



BOARD OF DIRECTORS MEETING
November 28th, 2022 – 3pm
OCEC Monthly Board Meeting
Location: The Barn - Henhouse & Virtual

AGENDA

A. PRELIMINARY

1. Meeting Called to Order
2. Determination of Quorum
3. Approval of Agenda

B. CONSENT AGENDA

1. Approval of Consent Agenda
 - a. Minutes from October 24th, 2022
 - b. November 2022 New Members
 - c. September 2022 - Form 7, Statement of Operations, Power & Service Data, Cash Flow

C. GENERAL MANAGERS REPORT

D. ITEMS OF BUSINESS

For Discussion

1. Guest Speaker – Brian Sloboda of CFC on Electric Vehicle Strategy Document **(Scheduled for 315pm)**
2. Revolving Loan Fund Quarterly Update
3. Finance Committee Update
4. 2023 Wholesale Power & Transmission, Revenue, and Expense Budget

For Action

5. 2023 Capital Budget Contingent Approval

E. OPEN FLOOR FOR MEMBERS

F. OPEN FLOOR FOR BOARD MEMBERS

G. EXECUTIVE SESSION

1. OCEI Quarterly Financial Review – Q3 2022 **(Scheduled for 3pm)**
2. Governance Committee - General Manager Review Process and Calendar
3. Legal, Personnel, Competitive, Other

OCEC Meeting is inviting you to a scheduled Zoom meeting.

Topic: OCEC Board Meeting

Time: Nov 28, 2022 03:00 PM Pacific Time (US and Canada)

Join Zoom Meeting

<https://us06web.zoom.us/j/88564529291?pwd=c3kvaDAzUDNHVTJnYTY1MHgxVFhmUT09>

Meeting ID: 885 6452 9291

Passcode: 105140

One tap mobile

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+1 360 209 5623 US

+1 386 347 5053 US

+1 507 473 4847 US

+1 564 217 2000 US

+1 646 558 8656 US (New York)

+1 646 931 3860 US

+1 689 278 1000 US

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BOARD MEETING
October 24th, 2022
The Barn Hen House & Virtual

Present: President Dale Sekijima, Vice President Michael Murray, Secretary/Treasurer Alan Watson, Sara Carlberg, Travis Thornton, Rick Johnson & John Rogers.

Absent: N/A

Attending: Greg Mendonca General Manager, Tracy McCabe Manager of Finance & Administration, Glenn Huber Manager of Operations

Guests: Paul Griffin – General Manager WRECA

1. MEETING CALLED TO ORDER

President Dale Sekijima called the meeting of the Board of Directors of Okanogan County Electric Cooperative, Inc. (OCEC) to order at 3:04 pm.

2. DETERMINATION OF QUORUM

A quorum was present.

3. APPROVAL OF AGENDA

The agenda was approved.

4. APPROVAL OF CONSENT AGENDA

The consent agenda was approved as presented.

5. GENERAL MANAGERS REPORT

Greg Mendonca discussed the current status of the funds from Washington Commerce to address arrearages reported during the time period of the moratorium on disconnects due to Covid-19.

Greg presented a review of the Distribution Expense – Operations and Distribution Expense – Maintenance budget vs actual analysis staff had performed. In both categories of expense we found material increases to cost of materials compared to budget. There were a few single large identifiable items that were reported as well. The largest item of variance found was transportation expenses which were at \$106k YTD compared to a YTD budget of \$27k.

Greg summarized the proposed BP-24 rate case settlement between BPA and its customers. OCEC is forecasting an overall rate increase of over 10% starting in October of 2023.

ITEMS OF BUSINESS

1. For Discussion – Guest Speaker Paul Griffin

Paul presented to the OCEC board in his new role of GM for WRECA. Paul summarized the value WRECA provides to OCEC and activities the association is currently focusing on.

