

Rich Goodhart's answers to the
OPALCO 2026 Board Candidate Questions

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

Reading Mission Statements at the beginning of documents generally make me want to skip further down to read the details of what's really being said. However, as I break this question into its individual components, I see nothing I am not totally in agreement with. That said, the devil is always in the details which is why a Board is assembled to look over the shoulder of management, not to be a hinderance, but to 1) help keep the mission on track, 2) as affordable as we're able, and 3) with as little perceived negative member or environmental impact as possible.

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

Stating the obvious, it's not just the region but the whole world who wants to transition to no-carbon, or at least low-carbon, emitting energy sources. Some areas are just trying to do it quicker, which brings us to our state's Clean Energy Transformation Act. When enacted, there was an extraordinarily supportive governor and legislature paired with a national administration and congress that was distributing grant incentives and stimulus dollars in large amounts trying to make up for years of neglect and Covid's economic slowdown.

Situations (like always) have changed and (until they do again) our state and federal grant dollars are now much more sparse, yet the legislative requirements remain. Fortunately, for the short-term, we live in a region that has carbon clean hydro-power as our major supply. That will certainly change with water reservoir shortages or as new customers and other regions vie for that electricity, but a recent announcement indicated we are now under contract with BPA until 2048 at wholesale rates that don't seem out of line.

Nothing alters our responsibility from planning ahead, however. If we have learned anything in the last decade, it's that things change. (Much of that planning is addressed later in question #5.) Speaking specifically about funding sources and affordability, while grants may be fewer, Washington's Dept. of Commerce, Pacific Northwest National Labs, and Bonneville Environmental Foundation are grant providers that need to be continuously monitored for opportunities. Beating all bushes for any available grant is an excellent way to maximize our investment dollars. After that, the standard sources of lower cost loans through Rural Utility Service, the Cooperative

Finance Corporation, and CoBank seem candidates, as appropriate. (The ever present fact to balance relating to loans is, we are approximately only 12,000 members.)

Regarding the goal of affordability for members, nothing anywhere (let alone utility bills) seems to be getting cheaper. So the real goal should be to keep rates as affordable as possible while still complying with state legislation, current utility requirements, and necessary future co-op needs. 1) The most obvious is to always look for the sources of electricity that have the lowest total cost (referred to by accountants as the Levelized Cost of Energy) that meets our environmental requirements. 2) OPALCO already has a fixed monthly charge and a variable rate, depending on the amount of electricity used. By adjusting the percentage of charges in each of these categories, we can attempt to have the large number of summer-only island residents pay their fair share of fixed cost for grid upkeep. 3) The Switch-It-Up loan program, funded by the Rural Electric Savings Program, allows members to upgrade appliances to more efficient models. 4) The Co-op's member funded program PAL program can provide utility bill assistance. 5) Outside funding for the Energy Assistance Program can also provide help with a utility bill.

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

It is true that solar power requires a lot of sunny land. While our archipelago benefits from being in a, sometimes, rain shadow, it could never compete with areas east of the mountains or farther south. Still, reports are that we average 3.8 peak hours of sun a day that could produce 760-watts of electricity per day per 3' x 6' utility sized solar panel. (There are certainly lots of variables that could alter this, let alone it being a yearly average and doesn't reflect the summer boon or winter bust in production.) Not as much power created as Las Vegas, more than Juneau, but still a viable power source. A source that I helped fund in the past and one I would continue to invest in.

The question is how (even small) solar arrays affect our environment and aesthetically impact our senses? Since our co-op membership, for all practical purposes, is the same group as our county residents, it is not us versus them - it is just us. The stated goal of 42 mega-watts of utility solar by 2040 wouldn't require an insurmountable amount of land, considering the number of islands. The question becomes, would you want to look out your home's window at it every day? I would guess strategic siting with a plan for vegetative visual buffers would help the situation, even if it locates the solar farm a little farther from a grid tie-in and makes the required acreage slightly larger. I believe there is a definite reason we have all chosen to live here and not the more "convenient" mainland. That said, solar seems the one currently available technology that gives our co-op any actual control of generation. (While not specifically about solar, question #5 has some ancillary bearing here.)

