



OPALCO

Co-op Run. Community Powered.

Board of Directors Regular Meeting

Thursday, June 18, 2026

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
 June 18, 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

ACTION ITEMS	3
Consent Agenda	3
WRECA Voting Delegate.....	7
Bylaw Update	7
DISCUSSION ITEMS.....	9
2026 Meeting Schedule Review	9
Integrated Resource Plan (IRP) Update —Load Forecast Review – Part Two	9
REPORTS.....	11
General Manager	11
<i>Dashboards</i>	<i>11</i>
<i>Engineering, Operations and Information Technologies</i>	<i>12</i>
<i>Finance</i>	<i>12</i>
<i>Member Services.....</i>	<i>14</i>
<i>Energy Savings</i>	<i>14</i>
<i>Member Communications.....</i>	<i>17</i>
Rock Island Communications	19
Appendix	20
Quick Facts Library	20

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:

- **Approval of New Members** – attached {as required by Bylaws Article I Section 2 (d)}
- **Capital Credit Retirements** – attached
- **RUS Form 219 Inventory of Work Orders** – attached
- **Minutes** of the previous meeting – attached.

NEW MEMBERS – May 2026

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

CARBARY, RACHEL & CARBARY, ADAM
 F HARBOR LLC
 FLYNN, TODD & FLYNN, CHRISTINA
 GONZALES, TRINO
 LLOYD, NANCY
 LONE, JANA & LONE, RON
 MARTINES, GERARDO & CISNERO, MARGARITA
 MCKEE, AVA
 MONTGOMERY, JAMES
 RIOS, SAMUEL
 YUGA, MARION

OVS HOLDINGS LLC
 WOOD, CORRAH
 YOHO, SYDNEY & YOHO, ELIZABETH

District 3 (Lopez, Center, Decatur, Charles)

AGUILAR, DIANA & HAVEL, ALEXANDER
 BENEDICT, CHRISTOPHER
 CARSON, SARAH
 FEHL, TRENTON & FEHL, HOLLY
 GORMAN, DANIEL
 HAIRCUTS ON THE ROCK LLC
 JAQUISS, NIGEL & REMSEN, MARGARET
 KLATT, TYLER & SHEEHAN, CATE
 SCHAFFER, TREVOR
 SCHMITZ, ARLAN & S MITH, STEVIE

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

ESTATE OF MARK SAWYER
 FLORES, LILIANA & GAONA, JUAN
 LANDRY, MICHELE
 NIKULA, A

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
202604	\$11,407.36	Construction Work Orders
Total	\$11,407.36	



Co-op Run. Community Powered.

Orcas Power & Light Cooperative

Rev: 202303050744

06/04/2026 1:03:58 pm

RUS Form 219 Inventory Of Work Orders
 Period: APR 2026 System Designation: WA O9

Page: 1

Inventory: 202604

Project	Loan Year	Work Order		Bdgt (3)	Gross Funds Required		Deductions		Contrib In Aid Of Constr and Previous Advances (8)	Loan Funds Subject To Advance By RUS (9)
		Construction (1)	Retirement (2)		Cost Of Construction: New Constr Or Replacements (4)	Cost Of Removal: New Constr Or Replacements (5)	Salvage Relating To New Construction Or Replacements (6)	Retirements Without Replacements (7)		
601	2023	4298	4298	1	11,453.27	0.00	0.00	0.00	0.00	11,407.36
								AFUDC: 45.91		
						11,453.27	0.00	0.00	0.00	11,407.36
Grand Totals:						\$ 11,453.27	\$ 0.00	\$ 0.00	\$ 0.00	\$ 11,407.36

Orcas Power & Light Cooperative

Rev: 202303050744

06/04/2026 1:03:58 pm

RUS Form 219 Inventory Of Work Orders
 Period: APR 2026 System Designation: WA O9

Page: 3

Inventory : 202604

Budget	Loan	Project	Amount
	1	601	11,407.36
Total:			11,407.36

BORROWER CERTIFICATION

WE CERTIFY THAT THE COSTS OF CONSTRUCTION SHOWN ARE THE ACTUAL COSTS AND ARE REFLECTED IN THE GENERAL ACCOUNTING RECORDS. WE FURTHER CERTIFY THAT FUNDS REPRESENTED BY ADVANCES REQUESTED HAVE BEEN EXPENDED IN ACCORDANCE WITH THE PURPOSES ON THE LOAN, THE PROVISIONS OF THE LOAN CONTRACT AND MORTGAGE, RUS BULLETINS, AND THE CODE OF FEDERAL REGULATIONS RELATIVE TO THE ADVANCE OF FUNDS FOR WORK ORDER PURPOSES. WE CERTIFY THAT NO FUNDS ARE BEING REQUESTED FOR REIMBURSEMENT OF CONSTRUCTION WORK IN A CBRA AREA.

SIGNATURE (MANAGER) _____
DATE

SIGNATURE (BOARD APPROVAL) _____
DATE

ENGINEERING CERTIFICATION

I HEREBY CERTIFY THAT SUFFICIENT INSPECTION HAS BEEN MADE OF THE CONSTRUCTION REPORTED BY THIS INVENTORY TO GIVE ME REASONABLE ASSURANCE THAT THE CONSTRUCTION COMPLIES WITH APPLICABLE SPECIFICATIONS AND STANDARDS AND MEETS APPROPRIATE CODE REQUIREMENTS AS TO STRENGTH AND SAFETY. THIS CERTIFICATION IS IN ACCORDANCE WITH ACCEPTABLE ENGINEERING PRACTICE.

