



# Board of Directors Regular Meeting

Thursday, March 20, 2025 Virtual  
Meeting via Zoom

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

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

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

## Sequence of Events

- OPALCO Board Meeting
- Executive Session



Board of Directors  
Regular Board Meeting  
March 20, 2025, 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](mailto: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:

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

### NEW MEMBERS – February 2025

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

BARRINGER, MIKEY  
 BERENS, SCOTT & BERENS, AMANDA  
 BUTLER, KEITH  
 CHEVALIER, LUCAS  
 COFFELT, JOHN  
 COX, GRETCHEN  
 CREYDT, RUSSELL & CREYDT, DANA  
 HASTY, CHASE  
 HELD, ANTHONY  
 HILLMAN, ANDREA & COHEN, MARC  
 HUVANE, JOHN  
 JAHANFAR, KYRA & JAHANFAR, ROBERT  
 KEMPTON ELECTRIC  
 KUPERBERG, MIKE & KUPERBERG, JEANNE  
 MEJIA, SELENA  
 RHEA, JOHN  
 ROGOWSKI, ADAM & BRAINERD, THEODORE  
 ROSENBERG, HOWARD & ROSENBERG, MARY ELLEN  
 SERRONE, ABBEY & VAIVODA, BRAD  
 TAYLOR, MIKE  
 THORMAN, CARL & THORMAN, RACHAEL  
 VANLIEU, MICHELLE  
 VOSS, LAUREN  
 WC TAHOMA LLC

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

BOOTH, CHRISTINE & SMAALDERS, MARK  
 DERUITER, CARIE & WEST, CHARLES  
 HAGANS, ELIZABETH  
 MEDINA, ANDI  
 ROBERT J & MELBA N BOSONE LIVIN  
 RODRIGUEZ VALDEZ, HUMBERTO  
 SALAS, MICHELLE & SALAS, JUAN  
 VADER, JOAN

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

BELL FAMILY LLP  
 DUPUIS, DESTON  
 HAVNER, MEGAN  
 MILLER, RUTH  
 RAIN, MADELINE & PETERSON, NILS  
 REYNOLDS, JOSEPH & REYNOLDS, JEAN  
 SARAH, MUNTER  
 YARBOUGH, JULIA & SOVINSKY, ROBERT

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

None

### Capital Credits

Staff requests 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:

March	
Customer #	Amount
71969	620.66
23560	1,206.33
14010	164.47
70576	1,761.67
70428	88,408.03
66041	1,748.81
69762	1,458.48
71452	742.37
67645	1,042.00
16986	1,198.26
82498	1,524.02
66707	448.41
<b>Total</b>	<b>\$ 100,323.51</b>

Staff requests a motion to approve the Consent Agenda.



**Orcas Power & Light Cooperative**  
**Minutes of the Board of Directors Meeting**  
**Thursday, February 20, 2025**

Streaming through Zoom attendees were Board members Vince Dauciuinas, Brian Silverstein, Mark Madsen, Tom Osterman, Jerry Whitfield, Chuks Onwuneme and Wendy Hiester. Staff present were General Manager Foster Hildreth; Manager of Engineering and Operations Russell Guerry; Manager of Member Services, Joey Wyckoff, Manager of Finance Travis Neal; Communications Manager Krista Bouchey; Communications Specialist Johanna Lange; Staking Technician Taylor Smith and Special Projects Office Coordinator Beth Stanford (serving as recording secretary). Also present were Legal Counsel Joel Paisner, and consultant Jay Kimball and special guests: Paul Picciano, Arne Olson and Ari Gold-Parker from E3 and Bryan Hannegan, General Manager of Holy Cross Energy.

Members in attendance: Heather Nicholson and Marty Vowels  
Meeting commenced at 8:35AM

Member Comment Period: No member comments.

**ACTION ITEMS**

**CONSENT AGENDA**

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

**DISCUSSION ITEMS**

**E3 Presentation:** E3 presented an overview of COSA and rate design principles, covering goals, evolving electric rates, and practical considerations with real-world examples. A General Manager from another co-op shared their approach. Discussion ensued.

**2024 Year in Review:** Staff reviewed the highlights of 2023 accomplishments.

**REPORTS**

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

Regular Session ended: 8:35-10:50 am, 11:05-11:15 am

Break: 10:50-11:05 am

Executive Session: 11:15-12:26

Meeting Closed: 12:26

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Vince Dauciuinas, President

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Tom Osterman, Secretary-Treasurer



## Resolution 1-2025 RUS Signing Authority

RUS has requested that OPALCO reissue Form 675, *Certificate of Authority*, which provides the authority to designated Staff to sign a Form 595 *Financial Requirement & Expenditure Statement* which requests drawdowns of RUS loan approved funds. The authorization which was previously signed in 2023 will remain in force until otherwise directed by the OPALCO Board of Directors.

To update the *Certificate of Authority* form, it requires a board resolution, which indicates board approval for the following staff members to sign for the approved RUS drawdown requests. The authorized staff members to be designated are Foster, Russell, and Travis.

### **BOARD OF DIRECTORS**

#### **RESOLUTION 1-2025**

#### **RUS Signing Authority**

**Resolved** that the Board of Directors authorizes J. Foster Hildreth, General Manager; Russell H. Guerry, Manager of Engineering and Operations; and Travis A. Neal, Manager of Finance to sign Form 595 *Financial Requirement & Expenditure Statement* in connection with requisitioning and accounting for Loan Funds.

#### **Certification of Secretary**

I, Tom Osterman, Secretary of Orcas Power and Light Cooperative, do hereby certify that the above is true and correct excerpt from the minutes of the meeting of the Board of Directors of the Orcas Power and Light Cooperative, held on the 20<sup>th</sup> day of March 2025 at which meeting quorum was present.

Staff recommends the Board make a motion to approve Resolution 1-2025 *RUS Signing Authority*.

## Orcas Center Switch It Up Request

The Federal Government has curtailed grant funding. This is impacting local institutions around San Juan County. To continue with a major solar and battery storage installation at the Orcas Center, they are requesting to utilize the on-bill financing program, Switch It Up, in the amount of up to \$600k. Due to the dollar amount of this project and the disbursement of funds above \$100k, as laid out in the tariff, it will require an addition 1% risk premium adder to the interest rate charged (3%+1% = 4% total). This applies to the entire amount requested by the Orcas Center. If the Orcas Center grant funds comes through as previously expected, then may be in a position to pay this amount off sooner than required. See appendix for proposal.

Staff is looking for concurrence from the Board.

# DISCUSSION ITEMS

## County Council Discussions

Board members (Vince, Mark, Brian, Wendy) and our General Manager met via Zoom with County Council members from their district to discuss the critical need for reliable electricity in San Juan County. These meetings were pertaining to OPALCO docket requests to change land use designations for renewable energy designations.

OPALCO outlined the electricity supply and demand issues the County is facing. Electricity demand is expected to grow by 50% over the next decade due to the electrification of heating, transportation, and artificial intelligence, which could lead to cost increases and blackouts if supply does not keep up. Mainland power is becoming increasingly unreliable, with BPA not expanding generation capacity and renewable projects facing community opposition. Additionally, the underwater power cables supplying the islands are at full capacity and replacing them would cost approximately \$125 million and take 5-10 years for permitting alone. While solar installations on all rooftops in the county would only meet about 5% of energy needs, local energy generation is a viable solution that ensures reliability, stabilizes costs, and positions the community to proactively address future energy challenges. Given the inevitability of this transition, taking a leadership role now will help secure a resilient energy future for the islands.

