# Board of Directors
# Regular Meeting

Thursday, February 19, 2026 Virtual
Meeting via Zoom

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

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

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

**Sequence of Events**

- OPALCO Board Meeting
- Executive Session

# Board of Directors
# Regular Board Meeting
# February 19, 2026, 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.*

Contents



EXECUTIVE SESSION

Legal, Personnel, Competitive, Other

ADJOURNMENT

# ACTION ITEMS

## Consent Agenda

All matters listed on the Consent Agenda are considered routine and will be enacted by one motion of the Board with no separate discussion. If separate discussion is desired, that item may be removed from the Consent Agenda and placed as an Action Item at the request of a Board member.

The Consent Agenda includes:

- **Minutes** of the previous meeting and special meeting – attached.
- **Approval of New Members** – attached {as required by Bylaws Article I Section 2 (d)}

**NEW MEMBERS – January 2026**

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

BOSSART, RUSSELL
BRANDLI, STEPHEN & BRANDLI, BOBBIE JO
CHEVALIER BUILDIN, G CO LLC
COUGHLIN, MEGAN
DONOGH, JENNIFER & DONOGH, SHANE
DYKSTRA, JONATHAN & DYKSTRA, SHANNON
FEATHERS, JULIE
HARTIGAN, STEVE
KLEYN, TRISTAN
KRETZ, THOMAS
LEE, CHRISTINA
MAHAN, ERIN
MCBRIDE, AMY
POTTER, DANIEL
PRISTINE PROPTERT, Y CARE
RYAN, KATHLEEN & VERVOORT, JEFF
SCRIBNER, BRANDON
STAIGER, SARAH & MOON, ANNE
VAGUE, HOLLYE & ALLEN, JASON

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

ANDERSON, CONOR
BUHALIS, AMANDA
FOHRMAN, PIPER
GREENE, MEGAN
HILLTOP LOT LLC
HOOVER, JENNIFER
JOSE, HELIODORO
MEYER, ROSEMARY
PARESKY, GAY
PRESLEY, ISAAC & PRESLEY, RACHEL
SAKAI, KURTIS
SALINAS RAMIREZ, NORBERTO
STONE, PHYLLIS
SWEENEY, HARRISON & RICE, ELLIE
VINSON, BERT & VINSON, BECKY
VITAL ORCAS LLC
WARD, BONNIE
WISCOMB, LAURA

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

CLEMENS, CATHERINE
COLES, CHANDLER
COMBS, KATHERINE & MERRIFIELD, JUSTIN
ENDRES, BRIAN
LAHEY, HELEN
RILEY, THOMAS

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

None

**RUS Form 219**

Inventory of Work Orders of projects completed from the Construction Work Plan. These forms are submitted to RUS for approval of loan funds.

| Inventory | Amount | Description |
|---|---|---|
| 202511 | $82,248.97 | Construction Work Orders |
| **Total** | **$82,248.97** | |

Orcas Power & Light Cooperative — Rev: 202303050744

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RUS Form 219 Inventory Of Work Orders

Period: NOV 2025 — System Designation: WA O9

Inventory: 202511

| Loan Project | Year | Work Order Construction (1) | Work Order Retirement (2) | Bdgt (3) | Gross Funds Required: Cost Of Construction: New Constr Or Replacements (4) | Gross Funds Required: Cost Of Removal: New Constr Or Replacements (5) | Deductions: Salvage Relating To New Construction Or Replacements (6) | Deductions: Salvage Relating To Retirements Without Replacements (7) | Deductions: Contrib In Aid Of Constr and Previous Advances (8) | Loan Funds Subject To Advance By RUS (9) |
|---|---|---|---|---|---|---|---|---|---|---|
| 1600 | 2023 | 3027 | 3027 | 1 | 45,921.39 | 0.00 | 0.00 | 0.00 AFUDC: 6,185.08 | 0.00 | 39,736.31 |
| 1600 | 2023 | 4334 | 4334 | 1 | 14,428.22 | 0.00 | 0.00 | 0.00 AFUDC: 128.41 | 0.00 | 14,299.81 |
| 1600 | 2023 | 4449 | 4449 | 1 | 28,360.97 | 0.00 | 0.00 | 0.00 AFUDC: 148.12 | 0.00 | 28,212.85 |
| | | | | | 88,710.58 | 0.00 | 0.00 | 0.00 | 0.00 | 82,248.97 |
| **Grand Totals:** | | | | | $ 88,710.58 | $ 0.00 | $ 0.00 | $ 0.00 | $ 0.00 | $ 82,248.97 |

Minor Construction Work Orders

Work Order: 3027 - MOVE METER BASE & TRANSFORMER AND CONSOLIDATE FOOTPRINT, FENCE OFF EXISTING EQUIP

Work Order: 4334 - RELOCATE AND REPLACE OLD RR

Work Order: 4449 - MOVE TRANSFORMER TO BETTER SITE

Staff requests a motion to approve the Consent Agenda.

**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:

| February | |
|---|---|
| Customer # | Amount |
| 13735 | 633.94 |
| 68721 | 918.73 |
| 67344 | 572.79 |
| 81607 | 2,701.14 |
| 61641 | 1,244.69 |
| **Total** | **$ 6,071.29** |

Staff requests a motion to approve the Consent Agenda.

**Minutes**
Staff request approval of the minutes from the prior meeting upon review.

**Orcas Power & Light Cooperative**
**Minutes of the Board of Directors Meeting**
**Thursday, January 15, 2026**

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

Members in attendance: Drew Gislason, John Pierre van Dongen, Alan Mizuta, Angela Krisinger

Meeting commenced at 8:36 AM

Member Comment Period: John Pierre van Dongen commented about renewable energy on behalf of the Friends of the San Juans.

**ACTION ITEMS**

**CONSENT AGENDA**

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

**DISCUSSION ITEMS**

**BPA Provider of Choice Initiative**

Staff shared that OPALCO has joined 130 Northwest public utilities in signing BPA's new 16-year Provider of Choice power contracts, securing electricity through 2044, with PNGC supporting negotiations and load aggregation to help manage long-term cost and supply risk ahead of the October 2028 start. Discussion ensued.

**OPALCO Survey**

Staff shared results from OPALCO's November–December member survey on local renewable energy, noting very high overall satisfaction, strong concern about future outages, broad support for improving reliability and reducing mainland dependence, and sustained majority support for renewable development (particularly microgrids) even when tradeoffs, environmental protections, and policy adjustments were considered. Staff discussed the outcome.

**REPORTS**

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

Regular Session ended: 10 AM
Executive Session: 10:17 AM to
Meeting Closed: 11:35 AM

_____
Vince Dauciunas, President

_____
Tom Osterman, Secretary-Treasurer

## Corporate Debt Resolutions

RUS is requiring OPALCO to update our corporate debt limit to accommodate the additional RESP program for member relending loan funds. Staff is proposing to raise OPALCO's corporate debt limit to accommodate the new debt facility, currently set at $190M, to $310M.

**Corporate Debt Limit Update**

| Existing Funding | Original Loan Facility | Current Loan Balance | RUS Maximum Debt Limit |
|---|---|---|---|
| **Capital Funding** | | | |
| CFC | 23,400,000 | 6,501,000 | |
| RUS | 116,474,000 | 70,908,000 | |
| Subtotal | 139,874,000 | 77,409,000 | 142,000,000 |
| **Member Relending Programs** | | | |
| RUS RESP 1.0 | 5,800,000 | 4,221,000 | |
| RUS RESP 2.0 | 15,000,000 | 11,328,000 | |
| RUS RESP 3.0 | 26,000,000 | 7,758,000 | |
| Subtotal | 46,800,000 | 23,307,000 | 48,000,000 |
| **Total** | **186,674,000** | **100,716,000** | **190,000,000** |
| **Proposed new debt applications** | | | |
| RUS RESP 4.0* | 75,000,000 | - | 75,000,000 |
| RUS CWP | 45,000,000 | - | 45,000,000 |
| **Proposed** | **306,674,000** | **100,716,000** | **310,000,000** |

*subject to RUS RESP approval

RUS defines the maximum debt limit to be the face value of all original loan facilities (all lenders), regardless of the current loan balances. The corporate debt limit does not include any short-term lines of credit or loan guarantees. Also note that, over time, the face values of the original loan facilities were adjusted for amounts not drawn before the expiration of the facility.

The RUS corporate debt limit is viewed to be the maximum amount that the Board of Directors believes is advisable to finance the construction, acquisition and operation of electric transmission, distribution, and service facilities.

Staff requests a motion to approve Resolution Number 1-2026 which will raise the current limit of $190M to $310M, and Resolution Number 2-2026 which will establish the proposed RESP 4.0 program.

## State Mandated Clean Energy Implementation Plan

Under Washington's Clean Energy Transformation Act (CETA), all consumer-owned electric utilities are required to submit a Clean Energy Implementation Plan (CEIP) to the Washington State Department of Commerce every four years. The CEIP outlines OPALCO's planned actions to meet CETA's clean energy standards, including targets for renewable energy, energy efficiency, and equitable distribution of benefits to members.

As part of the 2026–2029 CEIP filing, OPALCO is required to have a public input process in compliance with WAC 194-40-220. This included a membership-wide survey on local renewable energy options, preferences, and priorities, as well presenting the plan in public session and allowing members to comment.

The CEIP must be approved by the Board prior to submission to the Department of Commerce. Staff requests that the Board review the attached plan and approve it for filing.

# DISCUSSION ITEMS

## Regional Utility Update

Vince to provide slide presentation at the meeting.

## Climate & Market Outlook: Managing Revenue & Mainland Power Supply Risk

OPALCO regularly monitors a unique combination of climate drivers: There is a notable warming of the current **Pacific Decadal Oscillation (PDO)** coupled with a likely shift toward warmer **El Niño** conditions this summer. This warming PDO created an 'atmospheric wall' that kept our local heating loads manageable by blocking arctic air; it has also resulted in lower kWh revenue as well as a significantly lower **Snow Water Equivalent (SWE)** across regional watersheds. Warmer temperatures cause precipitation to fall as rain rather than snow.