INSPECTION PERFORMED BY _____
FIRM

LICENSE NUMBER _____
DATE _____
SIGNATURE OF LICENSED ENGINEER

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:

June	
Customer #	Amount
33290	1,590.34
81388	284.00
6498	1,192.01
Total	\$ 3,066.35

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, May 21, 2026

Streaming through Zoom attendees were Board members, Wendy Hiester, Laura Derevensky, Laura Stern, Mark Madsen, Tom Osterman, Jerry Whitfield, and Brian Silverstein. Staff present were General Manager Foster Hildreth; Manager of Engineering and Operations Russell Guerry; Manager of Finance and Member Services Travis Neal; Communications Manager Krista Bouchey; Manager of Technical Services, Megan O'Connor; Assistant Manager of Member Services Joey Wyckoff; Special Projects Office Coordinator Beth Stanford (serving as recording secretary), Katherine Santos Santana, and Adrienne Bourne. Also present were Legal Counsel Joel Paisner, consultant Jay Kimball; Alan Smith and Kristine Nietman from Rock Island Communications, as well as Dan Roberts and Olga Darlington from Baker Tilly.

Members in attendance: Patty Cook, Rob Osterman, Crystal Mossman, Barbara Pesola, Vince Dauciuinas, Jill Rullkoetter, Rick Fant, Norris Palmer, John Pierre van Dongen, and Dawni Cunningham.

Meeting commenced at 8:42 AM

Member Comment Period: Norris Palmer from San Juan Island spoke about the Snake River dams becoming economically outdated and that cheaper, cleaner alternatives are making BPA's dominance increasingly hard to sustain. Rick Fant of Orcas Island called for easier public access to board meetings via Zoom and suggested the board create a member lead sustainability committee to better guide OPALCO's environmental direction. Dawni Cunningham from Decatur welcomed the new board members and suggested their election reflects a desire among members for a fresh perspective on OPALCO's financial and sustainability priorities.

ACTION ITEMS

CONSENT AGENDA-Minutes

MOTION was made by Madsen to accept the minutes from the consent agenda, seconded by Silverstein and passed by voice vote with two abstentions.

CONSENT AGENDA-Approval of New Members

MOTION was made by Madsen to accept the approval of new members from the consent agenda, seconded by Silverstein and passed unanimously by voice vote.

CONSENT AGENDA-Capital Credit Retirements

MOTION was made by Madsen to accept Capital Credit retirements from the consent agenda, seconded by Derevensky, and passed unanimously by voice vote.

Reinstate Rick Fant to EGC

MOTION was made by Silverstein to reinstate Rick Fant to the Elections and Governance Committee, seconded by Madsen, and passed unanimously by voice vote.

Budget Increase Request

MOTION was made by Madsen to approve a \$25,000 budget increase, seconded by Hiester, and passed unanimously by voice vote.

2025 Audit Presentation

The board went into executive session to discuss at 11:30 am and returned to regular session at 12:00 pm. Madsen made a motion to approve OPALCO's Independent Auditor's Report and Financial Statements for 2025, as audited by Baker Tilly, seconded by Osterman, and passed unanimously by voice vote.

Board Officer Elections

Board members voted electronically, and the vote was tallied by Travis Neal, Manager of Finance and Member Services. Results were support for Tom Osterman, Board President, with two abstentions; Jerry Whitfield, Vice



President, by unanimous decision; Wendy Hiester Secretary-Treasurer, by unanimous decision.

DISCUSSION ITEMS

Board Participation with Industry Groups

The board discussed external engagement opportunities, including participation in the SJC Environmental Committee, the Renewable Siting Study, and district liaison roles aligned with county council districts. There was broad interest in launching a monthly informal Coffee & Chat with OPALCO leadership, rotating across islands to include the outer islands. The board expressed enthusiasm for increased community presence and informal member engagement.

2026 Q1 Financial Report

Staff reviewed the Q1 2026 financial report noting results consistent with budget with variances driven largely by timing-related factors expected to normalize over the course of the year. Discussion ensued, including weather trends and revenue, equity, margins, and notable drivers.

Integrated Resource Plan Update

Staff reviewed the beginning stages of the Integrated Resource Plan, covering long-range planning strategy and key challenges including anticipated regional power supply shortfalls, rising power costs, climate-driven reliability concerns, insurance pressures, and the growing limitations of Bonneville Power as a primary source. Discussion ensued, with the board noting the urgency of proactively navigating these issues and agreeing to continue the IRP discussion in greater depth at the June meeting.

REPORTS

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

Regular Session ended: 10:10 AM; 11:10 AM; 1:20 PM

Break: 10:10 AM – 10:26 AM

Executive Session: 11:10 AM – 12:00 PM

Meeting Closed: 1:21 PM

Tom Osterman, President

Wendy Hiester, Secretary-Treasurer



WRECA Voting Delegate

OPALCO is part of the Washington Rural Electric Cooperative Association. It is required to have a resolution to appoint an OPALCO voting delegate. Staff requests the Board appoint a WRECA delegate and make a motion to approve a delegate and an alternate. Wendy Hiester has expressed interest as the voting delegate.

Resolution as follows:

**BOARD OF DIRECTORS
RESOLUTION 3-2026
CERTIFICATE OF DIRECTOR NOMINATION**

I, Wendy Hiester, do hereby certify that I am secretary of Orcas Power & Light Cooperative hereinafter called the "Cooperative," and I further certify that:

The Board of Directors of the Cooperative adopted a resolution nominating **XX** as a Voting Delegate for Washington Rural Electric Cooperative Association (WRECA), and **XX** as the alternate, at a meeting held June 18, 2026.

