Board of Directors
Regular Meeting

Monday, August 31, 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
August 31, 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.

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EXECUTIVE SESSION

Legal, Personnel, Competitive, Other

ADJOURNMENT

ACTION ITEMS

Consent Agenda

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

The Consent Agenda includes:

- **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 – June 2026

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

845 ARGYLE LLC
BARNES, DAVID & GESLANI, ERIN
BIGGS LLC
CLABEAUX, JONATHAN
COTTER, BECKY & COTTER, WES
CRONE, PETER
ESSENTIAL POINTS ACUPUNCTURE PL
GLENN HARGROVE EX, CAVATING INC & HARGROVE, GLENN
HAGENAH, ALEX & HAGENAH, JESS
HOLLER, ALEXIS
INMAN, MICHAEL
L POD LLC
LEFEBURE, JACK
MORALES FLORES, MARIA
PARKER, DALE & PARKER, JULIE
QUITE ALRIGHT KIT, ES
RODKEY, JEFFREY & RODKEY, ROSALEE
SHARP, MCKEON & JENKINS LAW, LUCCA
TEMPLEMAN, JAIMIE
VALLE BUSTOS, HELMER

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

ARDIZZONE, TONY
BROWNLEE, PENDERGRAF & BROWNLEE, EVGENIYA
CISKOWSKI, WILLIAM & TAVENER, MARISSA
DUNLEAVY, KATHLEEN
LINO, KEVIN & LINO, MICHELLE
MACPHERSON, FRASER & COTTINGHAM, EMILY
MOTTL, JOHN
NUTTER, JANICE
OGAWA, YOKO
REINER, SUSANNA & ANTHONY, JASON
RICHTER, KURT & CONLEE, CHRISTINA
SWEET, SOREN & BRIGGS, DANIEL
THE ORCHARD LLC
WU, SIMONE & WU, EDWARD

District 3 (Lopez, Center, Decatur, Charles)

BLAKE FENTON RANK, IN ESTATE
BUNJE, MARK & MEINZINGER, SUE
CORDTS, ROBERT
HICKEY, THOMAS & HICKEY, SHAWNA
LOPEZ MARKET LLC
MEISEL, BEN
NJEGOVAN, MARY & JOSEPH, FREDERIC
SALAZAR, ROBERT & ARDISSONE, ANNA
TORRIE, JASON & TORRIE, KELLI

District 4 (Shaw, Crane, Canoe, Bell)

None

NEW MEMBERS – July 2026

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

AL-GATTAS, NICHOLAS & CRUZ, RACHELLE
BEHNKE, CHARLES
BPBSJZL LLC
BUS, CEDAR
CICIONE, KELSEA
CORSON, MARSHALL
FOSTER, BRIDGET & FOSTER, ALBERT
HANSON, MELISSA & HANSON, CRAIG
PERKINS, ROBERT & WILLIAM, LYNN
WEGNER, JOY

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

COPELAND, JEFF & COPELAND, THERESE
KROGSTAD, MARTA
MARTIN, KATHERINE & ORTHOMANN, MARK
MCCULLOCH, MARCUS
PEARSON, GLEN

PELLANT, GRACE
SHETLER, JOEL
TARLOFSKY, MOLLY & GOLDBERG, SPENCER
WEI, CAROLYN & TRULLIO, JOSEPH

District 3 (Lopez, Center, Decatur, Charles)

EVANS, SIMON & JONES, NAAM
GRAVES, WILLIAM
KORNFELD, SETH & KORNFELD, STEPHANIE
KRUEGER, SUSAN
RUSSELL, KEVIN
SWENSON, KATHLEEN & SWENSON, RICHARD
WARMUTH, ANGELA
ZYSKOWSKI, GERALD

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
202605	$4,185.61	Construction Work Orders
Total	**$4,185.61**	

Orcas Power & Light Cooperative — Rev: 202303050744

06/30/2026 10:07:35 am — Page: 1

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

Inventory: 202605

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)
601	2023	4297	4297	1	4,326.39	0.00	0.00	0.00 AFUDC: 140.78	0.00	4,185.61
					4,326.39	0.00	0.00	0.00	0.00	4,185.61
Grand Totals:					$ 4,326.39	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 4,185.61

OPALCO
Co-op Run. Community Powered.

Orcas Power & Light Cooperative

Rev: 202303050744

06/30/2026 10:07:35 am

RUS Form 219 Inventory Of Work Orders

Page: 3

Period: MAY 2026 System Designation: WA O9

Inventory : 202605

Budget Loan	Project	Amount
1	601	4,185.61
	Total:	4,185.61

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:

August	
Customer #	Amount
50545	1,273.31
62093	1,134.03
10412	2,011.99
98164	47.86
65736	913.38
Total	**$ 5,380.57**

Staff requests a motion to approve the Consent Agenda.

Minutes

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

Streaming through Zoom attendees were Board members, Wendy Hiester, Laura Derevensky, Mark Madsen, Tom Osterman, and Brian Silverstein. Staff present were General Manager Foster Hildreth; Manager of Engineering and Operations Russell Guerry; Communications Manager Krista Bouchey; Manager of Technical Services, Megan O'Connor; Manager of Finance and Member Services Travis Neal; Special Projects Office Coordinator Beth Stanford (serving as recording secretary), OPALCO employees: Katherine Santos Santana, Adrienne Bourne, and Taylor Smith. Also present were Legal Counsel Joel Paisner, consultant Jay Kimball; Alan Smith, Craig Hanson & Fredrick Vaught from Rock Island Communications.

Members in attendance: Jill Rullkoetter, William Hurley, Alan Mizuta, Norris Palmer, Dave Thaler, Denis Jenkins, Chom Greacen, Michael Riordan, and multiple people with the name Dawni Cunnington.

Meeting commenced at 8:56 AM

Member Comment Period: Member comments were received during the open comment period. A full recording of this portion of the meeting is available on the OPALCO website.

ACTION ITEMS

CONSENT AGENDA

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

WRECA VOTING DELEGATES

MOTION was made by Madsen to nominate Wendy Hiester as a voting delegate for Washington Rural Electric Cooperative Association (WRECA), and Jerry Whitfield as the alternate, seconded by Silverstein, and passed unanimously by voice vote.

BYLAW UPDATE

MOTION was made by Silverstein to approve the amended bylaw language, seconded by Hiester, and passed unanimously by voice vote.

DISCUSSION ITEMS

2026 Meeting Schedule Review

The board reviewed the remainder of the 2026 meeting schedule.

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

Staff reviewed the second installment of OPALCO's Integrated Resource Plan, covering load forecasting and how the 20-year plan drives the construction work plan and annual capital budget. Staff explained that the IRP framework traces back to federal cooperative regulations from the 1930s and gives the board clear, defensible direction on infrastructure decisions based on demonstrated member need.

REPORTS

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

Regular Session ended: 11:33 AM
Break: 10:40 AM – 10:50 AM
Executive Session: 11:33 AM – 1:40 PM
Meeting Closed: 1:30 PM

_____ _____

Tom Osterman , President Wendy Hiester, Secretary-Treasurer

WRECA Voting Delegate

OPALCO is part of the Washington Rural Electric Cooperative Association (WRECA). Under WRECA Bylaws, Article IV, Section 2(B), each regular member may appoint one or more alternates to act in the absence of its director, with alternates eligible to act in the order designated by the member cooperative.

Wendy Hiester currently serves as OPALCO's appointed director (delegate), with Jerry Whitfield as alternate. Staff recommends the Board add Foster Hildreth as a second alternate, to act in the order the Board designates.

BOARD OF DIRECTORS
RESOLUTION 4-2026
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 Wendy Hiester as a Voting Delegate for Washington Rural Electric Cooperative Association (WRECA), with Jerry Whitfield and Foster Hildreth as the alternates, at a meeting held August 31, 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 31st day of August, 2026.

_____
Secretary

Climate Commitment Act (CCA) No-Cost Allowances Resolution

The Washington State Department of Ecology has notified OPALCO that the cooperative holds 37,657 no-cost greenhouse gas allowances allocated under the Climate Commitment Act (CCA) for compliance years 2023 through 2026, with an estimated current market value will depend on auction. These allowances were issued to OPALCO as a consumer-owned electric utility subject to the Washington Clean Energy Transformation Act, specifically to mitigate the cost burden of the CCA program on OPALCO's member-ratepayers. Under RCW 70A.65.120, OPALCO may consign these allowances to a state-administered quarterly auction and receive the proceeds, provided that those proceeds are used for the benefit of ratepayers with first priority to low-income customers. Management is presenting Resolution 5-2026 to establish the Board's governance posture on this matter — authorizing consignment, affirming the cooperative's understanding of the statutory obligation attached to these funds, and delegating implementation authority to management with an annual reporting requirement to the Board.

