposals were met with indifference or resistance. That is concerning for a cooperative which, despite having only four dozen employees, has accomplished a remarkable amount—and depends fundamentally on trust and transparency with its membership.

Fire Risk and Emergency Services

Just hours before your May 10th community meeting at the Decatur schoolhouse, a fire broke out immediately adjacent to OPALCO's substation—the most critical power asset in the county. The incident stemmed from an electric golf cart borrowed by a long-time community member who is a physician and was weekending on the island. She was visiting a farmstand to collect eggs when the fire occurred. The fire was responded to by neighbors, the farm property owner, and with DEB equipment and volunteers.

Sheriff Rory Smith investigated the incident (case #25-002717), with Councilmember Paulsen and an arson investigator consulted from Snohomish County. The fire was ruled accidental – "the result of a malfunction with the involved golf cart". OPALCO was invited to engage in the investigation but did not participate.

It is deeply disappointing that OPALCO staff made public comments attributing the fire to "deranged protestors." Such unfounded speculation not only undermines public trust but suggests a concerning disregard for factual, professional dialogue. I expected a retraction and a public acknowledgment of the investigation's conclusions— none has occurred.

OPALCO's Role in Fire Readiness

Two of the four island-based fire apparatus are currently stored in the blue sheds on the newly acquired OPALCO land. One of those trucks was used to respond to the May 10th fire. Yet OPALCO has provided no commitment, support, or even basic acknowledgment of DEB's role. The only response has been a reference to a leaseback agreement, with OPALCO deferring responsibility entirely to the lessee.

OPALCO has made no provisions for emergency response at its Decatur site—an outer island with no coordinated access to 911 and volunteer responders, no aeromedical response planning, and no training in place or partnerships. A couple of fire extinguishers have been mounted on a fence, but by professional standards, that is laughably inadequate. There's no running water on-site, not even a portable restroom facility for your own personnel.

A Path Forward

I have suggested the possibility of forming an industrial fire brigade, as permitted under Washington law and used by utilities. OPALCO is uniquely positioned to lead this effort in partnership with adjacent fire districts and unprotected islands. Such a move would improve not only safety for your infrastructure and employees but also community relations.

I have also encouraged the creation of a working group with participation from:

- SJC Fire Chiefs Association
- SJC Fire Marshal
- State DNR
- SJC Elected/Appointed Officials



- OPALCO
- Local organizations like DEB

There is clear interest from nearly all parties—except OPALCO.

Conclusion

I hope this detailed correspondence presents an opportunity to reset the tone and substance of OPALCO's engagement with its membership and the broader community. But that will require real change.

The actions taken to date—crafting a lease that mandates clearcutting five acres of the only public land of that size and location on Decatur, under the guise of continuity with a fundamentally different prior project—are deeply troubling. Even more alarming is the intention to clear an additional 20 acres of recently acquired adjacent forested land, all without meaningful environmental review or public scrutiny. This is not planning; it's erasure. Your decision to seek approval from the San Juan County Council while bypassing transparent process and relying on recycled permitting assumptions has already cast a long shadow. Should the Council choose to support this maneuver, it will be assuming the political and legal consequences of that choice.

You've heard the genuine questions raised about the rationale for the Decatur site and the rushed acquisition of the adjacent 20 acres. You and GM Hildreth have explained that Bailer Hill encountered more resistance and complexity than expected—and that with a \$1 million grant deadline looming, Decatur was chosen because it was "easier." Easier because of its remoteness, presumed lack of resistance, and what you viewed as a weak permitting hurdle and a cooperative council willing to "horse-trade" public land—eventually settling on a nominal \$100/month lease for 20-25 years when your initial effort was brushed aside.

This strategy—misjudging the community, downplaying opposition, and manipulating process—has damaged trust. That damage is compounded by GM Hildreth's shift from energy independence messaging to public fear. In the May 10th meeting, he openly floated polling members about their willingness to endure rolling blackouts. Days later, in a CNL2.com interview, he forecast brownouts as early as winter 2026 if the Council didn't play ball. That kind of narrative shift—threatening the public with dire consequences unless a hastily re-sited project is approved—is not leadership. It is fearmongering.

https://cnl2.com/opalco-predicts-rolling-brownouts-in-2026-if-county-council-does-not-deem-reneable-projectsas-essential-public-facilities

Let's be clear: three acres of solar panels, carved into a forest clearcut on Decatur and lacking any additional battery storage, will not prevent rolling blackouts across the county on a cold winter night.

It is not too late to begin repairing this. A foundation of mutual respect, transparency, and collaborative planning can still be rebuilt—but only through meaningful change. That begins with acknowledging mistakes and engaging this community not as an obstacle, but as a partner.

The breach of trust on Decatur did not begin this year. It traces back to 2018, when I personally invested in OPALCO's original solar project with optimism. Unfulfilled promises, unanswered inquiries, and newly understood permitting maneuvering have since become all-too-familiar patterns to this community. That early optimism has been eroded—but not entirely lost.

While recent actions have undermined confidence, they do not foreclose the possibility of a better path forward. The Decatur Emergency Brigade remains committed to public safety, collaboration, and constructive dialogue. If Page **32** of **35**



OPALCO is willing to re-engage with transparency, humility, and genuine respect for this community, there is still time to transform this project into a shared success—not only for Decatur (though likely at a different site), but also as a blueprint for thoughtful energy development across the islands, should that be the goal. We all want what's best for our communities—and it's time for OPALCO to prove that it can lead as a true cooperative: one that listens, adapts, and earns the trust of a county made up of informed, engaged members.

Sincerely,

Alan Mizuta Decatur Island Property Owner

Writing in my personal capacity, with the perspective and responsibilities of President, Decatur Emergency Brigade







To all,

It is imperative that you pause the lease of public land on Decatur for the purpose of a solar farm. I am one of the majority of islanders who reject this destruction of our natural resource. Once it is destroyed it cannot be replaced. We have not had the information that we need to even understand why this is being done. It is wrong beyond words. It needs to be paused and the necessary public review and absolute transparency to us all brought forth.

We are not closed minded. We are fair and care very deeply about this land. You absolutely CANNOT destroy it without giving us our due voice and understanding. It would be a crime against nature and against us islanders.

Thank you for your consideration,

Barb Blanchard 1137 Decatur Head Dr 206-276-4856