2. For Discussion – 2023 Capital Budget Review

Greg presented the proposed 2023 capital budget for review by the full OCEC board. The capital budget had been reviewed and discussed by the Finance Committee previously. Greg gave updates on the strategic goals set last year including a 5-year budget, prioritizing system improvement projects, and line up the 5-year capital budget with a 10-year financial model.

The board reviewed the budget and a discussion was held on various components of the proposed budget. Staff reported that all comments from the board along with any recommended staff changes will be brought back to the board in November for contingent approval.

3. For Discussion – Strategic Plan Quarterly Update

Greg gave the quarterly strategic plan update and highlighted strategic actions that have been completed or updated. The overall work is on track for the majority of the strategic plan. Greg highlighted completed items under the strategic objective to develop and EV strategy, enhanced capital planning, and develop a broadband strategy.

4. For Action – 2023 Board Meeting Schedule

The board reviewed the recommended meeting schedule for 2023 from staff. The recommended dates are as follows:

- January 30th, 2023

- February 27th, 2023
- March 27th, 2023
- April 24th, 2023 (Annual Meeting April 17th, 2023)
- May 22nd, 2023
- June 26th, 2023
- July 24th, 2023
- August 28th, 2023
- September 25th, 2023
- October 30th, 2023
- November 27th, 2023
- December 18th, 2023

Alan Watson made a motion to approve the recommended schedule, Sara Carlberg seconded. The motion was unanimously approved.

5. 2022 Capital Credits Plan

Greg presented a memo with a recommended capital credits plan for 2022 that retire the entirety of calendar year 2007, a total of \$294,408.44. It was acknowledged that the budget in 2022 was \$330,000 for retirements, but the recommendation took into account a three-year plan created to retire at the board's preferred pace but also reduce administrative burden.

Alan Watson made a motion to approve the recommended capital credits plan for 2022, Michael Murray seconded. The motion was unanimously approved.

A subsequent discussed ensued to have staff bring back an analysis to inform the board what it would take to retire the entire \$330,000 budgeted amount with a special retirement for members over 80 years old. Staff will present a recommendation in November.

OPEN FLOOR FOR MEMBERS - None present.

OPEN FLOOR FOR BOARD MEMBERS - None

Meeting adjourned to Executive Session at 5:20 pm.

EXECUTIVE SESSION

1. Legal, Personnel, Competitive, Other

Alan Watson, Secretary

New Members OCEC**November 28, 2022****REINSTATE**

KUTZ JACOB	114051
MONRO NICHOLAS	118176

NEW MEMBERS

SBKB ENTERPRISES LLC	122154
METHOW VALLEY SKI SCHOOL	122155
GLOSTEN BETH	122156
GOLDWARD JORDAN	122157
ARNOLD TORSTEN & LISA	122158
FLETCHER PEGGY	122159
GOULD WHITNEY	122160
RIVER RUN INN MANAGEMENT LLC	122161
DENTON TERRY J	122162
DOMBERNOWSKY PI	122163
BALDUS JOSEPH	122165
HODGE PAUL	122166
BILLOR CATHERINE & DENIZAN	122167
BRMER MELISSA	122168
DAVIS JOSH & KELANI	122169
MUDDY PAW BAKERS LLC	122170



NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION FINANCIAL AND STATISTICAL REPORT	BORROWER NAME	Okanogan County Electric Coop Inc
	BORROWER DESIGNATION	WA032
	ENDING DATE	9/30/2022

Submit one electronic copy and one signed hard copy to CFC. Round all numbers to the nearest dollar.