This presents a two-fold challenge for our financial planning and mainland power supply:

- First, the continued mild weather will soften the budgeted kWh sales the co-op relies on to fund 70% of our fixed costs. If the PDO warming continues, year-end ECA and margins could be challenging;
- Second, the diminished snowpack reduces the 'natural battery' that fuels regional hydropower. As we move into the summer and autumn, we should anticipate tighter mainland power availability and potentially higher market rates as the regional hydro supply wanes. If a summer heat-dome event occurs, we should expect increased mainland peak demand for cooling (HVAC) and higher market prices due to regional hydro scarcity.

By identifying these trends now, we can move forward with a measured strategy to manage our cost-recovery and power supply volatility, ensuring we maintain financial stability regardless of how the Pacific oscillates in the coming months. See the attached presentation materials related to 2026 Load Forecasting (under separate cover).

**Weather Financial Impact**

Staff expects that the reduction in kWh sales due to weather will be offset on member bills by the energy charge adjustment (ECA) line item. Historically, the ECA has given money back to the membership – over the life of the ECA ~3.4M has been returned to the members. Staff is expecting that the shift in weather may result in a noteworthy surcharge. Staff will be monitoring this and communicating accordingly with members.

See attached Load Forecast Briefing

## 2025 Year in Review

2025 Year in Review – OPALCO & Rock Island Communications

OPALCO Team Accomplishments 2025

**Safety:**

- Exceeded 298,000 hours worked without a loss-time accident.
- Zero reportable injuries.

- Actively monitor safety improvement plans as outlined in our RESAP program (Rural Electric Safety Achievement Program).
- Committed to NRECA's Zero Contacts initiative.
- Held monthly comprehensive in-person safety meetings to sustain our culture of safety.
- Transitioned to in-house drug and alcohol testing.

**Engineering, Operations & Information Technology:**

- Average service availability rate of 99.938% for the year.
- Average outage duration per service is 265 minutes with national average at 335 minutes.
- Replaced ~18 miles of aging and failing underground cable and ~17 miles of conduit for future aging cable projects.
- ROW Trimming: Roughly 5.8 miles of transmission corridors were able to be cleared for safety and operational access in addition to side trimming of distribution corridors.
- Completed relocation of Jackson Beach transmission line in preparation for the San Juan County salmon recovery project.
- Completed US DOE Phase 1 for Rosario Strait tidal generation.
- Boyce Road distribution tie line construction completed. This tie will allow for greater redundancy for San Juan Island substations.
- Sourced and schedule replacement substation transformers for Orcas Substation. Staff will be able to do so with minor alterations to the existing substation for an estimated savings of $2.5M.
- Redesign of the Eastsound Substation was completed in December 2025 with construction to commence in Q2 of 2027, due to transformer delivery timing.
- Conducted 6.58 mi. of brush and tree clearing
    - Lopez – 4.56
    - Orcas – 1.02
    - San Juan – 0.91
- Completed design of Decatur Solar and submitted SJC permit.
- Completed installation of new Center Island submarine cable.
- Added high speed reclosing for targeted overhead lines to reduce outage times for winter months.

**Finance & Accounting:**

- Unqualified opinion of Financial Audit for 2024. No audit comments in the 'communication of internal control related matters' letter to management and the Board.
- No Internal Control or Compliance findings in OPALCO's first 'Single Audit' over federal government grant compliance for two 'major programs' (ARPA & DoE Tidal grants).
- Switch-It-Up on-bill financing program financed 259 energy efficiency projects for over $8.1M in additional financing provided by OPALCO to our members. Dollars financed were ~$600k over 2024 & was our largest year of financing yet.
- Continued capital credit smoothing methodology, retiring $1.5M in capital credits back to the membership in 2025. Thanks to the continued generosity of our members, capital credit reoccurring donations were ~$20k in 2025.
- Managed multiple grant applications, periodic reporting to various State & Federal agencies as well as successful submission & receipt of grant reimbursements in 2025.

- Maintained a high level of excellence in a highly transitionary year, while short staffed for 9+ months, a new manager of finance and the mid-year retirement of a key accounting personnel.
- Staff completed Ferry Electrification Grid Interconnection Study.

**Management and Human Resources:**

- Offered farewell to the Manager of Member Services and Finance, a Special Projects and Office Coordinator, two General Foreman and a Journeyman Lineman.
- Promoted the Head Accountant to the Manager of Finance and the Member Services Supervisor to the Manager of Member Services. Promoted the Accountant to Head Accountant, and a Member Services Representative to the Special Projects and Office Coordinator position in Finance.
- Hired a Staking Technician, an Information Systems Specialist, a Member Services Representative, a Member Services Supervisor, and a new Journeyman Lineman.

Continued training with four Apprentice Lineman.

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

- Rebate dollars awarded to members through December: ~$256k.
- Energy saved by members through BPA/PNGC rebates: 315,174 kilowatt hours.
- Total interconnected members generating renewable power: 1005 with 152 new in 2025.
- 1,104 MWh of member solar/wind production incentivized by WA State.
- Supported 34 members in beneficial electrification measures, totaling $49,500.
- Incentivized the installation of 45 EV charging stations for homes and businesses.
- **Decatur Community Solar project:**
- 260 members participated.
- Produced 526.72 MWh – enough to power 500+ typical SJ County homes for a month.
- distributed $50.7k through production credits on participants' bills ($369k since energization), including an additional $7,853 to the PAL and Energy Assist programs.

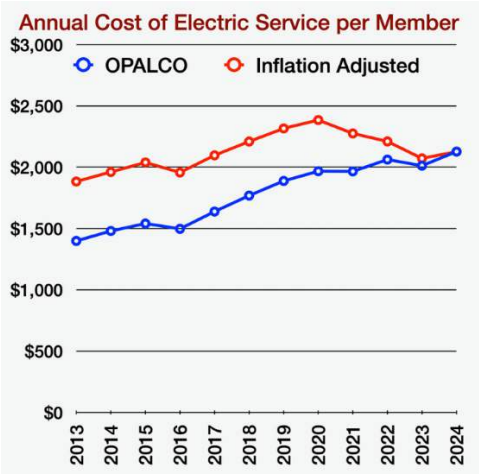
**Member Services:**

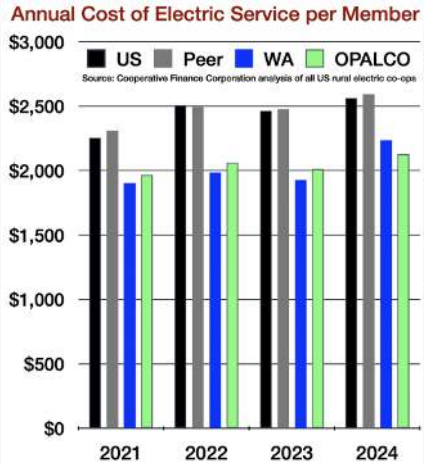
- Five Member Services Representatives (one new hire) and one new Member Services Supervisor answered more than 10,000 inbound calls from members.
- Billed members ~$39.7M for energy usage of ~219.4M kWh.
- During the first part of 2025 (the 2024-2025 PAL season) the Member Services Team awarded ~35.5k of PAL assistance to 199 low-income households.
- During November and December of 2025 (2025 – 2026 PAL season), Member Services Team awarded 176 low-income households with ~ 51.3k of PAL assistance funds.
- Energy Assist participation increased with an average of ~386 households receiving monthly bill credits which totaled ~$209.4k.
- ~9.2k accounts are on autopay.
- ~7.6k accounts are paperless.

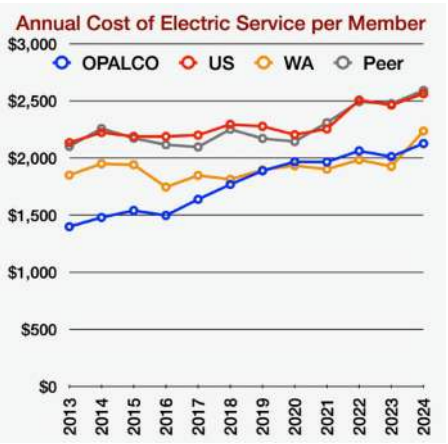
**Communications:**

- Continued the monthly Ruralite magazine to have a consistent wide-reaching communication with OPALCO members on topics such as energy savings, our energy future, the Island Way Campaign, and a variety of timely articles that affect the membership.
- Staff continued the Island Way Campaign including a variety of meetings and articles about topics including tidal energy, Decatur Island Community Solar, Jackson Beach pole relocation project, and renewable energy community meetings. The renewable energy and tidal energy community meetings were the most popular events held. The in-person tidal energy community meetings had around 150 members in attendance, and the Renewable Energy Community meetings had about 100 members in attendance.
- Maintained the format of the Annual Meeting to have the business portion of the meeting via Zoom and an in-person member appreciation event the following day. The Annual Member Festival was held at the San Juan County Fairgrounds. The festival was a huge success with over 300 Co-op members in attendance. The main fairground building was filled with OPALCO and vendor booths and an EV showcase, while the lawn housed the bouncy house, kids activities, grill, and bucket truck rides. The whole OPALCO team was on hand to welcome attendees, give out SWAG, and help keep the event flowing.
- Conducted a member survey to assess customer satisfaction, awareness of energy reliability challenges, and perspectives on local renewable energy development, land use, and permitting. Research included a statistically representative survey of 300 members and an opt-in community portion with 989 member responses.
- Worked with Sustainable Connections to promote grant that helps businesses in San Juan County to get energy efficiency incentives
- Created new and updated an extensive Quick Fact Library – digital information sheets hosted on the website
- Promoted and held the annual Board Candidate election including 3 candidates. 1,801 members voted which is ~15.4% of the membership
- Awarded five Youth Scholarships and took the scholars to the ICUA Youth Rally. 2025's group included 4 students from Orcas Island Highschool and 1 student from Friday Harbor High School. Additionally, the returning student director was from Friday Harbor High School
- The OPALCO team had two interviews with regional tv news outlets. One with Fox 13 News about the Rosario Strait Tidal project and the other with King 5 news about the Decatur Solar Project.
- Successfully advertised and navigated a planned overnight outage on San Juan Island in order to install and energize new power poles at Jackson Beach. Social media posts, newspaper and journal ads, chamber newsletters, Ruralite magazine, press releases, and flyers around town were all utilized to get the word out.
- Celebrated National Cooperative Month with a social media giveaway campaign. 4 members won social media swag bags, and 4 winners were selected for the grand prize giveaway. Members had the ability to choose one of four different grand prize options. Throughout the month, we received over 100 comments from members interacting with various posts.
- Produced and distributed monthly bill inserts, newspaper ads, monthly email newsletters, updated and created new forms including digitizing and modernizing processes, documents and content for the Member Services and Engineering departments.

