

TOWN HALL RECAP FEBRUARY 10th

OPALCO held a virtual town hall meeting on February 10th with the OPALCO Board in attendance. Members got a chance to voice their concerns over a variety of topics. Topics included GM salary, rate structure and increases, the upcoming Decatur solar project, submarine cables, regional power issues, and more. There was 67 people in attendance to include staff, board, and members.

Please see below for a complete list of questions and answers and notable links shared in the meeting.

Table of Contents

OPALCO RATES	3
WHAT SHOULD MEMBERS EXPECT FOR POWER RATES?	3
DID RATES GO UP THIS YEAR?	3
IT SEEMS LIKE THE FIXED CHARGE WENT UP MORE THAN USUAL?	3
DO WE PAY MORE THAN OUR NEIGHBORING UTILITIES?	4
OPALCO FINANCIALS	5
IS OPALCO LOSING MONEY OR DID THEY LOSE MONEY WITH THE PURCHASE OF ROCK ISLAND?	5
WHERE CAN WE SEE OPALCO FINANCIALS?	5
WHAT'S THE DEAL WITH CAPITAL CREDITS? WHY DO MEMBERS HAVE TO WAIT SO LONG?	6
ROCK ISLAND FINANCIALS	6
WHY DID OPALCO INVEST IN ROCK ISLAND AND FIBER INFRASTRUCTURE?	6
DOES ROCK ISLAND IMPACT OPALCO RATEPAYERS?	7
WHAT ARE THE BENEFITS TO HAVING ROCK ISLAND AS WHOLLY OWNED SUBSIDIARY OF OPALCO?	7
CAN WE SEE ROCK ISLAND FINANCIALS AND WHERE DO WE FIND THEM?	7
GM SALARY	8
WHY IS THE GM'S SALARY SO HIGH?	8
WHY IS IT HIGHER THAN OTHER REGIONAL ELECTRIC UTILITY LEADERS?	8
DECATUR SOLAR	9
WAS THE FIRST DECATUR PROJECT SUCCESSFUL?	9
WHY ARE YOU DOING MORE ON DECATUR?	9
IS THERE A FIRE RISK WITH THE SOLAR INSTALLATION IN PLACE?	9
WILL THIS AREA BE CLEAR CUT OF TREES?	9
WILL THERE BE RUNOFF ISSUES, OTHER ECOLOGICAL ISSUES?	10
WHAT CRITICAL FACTORS INFLUENCED THE DECISION TO PURSUE THIS PROJECT ON DECATUR ISLAND?	10
WHAT IS THE PROCESS LEADING UP TO THE DECATUR PROJECT?	10
BAILER HILL SOLAR	11
WILL BAILER HILL GO FORWARD ON SAN JUAN ISLAND IN THE FUTURE?	11
WHAT ARE THE MOST LIKELY SITES (AFTER BAILER HILL AND DECATUR) THAT WILL SEE SOLAR NEXT?	12
WHY DON'T WE JUST DO ROOFTOP SOLAR AND OTHER IMPERVIOUS SURFACES THAT ARE ALREADY DEVELOPED?	12
BOARD MEMBER CANDIDATE REQUIREMENTS	12
DOES THE BOARD PICK NEW CANDIDATES?	12

HAVE MEMBERS BEEN DISQUALIFIED FROM JOINING THE OPALCO BOARD?.....	13
TIDAL PROJECT.....	13
HOW MUCH MONEY WAS SPENT ON THIS PROJECT?.....	13
WHY IS OPALCO LOOKING AT TIDAL ENERGY?	13
MEMBER SURVEY	13
WHY DID OPALCO CHOOSE TO DO THE SURVEY NOW/WHAT SPARKED THE IDEA/NEED FOR IT?.....	13
HOW IS OPALCO USING THE RESULTS TO INFORM PROJECTS, GOALS, ETC. GOING FORWARD? ARE THERE ANY IMMEDIATE CHANGES/ADJUSTMENTS BEING MADE BASED ON THE SURVEY?	14
THE SURVEY SHOWED THAT A MAJORITY OF MEMBERS ARE BECOMING MORE KNOWLEDGEABLE ABOUT LOCAL ENERGY ISSUES. WHAT IS OPALCO DOING TO REACH THOSE REMAINING MEMBERS WHO AREN'T AS AWARE OF PROJECTS, ISSUES, ETC?	14
THE SURVEY SHOWED THAT ABOUT HALF OF MEMBERS AREN'T WILLING TO PAY MORE FOR RENEWABLE ELECTRICITY. WHAT IS OPALCO DOING MOVING FORWARD TO KEEP RATES LOW?	14
THE RESULTS DON'T SEEM TO REFLECT A LOT OF THE PUBLIC PUSHBACK THAT MANY RECENT PROJECTS HAVE BEEN MET WITH (E.G. DECATUR MICROGRID, BAILOR HILL MICROGRID,), WITH ONLY 15% OF PHASE 1 RESPONDENTS SAYING THEY OPPOSED OPALCO'S CURRENT RENEWABLE ENERGY PROJECTS. DOES OPALCO HAVE ANY COMMENT REGARDING THAT DIFFERENCE?	14
A NUMBER OF THE OPEN-ENDED COMMENTS ON THE OPT-IN SURVEY CRITICIZED THE WORDING OF THE SURVEY, CLAIMING IT WAS BIASED TO SOME EXTENT. WHAT WOULD OPALCO SAY IN RESPONSE TO THOSE COMMENTS?.....	15
RURALITE MAGAZINE.....	15
CAN WE STOP PUBLISHING RURALITE TO SAVE MONEY?	15
UNIQUE QUESTIONS AT FEB. 10 TOWN HALL MEETING.....	15
NOTABLE LINKS	15
OPALCO IS FORECASTING ROUGHLY A 28% INCREASE IN RATES OVER THE NEXT FIVE YEARS. LOCAL WAGES AND HOUSEHOLD INCOMES HISTORICALLY RISE FAR MORE SLOWLY THAN THAT. CAN YOU HELP ISLANDERS UNDERSTAND HOW OPALCO EXPECTS ISLAND RESIDENTS, ESPECIALLY THOSE ON FIXED OR MODEST INCOMES, TO ABSORB INCREASES AT THIS SCALE? ...	16
THE LETTER BY RIKKI SWIN ABOUT HIGH OPALCO BILLS RAISED IMPORTANT POINTS. WHEN MEMBERS RAISE CONCERNS OR PUBLISH QUESTIONS ABOUT RATES, WE BELIEVE THE COOPERATIVE'S RESPONSE SHOULD MODEL RESPECT AND COLLABORATION. WE WERE CONCERNED BY THE TONE OF OPALCO'S RESPONSE ("...SO RIFE WITH MISINFORMATION IT'S HARD TO KNOW WHERE TO START"/"LET'S DO OUR HOMEWORK AND DO BETTER ABOUT USING CORRECT INFORMATION WHEN WE OFFER DISAGREEMENTS OR FEEDBACK"). HOW WILL OPALCO ENSURE FUTURE COMMUNICATION WITH MEMBER-OWNERS IS RESPECTFUL, TRANSPARENT, COLLABORATIVE, AND ALIGNED WITH COOPERATIVE VALUES?	17
WHAT WAS THE TOTAL COST OF THE SOLAR PANELS PURCHASED FOR THE BAILER HILL PROJECT? WHEN WERE THEY PURCHASED, AND WHO AUTHORIZED THE EXPENDITURE PRIOR TO SECURING FULL PERMITS?	17
WHAT IS THE TOTAL AMOUNT SPENT TO DATE ON THE BAILER HILL PROJECT, INCLUDING PANELS, PLANNING, ENGINEERING, LAND COSTS, SHEEP (THEY APPEARED FOR SEVERAL WEEKS, BUT GONE NOW), AND ANY OTHER ASSOCIATED EXPENSES? AND WHO OWNS THE SHEEP? WHERE ARE THEY NOW?	18
WHICH SPECIFIC PROJECTS ARE NOW RECEIVING THE REALLOCATED BAILER HILL PANELS? IF THE BAILER HILL PROJECT DOES NOT RESUME, HOW WILL THE ASSOCIATED COSTS BE TRACKED, ALLOCATED, AND POTENTIALLY RECOVERED OR ASSIGNED TO MEMBERS/SUBSCRIBERS?	18
GIVEN THAT BONNEVILLE POWER ADMINISTRATION (BPA) SUPPLIES CLOSE TO 100% RENEWABLE, CARBON-FREE HYDROPOWER AND CRITICAL FACILITIES HAVE BACKUP SYSTEMS, WHAT INDEPENDENT ANALYSES OR STUDIES SUPPORT THE NEED FOR OPALCO SOLAR GENERATION?	18
MEMBER FEEDBACK HAS RAISED CONCERNS ABOUT THE GENERAL MANAGER'S 2024 TOTAL COMPENSATION OF APPROXIMATELY \$792,000. WHAT IS THE TOTAL COMPENSATION PACKAGE FOR 2025, INCLUDING BASE SALARY, BONUSES, AND OTHER BENEFITS?	18
WHAT IS THE CURRENT ESTIMATED TOTAL COST FOR THE PROPOSED NEW OR REDUNDANT SUBMARINE CABLE PROJECT?.....	19
ADDITIONALLY, WHAT IS OPALCO'S TOTAL HISTORICAL AND CURRENT INVESTMENT IN ALL SOLAR PROJECTS (INCLUDING TIME, MATERIALS, LAND, INSTALLATION, LEGAL, ACCOUNTING, MAINTENANCE, AND ALL OTHER COSTS)?	19