CERTIFICATION	BALANCE CHECK RESULTS	AUTHORIZATION CHOICES							
We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.		A. NRECA uses rural electric system data for legislative, regulatory and other purposes. May we provide this report from your system to NRECA? <input checked="" type="radio"/> YES <input type="radio"/> NO							
<table border="0"> <tr> <td></td> <td>11/21/22</td> </tr> <tr> <td>Signature of Office Manager or Accountant</td> <td>Date</td> </tr> <tr> <td></td> <td>11/21/22</td> </tr> <tr> <td>Signature of Manager</td> <td>Date</td> </tr> </table>			11/21/22	Signature of Office Manager or Accountant	Date		11/21/22	Signature of Manager	Date
	11/21/22								
Signature of Office Manager or Accountant	Date								
	11/21/22								
Signature of Manager	Date								

PART A. STATEMENT OF OPERATIONS

ITEM	YEAR-TO-DATE			THIS MONTH
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	
1. Operating Revenue and Patronage Capital	4,480,872	4,695,230	4,208,822	379,145
2. Power Production Expense	0	0	0	0
3. Cost of Purchased Power	2,151,320	2,312,451	2,135,328	177,234
4. Transmission Expense	0	0	0	0
5. Regional Market Operations Expense	0	0	0	0
6. Distribution Expense - Operation	91,519	129,357	94,506	6,209
7. Distribution Expense - Maintenance	509,868	561,706	460,885	42,615
8. Consumer Accounts Expense	221,998	246,506	251,011	23,411
9. Customer Service and Informational Expense	(2,441)	14,279	2,682	5,970
10. Sales Expense	(3,135)	10,824	(2,500)	44
11. Administrative and General Expense	743,462	717,380	659,647	50,730
12. Total Operation & Maintenance Expense (2 thru 11)	3,712,591	3,992,504	3,601,559	306,213
13. Depreciation & Amortization Expense	314,361	343,821	329,449	39,252
14. Tax Expense - Property & Gross Receipts	36,287	37,197	36,639	4,141
15. Tax Expense - Other	139,521	138,643	139,521	11,862
16. Interest on Long-Term Debt	147,634	147,051	146,158	17,012
17. Interest Charged to Construction (Credit)	0	(3,163)	0	(1,938)
18. Interest Expense - Other	0	0	0	0
19. Other Deductions	0	0	0	0
20. Total Cost of Electric Service (12 thru 19)	4,350,394	4,656,053	4,253,326	376,542
21. Patronage Capital & Operating Margins (1 minus 20)	130,478	39,177	(44,504)	2,603
22. Non Operating Margins - Interest	20,720	19,812	21,850	5,001
23. Allowance for Funds Used During Construction	0	0	0	0
24. Income (Loss) from Equity Investments	27,085	49,655	21,200	20,357
25. Non Operating Margins - Other	23,600	30,600	30,600	3,400
26. Generation & Transmission Capital Credits	0	0	0	0
27. Other Capital Credits & Patronage Dividends	0	0	0	0
28. Extraordinary Items	0	0	0	0
29. Patronage Capital or Margins (21 thru 28)	201,883	139,244	29,146	31,361

PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT

ITEM	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
	LAST YEAR (a)	THIS YEAR (b)		LAST YEAR (a)	THIS YEAR (b)
1. New Services Connected	72	74	5. Miles Transmission	0	0
2. Services Retired	3	5	6. Miles Distribution Overhead	188	195
3. Total Services In Place	3,972	4,077	7. Miles Distribution Underground	232	257
4. Idle Services (Exclude Seasonal)	97	99	8. Total Miles Energized (5+6+7)	420	452



NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION FINANCIAL AND STATISTICAL REPORT	BORROWER NAME	Okanogan County
	BORROWER DESIGNATION	WA032
	ENDING DATE	09/30/2022