- 958 followers on Instagram, 2,834 followers on Facebook and ~1485 followers on Twitter. Engagement has been highest on Facebook in 2025, with Instagram as the second most popular social media channel. Posts with the highest engagement in 2025 included the overnight outage post, renewable energy town hall event and the youth rally program recap. 2025 was also the year that we introduced more regular short form content to OPALCO social media platforms.
- Website analytics: overall increase in page views by 42%, as well as increase in engagement rate, length of time spent on website, and percentage of new users. Majority of traffic to the website (46%) came from direct visit. Top pages were OPALCO home page, outage center, careers page, and document library. Member services My Account and Project Pal application pages had in increase in traffic, and Save Money and Energy pages saw a decrease in page views but an increased engagement rate.
- Partnered with the Orcas Center on an exciting new microgrid project. The project utilized Switch It Up funds and required coordination between multiple project partners. With the new microgrid and battery backup system, the Orcas Center can now operate as a designated Emergency Operations Center.
- Attended various community events including County Council Meetings, meetings with legislators in Olympia, attended a test ride of an electric boats with the Port of Friday Harbor, Touch-A-Truck, Truck-or-Treat, and Chamber Mixers for outreach and connection opportunities. OPALCO also hosted and attended the NRG (Northwest Regional Group) Fall 2025 meeting to bring together representatives from various electric co-ops and organizations in the region, learn about the industry, and share ideas.




## Rock Island Team Year in Review 2025

### Notable Accomplishments for 2025:

*Accomplishments related to the community and outreach -*

- Launched an improved onboarding portal to improve the process of getting connected. New customers are guided through the onboarding process, getting customized recommendations on rate plans and add-on services based on their answers to onboarding survey questions. Managed Mesh and VOIP sales have gone up, and support calls from new fiber customers are reduced.
- Launched a new website, which improved functionality for site visitors and streamlined our ability to update the site as needed. Service requests have drastically increased, and improvements in GIS record lookup and Salesforce integration make it possible for new customers to start their service completely

online (in the case where a router is already on site). Work orders are created and assigned to the appropriate department, improving response time.

*Accomplishments in meeting financial goals -*

- Overcame early operational expense overspends to achieve overall business plan goals by YE
- Bolstered the monthly reporting system to better track operational spending across primary categories for senior management
- Successfully met our *Fiber and Wireless Onboarding goals for 2025*
- Expected to generate over $11M in Operating Revenue in 2025
- Remained ahead of the net income plan through each quarter this year

*Accomplishments in staffing and training -*

- Certified staff in splicing and production splicing, scaling our internal resources for splicing workloads.
- Trained staff in the following safety related categories while enhancing a Safety Orientation program for new hires:
    - Work Zone & Traffic Control/Struck-by Hazards
    - Trench Excavation/Fire Protection
    - Hazard Communication/Outdoor Heat Exposure
    - Health Hazards/Wildfire Smoke
    - RFR/Confined Space
    - Powerline/Ladders
    - WAC 296-32 Telecomm/Ergonomics
    - Accident Prevention Plan/ Job Hazard Analysis
    - Lockout-Tagout/Work Environment
    - Electrical/Respiratory Protection
    - Emergency Action Plan/Tools/Caught-in
- Successfully onboarded four of six potential new labor positions to strengthen operations, fiber, and customer support.

*Accomplishments in operational refinement -*

- Instituted better driving habits for fleet operators by deploying tracking and video feedback
- Implemented a quarterly internal merit review initiative which aligns with our market-driven compensation structure.
- Streamlined onboarding and performance evaluation processes.
- Instituted new benefit options that promote family support, equity, and retention as part of budget and benefits restructuring.
- Improved transparency in internal communication through data-driven tools that spotlight goal creation, and accountability between managers and their teams.
- Managed an Eastsound office transition continues to focus our efforts on an efficient build of office and warehouse space in Eastsound while we completed internal office design in Friday Harbor to host more collaborative in-office work.

*Accomplishments in projects -*

- Completed all four ARPA projects a full year ahead of the program deadline

- Assumption of the CommNet RDOF funding opportunity for supporting community infrastructure.
- Successfully navigated a multi-round application process for BEAD due to changes in government agendas and policies.
- Project managed the upgrades to 19 wireless sites, improving coverage and speed increases across the islands.
- *Accomplishments in technology improvements* –
- Implemented an enhanced browser application for staff to access systems, providing additional layers of protection for cyber security. (to be implemented by YE)
- Completed architecture design and vendor negotiations for the Juniper ACX Backbone switch migration, laying the groundwork for Rock Island's next-generation subscriber-management backbone and improved resiliency across all 60+ active sites.
- Expanded and hardened core routing capacity by implementing multi-100Gb transport upgrades in preparation for increased customer demand, LTE load, CGNAT exit, and new wholesale customers.
- Executed large-scale IP space transition planning, including acquisition preparation for a /19 and ASN from Semaphore, ensuring organic growth capacity for fiber, LTE, colocation, and managed services.
- Established Rock Island's first formalized cybersecurity governance framework, aligning ongoing initiatives with NIST CSF 2.0 and creating a multi-year roadmap to increase organizational maturity from Tier 2 to Tier 3.
- Successfully executed a forced unplanned core data center relocation within the Westin Building under extremely tight timelines, coordinating engineering, transport, cross-connect, and vendor teams to migrate all critical systems with *zero downtime or customer impact*. The seamless move preserved full redundancy for emergency services, ISP partners, and enterprise customers while positioning Rock Island for expanded colocation and interconnection capacity.
- Successfully upgraded and expanded the cluster environment to enhance scalability, reliability, and performance—significantly improving Rock Island's ability to host internal resources and support business services.
- Designed and implemented an updated expanded backup system, immutable backup and recovery platform with improved replication across sites, strengthening our resilience, data protection, and disaster recovery capabilities.

See financials below:

Rock Island Communicaiton (Island Network LLC)

| | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|---|---|
| **Income Statement** | | | | | | | |
| *Revenues* | 4,920,825 | 5,990,624 | 6,977,567 | 8,036,459 | 9,402,727 | 10,917,772 | 10,963,462 |
| *Expenses* | 7,421,877 | 7,832,300 | 8,362,478 | 8,467,890 | 9,485,326 | 9,072,821 | 10,888,494 |
| *Net Income (Loss)** | (2,501,052) | (1,841,676) | (1,384,911) | (431,431) | (82,599) | 1,844,951 | 74,968 |
| **Balance Sheet** | | | | | | | |
| *Total Assets* | 16,516,691 | 17,950,343 | 19,825,866 | 21,130,244 | 22,048,659 | 24,571,489 | 22,939,958 |
| *Total Borrowings* | 24,778,748 | 28,461,816 | 31,214,649 | 33,107,978 | 34,215,852 | 34,570,821 | 32,500,655 |
| *Other Liabilities* | 1,308,947 | 901,207 | 1,408,808 | 1,251,288 | 1,144,428 | 1,467,338 | 1,831,005 |
| *Total Eqity** | (9,571,004) | (11,412,680) | (12,797,591) | (13,229,022) | (13,311,621) | (11,466,670) | (11,391,702) |
| | 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

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

# Member Service Policy 3 – Technical Provisions (First Read)

Staff has been responding to more member load increases. The current policy lacks the notification processes and obligations. Staff identified areas of Member Service Policy 3 – Technical Provisions that need adjustments, as part of the ongoing review of Member Services Policies. Please find the edits below.

**ORCAS POWER AND LIGHT COOPERATIVE**
**MEMBER SERVICE POLICY 3**
**TECHNICAL PROVISIONS**

3.1 DETERMINATION OF USE AND METERING

The quantity of electrical energy and electrical demand shall be determined by the registration of the electric meters authorized and maintained by OPALCO.

3.1.1 Where the load is such that the amount of electrical energy consumed is fixed, OPALCO may elect not to meter the service and to bill the member for a fixed number of kilowatt hours. The amount charged shall be computed under the appropriate schedule including base charges.

3.1.2 Where service is rendered under conditions making metering impractical, OPALCO may estimate the amount of energy consumed based on the member's load.

3.1.3 OPALCO is required to maintain its meters within plus or minus two (2) percent accuracy. OPALCO maintains an ongoing meter calibration program. OPALCO will test a member's meter upon written request at no charge if the most recent calibration is more than ten years old. If a member requests a meter accuracy check less than ten years from the previous test, he must pay the charges as stated in Schedule of Deposits and Charges in the OPALCO Tariff book. In either case, should the meter, upon testing by OPALCO prove inaccurate, the charges will be refunded and billing adjusted per Member Service Policy 7.9. (The member will be furnished a test report

stating the accuracy of the tested meter.) The member may request that the meter be sent to an independent third party (approved by OPALCO) for calibration. The member will be responsible for all costs associated with independent calibration of his meter. Should the meter prove inaccurate upon testing, the testing charges will be refunded and billing adjusted per Member Service Policy 7.9.

3.1.4 OPALCO requires commercial meterbases with manual bypass and electric meters with demand registers for all non-residential and all three phase accounts. OPALCO requires electric meters with demand registers for all accounts where the 15-minute demand at any time during the year is anticipated to exceed 15 kW. OPALCO will require demand meters on other services if required by the applicable rate schedule. OPALCO may install demand meters on any account for data collection purposes. Where demand meters are installed for data collection, the member will continue to be billed under the existing rate schedule unless the data gathered shows that a different rate schedule is required.

3.1.5 Commercial facilities containing electronic equipment, or where the fifteen-minute demand at any time during the year does not exceed 15 KW, and having no other loads other than for heating and air conditioning, are required to have commercial meterbases with manual bypass, but are not required to have demand meters.