We requested that Council members prioritize the docket requests made by OPALCO for land use changes. OPALCO is working closely with the Council to ensure that the requests are on the right track and could be implemented sooner than later. Power supply is at a critical juncture and OPALCO needs to have permitting certainty for renewable energy projects to be able to leverage grant funds and utilize opportunities for these projects.

OPALCO received excellent suggestions by Council members to incorporate into our proposals. OPALCO will be incorporating the comments and suggestions into future member communication materials. Based on the discussions, OPALCO will continue to fine tune the details of the docket requests and to prioritize the Comprehensive Plan update. The Comprehensive Plan should help guide the recommendations OPALCO is making for the land use docket requests for renewable generation. Here is the latest iteration of the proposed docket changes:

# OPALCO Renewable Generation

## Blackouts are coming!

<https://www.opalco.com/wp-content/uploads/2025/01/OPALCO-Leadership-Overview-202501-Reduced.pdf>

### Statutes and Regulations

**Fundamental issue: Washington State still mandating** carbon emissions standards to combat climate change, including:

Climate Commitment Act (CCA): Pay carbon penalties with goal of reducing carbon emission to 95% below 1990 levels by 2050

Clean Energy Transformation Act (CETA): sale of electricity free from greenhouse gases by 2045, including no coal production by 2025

Energy Independence Act (I-937): reduce reliance on fossil fuels and encourage clean energy development.

Clean Fuel Standard: gasoline suppliers to reduce carbon intensity fuels over time

#### RCW 80.28.110 - OPALCO

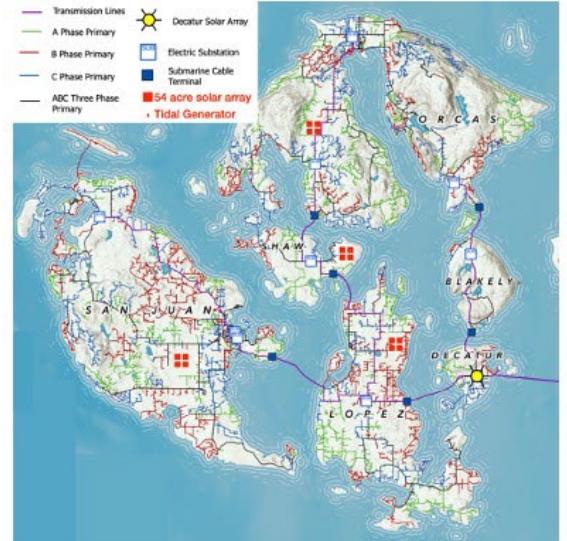
Duty to furnish adequate service & can't limit or ration kWh

#### WAC 480-100-178 - OPALCO

Electric service reliability

#### RCW 36.70A.070 Comprehensive Plans – San Juan County

Mandates sufficient electric infrastructure to support growth

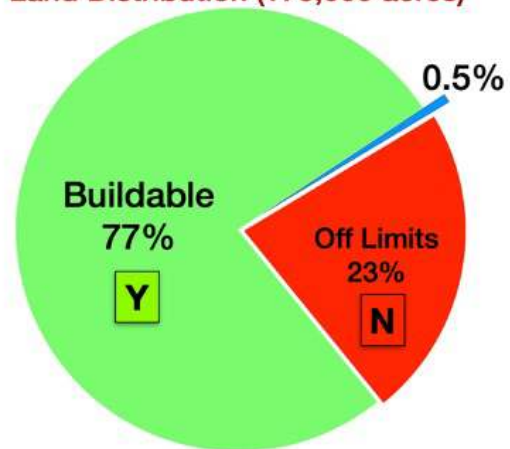


# OPALCO Renewable Generation

## How Much Land?

Land Distribution (175,000 acres)

- Load Growth thru 2035 – 30%-53% using Comp Plan Population figures (Chart updated per GMA defined growth figures.)
- OPALCO needs just ~½ % of land for utility-scale renewable generation projects
- Firm Cap on Available Land: ~½ % of 175,000 acres
- Ask Members to Donate Land & Easements



Note: San Juan County and OPALCO should revisit this the 0.5% of land figure periodically

## Permitting Predictability Land Use Safeguards

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### Restricted Areas:

OPALCO infrastructure will **not** be located in:

- Conservation areas
- Natural areas
- Land Bank properties
- Preservation Trust lands

### Overall Land Use Cap:

Limited to ~½ % of the county's **175,000 acres**



Note: ~½ % of the county's 175,000 acres equates to ~ 875 acres

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## Permitting Predictability Building Permit Safeguards

All projects must comply with existing building regulations and go through the State Environmental Policy Act (SEPA) process that analyzes environmental impacts :

- Critical areas
- Wetlands
- Grading and clearing
- Air quality
- Ground water
- Floodplain
- Discharge of waste
- Runoff
- Invasive species
- Comp Plan alignment
- Light
- Historical and cultural
- Endangered species
- Preservation
- Storm water planning
- Fire
- And more depending on site specifications



**Proposed Code Changes  
San Juan County Code 18.30.040**

- Define OPALCO infrastructure as a permitted use where applicable.
- Reinforce the ~½ % land cap for utility expansion.
- Comprehensive Plan – categorize electric infrastructure as “essential public facilities”

Utilities Uses	RGU	RR	RFF	RI	RC	AG	FOR	C	N
Commercial power generation facilities (Existing Language)	C	N	N	P/C	P/C	C	C	N	N
Renewable power generation and energy storage facilities	Y <sup>(1, 2, 3)</sup>	Y <sup>(1, 2, 3)</sup>	Y <sup>(1, 2, 3)</sup>	Y <sup>(1, 2, 3)</sup>	Y <sup>(1, 2, 3)</sup>	Y <sup>(1, 2, 3)</sup>	Y <sup>(1, 2, 3)</sup>	N	N

**NOTES**

1. Land use designations allowed outright not to exceed a total of 875 acres for renewable energy generation (wind, solar, biomass, geothermal, energy storage or other renewable generation-based technologies).
2. Excluding Conservation, Natural, Land Bank Properties and Preservation Trust conservation easements
3. Subject to following Building Permitting guidelines

Additionally, OPALCO has held meetings with the Friends of the San Juans and other stakeholders to review these docket request submittals.

## 2024 Unaudited Financials

The Year End results are extremely positive with a net margin of ~\$6.7M compared to the budget of ~\$3.2M. Of the margin variance ~\$3.5M, ~\$2.2M is the result of higher operating revenues (driven by ~11M of higher kWh sales), ~\$1.1M is from lower overall operating expenses and ~\$674K was associated with the BPA Reserve Distribution Clause (RDC).

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.

The energy charge adjustment (ECA) collected a net \$147k from the membership throughout 2024. This is primarily driven by an increase in kWh purchases of ~12M, resulting in higher overall power costs than budgeted (excluding RDC discussed above).

The table below provides a summary of the financial results of 2024.

Income Statement Summary (in thousands)	Year End 2024 (unaudited)		
	Budget	Unaudited	Variance
Operating Revenue	\$ 37,407	\$ 39,492	\$ 2,085
ECA Surcharge / (Credit)*	\$ -	\$ 147	\$ 147
Revenue	\$ 37,407	\$ 39,639	\$ 2,232
Expenses:			
Cost of Purchased Power	\$ 9,159	\$ 9,126	\$ (33)
Transmission & Distribution Expense	9,343	9,042	(301)
General & Administrative Expense	7,054	6,190	(864)
Depreciation, Tax, Interest & Other	9,316	9,386	70
Total Expenses	34,872	33,744	(1,128)
Operating Margin	2,535	5,895	3,360
Non-op margin	673	829	156
Net Margin*	3,208	\$ 6,724	3,516
OTIER	2.19	3.90	1.72
TIER	2.50	4.31	1.81
Equity %	40.3%	40.8%	0.5%
HDD	1,029	801	(228)
kWh Purchases	219,000	230,985	11,985
kWh Sales	208,000	219,209	11,209

\* The ECA collected a net \$147k from members through December 2024.