PART C. BALANCE SHEET			
ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Service	16,824,906	29. Memberships	17,305
2. Construction Work in Progress	152,619	30. Patronage Capital	8,535,147
3. Total Utility Plant (1+2)	16,977,526	31. Operating Margins - Prior Years	360,692
4. Accum. Provision for Depreciation and Amort	5,878,977	32. Operating Margins - Current Year	108,644
5. Net Utility Plant (3-4)	11,098,548	33. Non-Operating Margins	30,600
6. Nonutility Property - Net	0	34. Other Margins & Equities	1,355,475
7. Investment in Subsidiary Companies	1,224,408	35. Total Margins & Equities (29 thru 34)	10,407,863
8. Invest. in Assoc. Org. - Patronage Capital	443,446	36. Long-Term Debt CFC (Net)	3,994,541
9. Invest. in Assoc. Org. - Other - General Funds	0	37. Long-Term Debt - Other (Net)	0
10. Invest in Assoc. Org. - Other - Nongeneral Funds	135,373	38. Total Long-Term Debt (36 + 37)	3,994,541
11. Investments in Economic Development Projects	0	39. Obligations Under Capital Leases - Non current	0
12. Other Investments	13,500	40. Accumulated Operating Provisions - Asset Retirement Obligations	0
13. Special Funds	0	41. Total Other Noncurrent Liabilities (39+40)	0
14. Total Other Property & Investments (6 thru 13)	1,816,726	42. Notes Payable	0
15. Cash-General Funds	362,908	43. Accounts Payable	368,959
16. Cash-Construction Funds-Trustee	0	44. Consumers Deposits	172,133
17. Special Deposits	176,285	45. Current Maturities Long-Term Debt	0
18. Temporary Investments	0	46. Current Maturities Long-Term Debt-Economic Dev.	0
19. Notes Receivable - Net	0	47. Current Maturities Capital Leases	0
20. Accounts Receivable - Net Sales of Energy	372,355	48. Other Current & Accrued Liabilities	168,661
21. Accounts Receivable - Net Other	812,448	49. Total Current & Accrued Liabilities (42 thru 48)	709,753
22. Renewable Energy Credits	0	50. Deferred Credits	0
23. Materials & Supplies - Electric and Other	450,540	51. Total Liabilities & Other Credits (35+38+41+49+50)	15,112,157
24. Prepayments	21,381	ESTIMATED CONTRIBUTION-IN-AID-OF-CONSTRUCTION	
25. Other Current & Accrued Assets	966	Balance Beginning of Year	0
26. Total Current & Accrued Assets (15 thru 25)	2,196,882	Amounts Received This Year (Net)	660,225
27. Deferred Debits	0	TOTAL Contributions-In-Aid-Of-Construction	660,225
28. Total Assets & Other Debits (5+14+26+27)	15,112,157		

PART D. THE SPACE BELOW IS PROVIDED FOR IMPORTANT NOTES REGARDING THE FINANCIAL STATEMENT CONTAINED IN THIS REPORT.

OKANOGAN COUNTY ELECTRIC COOPERATIVE, INC.

STATEMENT OF OPERATIONS

September 30, 2022

	ANNUAL BUDGET	Y-T-D BUDGET	Y-T-D ACTUAL	MONTH BUDGET	MONTH ACTUAL
OPERATING REVENUE	\$6,005,065	\$4,208,822	\$4,695,230	\$372,245	\$379,145
COST OF POWER	\$3,023,720	\$2,135,328	\$2,312,451	\$192,392	\$177,234
GROSS MARGINS	\$2,981,345	\$2,073,494	\$2,382,779	\$179,853	\$201,911
OPERATING EXPENSES:					
DISTRIBUTION OPERATIONS	\$126,231	\$94,506	\$129,357	\$10,575	\$6,209
DISTRIBUTION MAINTENANCE	\$609,197	\$460,885	\$561,706	\$49,977	\$42,615
CONSUMER ACCOUNTING	\$337,621	\$251,011	\$246,506	\$32,598	\$23,411
CONSUMER SERVICE & INFO	\$3,576	\$2,682	\$14,279	\$298	\$5,970
SALES EXPENSE	-\$3,500	-\$2,500	\$10,824	\$0	\$44
ADMIN & GENERAL	\$822,641	\$659,647	\$717,380	\$55,517	\$50,730
TOTAL OPERATING EXPENSES	\$1,895,766	\$1,466,231	\$1,680,053	\$148,965	\$128,979
FIXED EXPENSES:					
DEPRECIATION	\$445,237	\$329,449	\$343,821	\$38,596	\$39,252
TAXES-PROPERTY	\$48,852	\$36,639	\$37,197	\$4,071	\$4,141
TAXES-OTHER	\$186,028	\$139,521	\$138,643	\$15,502	\$11,862
INTEREST	\$194,878	\$146,158	\$143,888	\$16,240	\$15,074
OTHER DEDUCTIONS	\$0	\$0	\$0	\$0	\$0
TOTAL FIXED EXPENSES	\$874,994	\$651,767	\$663,549	\$74,409	\$70,329
TOTAL EXPENSES	\$2,770,760	\$2,117,998	\$2,343,602	\$223,374	\$199,308
OPERATING MARGINS	\$210,585	-\$44,504	\$39,177	-\$43,521	\$2,603
NONOPERATING MARGINS:					
INTEREST	\$50,766	\$21,850	\$19,812	\$4,970	\$5,001
OTHER	\$40,800	\$51,800	\$80,255	\$23,400	\$23,757
NET MARGINS	\$302,150	\$29,146	\$139,244	-\$15,151	\$31,361
T.I.E.R.	2.55	1.20	1.95	0.07	2.84