The said resolution was entered into the minute book at the Cooperative;
The meeting was duly held in accordance with the bylaws of the Cooperative; and,
The resolution has not been rescinded or modified.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Cooperative this 18th day of June, 2026.

Secretary

Bylaw Update

Staff requests the Board consider a minor housekeeping amendment to Section 1 of the Board bylaws regarding the regular meeting held immediately following the annual meeting of the members.

Currently, the bylaws require a regular board meeting to be held immediately after, and at the same place as, the annual meeting of the members. In practice, this automatic post-annual-meeting has created scheduling and logistical challenges. Staff recommends the Board eliminate this automatic meeting and instead incorporate the first regular meeting following the annual meeting into the Board's standard annual meeting date approval process.

Under the proposed approach, when the Board approves its regular meeting schedule for the coming year, it would designate the date for the first meeting following the annual meeting at that time, consistent with how all other regular meetings are scheduled.

This change requires conforming amendments to Article IV, Section 2 and Article V, Section 2, since officer elections are tied to that first post-annual-meeting. Those provisions would be updated to reference the scheduled meeting rather than the automatic one, with no substantive change to how or when officers are elected.



Staff believes this is a straightforward housekeeping matter and does not anticipate any operational impact. Bylaw changes do not require a second read and changes may approved after one review.

ARTICLE IV - MEETINGS OF DIRECTORS

Section 1. Regular Meetings.

~~A regular meeting of the Board of Directors shall be held without notice other than this bylaw, immediately after, and at the same place as the annual meeting of the members.~~ The first regular meeting of the Board of Directors following the annual meeting of the members shall be scheduled by the Board of Directors when approving the regular meeting dates for that calendar year, no later than the final regular meeting of the preceding year. A regular meeting of the Board of Directors shall also be held monthly at such time and place in San Juan County, Washington, as the Board of Directors may provide by resolution. Such regular monthly meetings may be held without notice other than such resolution fixing the time and place thereof. The President may cancel or change the date, time or place of a regular monthly meeting for good cause and upon not less than five (5) days' notice thereof to all Directors.

Section 2. Election and Term of Office.

~~The officers shall be elected by ballot, annually by and from the Board of Directors at the first meeting of the Board of Directors held after each annual meeting of the members.~~ The officers shall be elected annually by and from the Board of Directors at the first regular meeting of the Board of Directors following each annual meeting of the members, as scheduled pursuant to Section 1 of these bylaws. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be. Each officer shall hold office until the first meeting of the Board of Directors following the next succeeding annual meeting of the members or until his successor shall have been duly elected and shall have qualified, subject to the provisions of these bylaws with respect to the removal of officers.

ARTICLE V - OFFICERS

Section 1. Number.

The officers of the Cooperative shall be a president, vice president, secretary/treasurer, and such other officers as may be determined by the Board of Directors from time to time. The officers of secretary and treasurer will be held by the same person. The officers of the Cooperative collectively will be known as the Executive Committee.

Section 2. Election and Term of Office.

The officers shall be elected by ballot, annually by and from the Board of Directors at the first meeting of the Board of Directors held after each annual meeting of the members. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be. Each officer shall hold office until the first regular meeting of the Board of Directors following the next succeeding annual meeting of the members, as scheduled pursuant to Section 1 of these bylaws, ~~or until his successor shall have been duly elected and shall have qualified, subject to the provisions of these bylaws with respect to the removal of officers.~~

Staff recommends the Board make a motion to approve the amended bylaw language.

DISCUSSION ITEMS

2026 Meeting Schedule Review

In September of every year, the OPALCO Board approves the annual Board meeting schedule. Please see the approved meeting dates and review current Board availability and suggest any potential changes needed.

These are the 2026 approved meeting dates:

- January 15, 2026 (complete)
- February 19, 2026 (complete)
- March 19, 2026 (complete)
- April 16, 2026 (complete)
- May 7: Annual Meeting (complete)
- May 8: Annual Member Festival – Lopez Island (complete)
- May 21, 2026 (complete)
- June 18, 2026
- July No Meeting
- August 20, 2026 revised to Monday, August 31 (zoom)
- September 17, 2026, revised in-person on Orcas work session after regular session
- October 15, 2026
- November 19, 2026
- December 10, 2026

Integrated Resource Plan (IRP) Update — Load Forecast Review — Part Two

At the May board meeting staff reviewed the first part of the load forecasting portion of our Integrated Resource Plan (IRP). At this meeting we will be reviewing the next section of the load forecasting.

Information Reviewed Last Month:

The IRP is a long-range planning document that utilities use to ensure they can reliably and cost-effectively meet their members' energy needs over a 20-year horizon. An IRP examines current and projected electricity demand, evaluates available supply resources, and identifies the most prudent combination of generation, storage, conservation, and purchased power to close any gap between the two. The process is designed to be transparent and grounded in data so that boards, regulators, and members can evaluate the utility's strategic direction with confidence.

The load forecast is the foundational input on which all resource planning decisions rest. Staff will present a review of OPALCO's historic consumption from 2000 to the present, current load conditions, and projected load growth through 2045.



Key drivers shaping the forecast include population growth, electrification of heating and transportation (EVs, eFerries, and heat pump conversions), desalination water systems, and energy efficiency and conservation measures.