For more details, please note the following key points:

- Heating Degree Days (HDD) were ~22% below budgeted levels (actual of 801 vs. budget of 1,029). Overall kWh sales were ~11M kWh above budget (219M vs. budget of 208M).
- 2024 power purchases were \$33k lower than budgeted due to 2024 PNGC Dividend Credits of \$674k which were not included in the ECA calculation. Actual kWh purchases were ~12M kWh above budget (231M vs. budget of 219M).
- Excluding purchased power, 2024 operating expenses were approximately \$1M under budgeted amounts. See budget notable drivers within the financial packet for specific account details.
- The ECA for 2024 was a net charge to members (and increase to operating revenue) of \$147k, or \$8.82 for a member using 1000 kWh/month.
- Rock Island Communications 2024 Financials included in separate packet.
- Additional annual accomplishments are outlined in the 2024 Year in Review Materials

OPALCO 2024 Financial Package under separate cover.

## 2024 Year in Review (as published in February)

### OPALCO Team Accomplishments 2024

#### Safety:

- Exceeded 298,000 hours worked without a loss-time accident.
- Actively monitor safety improvement plans as outlined in our RESAP program (Rural Electric Safety Achievement Program).
- Committed to NRECA's Zero Contacts initiative.



- Held monthly comprehensive in-person safety meetings to sustain our culture of safety.

#### **Engineering, Operations & Information Technology:**

- Average service availability rate of 99.95% for the year.
- Reached a system extreme of ~88 MW (instantaneous load not hourly demand).
- Replaced ~44,000 feet of aging and failing underground cable and ~88,000 feet of conduit for future aging cable projects.
- ROW Trimming: Roughly 5.8 miles of transmission corridors were able to be cleared for safety and operational access in addition to side trimming of distribution corridors.
- Friday Harbor Substation replacement is complete and was energized in October of 2024.
- Completed feasibility study for tidal generation plus storage. Successfully presented tidal proposal to DOE visiting team and garnered DOE OCED grant for tidal generator in Rosario Strait (Phase 1).
- Finalized Tidal Generation feasibility grant with US DOE Waterpower Technology Office with execution in June 1, 2024. Submitted and received a preliminary permit which hold the proposed location of the project for OPALCO. Feasibility, procurement plan, and draft license agreement to be completed by April of 2025.
- Boyce Road distribution tie line construction began in October 2024. This tie will allow for greater redundancy for San Juan Island substations.
- Lopez Backup Substation construction began in May 2024. Staff anticipate this redundancy to be in service by end of Q3 2025.
- Staff started implementation of high impedance fault detection to aid in faster fault clearing to reduce the chance of a sustained fault.
- Staff completed Ferry Electrification Grid Interconnection Study.

#### **Finance & Accounting:**

- Unqualified opinion of Financial Audit for 2023. No audit comments in the 'communication of internal control related matters' letter to management and the Board.
- Switch-It-Up on-bill financing program financed 283 energy efficiency projects for over \$6.2M in additional financing provided by OPALCO to our members. 2024 had +9 more projects financed than in 2023. Dollars financed were ~\$700k over 2023.
- Continued capital credit smoothing methodology, retiring \$1.5M in capital credits back to the membership in 2024. Thanks to the continued generosity of our members, capital credit reoccurring donations went from \$15k in 2023 to \$21k in 2024.
- Successfully completed the transition from paper filing of IRS information returns to electronic filings of IRS information returns.
- Managed multiple grant applications, periodic reporting to various State & Federal agencies as well as successful submission & receipt of >\$9M of grant reimbursements in 2024.

#### **Management and Human Resources:**

- Offered farewell to the Manager of Communications and a Journeyman Lineman.
- Promoted the Communications Specialist to the Manager of Communications.
- Hired a Special Projects/Office Coordinator, a Member Services Representative, a Journeyman Lineman and a Communications Specialist.
- Continued training with four Apprentice Lineman with two entering their final year of training.

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

- Rebate dollars awarded to members through December: ~\$291k.
- Energy saved by members through BPA/PNGC rebates: 504,908 kilowatt hours.
- Total interconnected members generating renewable power: 847 with 142 new in 2024.
- 525 MWh of member solar/wind production incentivized by WA State.
- Supported 48 members in beneficial electrification measures, totaling \$70,200.



- Incentivized the installation of 56 EV charging stations for homes and businesses.
- Decatur Community Solar project:
  - 260 members participated.
  - Produced 501.76 MWh – enough to power 500+ typical SJ County homes for a month, or 42 homes for a year.
  - distributed \$50k through production credits on participants’ bills (\$310.5k since energization), including an additional \$9,118 to the PAL and Energy Assist programs.

#### **Member Services:**

- Five Member Services Representatives (one new hire) handled more than 9,130 inbound calls from members.
- Billed members ~\$39.6M for energy usage of ~219.2M kWh.
- During the first part of 2024 (the 2023-2024 PAL season) the Member Services Team awarded ~35.8k of PAL assistance to 143 low-income households.
- During the second part of 2024 (2024 – 2025 PAL season), Member Services Team awarded 169 low-income households with ~ 42.3k of PAL assistance funds.
- Energy Assist participation increased with an average of ~353 households receiving monthly bill credits which totaled ~\$164.2k.
- ~9.6k accounts are on autopay.
- ~7.4k accounts are paperless.

#### **Communications:**

- Continued the monthly Ruralite magazine to have consistent wide-reaching communication with OPALCO members on topics such as energy savings, our energy future, the Island Way Campaign, and a variety of timely articles that affect the membership.
- Staff continued the Island Way Campaign including hosting Island Way Workshops via Zoom with a variety of topics including tidal energy, Smart Home Devices, Climate Change in San Juan County, and the Bailer Hill Microgrid. Close to 200 members attended these workshops. The most popular being the Bailer Hill Microgrid and Tidal Generation presentations.
- Changed the format of the Annual Meeting to have the business portion of the meeting via Zoom and an in-person member appreciation event the following day. The Annual Member Festival was held at the Eastsound office parking lot. The festival was a huge success with over 300 Co-op members in attendance. The parking lot was transformed into a family-friendly educational activity center. The whole OPALCO team was on hand to welcome attendees, give out SWAG, and help keep the event flowing.
- Worked with Member Services Team to distribute Washington Families Clean Energy Credits to OPALCO members – a \$200 bill credit. The program distributed \$377.5k to 1,888 members.
- Gained new team member Communications Specialist, Jo Lange.
- Worked with Sustainable Connections to promote grant that helps businesses in San Juan County to get energy efficiency incentives
- Created new and updated an extensive Quick Fact Library – digital information sheets hosted on the website
- Promoted and held the annual Board Candidate election including 2 candidates. 1,826 members voted which is ~16% of the membership
- Attended various community events including Rotary Car show, tour of the Orcas Transfer Station with State Representative, Alex Ramel, educational tour with Canoe Island campers of the Decatur Microgrid, OISD Resource Fair, Touch-A-Truck, Truck-or-Treat, the Future is Electric with Rotary Club, Washington Apprenticeship Vocation Career Fair, Comp Plan Community Input, Community Wildfire Protection Plan Input Session, and Chamber Mixers for outreach opportunities.
- Awarded five Youth Scholarships and took the scholars to the ICUA Youth Rally.
- Co-hosted Historical Museum Exhibit Opening: The History of Bringing Power and Communications to the



San Juans with approximately 50 in attendance.