OKANOGAN COUNTY ELECTRIC COOPERATIVE, INC.

POWER & SERVICE DATA
September-22

	JUNE 2022	JULY 2022	AUGUST 2022	SEPT 2022	SEPT 2021
POWER DATA:					
COST OF POWER	\$174,031	\$193,671	\$193,975	\$177,234	\$184,216
KWH PURCHASED	3,687,220	4,529,980	4,527,945	3,602,765	3,704,395
KWH SOLD & OCEC USE	3,481,078	3,940,097	4,261,053	3,221,416	3,453,781
KWH LOST	206,142	589,883	266,892	381,349	250,614
LINE LOSS %	5.59%	13.02%	5.89%	10.58%	6.77%
COST PER KWH	\$0.0472	\$0.0428	\$0.0428	\$0.0492	\$0.0497
BILLING DATA:					
ACCOUNTS BILLED	4,052	4,048	4,073	4,077	3,972
AVG. KWH/CONSUMER	859	973	1,046	790	870
BILLING REVENUE	\$393,613	\$421,311	\$442,852	\$376,861	\$390,261
AVERAGE BILL	\$97.14	\$104.08	\$108.73	\$92.44	\$98.25
REVENUE/KWH SOLD	\$0.1131	\$0.1069	\$0.1039	\$0.1170	\$0.1130
SERVICE DATA:					
NEW	12	17	21	2	17
RETIRED	0	2	0	4	1
TOTAL END OF MONTH	4021	4036	4073	4077	3976
IDLE SERVICES	97	97	95	99	95
TRANSPORTATION:					
TOTAL MILES	9,029	8,591	7,619	6,008	6,794
COST OF OPERATION	\$30,843	\$30,078	\$34,049	\$31,352	\$20,642
AVG. COST PER MILE	\$3.416	\$3.501	\$4.469	\$5.218	\$3.038
MATERIALS:					
ISSUES	\$6,353	\$51,303	\$53,214	\$25,844	\$115,411
INVENTORY	\$408,750	\$469,676	\$432,161	\$450,540	\$428,226