Long Range Planning Strategy

- Acknowledgements
 - Major NW energy supply/demand shortfalls are coming, especially in winter
 - Expect notable power cost increases and reliability issues
 - Limitations of current Fed, State and Local grant funding opportunities
 - Maintaining OPALCO's grid is costly (especially while planning to replace 25 submarine cables overtime)
 - Current planned renewable generation projects are community solar subscriber funded (e.g. Decatur and Bailer Hill)
 - Beyond Decatur and Bailer Hill, OPALCO capital will be directed to mainland submarine cable upgrades
- Utilize PNGC and BPA (TIER 1 and TIER 2) to solve mainland power shortfalls
 - For the next 5 years, OPALCO's contract with BPA will remain load following
 - PNGC may be able to assist with filling TIER 2 power shortfall gaps cheaper than BPA over the long-term
- Work with San Juan County to update local permitting process
 - Land-use tables - streamline local renewable permitting, evolve from old fossil fuel generation model
 - "Essential Public Utilities" language update in the Uniform Development Code
- In the interim, before grants become available again, concentrate on providing local member tools and solutions to help navigate through short-term reliability issues (e.g. use Switch-It-Up and OPALCO self-funding for members to install energy storage and back up generation solutions).
 - Submit multiple member relending RESP loan fund requests to RUS (Switch-It Up funds) for members to navigate short term reliability issues
 - Explore OPALCO funded backup system programs (i.e. back-up generation and storage systems)
- Be able to rapidly scale renewable energy projects once grant funds become available.
 - Land: Establish renewable energy non-profit to reach out to members to procure renewable generations sites (with tax advantages similar to Land Bank model).
 - Work with county to develop a renewable energy trust similar to Land Bank model.
 - Grants (& small amount of OPALCO funds) to support capital investment portion.

REPORTS

General Manager

Dashboards

Please review the dashboards at <https://www.opalco.com/dashboards>. Note that all the dashboards are tracked to the board approved strategic directives.

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
- Members per District
- 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

Member Generation

- [\(https://www.opalco.com/save/solar-interconnect/\)](https://www.opalco.com/save/solar-interconnect/)
- Member Generation (to Grid) by Month
- Member Generation Map



Engineering, Operations and Information Technologies

WIP

As of June 4, 2026, there are 288 work orders open totaling \$13.9M. Operations has completed construction on 102 work orders, totaling \$2.5M.

PNGC Update

On July 10, OPALCO will submit our BPA Provider of Choice (POC) contract selection for Above Contract High Water Mark (aCHWM) power purchases. In October 2025, OPALCO started purchasing ACHWM via the BPA Tier 2 system equal to ~1 aMW, which represents a de minimis Tier 2 purchase requirement. In the POC contract starting in October 2027, we will be electing to have PNGC perform our aCHWM procurement.

Fire Mitigation

Staff altered protection settings in late May to remove re-closing operations. This is an OPALCO standard practice to reduce the communities wildfire risk. If a limb or tree comes into contact with our lines, the system will fault and the switches will turn power off for the people served on that line (during winter months the switch will close itself and energize the line unless the fault continues). This change will increase outages and requires the crew to visually inspect before reenergizing.

Orcas Substation Transformer Relocation

The Orcas Substation Transformer is approaching end of life. The Orcas Substation will be offline starting July 8th with all member load shifted to the Eastsound Substation. The new transformer will be arriving July 13-15 dependent on barging and tides. Operations staff anticipate both substation to return to normal operations by July 27th.

Safety

Northwest Safety Service conducted First Aid/CPR/AED training in May. The total current hours worked without a loss time accident is 138,405 hours.

Finance

2026 Budget Tracking

Through May 2026, total revenue is projected to come in \$466K below budget. We are projecting a warmer winter in 2026, which would reduce heating load, kWh sales and corresponding revenue. Cost of purchased power is favorable to budget by \$172K, largely consistent with the lower kWh purchase volume. Operating expenses are monitored closely and the current projected overage largely reflects timing of maintenance activity which may continue to shift as we move into the Q2-3 construction season. Financial ratios remain at healthy levels well above RUS covenant requirements. The table presents the full year 2026 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	\$ 42,651	\$ (525)
ECA Surcharge / (Credit)*	-	59	\$ 59
Revenue	\$ 43,176	\$ 42,710	\$ (466)
Expenses:			
Cost of Purchased Power	10,848	10,676	\$ (172)
Transmission & Distribution Expense	9,308	9,275	(33)
General & Administrative Expense	7,390	7,336	(54)
Depreciation, Tax, Interest & Other	10,971	10,883	(88)
Total Expenses	\$ 38,517	\$ 38,170	(347)
Operating Margin	4,659	4,541	(118)
Non-op margin	1,060	1,096	36
Net Margin*	\$ 5,719	\$ 5,637	(82)
OTIER	2.68	2.66	(0.02)
TIER	3.02	3.06	0.03
Equity %	38.2%	38.2%	0.0%
HDD	1,081	1,180	99
kWh Purchases	230,000	224,180	(5,820)
kWh Sales	218,500	214,280	(4,220)

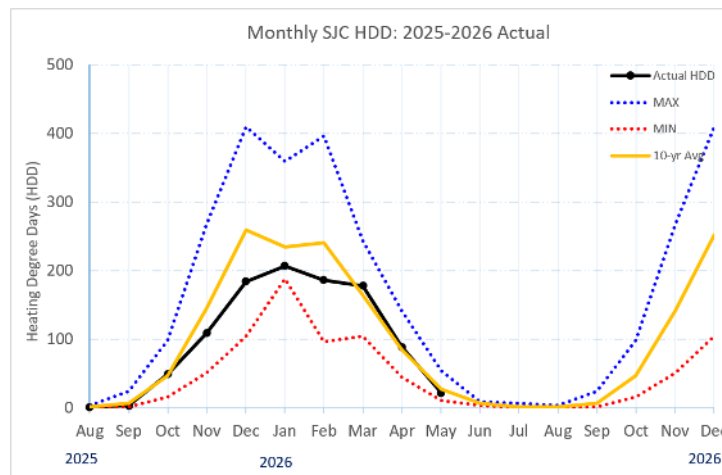
*The ECA collected \$59k through May 2026