REGARDING THE DECATUR SOLAR PROJECT EXPANSION. HAVE YOU OBTAINED AN ECOLOGICAL ASSESSMENT OF THE 20 ACRES, BY A QUALIFIED SCIENTIST? AND ASSESSED THE IMPACT TO THE SURROUNDING FOREST FROM POTENTIAL WIND DAMAGE? 19

IF WE WANTED IT, COULD WE HAVE A PROGRESSIVE RATE STRUCTURE THAT PROVIDES A MODEST AMOUNT OF ELECTRICITY TO ALL HOUSEHOLDS AT VERY LOW RATES AND CHARGES MORE PER KILOWATT HOUR ON A PROGRESSIVE BASIS SO THAT THOSE WHO USE A LOT OF ENERGY PAY A HIGHER RATE FOR THEIR HIGHER USE AND THOSE WHO USE LITTLE ENERGY PAY THE LOWEST RATE PER KILOWATT HOUR ? 19

WHY WERE THE RECORDED DEED RESTRICTIONS IGNORED IN YOUR CURRENT APPLICATION FOR THE EXPANSION OF THE SOLAR ON DECATUR?20

REGARDING THE RATE SHIFT MENTIONED JUST PREVIOUSLY, YOU ARE TALKING ABOUT COVERING YOUR FIXED COSTS BY INCREASING MEMBER'S BASE RATES, THEN LOWERING THE PRICE OF OUR ELECTRICITY USAGE. I'M SURE IT WOULD BE HELPFUL FOR OPALCO TO HAVE STEADIER INCOME, BUT DOESN'T THAT WORK CONTRARY TO THE INCENTIVES WE WOULD WANT TO ENCOURAGE MEMBERS TO USE LESS POWER? IF ~2/3 OF MEMBERS' BILL IS GOING TO BE PAID NO MATTER WHAT... ARE THEY GOING TO WORK AS HARD TO SAVE POWER AND SAVE US ALL FROM BLACKOUTS?20

CAN OPALCO PROVIDE DOCUMENTATION OF THE TRIBAL OUTREACH THAT WAS DONE LEADING UP TO THE DECATUR ISLAND SOLAR EXPANSION PROJECT?20

WHY HAVE THE WHOLESALE PRICE FOR SOLAR-GENERATED POWER STAGNATED WHILE RETAIL PRICING CONTINUES TO CLIMB?21

IS OPALCO SAVING MONEY TO REPLACE THE BPA SUBMARINE CABLE FROM THE MAINLAND?.....21

HOW IMPORTANT IS IT TO SITE SOLAR PROJECTS NEAR CURRENT INFRASTRUCTURE? HOW MUCH DOES IT COST TO MOVE PROJECTS OUT OF VIEW CORRIDORS?21

OPALCO Rates

What should members expect for power rates?

OPALCO’s annual budget reflects real cost increases—medical benefits, grid equipment, labor agreements, power supply, and interest rates—many of which rise faster than inflation. At the same time, we’ve held staffing steady at about 50 employees.

Given these realities, members should expect retail rates to increase 5–6% annually to maintain reliability, cover operations, and responsibly plan for future capital projects. Our focus remains on keeping costs as low as possible while ensuring a safe, resilient, and reliable electric system.

Did rates go up this year?

Yes, they did. For residential customers the rate increase was ~5.8% or approximately \$12/month.

It seems like the fixed charge went up more than usual?

The OPALCO team did an extensive analysis of the OPALCO rate structure during 2025. Members will see some changes in the way their bills are allocated in 2026 due to findings of the rate study. Here is a summary of the rate changes:

Shifting How Costs Are Shared: About 2/3 of OPALCO’s revenue comes from the per-kWh charge. Our cost-of-service study showed it’s fairer to spread more costs into the fixed monthly charge (Service Access Charge). This means an increase in the monthly service charge but a lower per-kWh charge.

For residential members, you will see around a 5.8% rate increase for your overall monthly bill with the increase higher in your service access charge (\$67.58/month) than kWh charge (\$0.1395 per kWh).