BOARD OF DIRECTORS
RESOLUTION 5-2026
Climate Commitment Act No-Cost Allowances

WHEREAS, the Washington State Climate Commitment Act, Chapter 70A.65 RCW, establishes a cap-and-invest program requiring covered entities to hold greenhouse gas allowances equal to their emissions; and

WHEREAS, RCW 70A.65.120(1) provides that all consumer-owned electric utilities subject to the requirements of Chapter 19.405 RCW, the Washington Clean Energy Transformation Act, are eligible to receive allowances at no cost for the purpose of mitigating the cost burden of the cap-and-invest program on electricity customers; and

WHEREAS, the Washington State Department of Ecology has allocated no-cost allowances to Orcas Power and Light Cooperative (OPALCO) for compliance years 2023 through 2026, totaling 37,657 allowances, which are held in OPALCO's Electricity Allocation Holding Account within the Compliance Instrument Tracking System and Service (CITSS); and

WHEREAS, RCW 70A.65.120(3)(a) provides that during the first compliance period, allowances allocated at no cost to consumer-owned electric utilities may be consigned to auction for the benefit of ratepayers, deposited for compliance, or a combination of both; and

WHEREAS, RCW 70A.65.120(4) provides that the benefits of all allowances consigned to auction must be used by consumer-owned electric utilities for the benefit of ratepayers, with the first priority the mitigation of any rate impacts to low-income customers; and

WHEREAS, the Board of Directors finds that consigning OPALCO's no-cost allowance allocation to auction serves the interests of OPALCO's member-owners by directing proceeds to ratepayer benefit as contemplated by the Climate Commitment Act; and

WHEREAS, the Board of Directors recognizes that proceeds received from the consignment and sale of no-cost allowances are subject to a statutory obligation to benefit OPALCO's ratepayers, with first priority to low-income customers;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Orcas Power and Light Cooperative as follows:

Section 1. Authorization to Consign.
The Board of Directors hereby authorizes management to consign OPALCO's no-cost allowance allocation, in whole or in part, to quarterly auctions administered by the Washington State Department of Ecology in accordance with the procedures established under Chapter 173-446 WAC and the Climate Commitment Act.

Section 2. Nature of Proceeds.
The Board of Directors finds and declares that proceeds received by OPALCO from the consignment and auction of no-cost allowances under RCW 70A.65.120 are restricted funds subject to the statutory obligation established in RCW 70A.65.120(4). Such proceeds shall be held separately pending deployment for qualifying ratepayer benefit purposes as required by law.

Section 3. Required Use of Proceeds.
Consistent with RCW 70A.65.120(4), all proceeds received from the auction of no-cost allowances shall be used for the benefit of OPALCO's ratepayers, with first priority given to the mitigation of any rate impacts to low-income customers. Management is authorized to develop, evaluate, and implement specific ratepayer benefit programs and mechanisms consistent with this requirement, subject to any applicable guidance or confirmation from the Washington State Department of Ecology.

Section 4. Management Authority and Reporting.
Management is authorized to take all actions necessary to register OPALCO in CITSS, execute allowance transfers required for consignment, confirm wiring instructions, and receive auction proceeds on behalf of the cooperative. Management shall report to the Board of Directors no less than annually on the status of proceeds received, the disposition of funds deployed, and the ratepayer benefit outcomes achieved.

Section 5. Future Compliance Periods.
The Board of Directors recognizes that Ecology is required to adopt an allocation schedule for the second compliance period (calendar years 2027–2030) by October 1, 2026, and that the terms governing no-cost allowances and their required consignment may change for subsequent compliance periods. Management is directed to monitor Ecology's second compliance period rulemaking and return to the Board with recommendations prior to any consignment of second-period allowances.

Section 6. Cooperation with Ecology.
Management is authorized and directed to communicate with the Washington State Department of Ecology regarding OPALCO's intended use of proceeds and to seek written confirmation from Ecology prior to implementing any use structure not explicitly enumerated in Section 3 of this Resolution.

ADOPTED by the Board of Directors of Orcas Power and Light Cooperative at a duly noticed meeting held on the 31st day of August, 2026.

CERTIFICATION OF SECRETARY

I, Wendy Hiester, 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 August 31, 2026, at which a quorum was present and voted.

SEAL

_____

Wendy Hiester, Secretary

DISCUSSION ITEMS

Q2 2026 Financial Update

The 2026 second quarter financial report is posted online and included under separate cover. The first quarter results are consistent with the budget. Included in the package are the Statement of Revenues and Margins (along with a notable driver analysis), Balance Sheet, Statement of Cash Flows (GAAP), and capital projects budget tracking.

Q2'26: As seen in the financial statements; operating revenue, power costs and operating expenses were lower than budgeted levels through Q2. All combined drove to an overall operating margin variance over budget of $223k for Q2' 2026. It is important to note that Q2 results are largely impacted by timing shifts in maintenance vs. capital projects, borrowings and the overall fluctuation in weather. These items catch up and smooth out over the course of the year. Management continues to monitor operating expenses and overall financial position closely.

Annual Projection:
The table below presents the projection of full-year 2026 financial results using actuals from Q2 and budget projections and/or known amounts for future months. Financial ratios remain at healthy levels well above RUS covenant requirements.

Income Statement Summary (in thousands)	**2026 Projection** (actuals for prior months)		
	Budget	**Projected**	**Variance**
Operating Revenue	$ 43,176	$ 43,080	$ (96)
ECA Surcharge / (Credit)*	-	74	$ 74
Revenue	$ 43,176	$ 43,154	$ (22)
Expenses:			
Cost of Purchased Power	10,848	10,607	$ (241)
Transmission & Distribution Expense	9,308	9,370	62
General & Administrative Expense	7,390	7,291	(99)
Depreciation, Tax, Interest & Other	10,971	10,638	(333)
Total Expenses	$ 38,517	$ 37,906	(611)
Operating Margin	4,659	5,248	589
Non-op margin	1,060	1,136	76
Net Margin*	$ 5,719	$ 6,384	665
OTIER	2.68	2.97	0.29
TIER	3.02	3.40	0.37
Equity %	38.2%	38.4%	0.2%
HDD	1,081	1,177	96
kWh Purchases	230,000	221,367	(8,633)
kWh Sales	218,500	213,565	(4,935)

*The ECA collected $74k through July 2026

For more details, please note the following key points:

- Heating Degree Days (HDD) were ~23% above budgeted levels (actual of 688 vs. budget of 560). Overall kWh sales were ~477k kWh below budget (70.9M vs. budget of 70.4M).

- 2026 power purchases were ($226k) lower than budgeted. Actual kWh purchases were 1.5M kWh below budget (89.2M vs. budget of 92.4M).
- Excluding purchased power, 2026 operating expenses were approximately $279k under budgeted amounts. See budget notable drivers within the financial packet for specific account details.

Rock Island Communications 2026 Financials included in separate packet.

OPALCO 2026 Financial Package under separate cover.

Member Services Policy 4: Service Conditions Updates First Read

Member Services Policy 4: Service Conditions is in need of some modernizing to clarify submetering. Here is the first read of previously discussed updates for the Board to review.

ORCAS POWER AND LIGHT COOPERATIVE
MEMBER SERVICE POLICY 4
SERVICE CONDITIONS

4.1 APPLICATION FOR SERVICE

Each member requesting service shall sign OPALCO's standard Membership and Member Information form and may be required to fill out a New or Altered Service form ~~In the absence of an application for service, the delivery or termination of service by OPALCO and its acceptance by the member shall be deemed to constitute an agreement to and acceptance of OPALCO's Member Service Policies as interpreted and administered by OPALCO's Engineering Department. Responsible parties~~ Members ~~of the property~~ desiring new service or the alteration of existing service are required to pay 100% of the actual costs associated with the work involved. Prior to OPALCO granting the property owner new or altered service, OPALCO shall determine what property easements are required to accommodate the property owners request and ensure that existing facilities have adequate easements. Failure to provide OPALCO with adequate easements to maintain new or existing facilities will result in denial of membership ~~and/or~~ application. Signed easements must be received before any work begins.

All contribution in aid of construction (CIAC) estimates are given in good faith ~~and are~~ made with information available to OPALCO at the time, and with information supplied to OPALCO by the ~~responsible party~~ Member. OPALCO has the right to re-issue a ~~contribution in aid of construction~~ CIAC estimate if and when more accurate information becomes available. The ~~responsible party~~ Member is always legally responsible for the actual cost(s) of providing new electrical service(s). When the work is complete, any difference in the paid CIAC to actual projects costs resulting in $250 or more will be adjusted in an as-built re-bill or refund (see Member Service Policy 5.2).