Monthly Energy Charge Adjustment (ECA)

The May 2026 ECA collected \$49,325 from members, or \$3.57 per 1,000 kWh. The June billing period ECA will be a surcharge of approximately \$.000105 or \$1.05 per 1,000 kWh. The exact amount of the ECA is an estimation based on known kWh sold and a recalculation of our contractual power bill, which may occasionally include other one-time factors or adjustments.

Heating Degree Days (HDD)

The 2025-2026 heating season came in consistently below the 10 year average across nearly every month. December 2025 was the most notable departure with actual HDDs around 185 vs. a 10-year average of closer to 260, representing a significantly warmer than normal start to winter. 2026 has continued the warm to mild trend. We continue to monitor weather trends monthly.

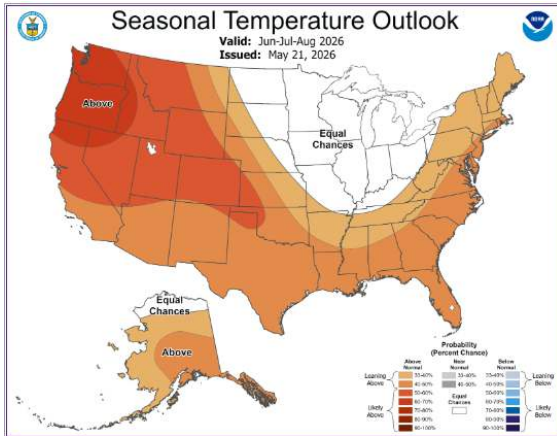


*max, min, avg is based on 10 year average

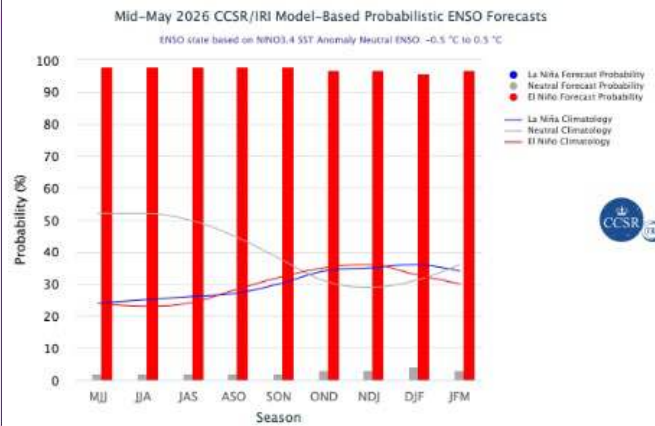
Weather Forecast

Original predictions for 2026 budgetary assumptions included a neutral weather pattern, which anticipated average kWh usage. NOAA is now predicting strong El Niño conditions. The models in the International Research Institutes' (IRI) ENSO (weather) prediction also forecasts a strong El Niño condition into the summer months. We continue to monitor these predictors monthly.

2026 Jun-Jul-Aug 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	2026	Grand Total
Energy Assist Credit	# of Accounts	519	524	564	563	881
	Total Assistance	141,748	164,175	209,260	123,088	638,271
PAL	# of Accounts	268	264	275	180	612
	Total Assistance	80,500	74,750	87,289	54,600	297,139
Grand Total	# of Accounts	584	566	603	579	959
	Total Assistance	222,248	238,925	296,548	177,688	935,410

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). The “# of Accounts” are the distinct accounts assistance was provided to over the year or as a total. The “Total Assistance” varies based on single account adjustments.

Project PAL

The Project PAL Award Season 2025-26 is complete, with total support paid to members of \$102,600, which is up from \$75,000 in the 2024–2025 season, reflecting OPALCO's ongoing commitment to supporting members in need of energy assistance. OPALCO is appreciative of the generous donations from OPALCO members through capital credit donations.

Energy Assistance Program (EAP)

During May 2026, 345 members received ~ \$17.3k from the Energy Assist program, compared to 340 members who received ~ \$15.1k in assistance in May 2025.

LIHEAP (Low Income Home Energy Assistance Program)

During May 2026 there was no activity for LIHEAP pledges and payments to members. Federal government has severely limited the funding for this program.

Energy Savings

During May there were 9 rebates paid out to members totaling \$11.3k. This includes 2 EV charging stations and 2 fuel switching ductless heat pumps.

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	50	658
	Total Awards	\$313,945	\$259,445	\$191,931	\$53,782	819,103
	Total Energy Savings (annual kWh)	440,382	253,675	258,738	57,707	1,010,502

*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 9 new interconnect applications submitted in May, with 12 members interconnected with solar for a total of 1,046. (<https://energysavings.opalco.com/member-generated-power/>). There are an additional 14 pending connections.

Energy Audits

Since the relaunch of OPALCO's Home Energy Audit program in 2026, 95 audits have been conducted for residential and commercial members. There were 2 audits completed in May.