- Celebrated National Cooperative Month with a social media giveaway campaign. Six different members won swag bags filled with OPALCO branded swag and outage essentials. Throughout the month, we received over 100 comments from members interacting with various posts.
- Facebook page has seen an increase in 175 followers, had 3,800 interactions (likes, comments, shares), and reached 33,800 users (posts that have been on user's feeds)
- Instagram page has gained 125 followers, had 472 interactions, and 2,600 reached.
- Two out of the top five performing posts on OPALCO's social media involved video footage from outages or severe storm weather—Nov. 12 2024 Orcas/Shaw outage video of bucket truck in the wind, Jan. 9 2024 storm, waves crashing onto road on Lopez.
- Top performing post was the outage summary and photos from the Christmas Day 2024 outage.
  - 11,654 views
  - 138 likes
  - 23 comments
  - 7 shares
- Thirteen e-newsletters sent to members about all things OPALCO, including meetings and events, community projects, member stories, and more. Sent to an audience of ~9,300 co-op members 47.2% Avg. yearly open rate for newsletters, translating to avg. of 4,400 members opening each newsletter. March and June newsletter were the most opened of the year, each with an open rate of 49.6%
- Produced and distributed monthly bill inserts, weekly newspaper ads, monthly email newsletters, updated, and created new forms including digitizing and modernizing processes, documents and content for the Member Services and Engineering departments.
- Website analytics: increase in traffic for all top 20 pages, Member Services pages saw a 30% increase in traffic and 82% increase in engagement, Switch It Up and Rebates saw a high share of direct traffic and repeat visitors. Instituted very popular Spanish translation for webpages – saw very high usage of these pages. Other improvements included archive feature, update to FAQs on blog posts, rate graphs, and contractor contacts.

### **Rock Island Team Year in Review 2024**

#### **Safety:**

- Maintained a 99% injury free work environment.
- RIC enhanced its internal safety training and program development, L&I, and OSHA compliance. This provides staff with more regular access to safety resources, education and training. Overall, it has enhanced the awareness of safety at Rock Island.
- Added a third-party Safety Review Committee to better assess all department needs for a more objective and focused work environment for safety.

#### **Finance and Operations:**

- Well managed employment timing and recruitment strategies helped Rock Island stay under their labor budget by \$160k.
- Ended the year \$3.79M EBITDA positive.
- Successfully completed a highly graded audit.
- Continue to support and grow a community support funding process through Orcas Community Foundation for low-income assistance.
- Established recurring, monthly revenues with T-Mobile beginning in January for our tower facility services including backhaul and maintenance of these. This new, reliable income source will also increase with the upgrading of our towers. Launched the Equal Access program to support customers after the federally funded ACP program ended.



- Enhanced Business Fiber Services by raising speeds without price increases. This helped enforce the migration of historical small businesses from residential rate plans to business rates plans.
- Successfully transferred Pogo Zone customers to Rock Island services by set deadline of agreement and decommissioned the last cable system in operation on Orcas Island.
- Built custom monitoring solutions for the county radio system, giving real-time alerting on all system components.
- Designed and deployed a state-of-the-art management portal for construction that delivers real time updates for project segments, including up to the minute progress totals.
- The portal also offers a direct communication platform for customers to have a one-on-one project communication platform for ease of updating.
- Completed over 50% of our ARPA project, 8 months ahead of schedule.
- Finished 1 of 4 ARPA projects in 2024 within \$1,200 of the project budget.
- Successfully launched a customer portal for grant recipients, enhancing communication and interaction for large-scale projects like grant initiatives and Middle Mile builds. This new framework streamlines the onboarding process with Rock Island by offering a more intuitive, self-service interface.
- Integrated a GIS platform with Salesforce, enabling real-time visibility into construction projects. This will also allow for enhancements to maintenance and emergent work orders for our system, visible by field staff from the mapping platform.
- Rock Island actively supports local business customers with critical, cutting-edge services, offering a comprehensive range of solutions including infrastructure as a service, security consulting, hardware, and software services. This integrated approach ensures businesses have the tools and expertise needed to thrive in a rapidly evolving digital landscape.
- Rock Island has increased the Wireless threshold for speed to up to 50MB based on network performance and upgrades. This is in addition to the Wireless plus and Unlimited options.
- Leveraging our robust Network Operations staff, we have extended remote monitoring and support for other ISP companies, increasing our network consultation revenue stream.
- Expanded services to cross-connect locations for out of County revenue streams in Washington State.
- RIC is now a Lifeline Designated Service Provider which allows for claims reimbursement for Rock Island for lifeline qualified customers on our Equal Access Program offering better equity and inclusion for broadband access in San Juan County.
- Expanded our solicitation of funding to support the local broadband funding account through the San Juan Island Community Foundation to grow access to funding in support of our Equal Access Program.
- Rock Island is now an established Eligible Telecommunications Carrier (ETC) as recognized by the Washington Utility and Transportation Commission, which allows for the awarding of funding from previous RDOF programs to Rock Island.
- RIC enhanced our internal safety training and program development, L&I, and OSHA compliance. This provides staff with more regular access to safety resources, education and training. Overall, it has enhanced the awareness of safety at Rock Island.
- RIC conducted a systematic review of an organization's compensation practices to ensure RIC offers fair market compensation, remains competitive, compliant with wage laws, and has a framework for predictable labor cost structure into the future with measurable increases over time, eliminating compression of wages.
- Using our compensation review, RIC has developed an enhanced career pathing approach for managers to coach on and improve performance development.
- Pivoted to a new office location for 2025 to save on lease costs while preparing for new office and warehouse facilities in future years.
- Conducted some of the most successful hiring processes to date for a year with a total of 6 positions filled from a base of 68 applications resulting in 63 interviews for 4 separate department positions. Including 1



reference sent to OPALCO for a successful hire on the power side.

- Fiber has been made economically available to nearly 8,900 residences in SJC by way of the incentive program and grant funding.
- Delivered a 99.998% reliability rate to our fiber and wireless customers.
- Handled continued local ferry catastrophes by dynamically adapting to crew and schedule needs without advanced notice.
- Pivoted our focus to mitigate higher than anticipated expenses and steered spending to go from \$200k behind plan in Q2 to \$7k better than plan in Q3 2024.
- Secured a grant for \$35k through WASAC for reimbursement of resources in applying for BEAD through San Juan County Government.
- Managed labor expense well to come in better than plan by \$140k
- Managed spending on op Ex during Q3 and Q4 to maintain profitability despite heavy expense hits in Q1 and Q2
- Ended the year \$3.7M EBITDA positive Made up a 200k deficit in net profitability from Q2 to YE, ending with a net profitability of \$133k. This was over \$100k better than we projected to come in at during our Q3 meeting with the board.