## 3.2 PROTECTIVE EQUIPMENT

It is the member's sole responsibility to provide suitable protective equipment for the devices and appliances in their premises. If three phase equipment is used, it is the member's responsibility to protect such equipment against single phase operation, reverse phasing, and under-and-over voltage conditions. OPALCO will monitor and troubleshoot member related problems from the member's serving substation to the secondary lugs of the member's meterbase. All other investigation into electrical problems beyond the secondary lugs of the member's meterbase shall be at the member's expense.

### 3.2.1 Non-Standard Tolerances

OPALCO regulates power characteristics to the point of member interconnection, which is generally the serving transformer. Where the member requires a degree of protection or regulation of the characteristics of the electrical service greater than that normally furnished by OPALCO, the member shall be responsible for obtaining, installing and maintaining the required regulating equipment.

### 3.2.2 Protection

The member is responsible for protection of the member's own equipment due to loss of power, voltage surges and sags, or loss of phase/phases of a three-phase line. Certain protective devices normally considered necessary are recommended below:

#### 3.2.2.1 Line Starting Protection

Any motor which, in starting, might be damaged by the full line voltage requires some type of protective device to disconnect it from the line during interruptions in service, thus protecting the motor when service is restored. OPALCO further recommends that such a device be equipped with a time delay mechanism so that the motor will not be disconnected by momentary fluctuations in voltage.

#### 3.2.2.2 Overload Protection

Since the intense heat caused by overload might seriously damage the motor, the member should install a device that will disconnect the motor if overload occurs. Fuses, thermal relays or circuit breakers, which are specifically designed to operate when excessive current occurs, are the devices used for this purpose. Where the member receives three phase service, OPALCO recommends that such protective devices be connected to all phases.

#### 3.2.2.3 Protection from Loss of Phase/Phases

Where the member receives three phase service, phase protecting relays should be installed which will disconnect the motor from the lines in the event that one phase of the line becomes open.

3.2.2.4 Reverse Phasing Protection

For three phase installations of electric cranes, hoists, elevators, pumps and similar equipment which may be damaged by reverse phasing, the member should install relays that will disconnect the motor from the line in the event of accidental phase reversal.

3.2.2.5 Surge Suppressors

The member should install surge suppression devices to protect sensitive electronic equipment such as computers, and other home electronic appliances from transient voltage spikes caused by lightning, system failures, normal utility load switching, etc.

## 3.3 ADDITIONAL LOAD

OPALCO will attempt to meet the additional load requirements of our members. OPALCO will work with the responsible party to accurately size the transformer to meet the needs of the responsible party's prospective load and to incorporate said load onto OPALCO's power distribution network.

### 3.3.1 Notice

~~Responsible parties shall give 60 days' written notice to the OPALCO Engineering Department of any proposed increase in required service capacity and/or meterbase upgrade. Increased service capacity, additional facilities or feeders added to an existing meterbase, or meterbase upgrades, are to be treated as a new service request and require an application. OPALCO's Engineering Department requires time to assess the impact of the increased load on the power distribution network. OPALCO will issue a preliminary design estimate based on the information supplied by the responsible party. Responsible party is responsible for all costs to accommodate increased service capacity on the primary distribution network.~~

3.3.1.1 Addition to Single Phase Loads

~~Responsible P~~party ~~P~~Member(s) shall give at least sixty (60) days' written notice to OPALCO's Engineering Department of any additional load requirements exceeding 4800 watts on single-phase transformers. ~~or additional facilities added to an existing meterbase. Specialized equipment such as transformers may have lengthy delivery schedules, and the Engineering Department requires time to assess the impact of the increased load on the power distribution network. OPALCO will issue a preliminary design estimate based on the information supplied by the responsible party. Responsible party is responsible for all costs to accommodate increased service capacity on the primary distribution network.~~

3.3.1.2 Addition to Three Phase Loads

~~Responsible P~~party ~~P~~Member(s) shall give at least sixty (60) days' written notice to OPALCO's Engineering Department of any additional load ~~requirements~~ exceeding 4800 watts.~~, or of the addition of facilities or service runs to an existing meterbase, on any three-phase transformer or bank of transformers forming a three-phase system. Specialized equipment such as three-phase transformers may have lengthy delivery schedules, and the Engineering Department requires time to assess the impact of the increased load on the power distribution network. OPALCO will issue a preliminary design estimate based on the information supplied by the responsible party. Responsible party is responsible for all costs to accommodate increased service capacity on the primary distribution network.~~

3.3.1.3 Conversion from Single Phase to Three Phase

Three phase service is made available only in specific portions of OPALCO's service area. Responsible parties planning to convert from single phase to three phase should check

with OPALCO to determine the availability and cost of providing three phase service. All costs associated with conversion from single phase to three phase shall be paid for by the requesting responsible party. OPALCO's power distribution network has no single phase protection of three phase lines. It is the responsible party's responsibility to protect their three phase equipment from single phase or reverse direction conditions.

3.3.2 ~~OPALCO/Responsible Party~~ Member Obligations

~~3.3.2.1 If the load of an existing facility increases, requiring a change in transformer size or meter class and the responsible party has been paying for power at this facility for more than five (5) years, OPALCO shall change out the transformer and/or meter at OPALCO's expense as long as the responsible party has not added additional facilities on to the power distribution network.~~

~~3.3.2.2 If the load of an existing facility increases, requiring a change in transformer size or meter class and the responsible party has been paying for power at this facility for less than five (5) years, the responsible party shall change out the transformer and/or meter at their expense, as outlined in Member Service Policy 5.2~~

~~3.3.2.3~~ If the load of a transformer ~~or meter~~ increases past the nameplate rating due to the addition of new ~~facilities~~ loads ~~being served by the transformer,~~ the ~~R~~responsible ~~P~~party Member(s) of the added loads~~facilities~~ shall pay all costs to change out the transformer ~~and/or meter~~ as outlined in Member Service Policy 5.2. OPALCO will issue a preliminary design estimate based on the information supplied by the member(s).

# REPORTS

## General Manager

### Dashboards

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

**Finance**

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

**Member Services**

- Disconnects
- Uncollectable Revenue
- PAL
- EAP
- Members per District
- 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

### Quick facts

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 February 2, 2026, there are 314 work orders open totaling $14.9M. Operations has completed construction on 109 work orders, totaling $1.7M.

**Safety**

Northwest Safety Service conducted chainsaw safety training in January. The total current hours worked without a loss time accident is 110,313 hours.

## Finance

**2026 Budget Tracking**

Energy (kWh) purchases and sales were lower than budgeted levels in January 2026. The table presents the full year 2025 projection with actuals for prior months where available.

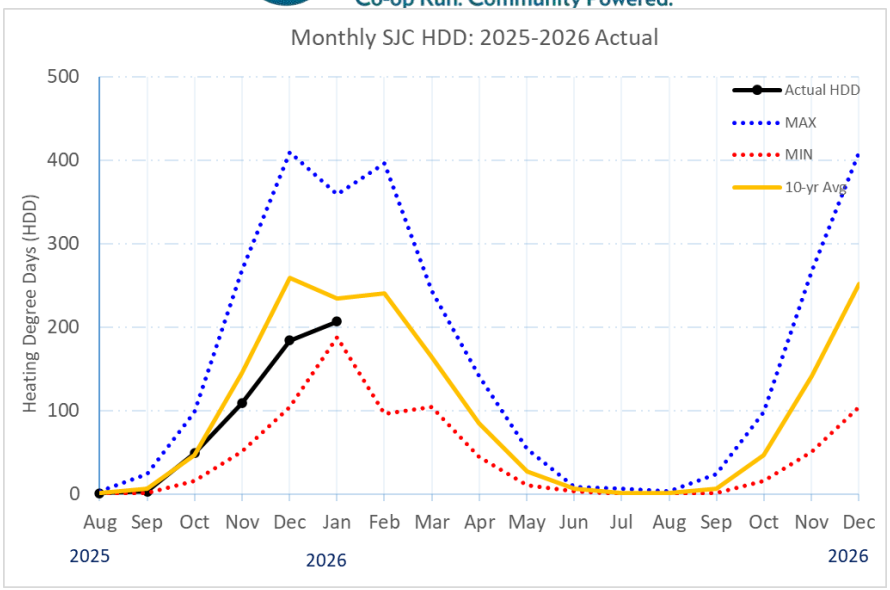
| **Income Statement Summary** (in thousands) | **2026 Projection** (actuals for prior months) Budget | Projected | Variance |
|---|---|---|---|
| Operating Revenue | $ 43,176 | $ 42,830 | $ (346) |
| ECA Surcharge / (Credit) | - | - | $ - |
| Revenue | $ 43,176 | $ 42,830 | $ (346) |
| Expenses: | | | |
| Cost of Purchased Power | 10,848 | 10,626 | $ (222) |
| Transmission & Distribution Expense | 9,308 | 9,638 | 330 |
| General & Administrative Expense | 7,390 | 7,451 | 61 |
| Depreciation, Tax, Interest & Other | 10,971 | 10,971 | - |
| Total Expenses | $ 38,517 | $ 38,686 | 169 |
| Operating Margin | 4,659 | 4,144 | (515) |
| Non-op margin** | 1,060 | 1,034 | (26) |
| Net Margin* | $ 5,719 | $ 5,178 | (541) |
| OTIER | 2.65 | 2.47 | (0.18) |
| TIER | 3.02 | 2.83 | (0.19) |
| Equity % | 38.2% | 38.0% | -0.2% |
| HDD | 1,081 | 1,087 | 6 |
| kWh Purchases | 230,000 | 228,326 | (1,674) |
| kWh Sales | 218,500 | 218,354 | (146) |

**Monthly Energy Charge Adjustment (ECA)**

With the shift to a revised ECA calculation tied to operating margin, there will be no ECA in January or February of 2026 as there is no target Operating Margin variance in the beginning of a new year until enough actuals hit with the close of the monthly financials.

**Heating Degree Days (HDD)**

This year followed average HDD trends, and we expect the first quarter 2026 to be trending slightly warmer based on National Weather Service forecasts below. We continue to monitor weather trends monthly.