The ~~Contribution In Aid of Construction (~~CIAC~~)~~ includes the *estimated* costs for OPALCO to provide and install the primary facilities. Full payment of the estimated CIAC initiates ~~an easement (if applicable) and~~ a work order or service order to formalize design and begin construction. The ~~Responsible party~~ member should expect a *minimum* of two weeks, from OPALCO's receipt of payment, for any material delivery or construction activity to begin.

4.1.1 Required information ~~may~~ include the following:

4.1.1.1 Name or names of the applicants

4.1.1.2 Tax parcel number

4.1.1.3 Local contact and/or work and home telephone number

4.1.1.4 Billing address

4.1.1.5 Previous service address, if applicable

4.1.1.6 Date service is desired

4.1.1.7 Information as to whether service location previously had electric service

4.1.1.8 ~~Statement as to whether applicant is the owner, tenant, or agent; if tenant, the name of the owner or property manager~~

4.1.1.~~9~~8 If new or altered service, information as to anticipated use of service and anticipated energy and demand requirements of member

4.1.1.~~10~~9 Life support equipment, if any, to be used within the premises

4.1.1.10~~1~~ Name and address of any third party the member wishes to be informed of any termination notice

4.1.1.121 Statement as to whether applicant is the owner, tenant, or agent; if tenant, the name of the owner or property manager If applying for service in any name other than the property owner(s), the property owner(s) shall certify the authority of the responsible party in writing to OPALCO. If this authorized member ~~responsible party~~ is allowed to agree to placement of facilities on behalf of the property owner(s), this must also be certified in writing.

4.1.1.12 Other information required by OPALCO to complete the application process and install the member's service.

4.1.2 Proof of Identity

Each applicant for service will be required to present sufficient proof of identity to allow OPALCO to determine the identity of the person.

4.1.3 Right to Refuse Service

OPALCO may refuse to provide service to any member ~~responsible party~~ not providing the information required by this section. The right to refuse service under this section does not limit OPALCO's right or authority to refuse service or terminate service on any other basis set forth in this member service policy. The member may be required to certify the accuracy and correctness of information provided.

4.1.4 New Member Information

OPALCO shall furnish all new members ~~responsible parties~~ with the following information via electronic communication provided through our welcome email, unless otherwise requested:

~~4.1.4.1 Copy of signed membership application~~

4.1.4.2 OPALCO bylaws

4.1.4.3 Copy of rate schedules under which member is to be served

4.1.4.4 Member packet4.1.4.5 Form Utility Easement in the case of a new or altered service as determined by the staking technician.

4.2 CONTRACTS OR WRITTEN AGREEMENTS

OPALCO may require a member, as a condition of service, to sign a contract or agreement acknowledging additional conditions of service. OPALCO may also require a contract as a condition of providing specific services. These contracts or agreements will normally remain with the property served and will be recorded with the San Juan County Auditor's office, as required. As such they shall transfer to any successor property owner, and be binding upon any successors. By obtaining service from OPALCO, each member consents to the recording of all necessary contracts, agreements and easements.

~~4.3 MINIMUM TERM OF SERVICE~~

~~Unless otherwise provided in a specific contract for service, the minimum term for which service will be rendered is one month of thirty (30) days.~~

4.4 FEES

4.4.1 Membership Fee

All applicants for service will be required to become a member of Orcas Power and Light Cooperative (see Schedule of Deposits and Charges in the OPALCO tariff book).

4.4.2 Service Transfer Fee

~~Each member, upon application for service, shall pay a fee to cover the initial expense of incorporating the new account data into OPALCO's billing and member records system~~ Each member will pay a transfer fee in the instance power is transferred into their membership at any location on the first billing following the service transfer. (see Schedule of Deposits and Charges in the OPALCO tariff book).

4.4.3Disconnect/Reconnect Service Fee

Each member (or members service agent) who has requested a disconnect /reconnect of meter service over same day or multiple days, to facilitate repair or update of equipment past the point of distribution (meter) shall be charged a fee. In the event of transfer of a service request, and no receiving party has been identified, the member may choose to disconnect the service. (see Schedule of Deposits and Charges in the OPALCO tariff book).

4.5 EASEMENTS

The member ~~responsible party~~ shall execute an easement in a form as determined by OPALCO, providing a suitable legally binding right for OPALCO's and/or its subsidiaries'

distribution, transmission and communications lines and other facilities, equipment and other appurtenances to be located on, under or above the member's property to furnish the member with electric energy and/or communications service, to serve other members and customers of OPALCO and its subsidiaries (see Member Service Policy 3.5.5), to provide improved safety and data communications in the field for the Cooperative's operations staff, and to provide more efficient energy usage, and more reliable electric service to its members. Members may also be required to increase the size of existing easements and rights of way consistent with Member Service Policy: Right of Way.

4.6 ACCESS

4.6.1 Access to Premises

Any properly identified employee or agent of OPALCO shall have access to the premises of the member at all reasonable times for the purpose of reading meters, utility right-of-way maintenance, testing and/or inspecting load and service entrance equipment, repairing, removing or exchanging any or all equipment belonging to OPALCO. Service and meter locations shall be kept free of brush or other obstructions by the member at all times. Locked gates and barricades shall have an OPALCO lock in addition to the member's lock so that the gate or barricade can be opened by OPALCO.

4.6.2 Accessibility of Electric Meter

OPALCO determines the location of all facilities owned by OPALCO including the electric meter location. OPALCO shall locate electric meters in an area accessible to OPALCO employees. Access must not require opening a door, lock, etc. unless OPALCO gives written permission allowing it. The area containing the meter must have at least one open wall. Except for transformer rated meter installations, no energy shall enter a dwelling or other closed room before it is metered. OPALCO employees shall have access to member's electric meters at all times. The member is responsible for providing a clear pathway from the driveway, street or alley to the meter for monthly meter reading purposes. If the member fails to provide a clear pathway to the electric meter, OPALCO may clear the area with the cost of such clearing to be paid by the member.

4.7 ESTABLISHMENT OF CREDIT

Each member will be required to establish and maintain credit satisfactory to OPALCO as a condition of receiving service. OPALCO reserves the right to check the member's credit with an established credit reporting agency as it relates to the average monthly bill.

4.7.1 Deposits

OPALCO may require a separate deposit for each meter installed. The amount of the deposit required by OPALCO will normally be the amount specified in the Schedule of Deposits and Charges in the OPALCO tariff book. OPALCO may require a larger deposit for a new account to be set up as a business entity.

4.7.1.1 OPALCO will waive the requirement for a deposit for electric service if the applicant is able to meet any of the following requirements:

4.7.1.1.1 The applicant has previously established a good payment record with OPALCO; or

4.7.1.1.2 The applicant provides a letter or other written verification from a utility (electric, gas or telephone) which last provided service to the applicant stating that the applicant had credit history equal to OPALCO's "B" rating at the prior location, or

4.7.1.1.3 The applicant signs up for one of the automatic payment methods, either monthly payments drawn directly from their bank account or authorization to charge the monthly payments to the applicant's credit card, or

~~4.7.1.1.4 The applicant provides a third party guarantee. Since a third-party guarantee is a transfer of liability from one party to another, the acceptability of the third party guarantor is at the sole discretion of OPALCO. The third-party guarantor shall be an active OPALCO member and must have established credit under similar usage and amounts. The third-party guarantor must acknowledge their responsibilities in writing. The third-party guarantor may revoke the guarantee by giving OPALCO thirty (30) days' notice in writing and OPALCO may then collect a deposit regardless of the payment record of the account. The third-party guarantor will remain liable for all amounts until the effective date of the revocation.~~

4.7.1.1.4~~5~~ In the case of a business, please refer to the Schedule of Deposits and Charges in the OPALCO tariff book.

4.7.1.2 OPALCO will issue to the applicant a written ~~receipt~~ bill statement for the amount of the deposit. OPALCO will not require a member to produce a deposit receipt in order to receive a refund of the deposit.

4.7.1.3 Unless otherwise requested by the member, OPALCO will apply the deposit to the residential account within 30 days after the earlier of:

4.7.1.3.1 Twelve (12) months continuous service if the member has not received more than one disconnect notice, ~~has not had more than one Automated Clearing House (ACH) return or credit card decline,~~ and has not been disconnected for non-payment during the previous twelve (12) month period or is registered with autopay; or

4.7.1.3.2 Termination of service, to the extent the deposit amount exceeds any balance due the utility for electric service and late fee for that account.

4.7.1.3.3 If the billing is current at the time of review, the member may be issued a check for payment of the deposit refund.

4.7.1.4 OPALCO may institute or adjust a deposit for an established member consistent with Section 4.7.1 if the member becomes delinquent in payment.

See Member Service Policy 7.5.8.

4.7.1.5 OPALCO will provide deferred deposit payment arrangements in cases of residential economic hardship. OPALCO may disconnect a member in accordance with Member Service Policy 7.5 if the member does not maintain the agreed upon deposit payment arrangements.

