

Member Owned Renewable Energy (MORE) Committee Policy 1

Revision 5

The OPALCO Board of Directors shall have final authority over the MORE policy. Changes to the MORE policy may or may not require a board vote to be implemented. The Board reserves the right to determine if the changes are significant enough to require a board vote.

MORE Committee:

1. Composition to be seven to twelve members with target representation representative of: San Juan Island (1), Lopez Island (1), Shaw Island (1), Orcas Island (1) Members at Large (3).
2. MORE Committee members must be OPALCO members.
3. Quorum shall be any four (4) members.
4. OPALCO Board of Directors will appoint a board liaison to this committee.
5. Vacancies will be filled in compliance with #1 above and with the approval of a majority of the committee.
6. Temporary substitutions are allowed with the approval of a majority of the committee.

MORE Committee Duties:

1. Meet quarterly or more often as necessary to administer the program.
2. MORE committee members will work with San Juan Islands Conservation District to design and implement outreach and education.
3. Report to the OPALCO Board of Directors annually.
4. Communicate with and support OPALCO staff.
5. Review MORE Committee Policy 1 and make changes as necessary.
6. Approve annual incentives to members.

OPALCO Duties:

1. Manage billing and accounting of MORE funds.
2. Present summary reports to the MORE Committee and OPALCO Board of Directors.
3. Assist with education and publicity.
4. Read meters annually and process incentive payments.
5. Administer Member Service Policy 14.

MORE Guidelines:

The funds will be collected from voluntary participants. Members will select from the following Participation Blocks:

A. One Participation Block	\$ 4.00 per billing cycle
B. Two Participation Blocks	\$ 8.00 per billing cycle
C. Four Participation Blocks	\$16.00 per billing cycle
D. Eight Participation Blocks	\$32.00 per billing cycle
E. Ten Participation Blocks	\$40.00 per billing cycle
F. Full Participation Block	\$ 0.04 per kWh for all energy consumed

1. All incentives will be funded through voluntary contributions to support renewable energy in San Juan County.

2. MORE funding may be applied to interconnect systems approved by OPALCO after July 1, 2010.
3. The fund balance and expected total incentive payments will be reviewed on a quarterly basis by the MORE Committee.
4. The MORE incentive will be based on annual reads of the production meter.
5. MORE Incentive payments will be paid per kilowatt hour of production, with a fixed rate based on the year in which the system is interconnected (as shown in Table 1 below). The incentive will be paid annually based on a fiscal year of July 1 to June 30.

Interconnection Year¹- July to June	MORE incentive (\$/kWh) until June 30, 2014	MORE incentive (\$/kWh) starting July 1, 2014	Date of last kWh incentivized under MORE program
July 1, 2010 – June 30, 2011~Year 1	\$0.20 (plus two-year bonus of \$0.10)	\$0.1167	June 30, 2025
July 1, 2011 – June 30, 2012~Year 2	0.20 (plus one-year bonus of \$0.10)	\$0.1231	June 30, 2026
July 1, 2012 – June 30, 2013~Year 3	\$0.17	\$0.1093	June 30, 2027
July 1, 2013 – June 30, 2014~Year 4	\$0.14	\$0.0933	June 30, 2028
July 1, 2014 – June 30, 2017 Years 5-7 ²	N/A	\$0.035	June 30, 2029

Table 1: MORE incentives. For systems installed in interconnection years 1-4, total aggregate incentives are equal to what would have been received under previous MORE program, but are spread over five additional years (lower payment rates over longer time period starting July 1, 2014). This change was necessary to accommodate cash-flow constraints in MORE fund due to MORE installations outpacing voluntary contributions.

The maximum generation eligible for the production incentive per Member Generator (MG) is 10,000 kilowatt hours for those served under OPALCO's Commercial Service Tariff and 4,000 kilowatt hours for all others per fiscal year.

6. An existing MORE Member Generator that upgrades their system has two (2) options:
Option A: member agrees to the existing incentive rate at the time of the upgrade for the entire system.
Option B: Member Generator's upgrade is a separate system with a separate production meter and would be at the incentive rate of the year it is connected.
7. Member Generators prior to the MORE program upgrading their system have two (2) options:
Option A: Member agrees to pay back original incentive from prior program of \$1.50 per Watt (aggregate STC module DC wattage with a maximum \$4500) that goes to the MORE Program and the Member Generator applies for the MORE program at the existing incentive rate of the year they upgrade their system.

¹ Interconnection Year is defined as beginning the day the final permit inspection is completed by WA Department of Labor and Industries Industries Electrical Division.

Option B: Member Generator's upgrade is a separate system with a separate production meter and would be at the incentive rate of the year it is connected.

8. In July of each year, OPALCO will collect kWh production data from each MG participating in the program, and make payments, if adequate funding exists, based on the aforementioned incentive schedule.
9. If the MORE Program has sufficient funds, the production payment will be equal to the established rate. If funding is insufficient to meet the total payment obligations at the established rate, then the MORE committee will take actions including curtailing new applications, revising established rates, or other means necessary to retain solvency of the fund.
10. The MORE committee has the authority to use 2% portions of MORE funds for marketing, outreach activities, and education.

Appendix I

Revision 3 / August 7, 2013

1. Language was cleaned up
2. Language was added for members who would like to add to their system under the current MORE program
3. Language was added for members prior to the MORE program.

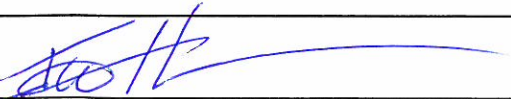
The stated modifications have no significant impact on the finances for the program.

Revision 4 / August 7, 2014

1. Updated incentives to handle dwindling incentive pool.
2. Added language on how to handle insufficient funds.

Revision 5 / October 17, 2014

1. Changed composition of team to increase flexibility
2. Removed text referring to "green teams" and replaced it with reference to San Juan Islands Conservation District as a partner to design and implement outreach and education.
3. Removed text "In years 5 to 7, MORE reserves the right to cap MORE-incentivized installations at 340 kW per year and curtail them thereafter"



J. Foster Hildreth, General Manager

November 14, 2014

Effective Date