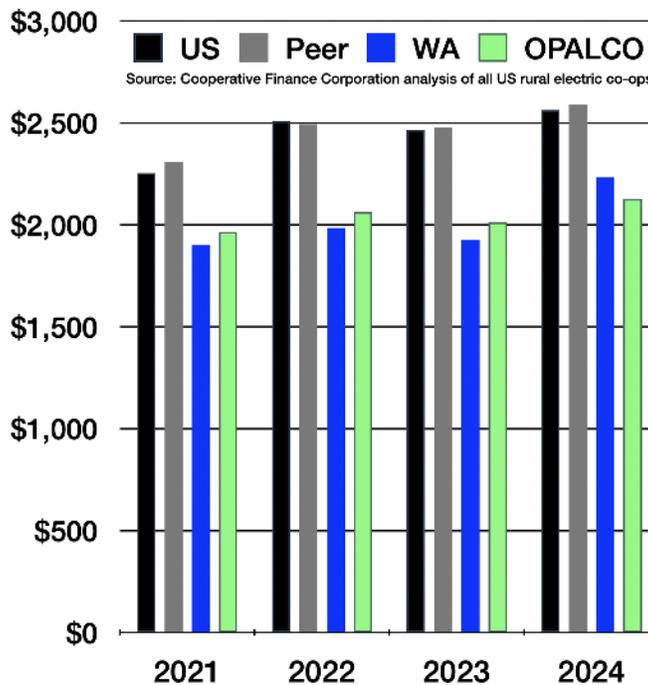
Do we pay more than our neighboring utilities?

Yes – OPALCO does likely pay more than our neighbors as we have a more complicated electrical grid with the least number of consumers in the state. Providing reliable energy to our 20-island community is nothing like the mainland. OPALCO requires 11 substations, 25 submarine cables (8 transmission, 17 distribution), over 1,000 miles of mostly underground, storm-hardened distribution. Undergrounding in “the rock” costs 4X more than overhead lines. Submarine cables cost around 200X more.

The cost of power in rural communities is greater because there are fewer people per mile of powerline to share in the cost of service. As a cooperative and not-for-profit organization, we keep costs as low as possible and spread expense evenly and fairly across the membership.

<https://www.opalco.com/quick-fact-opalco-vs-a-typical-mainland-electric-utility/2026/02/>

Annual Cost of Electric Service per Member



OPALCO Financials

Is OPALCO losing money or did they lose money with the purchase of Rock Island?

OPALCO CANNOT operate at a loss. As a nonprofit cooperative that relies on federal loans to operate our business, pursuant to our RUS loan covenants, we cannot operate at a loss – we hold over a 30% equity ratio to meet requirements to get those funds. We budget a margin each year to ensure we don't have a loss which is returned to co-op members in the form of capital credits.

Rock Island did operate under startup conditions at the beginning of their operations and was budgeted each year to improve the loss - this was expected and part of the business plan. Rock Island manages its own finances and has its own borrowings that have nothing to do with OPALCO financials. You can track Rock Island's financial progress most easily on Year End statements on pages 30&31 of the OPALCO audit reports linked in the document library of our website (www.opalco.com/document-library). They no longer operate at a loss.

The OPALCO Board maintains oversight of the financial metrics (equity, TIER, margin, OTIER) to ensure the cooperative's fiscal health.

Where can we see OPALCO financials?

Each month in the Board packet there is a monthly summary report that tracks where the co-op is year-to-date. Additionally detailed quarterly financials are presented in during regular Board meetings and typically in May or June of each year, OPALCO's auditor provides their formal audit report findings during the regular Board meeting. Find that here:

<https://www.opalco.com/about-community/document-library/#r1fboardmeetingsandmaterialsboardmaterials>

You can also find an executive summary in the unaudited financial reports that includes the numbers for the last three years with audited numbers. That is on page 4 of the report followed by a variety of other pages that drill deeper into the numbers. You can find that here:

<https://www.opalco.com/about-community/document-library/#r1ffinancefinancialreports>

Here is a sample of the Executive Summary from our financial reports:

ORCAS POWER AND LIGHT COOPERATIVE

STATEMENT OF OPERATIONS EXECUTIVE SUMMARY

	A.	B.	C.	D.	E.	F.	
	Audited	Audited	Budget	Unaudited	Budget	Budget	
	Year End	Year End	Year End	Year End	\$ Change	% Change	
	12/31/2022	12/31/2023	12/31/2024	12/31/2024	(D - C)	(E / C)	
1	kWh Purchases	241,801,858	228,638,000	219,000,000	230,984,773	11,984,773	5.5%
2	Gross Operating Revenue	35,679,000	36,836,000	37,407,000	39,492,000	2,085,000	5.6%
3	Energy Charge Adjustment	1,000	(328,000)	-	147,000	147,000	
4	Net Operating Revenue Total	35,680,000	36,508,000	37,407,000	39,639,000	2,232,000	6.0%
5	Cost of power	9,756,000	8,572,000	9,159,000	9,126,000	(33,000)	-0.4%
6	Operations & G&A	13,501,000	14,282,000	16,407,000	15,232,000	(1,175,000)	-7.2%
7	Depr, Int, Taxes & Other	8,874,000	8,805,000	9,306,000	9,386,000	80,000	0.9%
8		<u>32,131,000</u>	<u>31,659,000</u>	<u>34,872,000</u>	<u>33,744,000</u>	(1,128,000)	-3.2%
9	Net Operating Margins	\$ 3,549,000	\$ 4,849,000	\$ 2,535,000	\$ 5,895,000	3,360,000	132.5%
10	Non-Operating Margins	\$ 439,000	\$ 778,000	\$ 673,000	\$ 829,000	156,000	23.2%
11	Net Margin	<u>\$ 3,988,000</u>	<u>\$ 5,627,000</u>	<u>\$ 3,208,000</u>	<u>\$ 6,724,000</u>	3,516,000	109.6%
12	OTIER	2.75	3.47	2.19	3.90	1.72	
13	TIER	2.97	3.86	2.50	4.31	1.81	
14	Equity % of Total Cap	36.6%	39.7%	40.3%	40.8%	0.5%	
15	Equity % (excl RESP)	37.2%	42.7%	44.5%	46.1%	1.6%	
16	Equity	44,990,000	51,310,000	52,676,833	56,943,000	4,266,167	8.1%
17	Capital Debt	66,958,000	65,099,000	68,935,000	68,984,000	49,000	0.1%
18	RESP Debt	2,225,000	10,006,000	13,044,000	17,631,000	4,587,000	35.2%
19	Capital Spending	10,320,000	11,932,000	12,129,000	19,996,000	7,867,000	64.9%
20	Capital Credit Retirement (net)	(1,189,000)	(1,137,000)	(1,051,000)	(1,179,000)	(128,000)	12.2%
21	Annual HDD	1,543	1,090	1,029	801	(228)	-22.2%

What's the deal with capital credits? Why do members have to wait so long?