I'm sure the permitting process for solar installation has felt daunting for OPALCO management. I believe the repeated presentation of reasons for a project, given in understandable language, and with honest listening to feedback that includes

acknowledgement and accommodation of valid thoughts, goes a long way toward public acceptance. As it relates to the county's part of the permitting process, I believe there needs to be buy-in that we have the same constituents and when we make permitting (beyond necessary) burdensome, we only cost ourselves. While much of the process is dictated from the state and nationally, we have local processes that can be directed to be a bridge and not a wall. Ultimately, I'm sure county council and their staff understand they are as responsible as anyone for the light switch continuing to work and don't want to be the reason if it doesn't.

4. How do you engage stakeholders who show up frustrated with the cooperative? What do you do when their claims conflict with engineering/economic reality?

With absolutely everything that relates to more than one person, there is a whole life of history, understanding, bias, and predilection. Often times it's frustrating for everyone but as the "seller" of an idea, you take on the job of teacher. It is your job to find multiple ways of explaining until you find one that works. Of course that isn't possible for absolutely everyone and there does come a time when a decision just needs to be made. That said, I have also been amazed at the number of times I have researched the heck out of something technical and been positive of the best solution only to listen to a totally different viewpoint from someone with no background and realized the beauty and simplicity of their idea. Other times, that same discussion has let me listen to a different viewpoint but it just reaffirms my position.

It's not clean. It's not simple. It's life.

5. It's estimated that OPALCO's load growth will double between now and 2050 due to the electrification of heating and transportation. Questions:

- **Where should this new energy come from?**
- **Where should new renewable projects be located?**
- **Will local resistance limit siting and permitting?**
- **Who pays for it?**

Others might quibble about the amounts of electric growth or the timing of it doubling for our little part of the world, but there currently appears nothing immediately obvious to change that future — we would just be arguing about the forecast year. When billions are already being invested in electricity sucking businesses throughout the country, it's certain there is many times that amount of profit someone plans to make. Like it or not, that fact alone can form its own reality.

We already talked about the goals for the co-op owned solar arrays but there are other parts to the existing resource plan. The hope is for 11.8 mega-watts of member owned solar, 1.5 mega-watts of community owned solar (like the town, ports, county, etc.), and 14 mega-watts of tidal generated power. The hope for tidal may be more problematic since, other than permitting, it may be the victim of a planning grant that now might not happen. That's the current local generation goal but, in case you haven't noticed, the sun doesn't always shine so current planning incorporates some battery

storage backup to help out. There is 10 mega-watts of total storage with 3 of that coming from co-op owned batteries, 3 being provided for by member owned batteries (300 members with 10 kilo-watt storage each), 2 mega-watts of something called Demand Response Appliances (which are new smart things like car-chargers, water heaters, room heaters,...that can be controlled by the co-op in an emergency), and finally 2 mega-watts of community generation that is also smart, and therefore controllable.

It appears the staff and current board of OPALCO have done an excellent job looking at potential problems and planning for solutions — effective and economic as possible. Evolving technology often necessitates a continuous look, however, to ensure a better solution isn't newly available. Being capable of a pivot is helpful.

There are a hand-full of emerging mainland sources that may develop and become viable, especially if some of our future BPA power goes somewhere else. Not to fully describe but just to mention: geothermal that powers a steam turbine (one is being completed out-of-state), a fusion startup company in Everett (with good financial backing, that is pouring foundations for small scale generation facilities in Eastern Washington), SPARK (another fusion company in Massachusetts, partnering with MIT, and using a different technique to develop small scale generation), Natural Gas powered generators in other Western States to possibly tie into Washington's grid, and off-island solar and wind projects that are better located in sunnier areas. (There is a large piece of unused land at the Hanford site that is proceeding through solar permitting process now.) If some amount of future BPA power becomes unobtainable because of demand elsewhere, perhaps agreement could be reached to onboard, through their cable, some third-party power to Lopez and onto our grid.

Regarding local siting and resistance to permitting, I have no crystal ball other than my suggesting locations with limited visual impact and the laborious process of listening first, then talking with residents and finding a vocabulary that is, at least, understood. Who pays for it? We all will, through our sources mentioned in a previous question, but to help spread it outside our roughly 12,000 members, the goal should be the repeated exhaustive search for grants and donations. Not meaning to sound at all cheeky, ex-county property owner Paul Allen was so extraordinarily kind to our county, and I've heard that his estate's football team is for sale with proceeds placed in a his foundation's donation pot?