4.7.2 Interest on Deposits

OPALCO will not pay interest on deposits.

4.7.3 Deposits To Be Applied

Upon disconnection of service, OPALCO will apply all held deposits towards payment of the member's outstanding balance. The member will continue to be liable to OPALCO for the balance.

4.7.4 ~~Former Indebtedness Paid~~ Outstanding Balances Paid

If a former member, ~~or person responsible for debt, who is indebted to~~ has an outstanding balance owed to OPALCO attempts ~~by some agency, relationship, or otherwise,~~ to obtain service, by some other relationship or otherwise, OPALCO reserves the right to refuse service until payment is made of all ~~money~~ outstanding balances due. Any monies due from the member need to be collected before any payments are made to the member, including applying any capital credit general retirement payments.

4.7.5 Not to Receive Benefit

A person who has been disconnected for non-payment of a bill may not receive benefit of service by having the account transferred into another name if there has been no change in occupancy in the location.

4.7.6 Disconnect Requested By Others

At the request of a landlord who has the account in his name, OPALCO may refuse to initially connect a tenant's electric service. OPALCO will not disconnect a tenant who holds the account in his name at the request of a landlord. OPALCO will reconnect a tenant who has been disconnected for non-pay ~~if the tenant makes acceptable payment arrangements~~ if the tenant brings their account to current status.

~~4.8 APPLICABLE RATE~~

~~Where more than one rate schedule is applicable, the applicant shall be advised of the lowest applicable rate.~~

~~4.8.1 Alternate Rate Schedule~~

~~When a member desires service on an applicable rate schedule other than that on which he is being billed, he shall so notify OPALCO in writing and, after review, the change in schedule will become effective after the next regular meter reading. Unless there has been a change in use, rate class changes shall remain in effect for twelve (12) months.~~

4.9~~8~~ RESALE OF ELECTRICITY

The member shall not sell to others any of the electric service furnished by OPALCO, with the exception of Policy ~~Section~~ 4.9.4 and 4.9.5. ~~Services in violation of this policy shall be~~

disconnected until remedied.

4.98.1 Master Meters/Sub-Meters

No service will be supplied through a master meter for sub-metering for resale. This rule does not prohibit a landlord or manager from including a fixed amount as part of the rental charge to cover the cost of electric service to marinas or rental units. Services upgraded after October 1, 2026, shall conform to this policy.

4.98.2 Combined Billing

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

4.98.3 Multiple Occupant Commercial Buildings

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

4.98.4 Marina Service

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

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

Slips which are occupied for residential purposes shall be billed under the residential schedule only if an OPALCO approved and installed meter is metering the slip. The moorage owner is responsible for all maintenance from the shoreline serving transformer secondary lugs connection. Resale of energy to others may be reviewed as needed for recuperation of the cost to provide the charging services.

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

4.98.5 Electric Vehicle Supply Equipment

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

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

4.~~10~~9 PROTECTION OF OPALCO PROPERTY

The member shall be responsible for the safekeeping of OPALCO's property on his premises and shall take all reasonable precaution against unlawful interference with OPALCO's property.

4.1~~1~~0 TAMPERING WITH OPALCO'S PROPERTY

In order to protect its equipment and service, OPALCO may seal the service switch and/or other devices or enclosures on the member's premises to prevent access by unauthorized persons. The member shall not in any way interfere with or alter the meters, seals, or other property used in connection with rendering electric service, or permit same to be done by others, other than the authorized agents or employees of OPALCO. Damage to or loss of this OPALCO property shall be paid for by the member. Damage to or removal of OPALCO's meters, seals or other property may be considered sufficient reason for discontinuance of service to a member until OPALCO has received satisfactory assurance that its equipment will be free from future interference and until all damages, fines and bills for metered or unmetered electricity have been paid.

_____ Effective Date: September 18, 2026

Foster Hildreth, General Manager

Integrated Resource Plan: Part 3 - BPA 2028-2044 Rate Structure

Staff present on the updated BPA Rate Structure. Presentation attached under separate cover.

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/)

- Member Generation (to Grid) by Month
- Member Generation Map

Engineering, Operations and Information Technologies

WIP

As of August 3, 2026, there are 295 work orders open totaling $15M. Operations has completed construction on 104 work orders, totaling $3.4M.

Lopez Sound Substation Online

Crews have completed the installations for creating redundancy for the primary substation on Lopez. This allows for maintenance and upgrades to the Lopez Substation, located at the Lopez Office, without having an island wide outage.

Safety

Northwest Safety Service conducted Boating Safety in June, Confined Space/Vaut Rescue training in July, and Mayday & Pole Top/Bucket Rescue in August. The total current hours worked without a loss time accident is 152,252 hours.

Finance

2026 Budget Tracking

Through July 2026, total revenue is projected to come in $22K 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 $241K, 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 Q3. 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	$ 43,080	$ (96)
ECA Surcharge / (Credit)*	-	74	$ 74
Revenue	$ 43,176	$ 43,154	$ (22)
Expenses:			
Cost of Purchased Power	10,848	10,607	$ (241)
Transmission & Distribution Expense	9,308	9,370	62
General & Administrative Expense	7,390	7,291	(99)
Depreciation, Tax, Interest & Other	10,971	10,638	(333)
Total Expenses	$ 38,517	$ 37,906	(611)
Operating Margin	4,659	5,248	589
Non-op margin	1,060	1,136	76
Net Margin*	$ 5,719	$ 6,384	665
OTIER	2.68	2.97	0.29
TIER	3.02	3.40	0.37
Equity %	38.2%	38.4%	0.2%
HDD	1,081	1,177	96
kWh Purchases	230,000	221,367	(8,633)
kWh Sales	218,500	213,565	(4,935)

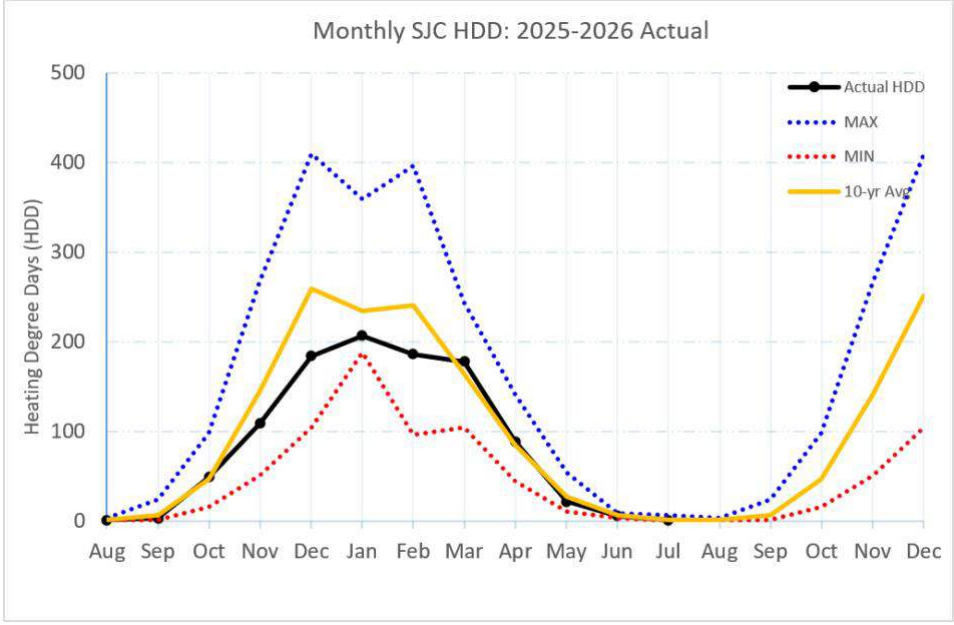
*The ECA collected $74k through July 2026

Monthly Energy Charge Adjustment (ECA)

The July 2026 ECA collected $1,755 from members, or $0.15 per 1,000 kWh. The August billing period ECA is a credit of approximately ($.006720) or $6.72 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.