**Sales and Marketing:**

- Connected 515 homes and businesses to our fiber network, and 400 to Wireless.
- Captured 53%, and growing, of the total internet subscriber market in the county.
- Continued to increase over ARPU numbers for Wireless and Fiber
- Grew Business Services by over \$150k in recurring revenue
- Added 11 new SLA clients to Business Service Support
- Increased Revenues to nearly \$11M annually
- Came in better than planned in Business Services revenue by nearly \$60k

# REPORTS

## General Manager

### Dashboards

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

- | <b>Finance</b>   | <b>Member Services</b>   | <b>Outage</b>   |
|--|--|---|
| <ul style="list-style-type: none"> <li>• Budget Variance</li> <li>• TIER/Margin</li> <li>• Expense</li> <li>• Cash</li> <li>• Power Cost</li> <li>• Purchased Power</li> <li>• Annual Power Metrics</li> <li>• Capital</li> <li>• Debt/Equity</li> <li>• WIP</li> <li>• Income Statement Trends</li> </ul> | <ul style="list-style-type: none"> <li>• Disconnects</li> <li>• Uncollectable Revenue</li> <li>• PAL</li> <li>• EAP</li> <li>• Membership</li> <li>• Service Additions</li> <li>• Annual Service Additions</li> <li>• Revenue Dist. By Rate</li> </ul> | <ul style="list-style-type: none"> <li>• Historical SAIDI - Graph</li> <li>• Historical SAIDI - Figures</li> <li>• Outage Stats – Rolling 12 Mo</li> <li>• Outage Stats – Monthly</li> <li>• SAIDI by Category</li> <li>• Outage Summary</li> </ul> |

### Quickfacts

Please review the Quick Facts at <https://www.opalco.com/newsroom/quick-facts/>.

- |  |   |
|--|---|
| <ul style="list-style-type: none"> <li>• OPALCO’s Plan for our Energy Future</li> <li>• Decarbonization – 4 Part Series</li> <li>• Switch It Up!</li> <li>• WA 2021 Energy Strategy</li> <li>• Simpson Proposal and the Northwest Energy Evolution</li> <li>• Will there be enough power?</li> <li>• OPALCO Rates</li> <li>• Energy Independence? Not entirely</li> <li>• Rock Island Communications</li> <li>• OPALCO election process</li> <li>• Wireless Services</li> <li>• Cost of Service</li> <li>• Staff Compensation</li> <li>• NRECA</li> <li>• OPALCO Debt and Capital Projects</li> <li>• Ocean Health</li> <li>• NW Resource Adequacy in a Rapidly Decarbonizing World</li> </ul> | <ul style="list-style-type: none"> <li>• Land for Renewable Energy Projects</li> <li>• Understanding the Change in Solar Rates</li> <li>• Decatur Island Battery Storage Project</li> <li>• Why Hydropower is Important to our Power Supply</li> <li>• Where does OPALCO stand on regional issues and the dams?</li> <li>• Future Power Purchase Strategy</li> <li>• Industry Association Memberships and Co-op Benefits</li> <li>• Climate Change News Review - September 2022</li> <li>• OPALCO Tidal Energy Pilot Project</li> <li>• Solar Rate for Residential Members</li> <li>• Right-of-Way Program</li> <li>• Inflation Reduction Act (IRA) Benefits</li> <li>• Wildfire Mitigation</li> <li>• Surge Protection</li> <li>• OPALCO Needs a New Submarine Cable</li> <li>• OPALCO’s Rate for Members who have Rooftop Solar</li> <li>• Why Local Renewable Projects? Mainland Power Demand Will Soon Exceed Supply</li> </ul> |
|--|---|





## Engineering, Operations and Information Technologies

### WIP

As of March 12, 2025, there are 314 work orders open totaling \$12.8M. Operations has completed construction on 120 work orders, totaling \$1.1M.

### San Juan Island Planned Overnight Outage – March 26, 11 pm – 5 am (March 27)

The outage will begin at approximately 11:00 pm on Wednesday, March 26 and power is expected to be restored on March 27 no later than 5 am. During this time, OPALCO crews will do the necessary work to energize the new power lines on Pear Point Road. This power outage will be during the night to minimize impact to OPALCO customers.

This work is part of San Juan County's recovery strategy for protection of salmon populations which includes the Jackson Beach Restoration Project. As part of the plan, OPALCO is moving the transmission poles off Jackson Beach on San Juan Island. These critical high voltage transmission lines carry power to all of San Juan Island. Later this year, the poles will be removed from the beach.

### Safety

Northwest Safety Service conducted Sling training in February and Working on/near exposed energized parts, as well as office safety in March. The total current hours worked without a loss time accident is 33,615 hours.

### Grants

#### Rosario Strait Tidal Project

OPALCO has been in the process of a 12-month competitive grant with the Department of Energy (DOE) since May 2024. The grant was a feasibility study that resulted in a Draft License Application for a pilot license with the Federal Energy Regulatory Commission (FERC) for installing a 2MW tidal generation device in Rosario Strait. The team is getting ready to submit by the end of the month the following deliverables:

- Project Management Plan
- Risk Management Plan: Technology
- Risk Management: Project
- Resource Characterization Plan
- Preliminary Environmental Management Plan
- Preliminary Stakeholder Engagement Plan
- Baseline Social and Economic Impact Assessment
- Updated Community Benefits Plan
- Preliminary Grid Interconnect Study
- Technology Selection and Qualification Plan
- Preliminary Site Market Transformation Plan
- Health and Safety (H&S) Management Plan
- Preliminary Procurement Plan
- FERC draft Hydrokinetic Pilot Project License and Notice of Intent, or USACE permit.
- Demonstration of Financial Readiness: Contingency Reserve

This is the published legal notice:

*Orcas Power & Light Cooperative (OPALCO) hereby gives notice of its submittal of a Draft License Application to the Federal Energy Regulatory Commission (FERC) on March 28, 2025 for a 10-year pilot project license for*



OPALCO’s proposed Rosario Strait Tidal Energy Project (Docket No. P-15368-001). The purpose of the Project is to demonstrate the potential for a new source of clean, locally produced, renewable electricity generated from tidal currents in Rosario Strait. OPALCO will use the O2X device by Orbital Marine. Issuance of a pilot project license will allow OPALCO to demonstrate that electricity can be generated from tidal currents and power can be transmitted directly to a remote community with an isolated power grid without adverse environmental effects. The project will be located in the Rosario Strait in the Salish Sea. Comments can be filed with FERC for up to 30-60 days following the filing date.

The application may be accessed after submittal on March 28, 2025 at <https://elibrary.ferc.gov/eLibrary/search>: (Docket No. P-15368-001)

Given the unknowns in the new federal Administration, grants funds are expected to be less available. OPALCO will curtail our pursuit of grants funds accordingly.

### Grant Seeking

Grant Program / partner	Funder	Project Title (\$\$)	Grant \$\$	Matching \$\$	Timeline
Water Power Technology Office	DOE	Pilot Tidal Project (\$60M)	\$35M	\$25M	Determination in 11/2023
Clean Energy Fund 5 / partner to Port of Orcas	WA Dept of Commerce	EV Charging Project – Orcas	n/a	n/a	TBD
RMUC Program Advanced Cybersecurity Technology ACT 2	US Dept of Energy	OPALCO Cybersecurity Initiative	\$150,000		TBD

### Grant Awards

Grant Program / partner	Funder	Project Title (\$\$)	Grant \$\$	Matching \$\$	Timeline / Notes
Zero Energy Vehicle Infrastructure (ZEVI) / partner with OPAL CLT	Bonneville Environmental Foundation	EV Chargers for OPAL Neighborhoods (\$45k)	\$25k	\$20k	Working with OPAL Install by Aug 2025
Remote Communities Broadband ARPA	WA State Broadband Office	Last Mile Broadband	\$15M		Construction in Process
Clean Energy Fund 3 Grid Modernization	WA Dept of Commerce	Bailer Hill Microgrid	\$2.4M	\$2.4M	Land Use Permitting
Clean Energy Fund 4 Grid Modernization	WA Dept of Commerce	Friday Harbor Ferry Electrification Prelim Design	\$150k	\$150k	Q4 2024 (Still waiting to hear)
Clean Energy Fund 3 Grid Modernization	WA Dept of Commerce	Low Income Solar – Bailer Hill Microgrid	\$1M	\$1M	Land Use Permitting
RMUC Program Advanced Cybersecurity Technology ACT 1	US Dept of Energy	OPALCO Cybersecurity Initiative	\$50,000		Phase 1 completed and Phase 2 application submitted Dec 5th, 2024, for second round of funds

Finance

**2025 Budget Tracking**

Energy (kWh) sales were slightly higher than budgeted levels through February 2025. The table presents the full year 2025 projection with actuals for prior months where available.