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

As mentioned in an earlier question, besides the energy use charge, the co-op also uses a fixed service charge which, for one, helps capture grid maintenance dollars from members who are part time residents. Unless a new variable is invented, there are these two revenue sources plus a third, the rate paid for member generation.

7. What are three things you don't know about running a utility that you plan to learn first?

Besides becoming comfortable with an entirely new set of acronyms (I've dealt with them my whole life and I've never liked acronyms!), the first things that come to mind are 1) meet the wonderful people who work hard everyday so I can turn on my lights, 2) listen to as many people as I can who know the industry, and 3) learn more about the contract deliverables from BPA to our grid and find and read the 2026-2030 Construction Work Plan. I know it's there but I can only find the previous one.

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

In the last couple years the county, Friday Harbor, and non-profits seem to have accelerated the rate of creating more affordable housing. Not to say it's anywhere near the required level but the push is on in that direction. I understand the co-op is contemplating some amount of housing at their Orcas property. There have been various employers on San Juan who, I've heard, have done the same thing.

Relating to the competitive labor pool and retention of staff, particularly those with required technical skills, I assume it's strictly mainland market driven with a probable premium compensating for local cost factors. Being in a beautiful location and working for a great employer can't hurt recruitment, but you do what you've got to do. Those transformers won't install themselves.

9. A severe winter event causes regional scarcity and wholesale price spikes which will be showing up on member bills. What questions do you ask management as the problem unfolds? What do you communicate to members?

I am aware that a cold weather spike would not necessarily be just a co-op event but probably more regional. However, any preemptive local shaving from the rising spike would have to help. We are already talking about some batteries to aid solar night-time shortages but it seems, for instance, an increased amount of battery storage could be charged during the winter by off-peak-hour mainland supply and be ready to help shave that demand spike or, if an off island spike triggers an outage, those same batteries would be available for increased essential service time. I understand this comes at a price that must be calculated versus the event risk. It is essential to keep members informed of plans for this eventuality well ahead of time. Not everyone will listen but "What to do when the power goes out," is important to say.

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

As I've previously stated, it appears to me the first step toward greater member participation is co-op listening. When this happens, you hear people's concerns, their misconceptions, you hear the member's story. Can you walk into a meeting with 100

people and go through this process with each person? You probably wouldn't have an audience left when you'd finished, but taking the time to get the room's "temperature" has to help. (I am not saying I am accomplished at this, though when I used to teach flying, I became better. It can be learned)

Next, there is a reason Bill Nye the Science Guy and Brian Cox are popular technical speakers. They don't dumb things down but they do use language appropriate for the audience. I alluded to it in an earlier question, but it is incumbent on the speaker to use various approaches to get the message heard. I'm not pretending it will work for everyone, but I've seen it help.

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

When I moved ashore in the San Juan's, I lived on Orcas and I would swear to you, if I wasn't pulling your leg, that I would go up the hill to the phone box, fill a bucket with internet electrons, carry it home, and dump it in the computer. It was slow. It was laborious. Then I moved to sunny San Juan with a little better phone line but when fiber optic came, I could find out the weather faster than looking out the window. Yes, fiber optic has made a huge difference. It was originally touted as a way for OPALCO's grid to become "smart." The customer access business was a bi-product that has now, according to a report I've read, begun operating in the black. Icing on the cake.

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

As "last or middle mile" hook-up grant money is available, as in the past, it should certainly be offered. If not available, "fiberhoods" can still be a way for neighbors to lower the cost. Continuing any remaining system backbone construction should happen as revenues or grant money allow. As Rock Island continues to turn a profit, a like-for-like rate structure with any competition is the cornerstone of customer base expansion and, where we can provide a savings, a benefit to members

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

I believe I incorporated my answer into the preceding question but if staff had a different recommendation, I would certainly be open to the reasoning.

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

I would bring an open mind to recommendations and the memory of what it was like before fiber, when I had to slowly carry those buckets of internet electrons home from the phone box up on the hill. (Really, it only felt that way. I'm sure I didn't do it.)