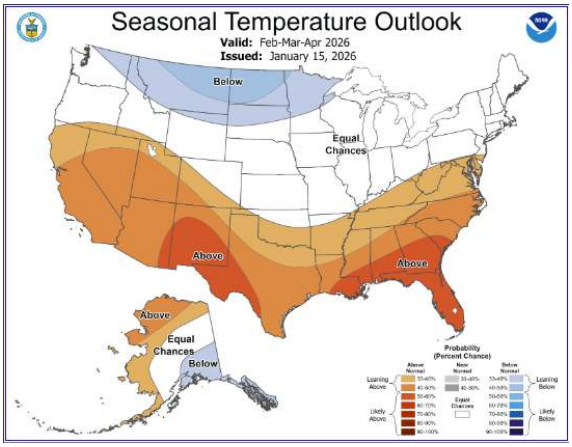


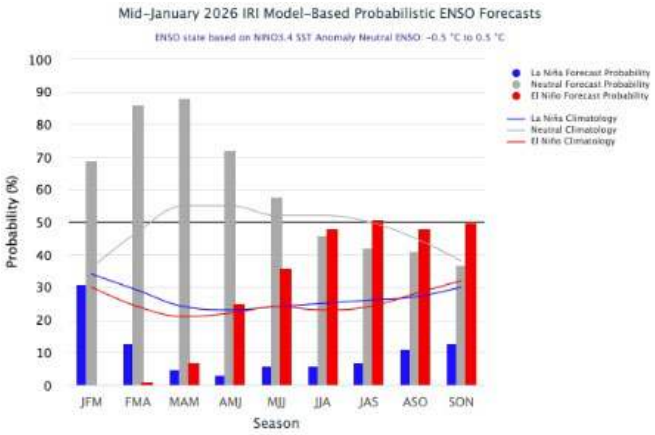

*max, min, avg is based on 10 year average

**Weather Forecast**

Looking ahead to the NOAA 'three-month outlook temperature probability' for Jan-Feb-Mar '26, the outlook is currently showing a higher probability of La Nina temperature conditions in our region moving through the remainder of the winter season. The models in the International Research Institutes' (IRI) ENSO (weather) prediction also forecasts a slight La Nina condition. We continue to monitor these predictors monthly.

**2026 Feb-Mar-Apr Outlook**




Source: NOAA National Weather Service

## Member Services

**Annual History of Energy Assistance Funding**

All values are as of first of the month reported.

| | | 2023 | 2024 | 2025 | Grand Total |
|---|---|---|---|---|---|
| Energy Assist Credit | # of Accounts | 519 | 524 | 528 | 780 |
| | Total Assistance | 141,748 | 164,175 | 171,442 | 477,366 |
| PAL | # of Accounts | 268 | 264 | 157 | 511 |
| | Total Assistance | 80,500 | 74,750 | 39,289 | 194,539 |
| Grand Total | # of Accounts | 584 | 566 | 558 | 856 |
| | Total Assistance | 222,248 | 238,925 | 210,731 | 671,904 |

*Note: EAP funds are collected, primarily, from a program OPALCO created by including a line item on all OPALCO member bills. Additional funds are directed to the EAP from the Decatur Solar Project (10% of all production credits). In 2020/2021, additional funds (not included in this chart) were paid out to members who were impacted by COVID. When the Bailer Hill Microgrid Projects comes online, up to 45% of its production will be directed to EAP. The "# of Accounts" are the distinct accounts assistance was provided to over the year or as a total. The "Total Assistance" varies based on single account adjustments.*

**Project PAL**

During January 2026, 58 members received ~$17.4k in Project PAL Awards, compared to 37 members who received ~$9.3k in Project PAL awards in January 2025.

**Energy Assistance Program (EAP)**

During January 2026, 463 members received ~ $24.4k from the low-income Energy Assist program, compared to 387 members who received ~ $17.8K in assistance in January 2025.

**LIHEAP (Low Income Home Energy Assistance Program)**

During January 2026 there was activity for LIHEAP pledges to members.

## Energy Savings

During January there were a total of 10 rebates paid out to members totaling ~$12.5k. This includes 2 Fuel Switching ductless heat pumps and 2 EV charging stations.

**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.

| | | 2023 | 2024 | 2025 | 2026 | Totals |
|---|---|---|---|---|---|---|
| EE Rebates* | # of Accounts | 261 | 210 | 137 | 10 | 618 |
| | Total Awards | $313,945 | $259,445 | $191,931 | $12,511 | 777,832 |
| | Total Energy Savings (annual kWh) | 440,382 | 253,675 | 258,738 | 9,372 | 962,167 |

**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 10 new interconnect applications submitted in January, with 16 members interconnected with solar for a total of 990. (https://energysavings.opalco.com/member-generated-power/). There are an additional 21 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 1,141 projects completed and billing for a total of $23.6M net outstanding (total projects less member pay-offs). There are another 100+ 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 | 54,463 | 43,939 | **$ 134,514** |
| **Energy Storage** | | | | 39,510 | 27,159 | 47,766 | 120,071 | **$ 234,506** |
| **Ductless Heat Pump** | 706,507 | 619,280 | 646,476 | 1,581,317 | 1,830,308 | 2,433,936 | 2,035,680 | **$ 9,853,505** |
| **EV Charger** | | | | | | 34,031 | 2,948 | **$ 36,979** |
| **Fiber** | | 30,725 | 48,681 | 29,301 | 41,929 | 85,080 | 18,883 | **$ 254,598** |
| **Ducted Heat Pump** | 7,874 | 30,000 | 15,000 | 18,127 | 956,659 | 520,872 | 407,015 | **$ 1,955,548** |
| **Heat Pump Water Heater** | 12,312 | 9,755 | | 5,012 | 67,612 | 13,700 | 373,344 | **$ 481,734** |
| **Insulation** | | | | 256,935 | 58,228 | 244,969 | 704,402 | **$ 1,264,534** |
| **Other** | 13,994 | | | 92,649 | 188,075 | 31,981 | | **$ 326,699** |
| **Solar + Storage** | | | | 480,057 | 474,806 | 766,179 | 1,378,239 | **$ 3,099,279** |
| **Solar** | | | | 1,930,830 | 3,253,373 | 2,719,795 | 1,892,312 | **$ 9,796,310** |
| **Windows** | | | | 563,557 | 459,573 | 551,874 | 1,305,354 | **$ 2,880,358** |
| **Grand Total** | **$ 740,687** | **$ 689,760** | **$ 710,157** | **$ 4,997,295** | **$ 7,393,833** | **$ 7,504,644** | **$ 8,282,187** | **$ 30,318,563** |

The following table shows the utilization of the RUS Rural Energy Savings Program (RESP) loan funds, used to fund the Switch It Up program. The amount of funds listed below will be prioritized for projects that will be built and completed within the year of 2026. We are unable to committ funds to projects for future years.

| | Total (in millions) | Project Committed | Remaining Available |
|---|---|---|---|
| RESP 1.0 | 5.80 | | - |
| RESP 2.0 | 15.00 | | - |
| RESP 3.0 | 26.00 | 2.40 | 13.71 |
| | $ 46.80 | $ 2.40 | $ 13.71 |

## Member Communications

**EDC Webinar: Energy Savings for Businesses**

OPALCO joined the San Juan County EDC for their webinar on energy audits and efficiency projects for local businesses, presenting alongside of Sustainable Connections and Spark Northwest. OPALCO's Communications Specialist Jo Lange and Energy Savings Specialist Lindsay Gross shared a presentation about all of OPALCO's energy savings programs available to members – including commercial and residential rebates, Switch It Up, and commercial and residential energy audits.

Members who were unable to attend but are interested in the information from the webinar can access the recording on the San Juan County EDC website: www.sanjuansedc.org

**Virtual Town Hall**

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 and approximately 67 were in attendance (including staff, board, and members). Topics included GM salary, rate structure and increases, the upcoming Decatur solar

project, submarine cables, regional power issues, and more.
OPALCO encourages strong member engagement and has answered the extensive list of questions. OPALCO created a 21-page document of frequently asked questions for members and references for members to find the information on the OPALCO website. Additional questions can be answered using the links below or members can use the information request form per Member Services Policy 16: Information Requests. The OPALCO team will continue hosting town halls to engage with the membership.

**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/decatur-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.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

Full List of Q & A INSERT LINK

**San Juan Islands Electric Vehicle Association Meeting**
The San Juan Islands chapter of the Electric Vehicle Association hosted community meetings at the libraries on Orcas, Lopez, and San Juan islands on Saturday, February 2. The OPALCO team attended each meeting and supplied members with informational flyers about the co-op's best tips for EV charging.

For all things electric vehicles, visit our great EV webpage for resources including savings calculators, EV model comparisons, EV tax incentives and rebates, and a comprehensive vehicle charger map. www.opalco.com/electricvehicles

**Ruralite Articles**

This month's Ruralite magazine features five pieces of original content for members to enjoy. The magazine articles this month are:

- OPALCO's commitment to Safety
- 2026 Youth Rally Program
- Board Election Nominations Info
- Securing Power for the Islands: BPA Contract


View the digital edition here:

https://issuu.com/utilitypioneers/docs/ruralite_orcas_power_light_cooperat_6980ce2e845fcf

**OPALCO Board Election:**

The OPALCO election is still accepting nominees by petition through March 2 for District 1 (San Juan et al) and District 2 (Orcas et al).

| Event | Date |
|---|---|
| Legal Notice for Election (RUS requires minimum 30 days prior to nominating process) | 1/2/26 |
| Director Applications due to EGC | 02/02/26 |
| Nominations posted - (80 days prior to meeting) | 02/16/26 |
| Nominations by petition due to office | 03/02/26 |
| Nominations by petition posted - (55 days prior to meeting) | 03/13/26 |
| Candidate Forum (virtual) | 03/18/26 |
| Notice to members/Ballots mailed - (21-50 days prior to meeting) | 03/18/26-05/04/26 |
| Election closes - (3 days prior to meeting) | 05/04/26 |
| Annual Meeting | 05/07/26 |

It should be noted we have two board positions from two different districts as outlined below:

| Election Year | District 1 San Juan | District 2 Orcas | District 3 Lopez/Decatur | District 4 Shaw |
|---|---|---|---|---|
| **2026** | **1A - Dauciunas** | **2B - Onwuneme** | | |
| 2027 | | 2A - Hiester | 3B - Osterman | |
| 2028 | 1B-Madsen | | 3A-Silverstein | 4-Whitfield |

* All terms are 3-year term

**Notification to the Board**

To the Board of Directors of OPALCO

2026-02-13

As instructed by Section 3 of the Bylaws, we reviewed the applications of all eligible members submitted for the April 2025 election for the board positions in each of the following districts: District 1 ((San Juan, Pearl, Henry, Brown, and Spedden) and District 2 (Orcas, Armitage, Blakely, Obstruction, Big Double, Little Double, and Fawn);

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

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

| District 1 | District 2 |
|---|---|
| Richard Goodhart | Laura Stern |
| Laura Derevensky | Michael Readey |
| Adrian Kilpatrick | Conor Anderson |
| Dwight Colley | Rick Fant |
| Drew Gislason | Chuks Onwuneme |

Please contact any one of us if you have any questions. In view of the small number of EGC members, we have dispensed with the formality of a chair.