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 1,176 projects completed and billing for a total of \$24.2M 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:

Measure	Project Origination Year							Grand Total	Project Count	
	2019	2020	2021	2022	2023	2024	2025			2026
Appliance					36,112	54,463	43,939	16,728	\$ 151,241	19
Energy Storage				39,510	27,159	47,766	120,071	-	\$ 234,506	12
Ductless Heat Pump	729,431	610,352	646,476	1,581,317	1,830,308	2,433,936	2,042,150	801,056	\$ 10,675,026	680
EV Charger						34,031	2,948	-	\$ 36,979	7
Fiber		30,725	48,681	29,301	41,929	85,080	18,883	-	\$ 254,598	29
Ducted Heat Pump	7,874	30,000	15,000	18,127	956,659	520,872	412,433	126,400	\$ 2,087,365	75
Heat Pump Water Heater	9,315	12,752		5,012	67,612	13,700	506,695	-	\$ 615,086	17
Insulation			-	256,935	58,228	244,969	704,402	34,852	\$ 1,299,385	44
Other		24,996		92,649	188,075	31,981		-	\$ 337,701	8
Solar + Storage				480,057	474,806	766,179	1,487,014	720,414	\$ 3,928,468	68
Solar				1,930,830	3,253,980	2,738,875	2,078,663	409,192	\$ 10,411,540	266
Windows				563,557	459,573	551,874	1,313,914	104,342	\$ 2,993,260	72
Grand Total	\$ 746,620	\$ 708,825	\$ 710,157	\$ 4,997,295	\$ 7,394,440	\$ 7,523,724	\$ 8,731,112	\$ 2,212,983	\$ 33,025,156	1,297

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. Given the decreasing remaining balance of Switch It Up funds, we are keeping to the \$100k limit for residential members and reviewing other curtailment measures as appropriate.



	Total	Project	Remaining
	(in millions)	Committed	Available
RESP 1.0	5.80		-
RESP 2.0	15.00		-
RESP 3.0	26.00	3.10	10.67
	<u>\$ 46.80</u>	<u>\$ 3.10</u>	<u>\$ 10.67</u>

Member Communications

Upcoming OPALCO Chats

Starting in July, a small section of OPALCO staff will host informal chats with members. Board members from each district are invited to attend the meetings (not mandatory) in their district as availability allows. Members are invited to come ask questions about the Decatur Community Solar Expansion, OPALCO's renewable energy future, renewable energy siting or any other questions or concerns. The first of these meetings will be held at OPALCO's headquarters in Eastsound, starting at 12 pm on July 15. These events will be rotating islands each month. The schedule will be as follows:

- July 15 @ 12pm, District 2: Eastsound Headquarters
- August 26 @ 12 pm, District 1: San Juan Island office
- September 16 @ 12 pm, District 3: Lopez Location TBD

The team will assess the first three meetings and adjust timing/location depending on participation and member feedback.

Annual Member Festival Photos

Thank you to Robert S. Harrison on Lopez for the great photos of our event! Check out our social media pages to see more of the gallery of photos from the day.



Ruralite Articles

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

- Lineworker Apprentice Brant Akers becomes a full Journeyman Lineworker
- Annual Meeting Recap
- Call Before You Dig
- Youth Rally Delegates Selected

View the digital edition here: <https://issuu.com/utilitypioneers/stacks/e83d7c1432cb4d9ab31defc5ee09973d>



Social Media Posts

Staff an automated notification system listing all the digital outreach in the last month. See below:

Date	Title/Content	Link
May 13, 2026	We had such a wonderful time last Friday at the first ever Lopez Island Annual Member Festival! Thank you to Lopez OPALCO....	Read full post
May 18, 2026	😊 Hey OPALCO Members, there's a new change you should know about! We have recently updated how you can access the link to the monthly OPALCO Board meetings on Zoom.....	Watch the reel
May 29, 2026	Exciting stuff! New solar on Friday Harbor High School 🌞🌞🌞🌞	Read full post
June 4, 2026	We are hiring a Journeyman Lineworker Apprentice! GET PAID TO TRAIN AND TAKE CLASSES TO BECOME A JOURNEYMAN LINEWORKER!	View Post
June 10, 2026	The photos are in, and we couldn't be more thrilled! These photos - taken by the awesome Robert S. Harrison Photography - perfectly capture all the great vibes and fun ...	View Post