As a cooperative owned by its members, OPALCO does not earn profits. Instead, revenues over and above the cost of doing business are called "margins." Margins represent an interest-free loan for operating capital made to the cooperative by the membership. The capital credit process is unique to cooperative utilities and be aware that IOUs, Municipals and PUD do not return capital credits to their customers. Capital credits are returned to OPALCO members when finances permit usually on a 25-year cycle.

Typically OPALCO returns over \$1M to its members on an annual basis. Last year OPALCO gave out over \$1.1M in capital credits to the membership.

Rock Island Financials

Why did OPALCO invest in Rock Island and fiber infrastructure?

Internet services have become critical to improving public safety, controlling OPALCO's electrical system maintenance and outage costs, cyber security and providing a connection to resources and the greater world. Remote locations like San Juan County are notoriously underserved for broadband connections limiting education, health care services, business opportunities. Electric co-ops across the nation are stepping to serve their communities with broad band services.

During startup operations in 2015/16, OPALCO provided only a small amount capital funding until such time as Rock Island was able to procure their own loan funds to fund startup

operations. OPALCO members contributed \$1M to support Rock Island's initial start-up operations for a total of \$72 per member. This was a time-limited member investment and the only impact to member bills. Other than this initial start-up funding phase (\$2 per member / per month for two years), the entire cost of Rock Island operations has been completed without impacting OPALCO retail rates. Rock Island is now a profitable business venture and helped our community navigate through pandemic.

OPALCO is a 100 percent equity owner of Island Network LLC, doing business as Rock Island Communications. OPALCO maintains ownership of our backbone infrastructure, while Rock Island owns all distribution assets they have installed. Rock Island pays OPALCO for use of the backbone infrastructure at market rates. Rock Island provides benefits to OPALCO members by building up OPALCO's equity to improve our financial position for future capital projects.

Does Rock Island impact OPALCO ratepayers?

Pursuant to IRS requirements, OPALCO's financials are kept completely separate and there are very specific guidelines that OPALCO and Rock Island have to adhere to, to ensure that OPALCO can maintain its nonprofit status. Our annual audit ensures that the companies keep their operations separate and if there are services exchanged they are accounted for properly and the electric ratepayers in no way subsidize Rock Island business.

What are the benefits to having Rock Island as wholly owned subsidiary of OPALCO?

Rock Island offers many benefits to the members – it enhances public safety by drastically improving communication services throughout the islands which is critical for cyber security and emergency services throughout the islands. It keeps the internet services local versus being run by a huge off island corporation – Rock Island provides over 40 living wage local jobs and serves about 95% of our services territory with fiber and/or wireless services.

In the near future, Rock Island will also improve OPALCO's equity position which will help us access low interest loans for our big capital projects like submarine cable replacements or substation rebuilds.

Can we see Rock Island Financials and where do we find them?

Below is Rock Island's Income Statement and Balance Sheet. These figures come from the Audited Financial Statements found in OPALCO's document library. You can also find the individual years found in the document library here: <https://www.opalco.com/about-community/document-library/#r1frockislandcommunications>

Rock Island Communication (Island Network LLC)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Income Statement										
Revenues	1,829,439	2,286,266	3,644,987	4,920,825	5,990,624	6,977,567	8,036,459	9,402,727	10,917,772	10,963,462
Expenses	3,609,552	5,024,100	6,196,992	7,421,877	7,832,300	8,362,478	8,467,890	9,485,326	9,072,821	10,888,494
Net Income (Loss)*	(1,780,113)	(2,737,834)	(2,552,005)	(2,501,052)	(1,841,676)	(1,384,911)	(431,431)	(82,599)	1,844,951	74,968
Balance Sheet										
Total Assets	6,190,816	9,374,080	13,490,906	16,516,691	17,950,343	19,825,866	21,130,244	22,048,659	24,571,489	22,939,958
Total Borrowings	7,566,247	13,199,145	19,206,910	24,778,748	28,461,816	31,214,649	33,107,978	34,215,852	34,570,821	32,500,655
Other Liabilities	404,682	692,882	1,353,948	1,308,947	901,207	1,408,808	1,251,288	1,144,428	1,467,338	1,831,005
Total Equity*	(1,780,113)	(4,517,947)	(7,069,952)	(9,571,004)	(11,412,680)	(12,797,591)	(13,229,022)	(13,311,621)	(11,466,670)	(11,391,702)
	6,190,816	9,374,080	13,490,906	16,516,691	17,950,343	19,825,866	21,130,244	22,048,659	24,571,489	22,939,958

*RIC's Net Income/(loss) & Equity numbers roll up into the OPALCO-only financials. As RIC turns the corner to profitability, the benefit to OPALCO equity growth will be very important for future borrowings for major capital project (including future submarine cable, replacements)

All figures derived from Audited Financial Statements - Supplementary Consolidating Statements (see Audit Reports ~ page 28 thru 31)

Start-Up Operations	
Cashflow Positive	
Net Income Positive	

GM Salary

Why is the GM's salary so high?

OPALCO conducts a thorough comparative analysis to verify that salaries are competitive within our utility industry. Hiring and retaining top notch personnel is critical to the operation of OPALCO's complex electrical and communications systems.

OPALCO's wage philosophy is directly in line with the national network of electric co-ops. OPALCO pay rates are competitive based on electric utility cooperatives in the region.

Compensation decisions are not made lightly. They result from a structured annual process that follows OPALCO's Strategic Directives and includes formal performance evaluations, assessment of organizational results, and detailed comparisons using multiple independent compensation benchmarks from peer electric cooperatives and regional utilities.

OPALCO's current GM, Foster Hildreth's bio: <https://www.opalco.com/about-community/team/>

Read more about how the Board sets the General Manager's salary: <https://www.opalco.com/quick-fact-opalco-general-manager-ceo-compensation/2026/02/>

Why is it higher than other regional electric utility leaders?

OPALCO General Manager Compensation (2024 Tax Report 990) 2024 base wage is \$380,309 for OPALCO and \$141,351 bonus from Rock Island. The General Manager total compensation is ~1.4% of OPALCO's 2024 operating budget. The additional compensation mentioned on the 990 is an estimation of benefits to include medical and actuarial estimate of retirement. The salary is comparable to cooperative utilities across the region. OPALCO's General Manager has oversight responsibility over one of the more complex and environmentally sensitive electric distribution cooperatives in the region (serving a 20-island community via 25 submarine cables). OPALCO's General Manager also has management responsibility over the highly successful internet subsidiary, Rock Island Communications. OPALCO's General Manager has more than

40 years of experience in the infrastructure and utility industry and holds a BS degree in Business and an MBA in Finance.