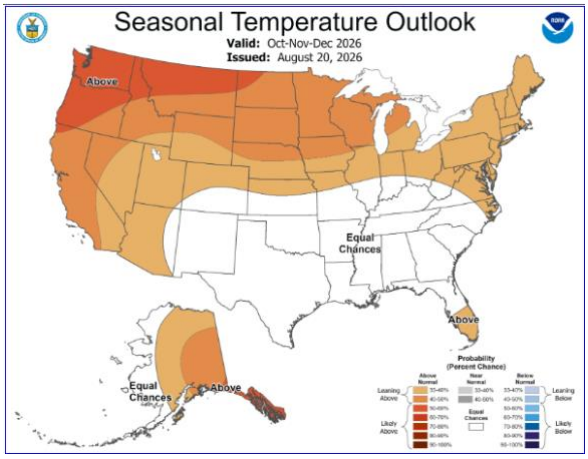


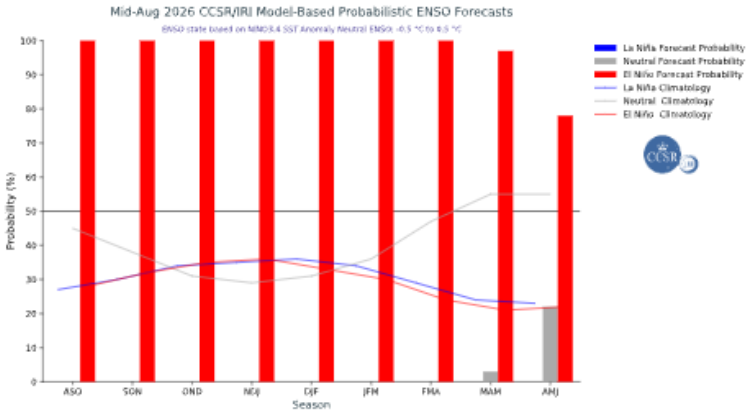
*max, min, avg is based on 10 year average

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 Oct-Nov-Dec Outlook





Source: NOAA National Weather Service

Member Services

Annual History of Energy Assistance Funding

All values are as of first of the month reported.

Assistance History

		2023	2024	2025	2026	Grand Total
Energy Assist Credit	# of Accounts	519	524	564	568	884
	Total Assistance	141,748	164,175	209,260	134,330	649,513
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	584	962
	Total Assistance	222,248	238,925	296,548	188,930	946,652

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

OPALCO is appreciative of the generous donations from OPALCO members through capital credit donations. The PAL 2026-2027 will begin in October 2026.

Energy Assistance Program (EAP)

During July 2026, 382 members received ~ $19.8k from the Energy Assist program, compared to 355 members who received ~ $16.1k in assistance in July 2025.

Energy Savings

During July there were 10 rebates paid out to members totaling $9.2k. This includes 1 EV charging station.

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	113	669
	Total Awards	$313,945	$259,445	$191,931	$133,313	$829,261
	Total Energy Savings (annual kWh)	440,382	253,675	258,738	120,926	1,023,559

**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 5 new interconnect applications submitted in July, with 3 members interconnected with solar for a total of 1,055. (https://energysavings.opalco.com/member-generated-power/). There are an additional 16 pending connections.

Energy Audits

Since the relaunch of OPALCO's Home Energy Audit program in 2026, 101 audits have been conducted for residential and commercial members. There were 4 audits completed in July.

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:

	Project Origination Year									
Measure	2019	2020	2021	2022	2023	2024	2025	2026	Grand Total	Project Count
Appliance					36,112	54,463	43,939	19,758	$ 154,272	20
Energy Storage				39,510	27,159	47,766	120,071	40,204	$ 274,709	14
Ductless Heat Pump	729,431	610,352	646,476	1,581,317	1,830,308	2,433,936	2,042,150	1,008,087	$ 10,882,058	691
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	174,307	$ 2,135,272	77
Heat Pump Water Heater	9,315	12,752		5,012	67,612	13,700	506,695	25,211	$ 640,296	18
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	1,052,325	$ 4,260,379	70
Solar				1,930,830	3,253,980	2,738,875	2,078,663	456,425	$ 10,458,773	268
Windows				563,557	459,573	551,874	1,369,471	120,435	$ 3,064,910	73
Grand Total	$ 746,620	$ 708,825	$ 710,157	$ 4,997,295	$ 7,394,440	$ 7,523,724	$ 8,786,669	$ 2,931,604	$ 33,799,334	1,319

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 (in millions)	Project Committed	Remaining Available
RESP 1.0	5.80		-
RESP 2.0	15.00		-
RESP 3.0	26.00	3.10	9.86
	$ 46.80	$ 3.10	$ 9.86

Member Communications

San Juan County Council Candidates

The OPALCO team submitted energy related questions to the two candidates running for the District 3 of the San Juan County Council – Katherine Bryant Ingman and Jennifer Swanson. The full responses to the questions will be published on OPALCO's website and published in the October Ruralite magazine. Here are the questions:

1. What is your overall vision for San Juan County's energy future over the next 20 years, and where do you draw the line between energy resilience and preserving island character?

2. The Comprehensive Plan identifies utility-scale renewable generation and storage facilities as Essential Public Facilities. Do you support that designation, and how should the county balance that standard against neighboring landowners' concerns?

3. How would you work with the county and OPALCO to resolve tension and come to a solution when a proposed local renewable generation project or other necessary infrastructure project siting might conflict with values of maintaining scenic views and rural character?

4. San Juan County's land use tables require a Conditional Use Permit (CUP) for utility-scale renewable, storage and emergency restoration projects. In OPALCO's December 2025 member survey, 63% of those surveyed supported streamlining permitting for essential services and 60% of those surveyed supported adjusting land use policies to allow more local generation. Would you support updating the land use tables so qualifying renewable projects could have a more streamlined permitting process?

5. Most of San Juan County's electricity comes from mainland hydropower delivered through two submarine cables that are approaching capacity. How important is hydropower and other mainland-sourced power in your vision for the county's long-term energy supply?

6. San Juan County's shortage of affordable housing is cited in the Comprehensive Plan as a direct cause of hiring and retention difficulty for local organizations like OPALCO, Rock Island, and County government. What role should the county play in supporting workforce housing for essential service employers?

7. Roughly half of county addresses are within serviceable distance of existing fiber optic infrastructure. Who should bear the cost of expanding broadband access to the rest of the county, including seniors needing telemedicine, low-income households, and families with school-age kids, and what should the county's role be in getting there?

8. What are you, as a candidate, doing to educate yourself on the complexities and impacts of energy policies on the citizens of San Juan County?

Upcoming OPALCO Chats

Starting in July, OPALCO introduced a series of informal chats around the islands for a new way for members to interact with their co-op. 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 meeting on Orcas was a success with about 20 members in attendance. The second of these meetings was held at The Grange on San Juan Island on August 26 at 5 pm. These events will be rotating islands each month. The schedule of upcoming meetings will be as follows:

- September 16 @ 5 pm, District 3: Lopez Library
- October 14 @ 5 pm, District 2: Orcas Island, Location TBD

Decatur Fire Plan Meetings

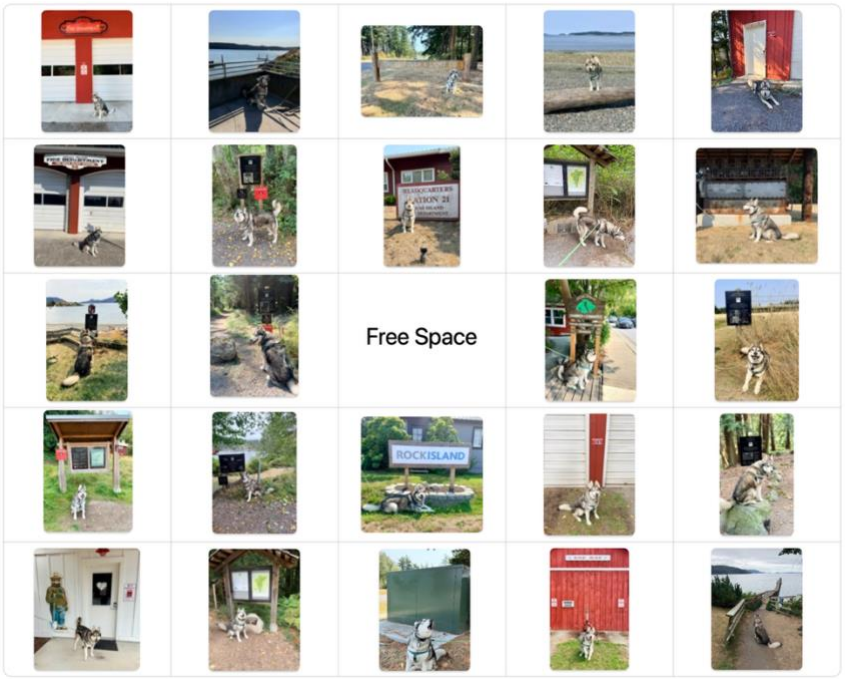
OPALCO hosted three community meetings for the Decatur Community as directed by San Juan County and the Conditional Use Permit Conditions. These meetings took place July 22 @ 8 am, July 22 @ 12 pm, July 22 @ 5 pm with 41 people in attendance. The team is preparing to submit outreach and Fire Mitigation Plan to San Juan County this month.

Communications Intern

Aaron Orozco, a former youth rally participant and Communications major at WSU, joined the Communications team for the summer to create some short form video content. You will see the videos he created shared throughout the coming months.