Income Statement Summary (in thousands)	2025 Projection (actuals for prior months)		
	Budget	Projected	Variance
Operating Revenue	\$ 42,814	\$ 43,033	\$ 219
ECA Surcharge / (Credit)*	\$ -	\$ (414)	\$ (414)
Revenue	\$ 42,814	\$ 42,619	\$ (195)
Expenses:			
Cost of Purchased Power	\$ 10,985	\$ 11,133	\$ 148
Transmission & Distribution Expense	9,385	9,064	(321)
General & Administrative Expense	7,387	7,350	(37)
Depreciation, Tax, Interest & Other	10,171	10,094	(77)
Total Expenses	37,928	37,641	(287)
Operating Margin	4,886	4,978	92
Non-op margin	793	783	(10)
Net Margin*	5,679	\$ 5,761	82
OTIER	2.99	3.05	0.06
TIER	3.31	3.37	0.06
Equity %	40.3%	40.3%	0.0%
HDD	1,446	1,447	1
kWh Purchases	235,000	240,930	5,930
kWh Sales	223,000	230,142	7,142

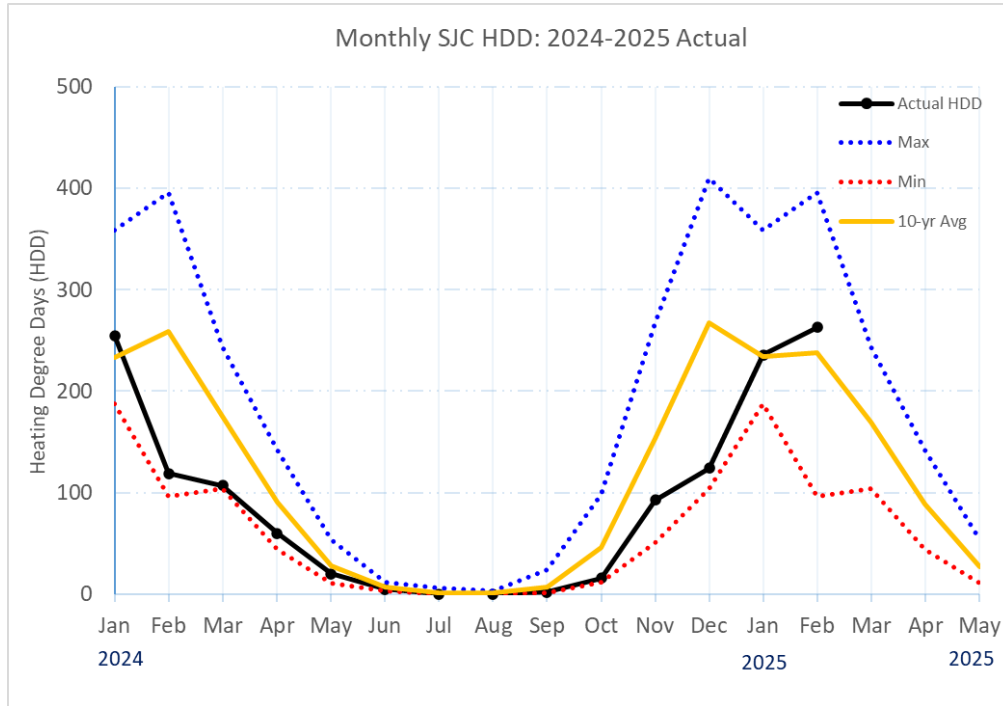
\* The ECA returned a net \$414k to members through February 2025.

**Monthly Energy Charge Adjustment (ECA)**

The February 2025 ECA returned \$239,422 to members, or \$7.94 per 1,000 kWh. The March billing period ECA will be a credit of \$.002941 per kWh, or \$2.94 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)

This year followed average HDD trends, and we expect the first quarter 2025 to be trending slightly cooler based on National Weather Service forecasts below. We continue to monitor weather trends monthly.

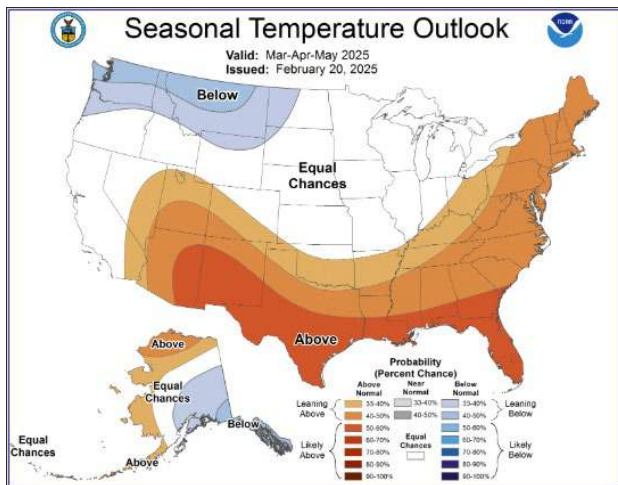


\*max, min, avg is based on 10 year average

### Weather Forecast

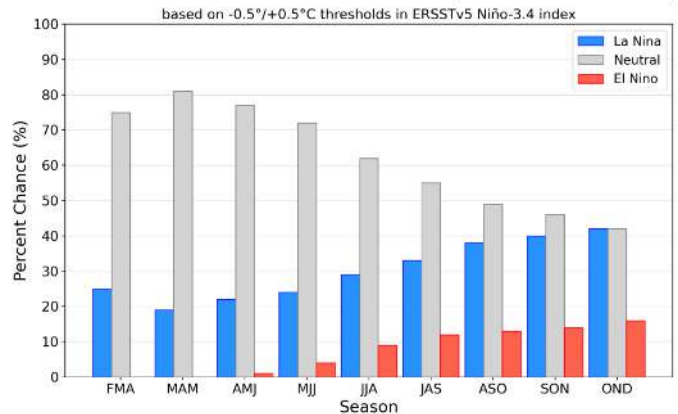
Looking ahead to the NOAA ‘three-month outlook temperature probability’ for Mar-Apr-May ‘25, the outlook is currently showing a slightly La Niña temperature condition in our region through the remainder of the winter season. The models in the International Research Institutes’ (IRI) ENSO (weather) prediction forecasts a continued La Niña condition through winter. We continue to monitor these predictors monthly.

### 2025 Mar-Apr-May Outlook



Source: NOAA National Weather Service

### Official NOAA CPC ENSO Probabilities (issued March 2025)





## Member Services

### Annual History of Energy Assistance Funding

All values are as of first of the month reported.