Check out this Quick Fact about how OPALCO is different than your typical mainland utility: <https://www.opalco.com/quick-fact-opalco-vs-a-typical-mainland-electric-utility/2026/02/>

Regional Cooperative Executive Compensation Benchmarking:

Find general manager/CEO compensation for approximately 110 electric cooperatives and public utilities across the Pacific Northwest and Western United States. This information has been compiled from publicly available IRS Form 990 filings accessed through ProPublica's nonprofit database. Data is presented for contextual comparison only and does not imply equivalency across organizations of differing size, complexity, or regulatory environment.

<https://www.opalco.com/wp-content/uploads/2026/02/Executive-Compensation-Comparison-219.pdf>

Decatur Solar

Was the first Decatur project successful?

The first Decatur Community Solar project was very successful. We released shares for the project that sold out within 2 weeks. All members who invested in the project have had a complete return on investment and all energy credits they receive are the cherry on top. Here are the stats for that project:

- **Cost/unit:** \$126 (originally \$150 w/ a \$24 rebate upon receipt of REAP grant)
- **Watts/unit:** 75 watts
- **Member Cost/watt:** \$1.68
- **Straight-line payback:** 6.5 years (due also to WA state production incentive of \$0.16 per kWh)
- **Total Cost:** \$1.054M (\$847k member subscriptions, \$207k REAP grant)

Why are you doing more on Decatur?

Decatur was selected due to its proximity to the existing solar site and substation. The expanded solar will meet the needs of Decatur Island's future power supply and offers local non-carbon-based renewable energy to the community. From both a financial and environmental standpoint, expanding existing facilities is more efficient and generally less impactful than building entirely new infrastructure elsewhere. OPALCO plans to site microgrids throughout San Juan County.

Is there a fire risk with the Solar installation in place?

This solar site (and solar sites in general) has a very low probability of causing a fire. If a fire is to enter the site, the panels are rated to not contribute to a fire that can be sustained by grass and vegetation under panels. The current forest is quite dense with thick underbrush and cleaning up the forest could help mitigate wildfire spread.

Will this area be clear cut of trees?

To install the solar array, there will need to be tree removal. There will be about 8.5 acres utilized for the project of the 19 acres on this parcel (45%). The forest on the site has been logged several times, and many trees are still young or moderate in size. There is also a mix of

fallen trees from wind damage and signs of tree root disease in some areas. The tree density is high, and the underbrush is thick which provides habitat function but also increases risk of wildfire. Only one side of this project will be visible from the road. All critical areas such as wetlands (and setback areas) will be protected.

Will there be runoff issues, other ecological issues?

OPALCO is bound to all federal and state laws to protect critical areas and have adequate stormwater design to meet regulatory standards and mitigate runoff. Both the federal and state review of the site (NEPA and SEPA) found that the site is in compliance for environmental protections. The SEPA determined the project as having not significant impact (DNS – Determination of Non-Significance).

What critical factors influenced the decision to pursue this project on Decatur Island?

As listed above – having this close to our other Community Solar project and our transmission switchyard and distribution substation that feeds power to all the islands make this property ideal. Additionally, it has the right land use designation to allow for utility scale renewable energy projects. Most parcels in San Juan County do not allow for utility scale projects.

OPALCO has extensive materials on the website about the Decatur Island solar expansion project that includes alternate sites reviewed, environmental reports, site plans, public engagement, permit application, SEPA checklist, and more. Check it out:

www.opalco.com/decatgur

What is the process leading up to the Decatur project?

OPALCO has been working to expand our Community Solar site on Decatur Island. The solar expansion designs and plans are working their way through San Juan County permitting process. The Conditional Use Permitting process is highly regulated and requires extensive environmental analysis to meet the requirements for a project like this.

We encourage all community members to submit their comments (pro, con, support, concerns) to San Juan County.

Once the project has obtained San Juan County permitting approval, the OPALCO Board will make their “go-no-go” determination at a subsequent Board meeting (expected in March or April) dependent on permitting timeline.

Rest assured that OPALCO will dedicate time in the April or May Board meeting to discuss this project in detail and listen to community feedback, including concerns of the Decatur Island members.

Your electric cooperative is facing future electricity supply demand shortfalls. Every renewable generation project of this nature is full of hard decisions with many tradeoffs.

<https://www.opalco.com/quick-fact-preparing-for-mainland-power-outages/2024/08/>

The OPALCO Board takes these decisions seriously and listens to our membership.

The best way to engage with this project right now is through the County permitting process which houses all of the documentation and accurate project information:
<https://www.sanjuancountywa.gov/m/newsflash/Home/Detail/2103>

Bailer Hill Solar

Will Bailer Hill go forward on San Juan Island in the future?

Public opinion did not stop the Bailer Hill project. There is a lot to go into about why the project was stalled. Key points:

- OPALCO worked for four years to site, plan, permit, and construct the Bailer Hill Microgrid. The process started with a preliminary application which did not flag any unusual issues. OPALCO worked for the next 18 months to design, study, and engineer the project to submit for a Conditional Use Permit for this site.
- The San Juan County Department of Community Development stalled and made additional information requests, often with no code citations to back up their requests, or arbitrarily discounting expert reviews. OPALCO had two hearings scheduled and then cancelled with multiple promises of dates in the nine months between the hearing dates. Due to unforeseen circumstances within the Department of Community Development, the project was turned over to a third-party contractor who had to start from scratch to review the extensive materials.
- In December 2024, 12 days before the scheduled hearing, OPALCO learned that yet again the hearing had been delayed and a request for additional information was made a requirement. In the preliminary application, OPALCO submitted a “Critical Areas Ordinance Exemption” report prepared by a qualified wetland professional. Based on a site visit, the report concluded that the mapped wetland on the project site was an artificially created farm pond in a non-wetland area and therefore exempt from regulation under the County’s Critical Areas Ordinance. The County accepted this report.
- OPALCO is confident in its analysis that there is not a regulated wetland on the property. Subsequently, OPALCO provided another report prepared by a licensed hydrogeologist, which confirmed that the project site contains an exempt, artificially constructed farm pond, and that the source of hydrology on the project site is the County’s own stormwater overflow via ditches that run onto the property.
- The San Juan County Code states that artificial farm ponds, drainage ditches, and similar stormwater facilities are not defined as regulated wetlands. OPALCO’s reports are supported by multiple site visits and on-site data collection by qualified professionals, a detailed analysis of historical data spanning decades, current on-the-ground field investigations, and the application of wetland manual definitions and methodologies.
- 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. With these constant delays, it has become unfeasible for OPALCO to keep moving forward with the project.

OPALCO hopes to pick this project up again in 2027 at the earliest. This will be an agri-solar project.

What are the most likely sites (after Bailer Hill and Decatur) that will see solar next?

