

OPALCO Bill Too High? Here's Why...

As a concerned OPALCO member, I am writing to highlight factors contributing to our high electricity rates and to encourage open discussion. These issues affect all members, and constructive dialogue can help ensure the cooperative serves us economically.

1. We pay **DOUBLE** what our neighbors pay!
2. OPALCO GM (general mgr.) compensation is **DOUBLE** what neighboring utilities pay.
3. Questionable ventures have increased operating costs and rates.
 - a) Purchase of ROCK ISLAND COMMUNICATIONS in 2015 caused 9 consecutive years of operating loss and has permanently raised rates.
 - b) Construction of DECATUR ISLAND MICROGRID increased operating costs and rates and has no payback.
 - c) BAILER HILL MICROGRID (temporarily paused) will increase operating costs and rates and will not have any payback.
 - d) TIDAL ENERGY PILOT PROJECT (proposed) will increase operating costs and rates and will not have any payback.

1. RATE COMPARISON

OPALCO's residential rates are significantly higher than neighboring utilities. In 2024, our effective rate is 18.6 cents per kWh, compared to an average of 9.7 cents per kWh for neighboring public utilities.

[Here is a comparison of residential rates cents/kWh, including base charges:](#)

Year	OPALCO	Jefferson PUD	Other PUDs Avg.	Inland Power	Chelan PUD	Snohomish PUD	Seattle City Light	Clark PUD
2015	10-12	~9.5	~9-11	~9-10	~3.0	~9.0	~10.5	~8.0
2016	11-13	~9.8	~9-11	~9-10	~3.0	~9.2	~10.8	~8.0
2017	12-14	~10.0	~10-12	~10	~3.0	~9.5	~11.0	~8.0
2018	13-15	~10.5	~10-12	~10-11	~3.0	~9.6	~11.2	~8.0
2019	14-16	~11.0	~10-13	~10-11	~3.2	~9.8	~11.5	~8.0
2020	15-17	~11.5	~11-13	~11	~3.2	~10.0	~12.0	~8.0
2021	16-18	~12.0	~11-14	~11-12	~3.3	~10.2	~12.5	~8.0
2022	17-18	~12.5	~12-14	~12	~3.5	~10.3	~13.0	~8.5
2023	~18	~13.0	~13-15	~12-13	~3.6	~10.5	~13.5	~9.0
2024	~18.6	~13.5	~13-16	~13	~3.7	~11.8	~13.9	~10.7

[Here are the wholesale prices from BPA: \(what OPALCO pays to purchase our electricity\)](#)

Year(s)	BPA Rate Period (cents/kWh)	Approx. Average Effective Rate
2011	BP-10/BP-12	~3.0-3.2
2012-2013	BP-12	~3.26
2014-2015	BP-14	~3.45
2016-2017	BP-16	~3.52
2018-2019	BP-18	~3.56
2020-2021	BP-20	~3.73
2022-2023	BP-22	~3.95
2024-2025	BP-24	~4.19-4.5
2026-2027 (projected)	BP-26	~4.56

2. GM Compensation Foster Hildreth's 2024 total compensation of \$791,700 is notably higher than at neighboring utilities:

Utility	Type	Customers	GM Compensation	Cost per Customer
OPALCO	Co-op	~15,900	\$791,700	\$50
Jefferson County PUD	PUD	~21,000	~\$365,000	\$17
Clallam/Mason/Lewis/Grays Harbor PUDs	PUDs	30-45,000	\$200-300,000	\$5-10
Inland Power & Light Co-op	Co-op	~40,000	~\$359-500,000	\$9-13
Grant/Benton/Chelan PUDs	PUDs	47-52,000	\$300-450,000	\$6-9
Snohomish County PUD	PUD	~375,000	~\$600,000	\$2
Seattle City Light	Municipal	~500,000	~\$494,000	\$1
Clark Public Utilities	PUD	~220,000	\$250-400,000	\$1-2

OPALCO GM Compensation History

Year GM Compensation % Increase

2015	\$306,452	—
2016	\$351,775	15%
2017	\$399,038	13%
2018	\$455,652	14%
2019	\$484,963	6%
2020	\$558,058	15%
2021	\$607,478	9%
2022	\$632,145	4%
2023	\$684,355	8%
2024	\$791,700	16%
2025 est	\$878,787	average 11%

OPALCO attributes 85% of the total compensation for managing OPALCO and 15% for managing Rock Island Communications. Ironically this makes the current GM, Foster Hildreth, a part-time OPALCO employee! Foster Hildreth has been employed by OPALCO since 2006 and worked his way up to GM in 2014 and which coincidentally was the first of 9 consecutive years when the annual losses began.