What3Words Bingo

In August, OPALCO and Orcas Island Fire & Rescue partnered with the San Juan County Conservation Land Bank to host a what3words Bingo Adventure aimed to help San Juan County residents get familiar with a free, potentially lifesaving app. what3words assigns every 10-foot square on Earth a unique three-word address, making it easy to share precise locations even without cell service or street addresses—perfect for emergencies, trails, and hidden spots around the county.

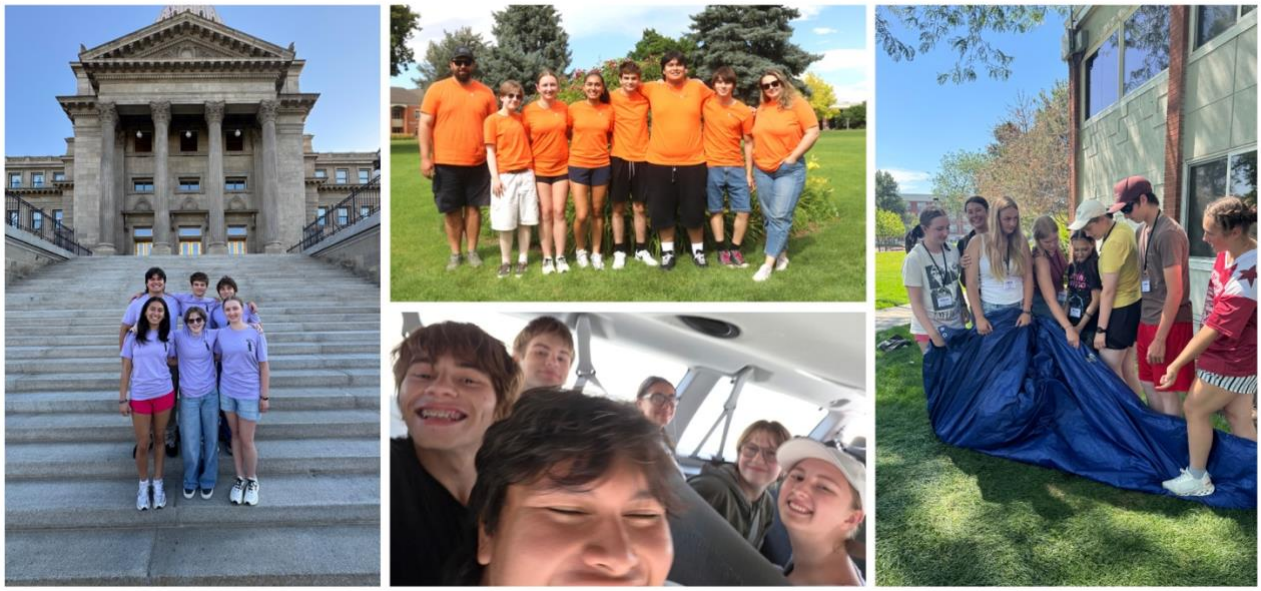


Members who participated were eligible for a safety themed prize, able to be picked up from OIFR or OPALCO. Anyone who completed the full board got to walk away with a swag bag full of every prize. One of Pepper's co-op member furry friends, Odin, completed the full board and claimed his swag bag!

Youth Rally

In early July 2026, six San Juan County students represented OPALCO at the ICUA Youth Rally in Idaho through the Nourdine Jensen Cooperative Youth Scholarship Program. The rally brought together delegates from electric cooperatives across the Western U.S. for leadership training, industry education, and team-building activities, with participants evaluated on leadership, participation, and engagement.

All five first-year OPALCO delegates earned ICUA recognition and scholarships based on their performance: Maren Ellingson ($600); Atziry Orozco and Chloe Roach ($500 each); and Matthew Vasquez and Theo Johnston ($400 each). Returning student director Gabe Chapman, who first attended in 2025, helped plan and lead this year's camp and mentored the first-year delegates. The program continues to provide meaningful leadership development and scholarship opportunities for local youth, reflecting OPALCO's ongoing investment in the community.



Ruralite Articles

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

- Right of Way Program
- Leadership Chats
- Who Owns What
- What3Words Bingo

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

Marketing Engagement Stats

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

OPALCO Social Media Highlights

Facebook Performance Summary (Jun 23 – Aug 9, 2026)

POSTS	VIEWS	REACH	ENGAGEMENT	CLICKS	AVG REACH
12	34,012	19,060	434	1,498	1,588

Date	Post Highlight	Views	Reach	Engagement	Clicks
8/9/26	Outage update — power restored (Aug 9)	1,692	1,235	12	63
8/7/26	Lineworker safety training video — vault rescues	2,073	2,001	34	93
8/3/26	what3words Bingo video — event announcement	1,305	1,218	25	70
7/31/26	Leadership 'informal chat' recap video + San Juan invite	9,056	2,803	14	73
7/30/26	International Intern Day — Meet Aaron Orozco	6,049	3,085	**133**	**407**
7/28/26	Countywide outage update (BPA system trip)	2,688	1,424	44	268
7/17/26	ICUA Youth Rally scholars & scholarships awarded	2,303	1,269	28	255
7/14/26	Youth Rally video — return teaser	1,025	513	11	23
7/14/26	Monthly leadership chats — announcement	813	481	12	16
7/8/26	Oldest transformer (1970) replacement — Orcas	914	611	10	17
6/30/26	Happy 4th of July — fire safety reminder	513	323	4	3
6/23/26	Brant Akers earns Journeyman Lineworker + hiring	5,581	**4,097**	107	210
	TOTAL	**34,012**	**19,060**	**434**	**1,498**

Engagement = reactions + comments + shares. Gold figures = top-performing post per metric.

Blog/Newsroom/Quick Fact Posts

Date	Post Title	Category	Focus
8/18/26	**what3words BINGO**	Events / Safety	OPALCO & Orcas Island Fire & Rescue team up on a location-awareness Bingo event.
8/18/26	**Who Owns What? Equipment Graphic**	Membership	A visual guide to which electrical equipment OPALCO maintains vs. the member.
8/18/26	**Clearing the Way on the Islands**	Right of Way	Right-of-way vegetation trimming keeps power reliable and cuts wildfire risk.
7/31/26	**OPALCO Hosts Leadership Chats**	Newsroom	July open house recap; ~20 members discussed rates, Decatur solar & demand growth.
7/28/26	**Quick Fact: Rooftop Solar & Our Local Energy Future**	Renewables	Why Washington's decarbonization push makes local energy essential.
7/24/26	**Students Earn Scholarships & Leadership Recognition**	Newsroom	Six county students represent OPALCO at the 2026 ICUA Youth Rally; scholarships awarded.

Date	Post Title	Category	Focus
7/13/26	Lopez Schools Go Big with Solar	Community / Renewables	Lopez School District rooftop solar lays groundwork for a resilience hub.
7/13/26	Cultivating the Next Generation of Leaders	Co-op Team	Jo Lange graduates from the Leadership San Juan Islands program.
7/13/26	Wildfire Readiness	Safety	El Niño outlook and how to build a fire-resilient island community.
6/10/26	Wired for the Work	Co-op Team	Lineworker Brant Akers completes his four-year apprenticeship.

E-Newsletters

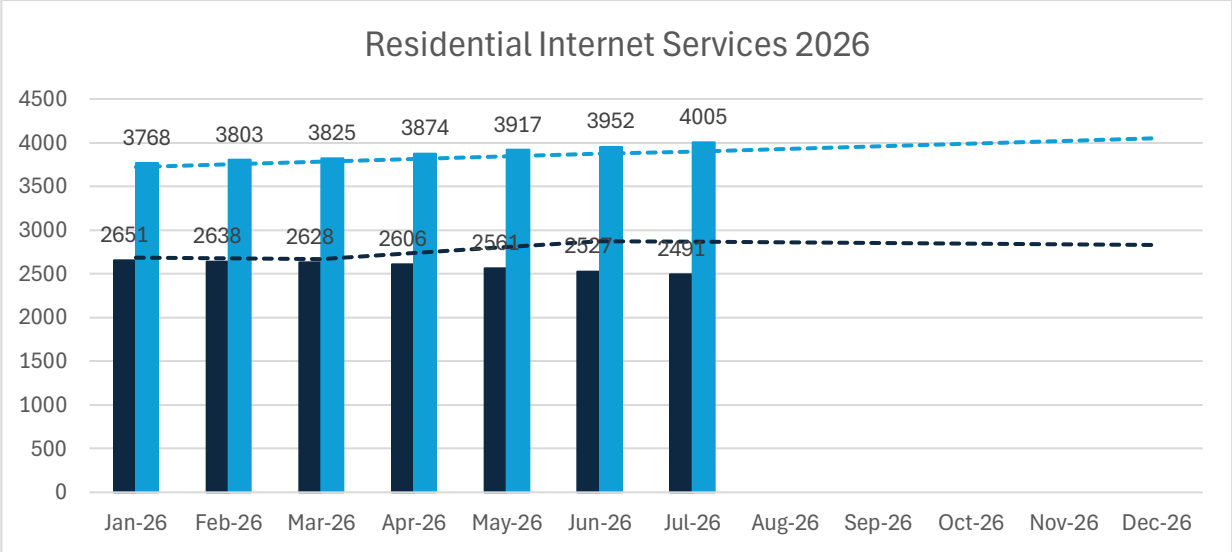
Date	Email Title	Sends	Open	Open Rate	Clicks
8/18/26	Solar Interconnect Update	290	98	34%	3
7/14/26	July Newsletter Come Chat With Us	13,807	2696	19.6%	104
7/2/26	Decatur Solar Fire Mitigation Plan	525	179	34.2%	50
6/16/26	June Newsletter OPALCO is Hiring	13,854	3061	22.2%	295

OPALCO
Co-op Run. Community Powered.