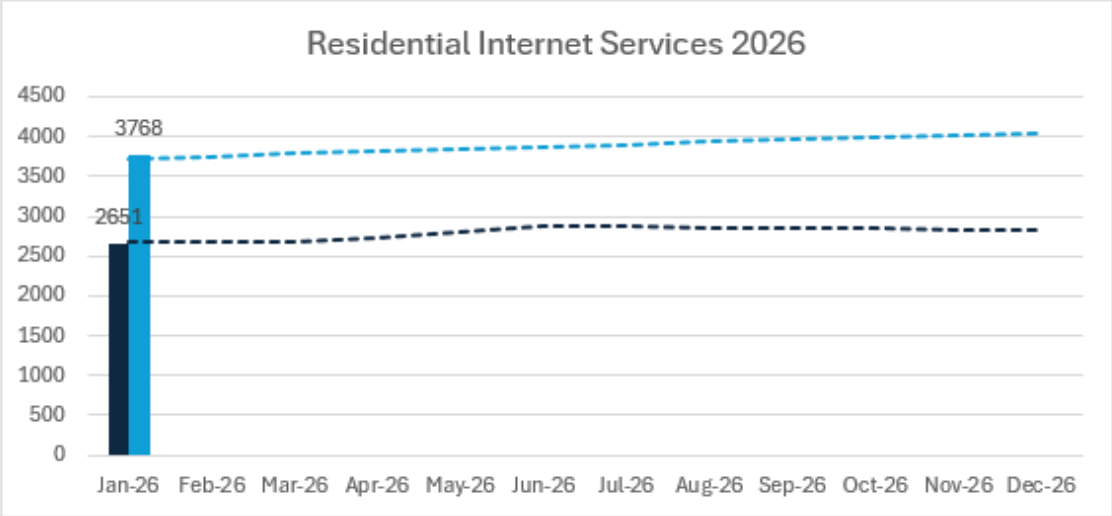
Respectfully submitted,

The OPALCO Elections and Governance Committee

# Rock Island Communications

**6,991 Rock Island Service Customers**

## Net Subscribers




## Revenues


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

# Appendix

## Resolutions

OPALCO
Co-op Run. Community Powered.

ORCAS POWER & LIGHT COOPERATIVE
A Touchstone Energy Co-op

Eastsound Office
183 Mount Baker Road
Eastsound, WA 98245-9413
p:(360) 376-3500 f:(360) 376-3505
www.opalco.com

**BOARD OF DIRECTORS**

**RESOLUTION 1-2026**

**CORPORATE DEBT LIMIT**

**WHEREAS,** it has been determined that an increase in the debt limit of the cooperative is required to permit additional borrowings to finance the expansion of the Switch It Up! On-Bill Financing Program.

**NOW THEREFORE BE IT RESOLVED**, that the Board of Directors of Orcas Power & Light Cooperative is authorized, on behalf of the Cooperative, to borrow from time to time additional sums from the United States of America pursuant to the provisions of the Rural Electrification Act of 1936, as from time to time amended, and such sums as it may deem advisable from the National Rural Utilities Cooperative Finance Corporation and other lending agencies or lending corporations; and to incur indebtedness from time to time by the assumption of indebtedness of third parties to United States of America, to National Rural Utilities Cooperative Finance Corporation or to other lending agencies or lending corporations, such loans and such assumptions of indebtedness to be in such amounts and upon such terms as the Board of Directors shall deem advisable to finance the construction, acquisition and operation of such electric generating, transmission, distribution and service facilities as the Board of Directors shall from time to time determine upon; provided, however, that the aggregate amount of such loans, together with the aggregate amount of such indebtedness so assumed and the aggregate amount of loans heretofore made to the Cooperative shall not exceed $310,000,000 at any one time outstanding.

CERTIFICATION OF SECRETARY

I, Tom Osterman, Secretary of Orcas Power and Light Cooperative, do hereby certify that the above is a true and correct excerpt from the minutes of the meeting of the Board of Trustees of the Orcas Power and Light Cooperative, held on the 19th day of February 2026 at which meeting a quorum was present.

SEAL

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Tom Osterman, Secretary

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ORCAS POWER & LIGHT COOPERATIVE
A Touchstone Energy Co-op

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**BOARD OF DIRECTORS**
**RESOLUTION 2-2026**
**ESTABLISHING THE RURAL ENERGY SAVINGS PROGRAM (RESP)**

**WHEREAS**, Orcas Power & Light Cooperative has developed the Switch It Up! On-Bill Financing Program for the rural areas in its service territory intended to be funded with the proceeds from the United States Department of Agriculture's Rural Energy Savings Program (RESP); and

**WHEREAS**, Orcas Power & Light Cooperative – through RESP- will offer energy savings project financing; and

**WHEREAS,** Orcas Power & Light Cooperative has developed a comprehensive implementation work plan and financial forecast for RESP; and

**WHEREAS**, Orcas Power & Light Cooperative has developed a comprehensive measurement and verification program in connection with RESP; and

**WHEREAS**, the financial forecast, the implementation work plan and the measurement and verification program, and related documents will be considered by the Rural Utilities Service, an agency of the United States Department of Agriculture, in making a determination to make a financially feasible and adequately secure loan to Orcas Power & Light Cooperative; and

**WHEREAS**, Orcas Power & Light Cooperative intends to submit a loan application under the Rural Energy Savings Program Loan as prescribed in the Announcement of Funding Opportunity published in the Federal Register 2020-27576 on December 15, 2020.

**NOW THEREFORE BE IT RESOLVED**, that Orcas Power & Light Cooperative approves the implementation work plan, the financial forecast and related documents in connection to the RESP;

**BE IT ALSO RESOLVED**, that Orcas Power & Light Cooperative's officers, managers, and staff are authorized to carry out all necessary actions –including but not limited to the executing and attesting all necessary documentation- in connection with the loan application to participate in the Rural Energy Savings Program as provided in the Federal Register;

**BE IT FURTHER RESOLVED** that Orcas Power & Light Cooperative's officers are authorized to apply and take a loan in the amount of $75M to carry out RESP;

**BE IT ALSO RESOLVED**, that the loan shall bear a maturity date to cover twenty years.

CERTIFICATION OF SECRETARY

I, Tom Osterman, Secretary of Orcas Power & Light Cooperative do hereby certify that the above is a true and correct copy of a resolution adopted at the meeting of the Board of Directors of Orcas Power & Light Cooperative on February 19, 2026, at which a quorum was present and voted.

SEAL

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Tom Osterman, Secretary

## Clean Energy Implementation Plan

Under Washington's Clean Energy Transformation Act (CETA), all consumer-owned electric utilities are required to submit a Clean Energy Implementation Plan (CEIP) to the Washington State Department of Commerce every four years.

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# Clean Energy Implementation Plan Reporting Template

**Published:** March 10, 2026
**Deadline:** January 1, 2026
Submission: Submit this workbook and all supporting documentation via Smartsheet.
Questions: Aaron Tam, Austin Scharff, Glenn Blackmon, Energy Office, CETA@commerce.wa.gov.

Washington State Department of Commerce

Enter information in yellow fields
Select drop-down option from list in orange fields
**Do not modify grey-shaded fields.**

Note: this Excel workbook is macro-enabled to allow for the selection of multiple CETA categories on the Indicators & Forecast tab. If you have security restrictions or have no use for this feature, you do not have to enable macros.

## Relevant Clean Energy Transformation Act Statutes and Rules

**RCW 19.405.060**
**Clean energy implementation plan—Compliance criteria—Incremental cost of compliance.**

(2)(a) By January 1, 2022, and every four years thereafter, each consumer-owned utility must develop and submit to the department a four-year clean energy implementation plan for the standards established under RCW 19.405.040(1) and 19.405.050(1) that: (i) Proposes interim targets for meeting the standard under RCW 19.405.040(1) during the years prior to 2030 and between 2030 and 2045, as well as specific targets for energy efficiency, demand response, and renewable energy; (ii) Is informed by the consumer-owned utility's clean energy action plan developed under RCW 19.280.030(1) or other ten-year plan developed under RCW 19.280.030(5); (iii) Is consistent with subsection (4) of this section; and (iv) Identifies specific actions to be taken by the consumer-owned utility over the next four years, consistent with the utility's long-range resource plan and resource adequacy requirements, that demonstrate progress towards meeting the standards under RCW 19.405.040(1) and 19.405.050(1) and the interim targets proposed under (a)(i) of this subsection. The specific actions identified must be informed by the consumer-owned utility's historic performance under median water conditions and resource capability and by the consumer-owned utility's participation in centralized markets. In identifying specific actions in its clean energy implementation plan, the consumer-owned utility may also take into consideration any significant and unplanned loss or addition of load it experiences.