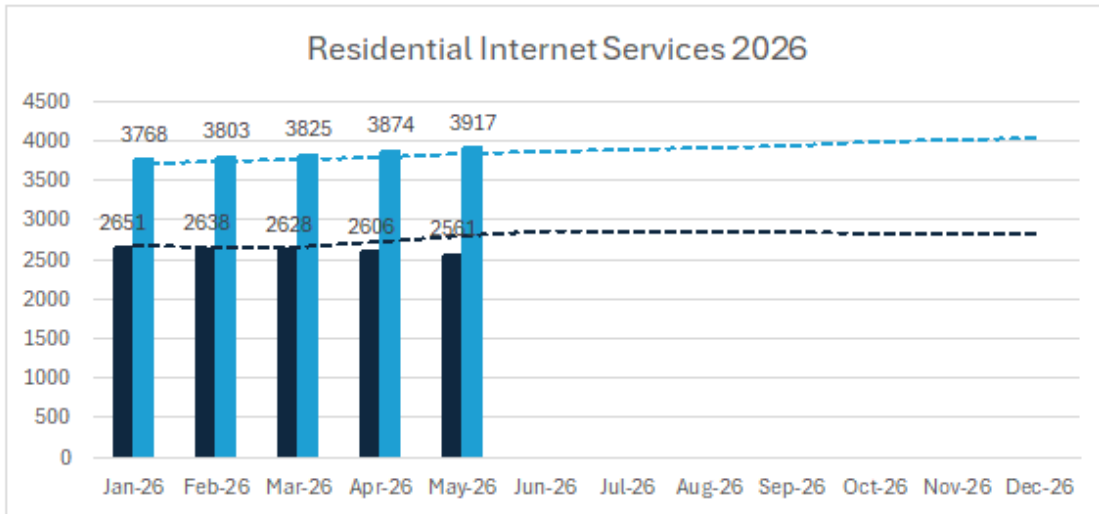
Blog/Newsroom/Quickfact Posts

Date	Title	Link
June 10, 2026	2026 Youth Rally Scholars	Read Post
June 10, 2026	Call 811 Before You Dig	Read Post
June 10, 2026	Wired for the Work	Read Post
May 12, 2026	OPALCO Receives Conditional Use Permit for the Decatur Island Solar Expansion Project	Read More
May 7, 2026	Derevensky and Stern Win Seats in OPALCO 2026 Board Election	Read More
May 2026	Quick Fact: Rock Island Communications	Read More
May 2026	Quick Fact: OPALCO's 2025 Renewable Energy Survey	Read More
May 2026	The Real Spice Girls of Friday Harbor	Read More
May 2026	Quick Fact: OPALCO Annual Audits	Read More

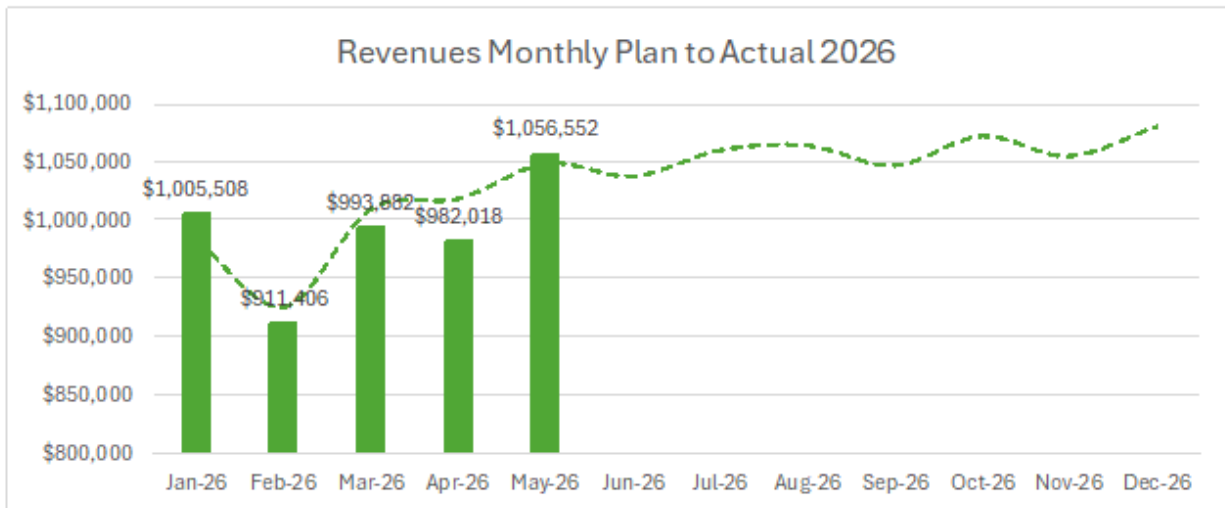
Rock Island Communications

7,022 Residential Internet Services

Net Subscribers



Revenues



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

Appendix

Quick Facts Library

Co-op Governance

- [OPALCO General Manager / CEO Compensation](#)
- [OPALCO vs a Typical Mainland Electric Utility](#)
- [OPALCO Rates](#)
- [Cost of Service](#)
- [Industry Association Memberships and Co-op Benefits](#)
- [Staff Compensation](#)
- [National Rural Electric Cooperatives Association \(NRECA\)](#)
- [OPALCO Election Process](#)
- [OPALCO Debt and Capital Projects](#)

Member Programs

- [Privileges and Obligations of Electric Utility Distribution Cooperative Members](#)
- [Surge Protection](#)
- [Wildfire Mitigation](#)
- [Inflation Reduction Act](#)
- [OPALCO's Right-of-Way \(ROW\) Program](#)
- [Rock Island Communications](#)
- [Wireless Services](#)

Our Energy Future

- [Tidal Energy in the Salish Sea](#)
- [Where Does OPALCO Stand on Regional Power and the Dams?](#)
- [Essential Public Facilities](#)
- [Local Energy Forecast](#)
- [San Juan County Comprehensive Plan](#)
- [Our Energy Future – Why is OPALCO Concerned?](#)
- [Why Local Renewable Projects? Mainland Power Demand Will Soon Exceed Supply](#)
- [Data Centers](#)
- [2024 OPALCO Docket Requests to San Juan County](#)
- [OPALCO Needs a New Submarine Cable to Meet Growing Demand](#)
- [Climate Change News Review – September 2022](#)
- [OPALCO's Plan for our Energy Future](#)
- [Decarbonization – Part 1](#)
- [Decarbonization – Part 2: Energy Generation](#)
- [Decarbonization – Part 3: Energy Consumption](#)
- [Decarbonization – Part 4: Energy Shortages](#)
- [WA 2021 Energy Strategy](#)
- [Simpson Proposal and the Northwest Energy Evolution](#)
- [Will There Be Enough Power?](#)
- [Energy Independence? Not entirely.](#)
- [2025 Renewable Energy Survey](#)