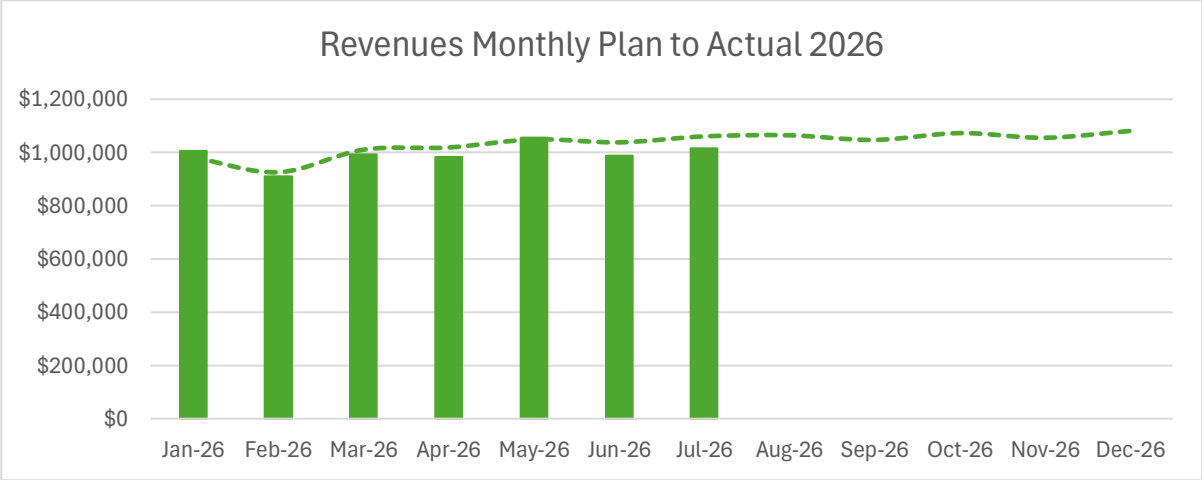
Rock Island Communications

7,039 Residential Internet Services

Net Subscribers



Revenues



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

Appendix

Flip the Switch - Congratulations Lopez Island School District

OPALCO received strong community recognition at the Flip the Switch ceremony held at Lopez Island School. Attendance reflected the level of community investment in the project, consistent with Lopez Island's pattern of turnout for milestone events.

Chris Greacen was recognized for his active leadership on this project. He personally thanked all parties involved in bringing the project to completion and shared that planning is already underway for Phase B, reflecting his continued engagement beyond this milestone.

Attendees also spoke favorably about OPALCO's role in supporting the community pool, a project more than 40 years in development.

The following contributions were specifically acknowledged during the ceremony:

- Lindsay, for her work on the Switch It Up application
- The OPALCO Finance team, for support throughout the project
- The OPALCO well water shares, which have provided ongoing benefit to the pool located across the street

Decatur Update

Avoiding Tier 2

OPALCO's mission has not changed: safe, reliable, affordable electricity for San Juan County. What has changed is how hard that mission is getting to deliver. OPALCO's low-cost power comes from a capped allocation of BPA Tier 1 hydropower. Once system load exceeds that allocation, additional kilowatt-hour purchases come from Tier 2 or market-rate power — at significantly higher cost, borne by every member through rates.

The County is growing, and OPALCO is obligated to serve every approved connection regardless of where or when development happens. San Juan County issues new building permits every year, and electricity usage is projected to grow approximately 30% over the next 20 years — a trend expected to continue as electrification (EVs, heat pumps, water heaters) accelerates.

OPALCO has historically managed this growth from the demand side: conservation, efficiency, rooftop solar, battery storage, and Switch It Up financing. These tools have kept OPALCO under its Tier 1 allocation but there is now a real need to add utility scale generation to keep us within our allocation.

Utility Scale Solar Projects

In recent years, OPALCO has begun to purchase the more expensive Tier 2 power from BPA to cover our needed electricity. Bringing Decatur's expansion online — and, eventually, Bailer Hill — is the direct way to stop those Tier 2 purchases from growing and keeping costs lower for the long-term benefit of the community. Additionally, Tier 2 power comes from carbon-based resources which add to the cost and move away from key sustainability goals.

The existing Decatur Island Community Solar project (2018) is OPALCO's proof of concept: 504 kW DC, a 1 MW / 2.6 MWh battery, roughly 570,000 kWh generated annually. It was financed by member subscriptions and grants. The ~270 member-investors have fully recovered their investment, and a portion of the project goes towards OPALCO's energy assistance program helping low-income members.

The Cost of Delays

OPALCO's two recent utility-scale solar projects have both been delayed. Bailer Hill has been on hold pending further study per the Department of Ecology. Decatur's expansion only cleared its Conditional Use Permit in May 2026, after a contested review, and OPALCO is now working through the permit's remaining conditions. This local generation is what OPALCO is counting on to stay inside its Tier 1 allocation but permitting delays continue to push this timeline back.

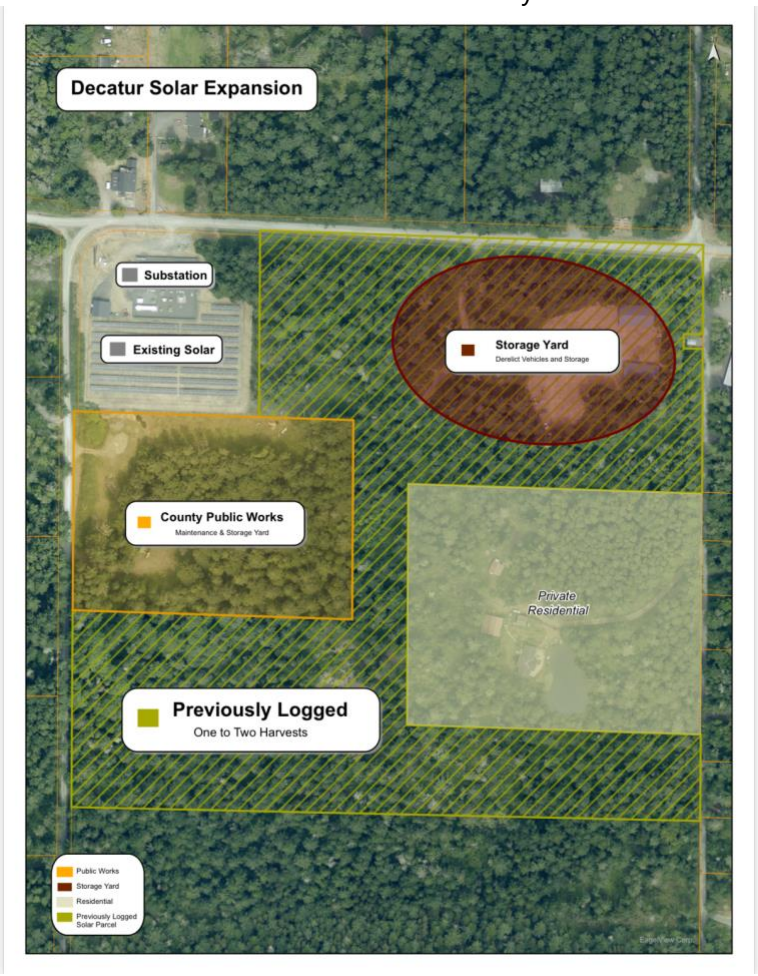
Independent Cooperative Finance Corporation benchmarking puts OPALCO's 2025 total cost of electric service per member at $2,259 — below the Washington co-op median, the national median, and the median for co-ops OPALCO's size. OPALCO's five-year cost growth (about 15%) has also run well behind state and national co-op medians (21–29%). The reason we need utility scale projects today is that the power supply cushion behind those good numbers is thinning. With the BPA hydropower contract renewal in 2028 there is no new Tier 1 hydropower available so at that point rates will continue to go up.

Decatur Island Solar Expansion Project

Why locate solar on Decatur? The Decatur Island Expansion parcel is designated Rural General Use which allows for solar (renewable) generation. Most land in San Juan County does not allow for renewable generation projects as SJC permitting of utility scale electricity generation is still based on old, dirty, loud and noisy diesel generating facilities.