OPALCO has analyzed our various options and ways to meet the expected electrical load growth in San Juan County as dictated by the Comprehensive Plan. There isn't one perfect number of sites or options here and the Board will be constantly analyzing and reviewing ways to continue serving San Juan County with reliable power as the regional power supply becomes more precarious. OPALCO would like to see microgrids on each of the major islands near the population centers to offer back up power should the need arise but since infrastructure costs are rising and there is a lack of grant funding, future projects may be more difficult to fund. For now, we are focusing on Decatur and then we will restart the Bailer Hill agri-solar project. Also note that much of the latest confusion amount the number of planned microgrids was due to OPALCO responding to San Juan County's Comprehensive Plan process.

Why don't we just do rooftop solar and other impervious surfaces that are already developed?

Rooftop and impermeable surface solar play an important role in the San Juan County energy mix, projected to supply about 5% of our 2035 load. While this may seem like a modest percentage, it represents a share of load 13 times larger than the Washington state average. This achievement is a testament to our co-op members' embrace of renewable energy and the success of OPALCO's Switch It Up program in reducing upfront costs.

However, policy narratives claiming we can meet our future energy needs through rooftop solar alone are not evidence-based. To meet the projected new county load, we will require seven times more solar than rooftop capacity can provide. <https://www.opalco.com/quick-fact-rooftop-solar-and-our-local-energy-future/2024/04/>

Moving forward, utility-scale solar is a vital piece of the puzzle. It is approximately one-third the cost of rooftop solar and offers superior winter production through sun-tracking arrays that remain functional during outages. By prioritizing these lower-cost resources, we can keep electric bills more affordable for everyone and reduce the cost-shift to low-income members. Furthermore, agrisolar presents a unique opportunity for our local agricultural community, helping farmers adapt to climate change by protecting heat-sensitive crops and improving farm economics.

Board Member Candidate requirements

Does the Board pick new candidates?

No, there is a very clear and detailed process that Board candidates go through that the OPALCO membership must vote on. You can find very detailed information about becoming a Board candidate here: <https://www.opalco.com/about-community/elections-hub/why-run/>

All of these details are outlined in the OPALCO Bylaws: <https://www.opalco.com/about-community/document-library/#rfgovernanceguidingdocumentsopalcobylaws>

Have members been disqualified from joining the OPALCO Board?

OPALCO has a list of requirements to join the Board that have specific conflict of interest clauses and we do a background check. There have been applicants who don't meet those requirements. This is a standard best practice to ensure that the interests of the co-op are met.

Tidal Project

How much money was spent on this project?

OPALCO got grant funds to study the feasibility of tidal energy in San Juan County.

- WA Department of Commerce - \$148,351.06 total spent. Grant covered 72,225.51
- US DOE WPTO - \$2,843,587.70 total spent, grant covered \$2,389,435.05

Why is OPALCO looking at tidal energy?

As impacts of climate change and legislation drive up the costs of green power, OPALCO is committed to exploring local, renewable energy sources. To be clear, we don't have many power generation options, the demand for power is increasing and the supply of power is not keeping pace. <https://www.opalco.com/quick-fact-northwest-resource-adequacy-in-a-rapidly-decarbonizing-world/2025/06/>

With water being 800 times the density of air, tidal stream energy is to the northwest what solar is to the southwest. While solar is minimal in the winter, tidal power is strong and predictable year-round, but more importantly, it can be firmed with a small fraction of the storage solar or wind would require.

Member Survey

Why did OPALCO choose to do the survey now/what sparked the idea/need for it?

For the last several years, OPALCO has been communicating with our co-op members on some of the issues facing the energy industry and solutions that we are considering locally. Things are changing due to climate impacts, carbon reduction legislation (Washington State), and the transition to renewable energy. As our regional energy supply reaches capacity, utilities throughout the country are pursuing carbon-free power sources. OPALCO has been exploring local renewable energy options in San Juan County, balancing the cost of these projects, aesthetic trade-offs, and limited land for siting against the need to provide reliable power. OPALCO is interested in the direction that the co-op members would like us to take for our energy future in the islands - which is at the literal "end of the line" from the mainland power supply. The OPALCO team sees this lack of supply to meet upcoming demand in our region as critical information our members need to know and prepare for. They see it as their responsibility as Board Members to signal this risk while there is still time to do something about it.

How is OPALCO using the results to inform projects, goals, etc. going forward? Are there any immediate changes/adjustments being made based on the survey?

The OPALCO Board has reviewed the information in depth and will utilize this data as they do planning for the utility. The Board has the difficult job of balancing the competing priorities of having low cost, carbon-free, and reliable power. These three criteria are almost impossible to meet in tandem, so the team is looking at ways to balance all three priorities and looking to see what direction the members want them to take. We utilize various ways to get feedback from the members, and this survey is just one tool they will be looking at.

The survey showed that a majority of members are becoming more knowledgeable about local energy issues. What is OPALCO doing to reach those remaining members who aren't as aware of projects, issues, etc?

OPALCO has a robust communications strategy that gets updated and modified each year to garner more reach throughout the community. This includes monthly digital and print communications sources, as well as regular social media and blog posts aimed to reach members on all platforms and with varying communication preferences.

The survey showed that about half of members aren't willing to pay more for renewable electricity. What is OPALCO doing moving forward to keep rates low?

OPALCO's aim to date has been to fund renewable energy projects with grant funds or through the members themselves (such as with the Community Solar model which members buy shares and that is what funds the project). Community Solar projects are ultimately funded when members purchase the solar panels (which is not funded through rates). At this stage we don't plan to fund these projects through rates.

The results don't seem to reflect a lot of the public pushback that many recent projects have been met with (e.g. Decatur microgrid, Bailor Hill microgrid,), with only 15% of phase 1 respondents saying they opposed OPALCO's current renewable energy projects. Does OPALCO have any comment regarding that difference?

As a member-owned cooperative, OPALCO represents all 20 islands we serve. A survey allowed us to gather input from across our entire membership, ensuring our decisions reflect the broader community's needs—not just those of a single area.

A number of the open-ended comments on the opt-in survey criticized the wording of the survey, claiming it was biased to some extent. What would OPALCO say in response to those comments?

The survey was intended to provide information to ensure the members understand the various factors and tradeoffs OPALCO is facing. The leadership team worked with a third-party professional survey team to frame the needed urgency of the issues while gathering productive input. The OPALCO Board reviewed ALL the comments, good and bad, and will use that information accordingly. OPALCO uses many strategies to gather input from members, so the survey is not the only way the Board and Leadership team is gathering input.

Ruralite Magazine

Can we stop publishing Ruralite to save money?

Ruralite is a compilation of other regional co-ops who work with Pioneer (also a cooperative) to publish and distribute Ruralite magazines. By working with other co-ops, the magazine is an economical way to reach the OPALCO membership which is spread out across the islands and country. Lots of members don't use or have access to other forms of digital media. For years we have been struggling with how to reach all of our members.

For members who don't wish to receive this publication they can reach out to unsubscribe by letting communications@opalco.com know. We publish the magazine digitally each month and it is linked in our e-newsletter.