		2018	2019	2020	2021	2022	2023	2024	2025	Grand Total
Energy Assist Credit	# of Accounts	444	460	574	577	546	519	524	403	1,220
	Total Assistance	111,996	135,595	158,434	158,740	156,761	141,748	164,175	36,132	1,063,582
PAL	# of Accounts	212	205	329	363	297	268	264	68	913
	Total Assistance	45,155	53,137	80,975	104,880	82,912	80,500	74,750	17,000	539,310
EAP Residential - COVID	# of Accounts			88	74	63				98
	Total Assistance			21,535	27,606	8,348				57,489
EAP Commercial - COVID	# of Accounts			107	97	79				119
	Total Assistance			73,340	87,233	21,998				182,570
PAL - COVID	# of Accounts			131	122					222
	Total Assistance			15,000	12,200					27,200
Grand Total	# of Accounts	460	488	835	825	754	584	566	419	1,559
	Total Assistance	157,151	188,732	349,283	390,659	270,018	222,248	238,925	53,132	1,870,150

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

### Project PAL

During February 2025, 27 Members received ~ \$6.8K in Project PAL Awards, compared to 31 Members who received ~\$7.8K in Project PAL Awards in February 2024.

### Energy Assistance

**EAP:** During February 2025, 401 members received ~ \$18.3K from the low-income Energy Assist program, compared to 379 members who received ~ \$16.2K in assistance in February 2024.

### LIHEAP and State Home Energy Assistance Program (S-HEAP)

LIHEAP and S-HEAP Awards continue to come in to members on behalf of the Opportunity Council.

The State Home Energy Assistance Program (S-HEAP), funded through the Cap-and-Invest Climate Commitment Act, continues to provide critical assistance to Washington State households who may not qualify for the Federal Low-Income Home Energy Assistance Program (LIHEAP) due to factors such as naturalization status. SHEAP will remain operational beyond November 2024. Currently, local San Juan agencies are referring eligible households to the Opportunity Council which in turn is directly engaging with clients to ensure they receive timely support.



## Energy Savings

During February there were a total of seven rebates paid out to members totaling ~\$10.6k. This includes one fuel switching ductless heat pump rebates and two EV charging station rebates.

### 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.

		2014-2019	2020	2021	2022	2023	2024	Totals
EE Rebates*	# of Accounts	2,141	303	147	210	210	17	3,289
	Total Awards	\$1,348,477	\$167,432	\$149,886	\$227,622	\$259,445	\$22,222	2,489,029
	Total Energy Savings (annual kWh)	5,960,711	783,431	359,269	346,900	253,675	9,230	8,153,598

\*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.

## 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 928 projects completed and billing for a total of \$17.1M net outstanding (total projects less member pay-offs). There are another 40+ projects in various stages of the process. Current project details are as follows:

Measure	Project Origination Year							Grand Total
	2019	2020	2021	2022	2023	2024	2025	
Appliance					36,112	51,093	840	\$ 88,044
Energy Storage				39,510	27,159	47,766		\$ 114,435
Ductless Heat Pump	648,252	620,060	637,599	1,554,579	1,788,412	2,385,585	160,554	\$ 7,795,042
EV Charger						34,031	2,948	\$ 36,979
Fiber		30,725	48,681	29,301	41,929	85,080	4,492	\$ 240,207
Ducted Heat Pump	8,119	30,000	15,000	18,127	956,159	446,017	120,724	\$ 1,594,147
Heat Pump Water Heater	13,985	9,805		5,012	15,701	13,700	9,942	\$ 68,145
Insulation				256,935	42,634	240,729	18,234	\$ 558,532
Other	14,543			92,649	188,075	31,981		\$ 327,249
Solar + Storage				480,057	474,806	328,258	52,107	\$ 1,335,227
Solar				1,897,659	3,110,484	2,068,684	150,702	\$ 7,227,529
Windows				563,557	402,434	510,919	55,589	\$ 1,532,499
<b>Grand Total</b>	<b>\$ 684,900</b>	<b>\$ 690,589</b>	<b>\$ 701,280</b>	<b>\$ 4,937,386</b>	<b>\$ 7,083,904</b>	<b>\$ 6,243,842</b>	<b>\$ 576,133</b>	<b>\$ 20,918,035</b>

The following table shows the utilization of the RUS Rural Energy Savings Program (RESP) loan funds, used to fund the Switch It Up program. These funds are available for use through 2031.

	Total (in millions)	Remaining Available
RESP 1.0	5.80	-
RESP 2.0	15.00	3.00
RESP 3.0	26.00	23.46
	<u>\$ 46.80</u>	<u>\$ 26.46</u>



## Solar Programs

### Interconnects

There were 18 new interconnect applications submitted in February, with seven members interconnected with solar for a total of 849. (<https://energysavings.opalco.com/member-generated-power/>). There are an additional 51 pending connections.

### Solar Benefits Paid to Members

All values are as of first of the month reported.

		2019	2020	2021	2022	2023	2024	2025	Table Total
Comm Solar*	# of Accounts	265	265	268	262	264	263	261	
	Total Payments	\$50,567	\$50,688	\$52,009	\$46,825	\$46,708	\$50,037	\$1,352	<b>\$298,186</b>
WA State Incentives*	# of Accounts	256	259	325	319	323	316	-	
	Total Payments	\$224,766	\$218,222	\$174,149	\$158,831	\$158,890	\$150,684	-	<b>\$1,085,542</b>
MORE**	# of Accounts	144	144	140	135	-	-	-	
	Total Payments	\$53,109	\$51,897	\$50,896	\$123,477	-	-	-	<b>\$279,379</b>

\*The funds paid out to members for the Washington State Incentives are included in OPALCO's state tax bill and then credited when paid out to members. Includes State incentives paid to community solar participants.

\*\*The MORE (Member Owned Renewable Energy) program closed to new participants in 2016. Members purchased "green leaves" of renewable power to support local solar producers. OPALCO fully supported this voluntary member program until member interested died out. The program ended September 30, 2022, with a final payout of all program dollars that remained.

## Communications

### OPALCO Election – Co-ops Vote!

Voting is now open! OPALCO needs to get a quorum which is 10% of the cooperative membership. Voting is open until April 21. As of March 13, 4% of the membership has voted.

### Candidate forum

On March 5, 2025, OPALCO hosted a virtual candidate forum that allowed members to hear from the 3 candidates up for re-election to the Board of Directors this year. There were 26 members who attended the forum. The meeting was recorded and uploaded to the Election Hub page of the OPALCO website ([www.opalco.com/election](http://www.opalco.com/election)).

The meeting was hosted by Jo Lange, OPALCO Communications Specialist, and was moderated by Steve Bowman, of the League of Women Voters. The meeting opened with introductions from all three of this year's candidates; Mark Madsen (District 1), Brian Silverstein (District 3), and Dr. Jerry Whitfield (District 4). Candidates were then asked some general questions and were given 2 minutes to answer each. After all general questions were addressed, the member Q&A portion began. Members submitted questions through the Q&A function of the Zoom webinar, and Beth presented each question to the candidates as they were sent in.