Year	Revenue	Expenses	Net Income (Loss)
2011	\$21,430,248	\$21,230,248	\$200,000
2012	\$20,649,266	\$20,472,019	\$177,247
2013	\$21,675,442	\$21,480,169	\$195,273
2014	\$22,682,062	\$22,846,563	(\$164,501)
2015	\$23,091,097	\$24,871,210	(\$1,780,113)
2016	\$22,995,839	\$25,733,673	(\$2,737,834)
2017	\$25,764,382	\$28,316,387	(\$2,552,005)

2018	\$27,190,537	\$29,691,589	(\$2,501,052)
2019	\$29,528,689	\$31,370,365	(\$1,841,676)
2020	\$31,088,422	\$32,473,333	(\$1,384,911)
2021	\$35,371,006	\$35,802,437	(\$431,431)
2022	\$36,286,957	\$36,369,556	(\$82,599)
2023	\$39,416,329	\$37,571,378	\$1,844,951
2024	\$40,850,946	\$40,775,978	\$74,968
			(\$10,983,683) TOTAL

3(a) Rock Island Communications OPALCO acquired this business in 2015. Prior to the acquisition OPALCO had positive or break-even margins. Post-acquisition build-out costs involved significant investment which contributed to 8 consecutive years of OPALCO losses! And in turn we had 8 consecutive years of rate increases. Members would benefit from public disclosure of audited and/or independent benchmark studies for Rock Island Communications and OPALCO separate from each other.

3(b) Decatur Island Microgrid This solar panel array and battery storage facility completed in 2018 cost \$1.05M to build. \$847K from shares (units) sold to customers and \$207K from grants. However, by purchasing shares the member is entitled to a certain amount of energy produced by the solar array. This means that OPALCO will receive less revenue as a result, so in effect OPALCO is paying back the solar investors in the end. The island has ~70–80 year-round residents (plus seasonal; ~237 households total). The microgrid does not supply all (or even most) of Decatur Island's power needs. The solar array can only produce ~20–30% of the island's small load. The battery storage unit provides only hours of backup for critical loads during outages, not full continuous supply. Recent 2025 expansion proposals (larger solar on adjacent land) faced opposition. It's ugly (think of the big chain link fenced-in transformers of old, except this time it's transformers, solar panels and a huge battery container that is Lithium-ion cells which can overheat and enter thermal runaway, leading to fires/explosions that release toxic gases (e.g., hydrogen fluoride, carbon monoxide). Suits provide flame resistance and limited chemical protection. There is a YouTube video online. <https://www.youtube.com/watch?v=nUgR7y4rokU>

3(c) Bailer Hill Microgrid This project is currently "paused" with plans to restart in 2027 according to OPALCO. It is intended to supply backup to key Friday Harbor entities like Peace Island Hospital, the main fire station, and the water treatment but these facilities already have backup systems and this would be double redundancy! I question solar arrays in our 48.5 N latitude as the Bailer Hill location is frequently covered by fog/mist which frequently shuts down the airport. I have had many flights canceled as a result. A conventional diesel powered backup system would cost far less—but why do we need double redundancy?

3(d) Tidal Energy Pilot Project This one really takes the cake! Personally I love the idea of developing tidal energy as a power source. I am an inventor with patents and love to study this kind of thing but is OPALCO a public utility or a research and development laboratory? "C'mon Man" I look at our population of less than 16,000 people and what we are getting involved in with these advanced projects and think why not leave these to the larger utilities who have the money, manpower, brainpower and qualifications to do credible research.

I also consider how our culture has been indoctrinated with anthropogenic climate change fears for 30 years. We were supposed to be underwater or overheated long ago. I study such things as the Milankovitch cycles (the earth has had 10 ice ages over the last 1 million years and each one lasts about 100k years - we know this from ice cores). We are emerging from one now which is why we see temp increases). It used to be 2 miles of ice right here in the San Juans— several times over! Don't take my word for it. Bill Gates has

nanced his public messaging on climate change in a significant way in late 2025. In an essay published on October 28, 2025, he explicitly pushes back against what he calls "doomsday" or alarmist views of climate change. He argues that while climate change is an issue, it is not existential for humanity and should not overshadow other global priorities like poverty and disease, which cause more immediate suffering. In our area we could focus on housing instead of building unnecessary solar farms.

Personal Note I have been approached by my neighbors suggesting I apply/run for an OPALCO board position. I seriously considered it and did some research to learn that a previous board member was threatened with legal action if he divulged content from OPALCO board meetings! Why the secrecy unless there is something to hide? I believe I can better serve our community by not becoming a board member—I want to keep my rights to free speech.

rikki swin

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