Unique Questions at Feb. 10 Town Hall Meeting

NOTABLE LINKS

2026 OPALCO Rate/Bill Changes: <https://www.opalco.com/rates-adjustments-explained/>

Quick Fact: OPALCO General Manager/CEO Compensation: <https://www.opalco.com/quick-fact-opalco-general-manager-ceo-compensation/2026/02/>

Decatur Solar Expansion Project Site: <https://www.opalco.com/decatour-island-solar-project/>

OPALCO 2025 Cost of Service Analysis: <https://www.opalco.com/wp-content/uploads/2025/09/E3-OPALCO-Board-Meeting-2025-06-19.pdf>

2026 Tariffs Document: <https://www.opalco.com/wp-content/uploads/2026/02/2026-Tariffs.pdf>

Submarine Cable Infographic: <https://www.opalco.com/wp-content/uploads/2026/02/sub-cable-infographic-scaled.jpg>

Regional Cooperative Executive Compensation Comparison: <https://www.opalco.com/wp-content/uploads/2026/02/Executive-Compensation-Comparison-Final-1.pdf>

Capital Credits Information: <https://www.opalco.com/account-services/bill/capital-credits/>

Quick Fact: OPALCO vs. a Typical Mainland Utility: <https://www.opalco.com/quick-fact-opalco-vs-a-typical-mainland-electric-utility/2026/02/>

OPALCO 2025 Member Survey Results: <https://www.opalco.com/wp-content/uploads/2026/01/Complete-Survey-Materials.pdf>

Below are the questions brought forth in the meeting:

OPALCO is forecasting roughly a 28% increase in rates over the next five years. Local wages and household incomes historically rise far more slowly than that. Can you help islanders understand how OPALCO expects island residents, especially those on fixed or modest incomes, to absorb increases at this scale?

OPALCO is a cost-of-service organization. As the cost for the co-op goes up, the rates to cover those costs must also go up. The OPALCO Board is also committed to raising our support for low-income members as costs go up.

OPALCO recently sent an email to its members urging members to contact the County in support of the Decatur solar project. Decatur residents have raised concerns about this project. How does this apparent political advocacy by OPALCO align with cooperative principles of neutrality, transparency, and member-driven decision-making?

Thank you for this important question. OPALCO's communication about the Decatur solar project is not political advocacy, it's an operational matter directly tied to our mission of providing affordable, reliable power to our members.

As a member-owned cooperative, OPALCO is guided by the seven cooperative principles, including Concern for Community, Education and Training, and Democratic Member Control. When a project has the potential to benefit our members through locally generated renewable energy, lower costs, or improved grid resilience, it's our responsibility to keep members informed and encourage their participation in public processes, just as we would with any infrastructure project that affects the cooperative.

We recognize that community members, including those on Decatur, have raised legitimate concerns, and we respect those perspectives. We like to encourage member engagement in the public permitting process to ensure that all voices, including those of the cooperative's 11,000+ members who stand to benefit, are part of the conversation.

Transparency is central to how we operate. Our Board of Directors, elected by and accountable to our members, provides oversight of strategic decisions like pursuing local energy resources.

Members are always welcome to attend Board meetings, ask questions, and share feedback which is democratic member control in action.

The letter by Rikki Swin about high OPALCO bills raised important points. When members raise concerns or publish questions about rates, we believe the cooperative's response should model respect and collaboration. We were concerned by the tone of OPALCO's response ("...so rife with misinformation it's hard to know where to start"/"Let's do our homework and do better about using correct information when we offer disagreements or feedback"). How will OPALCO ensure future communication with member-owners is respectful, transparent, collaborative, and aligned with cooperative values?

OPALCO welcomes member questions about rates, and we take every concern seriously. Our members deserve accurate, transparent information to make informed decisions and that obligation runs both ways.

When publicly shared statements contain significant factual inaccuracies about our rates, operations, or finances, we have a responsibility to our entire membership to correct the record. Allowing misinformation to go unaddressed doesn't serve transparency. Our members rely on accurate information to participate meaningfully in cooperative governance, which is at the heart of our principle of Democratic Member Control.

That said, we hear the feedback about tone, and we take it seriously. Correcting the record and doing so respectfully are not mutually exclusive, and we are always working to improve how we communicate especially on topics where members feel strongly. We are committed to leading with facts, context, and an invitation to dialogue.

We're always happy to sit down with any member to walk through their bill, explain our rate structure, or discuss concerns directly. Additionally, we remain committed to having public discourse events such as our town hall.

What was the total cost of the solar panels purchased for the Bailer Hill project? When were they purchased, and who authorized the expenditure prior to securing full permits?

The expense for these solar panels was ~\$2M. The cost of the panels will be allocated to the next Community Solar project that gets built – much like the first Community Solar project that cost just under \$1M (for solar panels and equipment) and then was recouped with the ~\$1M in shares sold to the Community Solar members. The panels are now being used for a Community Solar project on Decatur Island. The Board approved this expenditure as part of the 2023 Budget that was approved in November 2022.

What is the total amount spent to date on the Bailer Hill project, including panels, planning, engineering, land costs, sheep (they appeared for several weeks, but gone now), and any other associated expenses? And who owns the sheep? Where are they now?

The total amount to date is ~\$2.6M. OPALCO works with a local sheep farmer for grazing. This relationship will continue when the solar panels are installed.

Which specific projects are now receiving the reallocated Bailer Hill panels? If the Bailer Hill project does not resume, how will the associated costs be tracked, allocated, and potentially recovered or assigned to members/subscribers?

The panels are currently slated to the Decatur Island expansion project should the Board decide to move forward on that project. Some of the panels will be put on OPALCO's rooftops on the three main islands. All project costs are tracked through work orders in the OPALCO system. The Board would need to decide how to deal with the costs should the project not resume.

Given that Bonneville Power Administration (BPA) supplies close to 100% renewable, carbon-free hydropower and critical facilities have backup systems, what independent analyses or studies support the need for OPALCO solar generation?

Linked below are some Quick Facts that look at the regional supply/demand issues. There is no doubt that the Northwest is increasingly looking at energy shortfalls and rising energy costs. We do not have a lot of options to meet our local energy load growth. Solar is one of the most advanced and economical options our local community has available to meet our local energy needs.

- [Why Local Renewable Projects?](#)
- [Rooftop Solar and Our Energy Future](#)
- [Long Term Reliability NERC Report](#)

Member feedback has raised concerns about the General Manager's 2024 total compensation of approximately \$792,000. What is the total compensation package for 2025, including base salary, bonuses, and other benefits?

The 2025 compensation package will be available when the audited financials are complete and the 2025 990 form is published. You can review all the most current information on the [GM Compensation Quick Fact](#).

What is the current estimated total cost for the proposed new or redundant submarine cable project?