(b) The governing body of the consumer-owned utility must, after a public meeting, adopt the consumer-owned utility's clean energy implementation plan. The clean energy implementation plan must be submitted to the department and made available to the public. The governing body may adopt more stringent targets than those proposed by the consumer-owned utility and periodically adjust or expedite timelines if it can be demonstrated that such targets or timelines can be achieved in a manner consistent with the following: (i) Maintaining and protecting the safety, reliable operation, and balancing of the electric system; (ii) Planning to meet the standards at the lowest reasonable cost, considering risk; (iii) Ensuring that all customers are benefiting from the transition to clean energy: Through the equitable distribution of energy and nonenergy benefits and reduction of burdens to vulnerable populations and highly impacted communities; long-term and short-term public health and environmental benefits and reduction of costs and risks; and energy security and resiliency; and (iv) Ensuring that no customer or class of customers is unreasonably harmed by any resulting increases in the cost of utility-supplied electricity as may be necessary to comply with the standards.

(4)(a) A consumer-owned utility must be considered to be in compliance with the standards under RCW 19.405.040(1) and 19.405.050(1) if, over the four-year compliance period, the average annual incremental cost of meeting the standards or the interim targets established under subsection (2) of this section meets or exceeds a two percent increase of the consumer-owned utility's retail revenue requirement above the previous year. All costs included in the determination of cost impact must be directly attributable to actions necessary to comply with the requirements of RCW 19.405.040 and 19.405.050.

(b) If a consumer-owned utility relies on (a) of this subsection as a basis for compliance with the standard under RCW 19.405.040(1), and it has not met eighty percent of its annual retail electric load using electricity from renewable resources and nonemitting electric generation, then it must demonstrate that it has maximized investments in renewable resources and nonemitting electric generation prior to using alternative compliance options allowed under RCW 19.405.040(1)(b).

**WAC 194-40-200**
**Clean energy implementation plan.**

(1) **Specific actions.** Each utility must identify in each CEIP the specific actions the utility will take during the next interim performance period or GHG neutral compliance period to demonstrate progress toward meeting the standards under RCW 19.405.040(1) and 19.405.050(1) and the interim targets under subsection (2) of this section and the specific tar gets under subsection (3) of this section. Specific actions must be consistent with the requirements of RCW 19.405.060 (2)(a)(iv).

(2) **Interim target.** The CEIP must establish an interim target for the percentage of retail load to be served using renewable and nonemitting resources during the period covered by the CEIP. The interim target must demonstrate progress toward meeting the standards under RCW 19.405.040(1) and 19.405.050(1), if the utility is not already meeting the relevant standard.

(3) **Specific targets.** The CEIP must establish specific targets, for the interim performance period or GHG neutral compliance period covered by the CEIP, for each of the following categories of resources:

(a) **Energy efficiency.** (i) The CEIP must establish a target for the amount, expressed in megawatt-hours of first-year savings, of energy efficiency resources expected to be acquired during the period. The energy efficiency target must comply with WAC 194-40-330(1). (ii) A utility may update its CEIP to incorporate a revised energy efficiency target to match a biennial conservation target established by the utility under RCW 19.285.040 (1)(b) and WAC 194-37-070.

(b) **Demand response resources.** The CEIP must specify a target for the amount, expressed in megawatts, of demand response resources to be acquired during the period. The demand response target must comply with WAC 194-40-330(2).

(c) **Renewable energy.** The utility's target for renewable energy must identify the quantity in megawatt-hours of renewable electricity to be used in the period.

(4) **Specific actions to ensure equitable transition.** To meet the requirements of RCW 19.405.040(8), the CEIP must, at a minimum:

(a) Identify each highly impacted community, as defined in RCW 19.405.020(23), and its designation as either: (i) A community designated by the department of health based on cumulative impact analyses; or (ii) A community located in census tracts that are at least partially on Indian country.

(b) Identify vulnerable populations based on the adverse socioeconomic factors and sensitivity factors developed through a public process established by the utility and describe and explain any changes from the utility's previous CEIP, if any;

(c) Report the forecasted distribution of energy and nonenergy costs and benefits for the utility's portfolio of specific actions, including impacts resulting from achievement of the specific targets established under subsection (3) of this section. The report must: (i) Include one or more indicators applicable to the utility's service area and associated with energy benefits, nonenergy benefits, reduction of burdens, public health, environment, reduction in cost, energy security, or resiliency developed through a public process as part of the utility's long-term planning, for the provisions in RCW 19.405.040(8); (ii) Identify the expected effect of specific actions on highly impacted communities and vulnerable populations and the general location, if applicable, timing, and estimated cost of each specific action. If applicable, identify whether any resource will be located in highly impacted communities or will be governed by, serve, or otherwise benefit highly impacted communities or vulnerable populations in part or in whole; and (iii) Describe how the specific actions in the CEIP are consistent with, and informed by, the utility's longer-term strategies based on the analysis in RCW 19.280.030 (1)(k) and clean energy action plan in RCW 19.280.030(1)(l) from its most recent integrated resource plan, if applicable.

(d) Describe how the utility intends to reduce risks to highly impacted communities and vulnerable populations associated with the transition to clean energy.

(5) **Use of alternative compliance options.** The CEIP must identify any planned use during the period of alternative compliance options, as provided for in RCW 19.405.040 (1)(b).

(6) The CEIP must be consistent with the most recent integrated resource plan or resource plan, as applicable, prepared by the utility under RCW 19.280.030.

(7) The CEIP must be consistent with the utility's clean energy action plan developed under RCW 19.280.030(1) or other ten-year plan developed under RCW 19.280.030(5).

(8) The CEIP must identify the resource adequacy standard and measurement metrics adopted by the utility under WAC 194-40-210 and used in establishing the targets in its CEIP. (9) If the utility intends to comply using the two percent incremental cost approach specified in WAC 194-40-230, the CEIP must include the information required in WAC 194-40-230(3) and, if applicable, the demonstration required in WAC 194-40-350(2).

(10) Any utility that is not subject to RCW 19.280.030(1) may meet the requirements of this section through a simplified reporting form provided by commerce.

# Targets

### Interim targets: percentage of retail load to be served using renewable and nonemitting resources (WAC 194-40-200(2))

*Utilities with less than 25,000 customers only need to complete cells H8 and H9 in the interim targets table below.*

| Clean Energy Type | Units | 2026 | 2027 | 2028 | 2029 | 4-year Period |
|---|---|---|---|---|---|---|
| Renewable | % | | | | | 60% |
| Nonemitting | % | | | | | 20% |
| Total | | 0% | 0% | 0% | 0% | 80% |

| | |
|---|---|
| Describe how the target demonstrates progress toward meeting the 2030 and 2045 CETA standards (WAC 194-40-200(2)). | n/a |

### Specific targets (WAC 194-40-200(3))

*Utilities with less than 25,000 customers only need to complete cells H17-19 in the specific targets table below.*

| Resource Category | Units | 2026 | 2027 | 2028 | 2029 | 4-year Period |
|---|---|---|---|---|---|---|
| Renewable Energy | MWh to be used over the interim performance period | | | | | 178,554 |
| Energy Efficiency | MWh to be acquired over the interim performance period | | | | | 1,300 |
| Demand Response | MW to be acquired over the interim performance period | | | | | - |

### Energy efficiency assessment methodology details

| | |
|---|---|
| Conservation Assessment Method | Other |
| Hyperlink to Relevant Assessment | |
| Notes | Use of BPA rebate efficiency program savings calculations. Avg of 4-yrs continuing to future. Establish power supply product for the next period of contracts, likely past 2030 but not likely to extend all the way through 2045. |

### Demand response assessment methodology details

| | |
|---|---|
| Did your utility conduct a demand response assessment? | No |
| Please briefly describe your demand response assessment findings. Please describe if there are DR opportunities for particular customer classes or barriers to utilizing DR in your service territory. Please describe which DR technologies were found to be cost-effective, reliable, and feasible. | n/a |

# Indicators & Forecast

### Specific actions to ensure equitable transition (WAC 194-40-200(1)(4))

*Enter information in the yellow fields below. Each indicator should correspond with the information entered in the same row. See the Menu of Ideas for examples. You can leave any unused fields blank or delete any unused rows. If you need to expand the table, you can drag the boundary of the data*

| Ind_ID | Indicator | CETA Category | Specific Action 1 | Specific Action 2 | Outcome Metric 1 | Outcome Metric 2 | How will the indicator and its associated metrics look different across the service territory in four years after taking the specific actions? |
|---|---|---|---|---|---|---|---|
| 2026_14170_1 | Number of Days with AQI >150 | Public Health | Maintain ROW clearing program to minimize fire risk | | Northwest Clean Air Agency for Oak Harbor, WA (no local data available) | | TBD, consistently low AQI, somewhat influenced by neighboring regional fire issues |
| 2026_14170_2 | Number of hours without power | Energy Security and Resiliency | Undergrounding lines to harden against storms (87% undergrounded) | | SAIDI & SAIFI | | Consistently low SAIDI & SAIFI |
| 2026_14170_3 | sustainable power supply costs for load growth | Reduction of Costs and Risks | Work on Post-2028 Contract with BPA | OPALCO will evaluate future power supply needs with analysis to ensure CETA compliance and reducing in power supply cost and volatility | reduced forecast power supply cost volatility | reduced forecast power supply cost volatility | Coop will have reduced forecast power supply cost volatility |