Renewables



[Renewable Energy Siting Criteria](#)
[OPALCO's Rate for Members Who Have Rooftop Solar](#)
[Rooftop Solar and our Local Energy Future](#)
[Bailer Hill Microgrid \(on hold\)](#)
[OPALCO Solar Rate for Residential Members](#)
[OPALCO Tidal Energy Pilot Project](#)
[Understanding the Change in Solar Rates](#)
[Decatur Island Battery Storage Project](#)
[Why Hydropower is Important to our Power Supply](#)

Regional Issues

[Northwest Resource Adequacy in a Rapidly Decarbonizing World](#)
[Preparing for Mainland Power Outages](#)
[Future Power Purchase Strategy](#)
[Ocean Health](#)
[Land for Renewable Energy Projects](#)
[Pacifica Northwest Generating Cooperative \(PNGC\)](#)
[Feb Town Hall Recap FAQ Comprehensive list of every question](#)

Decatur Island Solar Project

Decatur Island Solar Project – Overview

[Find out about the Decatur Island Solar Project here.](#)

Decatur Island Solar Project – Site Plans

[Visual Site Plan](#)

[Detailed Site Design](#)

[Alternate Sites Reviewed](#)

Decatur Island Solar Project – Permit Plans & Reports

[Critical Areas and Wetland Delineation Report](#)

[NEPA \(National Environmental Policy Act\) Compliance Documentation for Area A](#)

[NEPA \(National Environmental Policy Act\) Compliance Documentation for Area B](#)

[SEPA \(State Environmental Policy Act\) Checklist](#)

[SEPA Determination](#)

[Site Plan](#)

[Clearing and Grading Checklist](#)

[Stormwater Plan for Area A](#)

[Stormwater Plan for Area B](#)

[Landscaping Plan](#)

[Arborist Report](#)

[Land Use Checklist](#)

Decatur Island Solar Project – Project Timeline

[Review the project timeline here.](#)

Decatur Island Solar Project – Public Engagement

[February 2025 Zoom Meeting Introducing the Project Idea](#)

[May 2025 Town Hall Meeting on Decatur Island](#)

[Comment Log](#)

[Presentation Materials May 10](#)



[Press Release May 2025](#)

[October 2025 Community Meeting on Decatur Island](#)

[Questions and Answers with Table of Contents](#)

[Information Boards from October Meeting](#)

[Conditional Use Permit Legal Notice](#)

Decatur Island Solar Project – Community Commitments

[Review community commitments here.](#)

All-Inclusive FAQ

OPALCO has compiled this all-inclusive FAQ as a living resource for our members. Questions and topics are gathered from a variety of sources, including town hall meetings, board meetings, emails, phone calls, and concerns raised on social media. This document is updated frequently to ensure members have access to the most current information and answers. [OPALCO-All-Inclusive-FAQ-2026update5132026.pdf](#)

Related News Articles – If applicable

[Seattle City Light rolls out proposal for rate increases — including ‘large-load’ data centers | CHS Capitol Hill Seattle News](#)

Seattle City Light rolls out proposal for rate increases — including ‘large-load’ data centers

Posted on [Wednesday, June 17, 2026 - 8:29 AM](#) by [CHS Staff](#)

Proposed SCL Rate Increases (2027-2028)

Class	2027	2028	
Residential	9.50%	9.50%	Matches the system average
GS – Small	9.50%	9.50%	Matches the system average
GS – Medium	9.40%	9.50%	Aligned closely with system average
GS – Large	9.70%	9.70%	Slightly above the system average
High Demand	9.10%	9.00%	Slightly below the system average
Network – Med	7.40%	8.50%	Lower due to fewer network investments
Network – Large	7.30%	8.10%	Lower investment needs; base rate stays ~20% premium
Streetlights	27.20%	20.90%	Surging infrastructure costs, wire theft, and vandalism
Large Load (Data Centers)	Marginal Cost	Marginal Cost	New class (≥ 10 MVA); pays full cost of expansion
System Average	9.50%	9.50%	The overall targeted utility increase

(Image: CHS)

Seattle City Light has proposed an average 9.5% annual retail rate hike for 2027 and 2028 to combat an aging grid, inflation, and surging demand. The proposal includes changes that officials say will help Seattle be more fairly compensated for the energy demands of “large-load” data centers.

The **Seattle City Council’s** Parks and City Light Committee will hold a public hearing on the proposal Wednesday afternoon.

Under [the plan](#) (PDF), typical residential monthly bills will climb by about \$10 in 2027 and another \$10 in 2028. To protect vulnerable households, the utility is expanding its Utility Discount Program eligibility to include an additional 30,000 customers, offering income-qualified residents a 60% bill discount.

A major shift in the legislation is a new approach to handling large digital loads. SCL is establishing a dedicated rate class for new or expanding data centers requiring 10 MVA or more. Rather than making residential and commercial customers subsidize these energy-intensive operations, the policy mandates that data centers pay upfront for all necessary grid infrastructure upgrades. Their electricity rates will also be tied directly to the full



marginal cost of procuring new power and transmission.

Utility officials say the targeted data center policy ensures the community's legacy investments are protected and existing ratepayers are held harmless if highly portable operations relocate.

The higher rates are also driven by an aging grid, inflation, rising power resource costs, expanding technology needs, and growing energy demand from electric vehicles and heat pumps.

Seattle is already putting [a one-year moratorium on new data centers](#) in place as **Mayor Katie Wilson** and the city council hope to buy time to better regulate the rapid growth of the industry.