Estimated total is \$125M. BPA supplies power to OPALCO's service territory over two submarine cables that go from Washington Park (Anacortes) through Decatur Island to a BPA owned substation located on Lopez Island. The two cables in question are reaching the ends of their useful lives (41 years old and 25 years old respectively) and technical capacity (bad for expected electricity load growth).

Additionally, what is OPALCO's total historical and current investment in all solar projects (including time, materials, land, installation, legal, accounting, maintenance, and all other costs)?

The original Decatur project finances are as such: \$1.054M (\$847k member subscriptions, \$207k REAP grant) so this has been fully paid for by the members who invested in the project.

Other projects to include land and the current Decatur project is ~\$3.5M.

Regarding the Decatur Solar Project expansion. Have you obtained an Ecological Assessment of the 20 acres, by a qualified scientist? And assessed the impact to the surrounding forest from potential wind damage?

OPALCO is bound to all federal and state laws to protect critical areas and meet environmental regulatory standards. Both the federal and state review of the site (NEPA and SEPA) found that the site is in compliance for environmental protections. The SEPA report designated the project as having not a significant impact (DNS – Determination of Non Significance). All reports created by qualified scientists and professionals are posted on the website: www.opalco.com/decatgur.

If we wanted it, could we have a progressive rate structure that provides a modest amount of electricity to all households at very low rates and charges more per kilowatt hour on a progressive basis so that those who use a lot of energy pay a higher rate for their higher use and those who use little energy pay the lowest rate per kilowatt hour ?

OPALCO's rate structure does offer a progressive rate – the higher kWhs you use the more you pay. OPALCO must balance a variety of tradeoffs when setting rates for members with the main goal to fairly recoup costs. You can find an outline of OPALCO's rates here: <https://www.opalco.com/quick-fact-opalco-rates/2025/12/>.

The OPALCO Board spent 2025 doing a Cost-of-Service study to ensure they are fairly allocating rates – you can find the summary of that study here: <https://www.opalco.com/wp-content/uploads/2025/05/E3-OPALCO-Board-Meeting-2025-05-15-1.pdf>.

Why were the recorded deed restrictions ignored in your current application for the expansion of the solar on Decatur?

The SJC permitting process is thorough and new items come up along the process as they are uncovered. The covenant related to the native growth area on the Decatur parcel was uncovered later in the process. The covenant allows the landowner to revise the native growth area and OPALCO has requested a revision, and the County has that request.

OPALCO continues to work through the County process for this project. We will address all issues that come up - it does take time to address these issues in a thoughtful and accurate way. As with all major projects there are a variety of factors to work through and OPALCO remains committed to complying with environmental requirements and code. You can find all information about this project including our initial response to this issue here: <https://co-sanjuan-wa.smartgovcommunity.com/Parcels/ParcelDetail/Index/6090b7ca-2b45-4414-9ab7-aa8cb585743e?conv=1>

Regarding the rate shift mentioned just previously, you are talking about covering your fixed costs by increasing member's base rates, then lowering the price of our electricity usage. I'm sure it would be helpful for OPALCO to have steadier income, but doesn't that work contrary to the incentives we would want to encourage members to use less power? If ~2/3 of members' bill is going to be paid no matter what... are they going to work as hard to save power and save us all from blackouts?

There are many tradeoffs when rate setting for a cost-of-service organization like OPALCO. During 2025, the OPALCO Board and a third-party organization E3 spent a lot of time considering the various trade-offs and how to allocate costs in an equitable way through the various rate classes.

Increasing the fixed charge improves revenue certainty for the co-op and more fairly recovers the costs of maintaining the grid infrastructure that serves all members. And there is still incentive to conserve energy — the variable charge remains a meaningful part of every member's bill. However, when OPALCO collects most of its revenue through the variable charge, that revenue is heavily concentrated in the colder months. The result is that year-round residents end up subsidizing seasonal and solar members, who use less energy but still rely on the same infrastructure. Increasing the fixed charge spreads that burden more equitably across all rate classes.

Can OPALCO provide documentation of the tribal outreach that was done leading up to the Decatur Island solar expansion project?

OPALCO followed the required State and Federal laws to consult with Tribal Nations who are the required consulting parties as part of the National Historic Preservation Act and applicable state laws. As part of this, we let them know about the project, shared information on our research and field methods, shared our findings, and asked for input. We started consultation by contacting the Tribal Nations' Tribal Historic Preservation Officers and their culture departments.

We also contacted the Tribal Chairpersons directly. ESA, on behalf of OPALCO, contacted cultural resources technical staff at the Lummi Nation, Samish Indian Nation, Snoqualmie Tribe of Indians, Suquamish Tribe, Swinomish Indian Tribal Community, and Tulalip Tribes. We received feedback from two of these Tribes and provided additional information.

As required by law, the culture resources report is exempt from public distribution and disclosure (RCW 42.56.300). On the Decatur web page we posted the Cultural Resources Assessment Letter: www.opalco.com/decatur.

Why have the wholesale price for solar-generated power stagnated while retail pricing continues to climb?

The net metering rate pays solar members the retail rate for energy produced on someone's roof which is much higher than the wholesale rate of power. The wholesale rate OPALCO usually buys power for is about 4.5¢ per kWh, versus approximately 13.95¢ per kWh retail. That difference is subsidized by all the other rate payers on the system including low-income members.

Starting in 2022, the Board changed how solar members are paid for their exported solar power to be more just and equitable for everyone on the OPALCO grid. Solar producers still get the energy that they produce and immediately use for that full retail value. If the solar producers don't use the energy, then they sell it back to OPALCO in the form of a credit on their bill. The 2025 rate that OPALCO is buying power from rooftop solar members is \$0.0853 kWh. This is still a subsidy from all OPALCO rate payers since OPALCO can buy power at ~\$0.045 kWh from our wholesale power provider. The OPALCO board plans to continue equalizing that subsidy.

OPALCO balances the dual goal of encouraging local solar energy while keeping the cost shift as equitable as possible for the rest of the membership.

Is OPALCO saving money to replace the BPA submarine cable from the mainland?

OPALCO is grateful to be served with submarine cables from the mainland out the islands by the Bonneville Power Administration. OPALCO works closely with BPA to monitor and plan for the future of these cables. This highly costly project would burden the OPALCO membership so it more prudent for OPALCO to work with BPA to ensure these cables are in good working order and planned replacements are in place.

OPALCO is building up its equity position to plan for the submarine cable replacements on the cables that OPALCO owns. Find an infographic showing the submarine cables throughout San Juan County:

<https://www.opalco.com/wp-content/uploads/2026/02/sub-cable-infographic-scaled.jpg>

How important is it to site solar projects near current infrastructure? How much does it cost to move projects out of view corridors?

Siting solar projects near infrastructure is more cost effective and is easier to maintain and manage the power systems. There isn't one number that OPALCO could quote for connecting

projects to infrastructure as each project is unique and costs would need to be analyzed by taking into account all of the variables.