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# Specific Actions & Equity

## Specific actions to ensure equitable transition (WAC 194-40-200(1)(4))

*Click "Data">"Refresh All" to auto-populate the specific actions list below with the specific actions from the previous spreadsheet tab.*
*Enter information in the yellow fields. Each specific action should correspond with information entered in the same row. Please delete any*

| SA_ID | Specific Action | Long Description | Resource Category | Program Type | Program Name | Input Metric 1 | Output Metric 1 |
|---|---|---|---|---|---|---|---|
| 2026_14170_1_1 | Maintain ROW clearing program to minimize fire risk | continuing focus on ROW program for transmission lines | Other | Air Quality and Health | ROW Clearing | Dollars and labor spent on ongoing ROW programs | No fires caused or exacerbated by electric system |
| 2026_14170_2_1 | Undergrounding lines to harden against storms (87% undergrounded) | continuing focus on undergrounding distribution lines | Other | Resilience | Undergrounding | Dollars and labor spent on ongoing undergrounding programs | Low SAIDI & SAIFI metrics |
| 2026_14170_3_1 | Work on Post-2028 Contract with BPA | Working with PNGC & BPA on regional resource contracts | Other | Utility-scale Resources | Power Supply | participating in PNGC / BPA | Contract addressing cost & adequacy |
| 2026_14170_3_2 | OPALCO will evaluate future power supply needs with analysis to ensure CETA compliance and reducing in power supply cost and volatility | Working with PNGC & BPA on regional resource contracts | Renewable Energy | Utility-scale Resources | Power Supply | participating in PNGC / BPA | Contract addressing cost & adequacy. Opportunities for TIER 2 firming |

| What is the expected effect of this specific action on highly impacted communities and vulnerable populations? | How will the specific action and its resources be governed by (if applicable), serve, or benefit highly impacted communities or vulnerable populations, if at all? | What are the risks to highly impacted communities and vulnerable population associated with the clean energy transition? How does the utility intend to reduce these risks through this specific action (if applicable)? | Will resources be located in highly impacted communities or vulnerable populations? (Y/N/Not Applicable) | What is the general location of this specific action and its resources (if applicable)? | What is the timing of this specific action? | What is the estimated cost of this specific action? | What other benefits does the specific action bring that isn't covered by the listed metrics? (optional) |
|---|---|---|---|---|---|---|---|
| Less system interruption, higher AQI. benefit to all members | benefit to all members | n/a | N/A | San Juan County | 2026 & ongoing | See OPALCO operating budget & capital expenditure budget in given year. | n/a |
| Less system interruption. benefit to all members | benefit to all members | n/a | N/A | San Juan County | 2026 & ongoing | See OPALCO operating budget & capital expenditure budget in given year. | n/a |
| reduction of future power supply cost volatility and risks | benefit to all members | n/a | No | San Juan County / north-western region USA | Present & ongoing beyond 2028 | n/a | n/a |
| reduction of future power supply cost volatility and risks | benefit to all members | n/a | No | San Juan County / north-western region USA | Present & ongoing beyond 2028 | n/a | n/a |

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# Highly Impacted Communities & Vulnerable Populations

## Highly impacted communities (WAC 194-40-200(4))

Highly Impacted Community is defined in RCW 19.405.020(23) as:
(23) "Highly impacted community" means a community designated by the department of health based on cumulative impact analyses in RCW 19.405.140 or a community located in census tracts that are fully or partially on "Indian country" as defined in 18 U.S.C. Sec. 1151.

Department of Health has designated Highly Impacted Communities as those ranking 9 or 10 on the Environmental Health Disparities (EHD) map.

Link to Instructions to Identify Highly Impacted Communities (HIC)
Link to the Environmental Health Disparities (EHD) Map

| | |
|---|---|
| Which methodology did you use to identify highly impacted communities (HIC)? | Environmental Health Disparities Map |
| # of census tracts that are HIC (Rank 9 or 10 under EHD v2.0 or at least partially on "Indian Country") | none |
| # of census tracts that are at least partially on "Indian Country" | none |
| Average EHD v2.0 rank for service territory | 1.8 |
| What are the top 1-3 EHD factors in your highly impacted communities? What are the rankings for these EHD factors and the associated metrics? | socioeconomic: transportation expense - 9, unaffordable housing - 8, and population living in poverty - 7 |
| How do your planned specific actions address the EHD factors for HICs (if applicable)? | Coop will have reduced forecast power supply cost volatility which will support all member, but also those living in poverty. Reduction of fire risk & outages from storms via undergrounding will allow members to maintain power & continue to work (from home). |

## Vulnerable populations (WAC 194-40-200(4))

Please list all socioeconomic factors and sensitivity factors developed through a public process and used to identify Vulnerable Populations based on the definition in RCW 19.405.020(40):
*(40) "Vulnerable populations" means communities that experience a disproportionate cumulative risk from environmental burdens due to:*
*(a) Adverse socioeconomic factors, including unemployment, high housing and transportation costs relative to income, access to food and health care, and linguistic isolation; and*
*(b) Sensitivity factors, such as low birth weight and higher rates of hospitalization.*

| | |
|---|---|
| Please describe how your utility identified vulnerable populations through a public process (e.g., surveys, focus groups, public forums, etc.) | Use of Environmental Health Disparities Map |
| How does your utility's planned specific actions address the vulnerable population factors (if applicable)? | Coop will have reduced forecast power supply cost volatility which will support all members, but also vulnerable populations. Reduction of fire risk & outages from storms via undergrounding will allow members to maintain power & continue to work (from home). |

| Factor Category | Factor | Details | Source | Date Last Updated |
|---|---|---|---|---|
| E.g., Employment | Unemployment | % unemployed over 16 years old | American Community Survey | 12/15/2019 |
| Transportation | Transportation costs | transportation cost as % of median income | Environmental Health Disparities | 12/15/2019 |
| Housing | Unaffordable housing | Cost >30% of income | Environmental Health Disparities | 12/15/2021 |
| Income | Population Living in Poverty <=185% of FPL(%) | income <= 185% of federal poverty le | Environmental Health Disparities | 12/15/2021 |
| | | | | |
| | | | | |

Describe and explain any changes to the factors from your utility's previous Clean Energy Implementation Plan (CEIP), if any:

Energy burden not a notable risk as OPALCO rates are on par with State, peer Coop avg price/kwh.
Risks are related to % of 'low to moderate income' (LMI) members, paired with high transportation cost (ferries) and unaffordable housing issues.

# Public Participation

### Public participation (WAC 194-40-200(4), -220(1))

| | |
|---|---|
| Provide a summary of the public input process conducted in compliance with WAC 194-40-220. | OPALCO conducted a membership-wide survey in November & December 2025 regarding local renewable energy options, preferences, and priorities. The CEIP was also presented at a public Board of Directors meeting, where members were invited to attend and provide comments. Information about the CEIP and opportunities for input were shared through OPALCO's regular member communication channels. |
| What barriers to public participation does your utility's community face due to language, cultural, economic, technology, or other factors? | OPALCO's service territory is a 20-island archipelago in San Juan County, Washington, which presents several barriers to participation. The geographic isolation of the islands from one another is the most significant challenge — traveling between islands requires ferry travel that can consume an entire day, limiting the ability of members on smaller or more remote islands to attend in-person meetings or events. Economic factors also play a role: San Juan County has a high cost of living and a largely seasonal workforce, which can limit the time and resources members have available to engage in public processes. Additionally, while broadband availability has improved significantly through OPALCO's subsidiary Rock Island Communications, some members on more remote islands may still face limited internet connectivity, creating barriers to digital participation. |
| What reasonable accommodations has your utility provided to reduce barriers to public participation? | To address the geographic barriers inherent to an island service territory, OPALCO ensured that in-person attendance was not required for meaningful participation. Members could engage in the public input process by phone and through digital channels, allowing them to provide input from any location. The membership survey was designed to be accessible remotely, ensuring broad participation across all 20 islands. To accommodate members with limited internet access, phone-based participation options were available as an alternative to online engagement. OPALCO also communicates regularly with members through multiple channels — including bill inserts, email, social media, and the cooperative's website — to ensure that information about public input opportunities reaches members regardless of their economic circumstances or digital access. |
| Describe how public comments were reflected in the specific actions under WAC 194-40-200(4), including the development of one or more indicators and other elements of the CEIP and your utility's supporting integrated resource plan or resource plans, as applicable. | Public input demonstrated strong member support for locally generated renewable energy. Based on this feedback, OPALCO will continue its robust interconnection program for member-owned solar and battery storage projects. Additionally, OPALCO is pursuing the development of utility-scale microgrids combining solar generation and battery storage on individual islands, an approach that directly reflects member priorities for local energy resilience and clean energy development. |

# Long-term Plans

### Integrated resource plan & clean energy action plan compliance (WAC 194-40-200(6-7), WAC 194-40-200(4)(c)(iii))

| | |
|---|---|
| Is your clean energy implementation plan (CEIP) consistent with the most recent integrated resource plan or resource plan, as applicable, prepared by your utility under RCW 19.280.030? | Yes |
| Is your CEIP consistent with your utility's clean energy action plan developed under RCW 19.280.030(1) or other 10-year plan developed under RCW 19.280.030(5)? | Yes |
| How are the specific actions consistent with your utility's resource plan and clean energy action plan? | OPALCO's mission is to serve our membership with safe, reliable, sustainable and cost effective essential utility services with a commitment to the utilization of renewable resources and carbon reduction. - This is the fundamental guiding principle in our own IRP and also aligned with CEIP plans. |
| Hyperlink to Relevant Assessment/Resource Plan | chrome-extension://efaidnbmnnnibpcajpcglclefindmkaj/https://www.opalco.com/wp-content/uploads/2019/11/OPALCO-2020-2040-IRP-R16.pdf |

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# Resource Adequacy Standard

## Resource adequacy standard (WAC 194-40-200(8))

Identify the resource adequacy standard and measurement metrics adopted by the utility under WAC 194-40-210 and used in establishing the targets in the CEIP. Identify and explain any changes to your resource adequacy standard.

| | |
|---|---|
| Resource adequacy standard (e.g., peak load standards, loss of load probability or loss of load expectation) | OPALCO works closely with our power provider, Pacific Northwest Generating Cooperative (PNGC) on regional resource adequacy issues. See BPA Resource Plan and BPA White Book. This includes peak load standards and loss of load probability. This is also required by Bonneville Power Administration (BPA) through their new Provider of Choice (PoC) contracts and upcoming (2027/2028) Western Resouce Adequacy Program (WRAP) requirements, started at the request of the Western Power Pool to address concerns at a regional level about resource adequacy in the West. |
| Methods of measurement (e.g., probabilistic assessments of resource adequacy) | OPALCO works with PNGC to provide regional resource adequacy measurement assessments. See BPA Resource Plan and BPA White Book. Measurements use multi-metric approaches including both deterministic & probabilistic methods. WRAP requires a deterministic method whereby each utility calculates a Planning Resrve Margin (difference between total system capacity and expected annual peak divided by expected annual peak load). WRAP also uses the industry-standard 0.1 LOLE (Loss of Load Expectation) metric - meaning a loss of load event should occur no more frequently than 0.1 days per year, or 1 day in 10 years. |