**Election Timeline**

<b>Event</b>	<b>Date</b>
Legal Notice for Election (RUS requires minimum 30 days prior to nominating process)	12/14/24 (extra time to avoid holidays)
Member Initiated Bylaw Amendment	12/25/24-1/23/25
Director Applications due to EGC	01/21/25
Nominations posted - (80 days prior to meeting)	02/03/25
Nominations by petition due to office	02/15/25
Nominations by petition posted - (55 days prior to meeting)	02/28/25
Candidate Forum (virtual)	03/05/25
Notice to members/Ballots mailed - (21-50 days prior to meeting)	03/05/24-04/03/25
Election closes - (3 days prior to meeting)	04/21/25
Annual Meeting	04/24/25

It should be noted this will be the that we have three board positions from three different districts as outlined below:

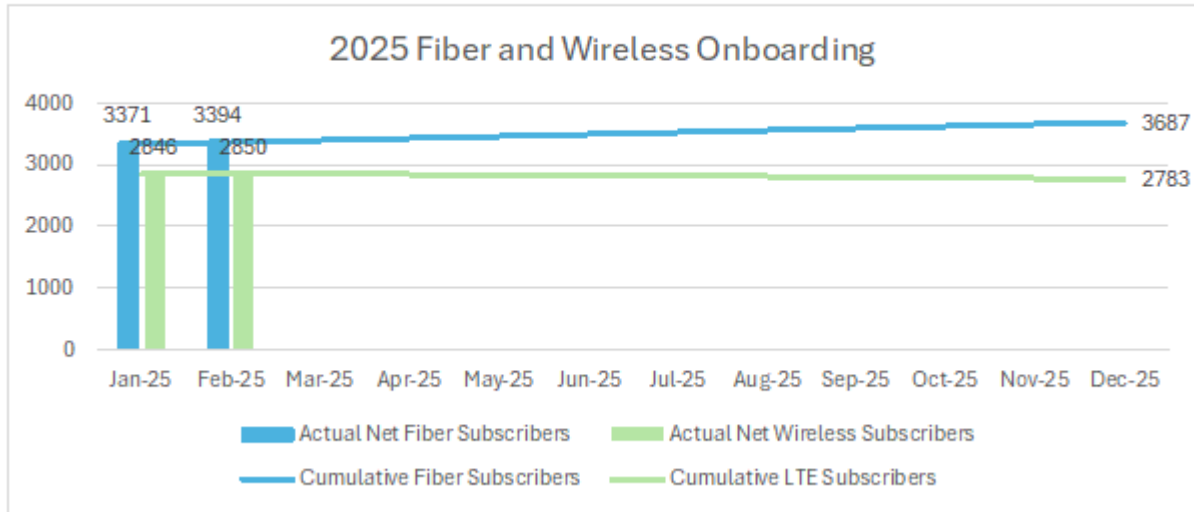
<b>Election Year</b>	<b>District 1 San Juan</b>	<b>District 2 Orcas</b>	<b>District 3 Lopez/Decatur</b>	<b>District 4 Shaw</b>
<b>2025</b>	<b>1B - Madsen</b>		<b>3A - Silverstein</b>	<b>4 - Whitfield</b>
2026	1A - Dauciunas	2B - Onwuneme		
2027		2A - Hiester	3B - Osterman	

\* All terms are 3-year terms

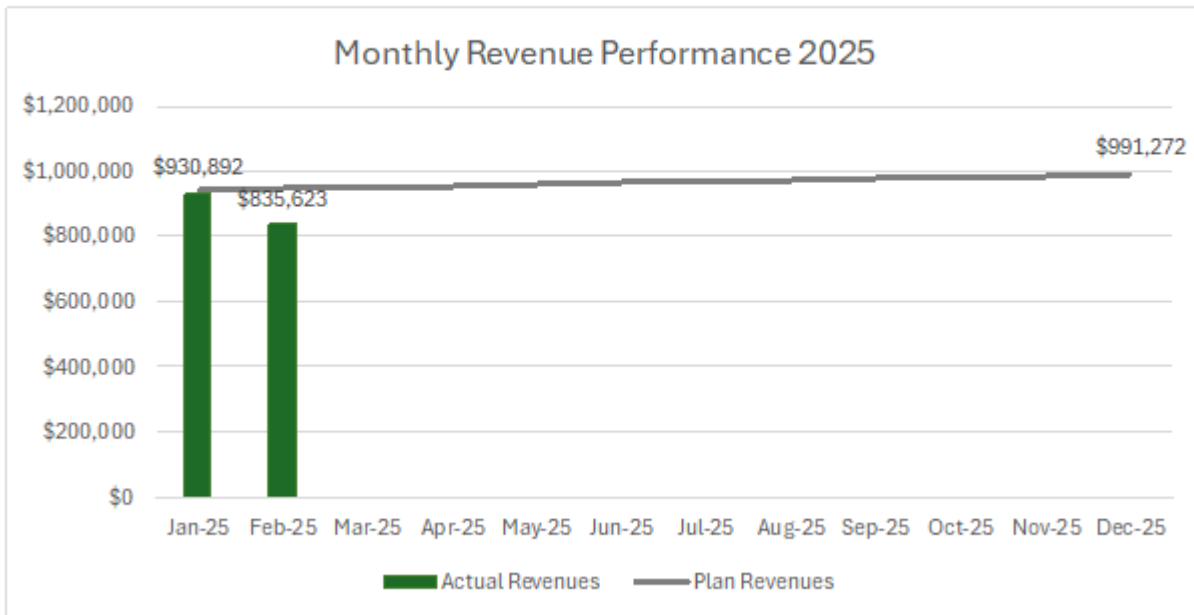
## Rock Island Communications

### 6,654 Rock Island Service Customers

#### Net Subscribers



#### Revenues



# APPENDIX



**BOARD OF DIRECTORS  
RESOLUTION 1-2025  
RUS Signing Authority**

**Resolved** that the Board of Directors authorizes J. Foster Hildreth, General Manager; Russel H. Guerry, Manager of Engineering and Operations; and Travis A. Neal, Manager of Finance to sign Form 595 *Financial Requirement & Expenditure Statement* in connection with requisitioning and accounting for Loan Funds.

**Certification of Secretary**

I, Tom Osterman, Secretary of Orcas Power and Light Cooperative, do hereby certify that the above is true and correct excerpt from the minutes of the meeting of the Board of Directors of the Orcas Power and Light Cooperative, held on the 20<sup>th</sup> day of March 2025 at which meeting quorum was present.

---

Tom Osterman, Secretary

Eastsound Headquarters  
183 Mount Baker Road  
Eastsound, WA 98245-9413

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(360) 376-3500

Friday Harbor Office  
1034 Guard Street  
Friday Harbor, WA 98250-9240



## Orcas Center Switch It Up request

**Request:** Up to \$600,000

**Duration:** Up to 10 years

**Project:** The Center's Solar Plus Storage project was designed to enhance community resilience and reduce greenhouse gas emissions by integrating a 130.7 kW solar photovoltaic (PV) system with a 1,116 kWh battery energy storage system (BESS), funded by a Solar Plus Storage grant from the Washington State Department of Commerce. Engineering and Permitting is complete and on-site construction is due to begin this week.

The initial project feasibility was funded by private investment from Orcas Center. The construction budget was originally funded through state grants, leveraging the elective pay provision of the Inflation Reduction Act (IRA) for 30% of the cost. The elective pay provision equates to **\$609,279** of the project's total cost. The IRA explicitly stated that the 30% energy storage system (ESS) Investment Tax Credit (ITC) was applicable for standalone ESS projects, as well as ESS projects paired with a solar PV system. The ESS ITC was originally established for 10 years, and it will continue through 2032.

However, the project is potentially facing a significant shortfall in funds due to attempts by the new administration to freeze federal funding and revoke portions of the IRA. Specifically, the Elective Pay provision, which would have allowed a non-taxable entity like Orcas Center to access the 30% ITC, has been identified as a target for repeal. This unexpected financial shift has put the project's completion at risk. OPALCO's Switch It Up program will serve two purposes. If the IRA stays intact, we should be able to repay the Switch It Up loan within 6-8 months. If the IRA is repealed and we are unable to secure alternative funding the 10-year term will allow us to finish the project and pay the loan.

The anticipated annual energy savings in year one is \$18,740 +/-10%. The project uses (242) Heliene 540w solar modules, (1) SolarEdge SE100KUS inverters, (122) SolarEdge P1101 Optimisers Module-level power electronics, (1) Complete Ironridge Racking/Mounting Solution racking, and (1) KORE Power MARK 1 Li-Ion battery.