The proposed site parcel is adjacent to an OPALCO substation and OPALCO's existing solar and battery project. It is also next to a San Juan County Public Works maintenance and storage yard. The storage yard (including delineated Natural Growth Area) has historically been used for derelict vehicle storage (OPALCO

removed over 14 derelict vehicles from the site since purchasing in 2025). The forest has been previously logged. The map below shows what is on and around the site today.



Decatur Solar Expansion parcel: existing substation, existing solar, county public works yard, storage yard, previously logged area, and adjoining private residential parcel.

The Decatur Island Solar Expansion is one part of a broader, necessary strategy to protect power affordability, manage growth responsibly, and strengthen the resilience the community OPALCO serves. The project reflects more than a year of community engagement, environmental studies for permitting, and project changes made in response to input from local community and data collected.

Completing the Decatur Solar Expansion project will allow OPALCO to drop below buying expensive Tier 2 power that OPALCO purchases from BPA, avoid purchasing carbon based electricity and partially offsets electricity load growth specific to Decatur Island.

Previously, the OPALCO Board approved the purchase of 6,400 solar panels for $2.4M that are staged on San Juan and awaiting installation in the islands (as pictured).

Background Info on Work Done on Project To Date

Community 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
- June 8 Position Paper by Decatur Residents
- October 2025 Community Meeting on Decatur Island
- Questions and Answers with Table of Contents
- Information Boards from October Meeting
- Conditional Use Permit Legal Notice
- April 16 2026 Presentation by Decatur Residents

Conditional Use Hearing

On Tuesday, May 12, OPALCO was notified that they were granted the Conditional Use Permit for the Decatur Island Solar Expansion Project. The Decatur Island Solar Expansion project is a proposed ~1.6 MW AC Community Solar project. It's adjacent to OPALCO's substation and the current Community Solar project that was installed in 2017.

OPALCO has undergone extensive environmental review and project planning to include a site plan, critical area and wetland delineation, National Environmental Policy Act, State Environmental Policy Act, a stormwater plan, Cultural Resources Assessment, clearing and grading checklist, land use checklist, and a native

landscaping plan. In February 2026, OPALCO presented the prepared material to the San Juan County Hearing Examiner in order to proceed with the permitting requirements and conditions.

There were two appeals to the State Environmental Policy Act (SEPA) determination of non-significance (DNS). OPALCO prepared a detailed and prescribed SEPA checklist and San Juan County staff gave the checklist a DNS, which means there is nominal environmental impact. Both appeals to the DNS ruling were denied by the Hearing Examiner.

Decatur residents have brought forward concerns about this project during various community engagement meetings. OPALCO has made efforts to meet community requests when possible. There are no legal reasons the project cannot move forward as all requirements were found to be met by the Hearing Examiner. OPALCO hopes to continue to work with the community as the project proceeds.

- CUP Hearing and SEPA Appeal Opening Remarks: https://sanjuancowa.portal.civicclerk.com/event/3775/media
- Continued SEPA Appeal Hearing Part 1: https://sanjuancowa.portal.civicclerk.com/event/4130/media
- Continued SEPA Appeal Hearing Part 2: https://sanjuancowa.portal.civicclerk.com/event/4161/media

Decatur Load Growth Rationale

The Decatur Solar project will help address the approximately 30% projected load growth on Decatur Island, reducing reliance on mainland power imports. Developing local renewable generation improves energy resilience, reduces dependence on transmission from the mainland, and positions OPALCO to better manage future load growth across the island system.

As regional energy supply challenges continue to grow, projects like Decatur Solar Expansion present an important step toward responsibly developing local energy resources while maintaining the cooperative's commitment to thoughtful planning and community engagement.

Project Evolution

As the Decatur Solar project has moved forward, OPALCO has worked closely with San Juan County and the Decatur community to reduce impacts and incorporate local feedback. The project has evolved significantly from the original concept.

The original concept considered maximized the ~23 acres (plus 3 acres on San Juan County parcel) for solar development to account for environmental constraints. The current proposal has been significantly scaled back to approximately 8.5 acres, with the County parcel removed from the project entirely. This redesign represents a meaningful effort to respond to community concerns while maintaining the project's core purpose of providing local renewable energy.

Environmental Protections

The project has undergone comprehensive environmental review through the San Juan County Conditional Use Permit process, as well as SEPA and NEPA environmental review. Studies and plans include a Critical Areas and Wetland Delineation Report, a Stormwater Management Plan addressing site drainage and runoff, a Cultural Resources Assessment, a Landscaping Plan to buffer the project and improve visual integration and fire mitigation planning in coordination with local fire response needs. These studies ensure the project is designed to meet applicable environmental protections and regulatory requirements.

Community Benefits for Decatur Island

OPALCO is dedicated to protecting the local environment, responding to community concerns, and coverage of future load growth. OPALCO held several community meetings with the Decatur Island community and incorporated feedback into the project planning. In response to feedback from the Decatur community, OPALCO has incorporated several improvements that directly benefit the island. Including:

- Proving why utility-scale solar is needed in San Juan County. See the following documents:
  - Reliable Energy in San Juan County
  - Why Local Renewable Energy
  - Local Energy Forecast
- New power generation required to meet expected Decatur Island load growth (depending on final project size)
- Abandon plans for developing the San Juan County Public Works Parcel
- Opt-out of future battery storage
- Alternate Site Feasibility Study
- Let the community use the available water for fire mitigation
- Avoiding wetlands and wetland buffers
- Decommissioning Plan will be made public as available
- Stormwater Management Plan that meets County Code
- Archeological and Cultural Resources Report
- Removal of derelict vehicles
- Fire Mitigation Plan
- Construction sequencing plan
- Landscape buffers

Fire Mitigation Plan

Based on the selected equipment, applicable safety certifications, proposed installation standards, commissioning procedures, and long-term maintenance practices, the fire risk associated with the Decatur Solar Expansion is considered low and consistent with accepted industry experience for modern utility-scale photovoltaic facilities.

The combination of certified photovoltaic equipment, code-compliant electrical design, rigorous quality assurance, ongoing maintenance, and active vegetation management provides multiple independent layers of protection intended to minimize both electrical ignition hazards and wildfire risk throughout the operational life of the project.

Industry experience has shown that fires associated with photovoltaic facilities are uncommon. When they do occur, investigations have generally determined that they are associated with installation deficiencies or failures of balance-of-system electrical equipment—such as conductors, connectors, inverters, disconnect switches, or transformers—rather than failures of the photovoltaic modules themselves. For this reason, proper engineering, quality construction, equipment certification, commissioning, and long-term maintenance are the primary means of reducing fire risk.

The Decatur Island Community Solar Expansion Project incorporates multiple independent layers of fire prevention, including:

- Photovoltaic modules certified to nationally recognized safety standards.
- Electrical equipment listed and labeled by Nationally Recognized Testing Laboratories (NRTL).
- Electrical design compliant with the National Electrical Code and applicable Washington State requirements.
- Utility-grade protective relaying.
- Ground-fault and overcurrent protection.
- Continuous monitoring through OPALCO's Supervisory Control and Data Acquisition (SCADA) system.
- Remote shutdown capability.
- Comprehensive commissioning and acceptance testing.
- Routine inspection and preventive maintenance.
- Infrared thermographic inspection of energized electrical equipment.
- Active vegetation management.
- Maintained emergency access and defensible space around critical equipment.

The project will remain under continuous inspection and maintenance throughout its operational life. Routine vegetation management, periodic inspection of electrical equipment, preventive maintenance, and continuous monitoring substantially reduce the likelihood of equipment failures while improving emergency access for utility personnel and responding fire agencies.

APRIL 2026 – OPALCO Project Approval

The Board of Directors dedicated two meetings to the Decatur Island expansion. They reviewed the various materials and directed staff to move forward on the project with specifications.

- Watch the meeting with an information presentation and public comment: https://www.youtube.com/watch?v=SMx2RSfKCLA
- Watch the special meeting where the Board discusses and votes on the project: https://www.youtube.com/watch?v=Nq4vj7LJZnU

Board Materials for April:

- https://www.opalco.com/wp-content/uploads/2026/04/April-2026-Regular-Board-Materials-7.pdf
- https://www.opalco.com/wp-content/uploads/2026/04/April-21-2026-Special-Board-Meeting-4.pdf

Environmental and Permitting 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 (please note this is for Area A with a slight variation on acres that was based on earlier plans)
- Cultural Resources Assessment Letter
- Land Use Checklist
- Hearing Examiner Decision May 2026
- Townsend's Big-Eared Bat Survey

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

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- 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
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- Presentation Materials May 10
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Decatur Island Solar Project – Community Commitments

- Review community commitments here.