Budget Year: 2022

	Current year	Budget year	Actual/Forecasted											
	Nov - Dec	Jan - Dec	January	February	March	April	May	June	July	August	September	October	November	December
	2021	2022												
Patronage Capital or Margins	234,781	302,150	92,231	55,257	(22,865)	27,425	34,445	(35,579)	(30,643)	(12,357)	31,361	67,502	140,196	65,304
Plus Depreciation Expense	34,993	445,237	34,879	37,964	38,009	38,145	38,623	38,962	38,920	39,068	39,252	38,596	38,596	38,596
Less Capital Credit Allocations	(366,021)	(330,000)	1,851	(12)	(660)	0	(3,921)	0	0	0	0	0	0	(330,000)
Plus FAS 158 Amortization	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total (Funds From Operations)	(96,247)	417,387	128,961	93,209	14,483	65,570	69,146	3,383	8,277	26,711	70,613	106,099	178,792	(226,100)
Cash Construction Funds - Trustee	0	0												
Special Deposit	(5,656)	(75,001)	(58,323)	(5,615)	(5,617)	(5,612)	(4,511)	(4,784)	(4,613)	(4,614)	(3,938)	(5,679)	(5,679)	(5,679)
Temporary Investment	0	0												
Accounts Receivable - Sale of Energy (Net)	(316,094)	34,769	(51,503)	70,729	266,242	88,825	53,163	41,772	(34,430)	14,245	52,230	2,897	2,897	2,897
Accounts Receivable - Other (Net)	165,165	75,001	57,943	5,995	14,314	6,051	4,938	15,402	4,613	(20,444)	14,124	5,679	5,679	5,679
Regulatory Assets	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferred Debits	(668)	0	1,508	(551)	(12,322)	11,662	1,059	(1,262)	2,205	(792)	0	0	0	0
Prepayments	6,749	0	(78,396)	7,127	7,127	7,127	7,127	7,127	7,127	7,127	7,127	0	0	0
Other Current & Accrued Asset	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(Increase)/Decrease in Operating Assets	(150,505)	34,769	(128,771)	77,685	269,744	108,053	61,777	58,255	(25,098)	(4,478)	69,543	2,897	2,897	2,897
Notes Payable	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Accounts Payable	471,684	24,785	(200,051)	74,945	(211,113)	(9,555)	(103,729)	117,488	46,164	(97,504)	48,334	2,065	2,065	2,065
Accumulated Operating Provisions	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Regulatory Liabilities	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Deferred Credits	47,856	0	(47,823)	0	0	0	0	0	0	0	0	0	0	0
Other Current and Accrued Liabilities	(47,823)	0	48,817	32,854	(45,796)	(59,698)	27,482	(12,355)	10,964	45,969	(29,673)	0	0	0
Increase/(Decrease) in Operating Liabilities	471,717	24,785	(199,057)	107,799	(256,908)	(69,253)	(76,247)	105,133	57,128	(51,534)	18,661	2,065	2,065	2,065
CASH FROM OPERATING ACTIVITIES	224,965	476,941	(198,867)	278,692	27,319	104,370	54,676	166,771	40,307	(29,301)	158,818	111,062	183,755	(221,137)
INVESTMENT ACTIVITIES														
Total Utility Plant	(259,852)	(\$1,399,020)	26,442	(36,972)	(3,095)	(206,376)	(162,397)	(31,025)	27,739	(5,123)	(89,528)	(116,585)	(116,585)	(116,585)
Cost to Retire Utility Plant	(16,316)	0	4,162	8,309	6,370	10,289	7,930	(103,199)	(82,701)	4,604	9,920	0	0	0
Construction Work-in-Progress	136,855	288,015	(25,981)	(30,019)	(69,900)	(49,781)	(148,808)	(94,047)	(131,412)	(143,076)	(105,080)	24,001	24,001	24,001
Contributions in aid of construction (CIAC)	13,259	571,287	33,847	20,193	47,296	51,555	97,928	121,990	130,471	108,048	51,290	47,607	47,607	47,607
Total Other Property and Investments	(144,936)	0	(34,537)	1,381	(589)	0	0	0	0	0	(9,726)	0	0	0
Materials & Supplies - Electric and Other	(34,585)	0	2,344	(18,412)	(14,492)	(21,798)	14,525	(7,773)	(60,926)	37,514	(18,378)	0	0	0
Notes Receivable (Net)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
CASH FROM INVESTMENT ACTIVITIES	(305,575)	(539,718)	6,277	(55,521)	(34,411)	(216,112)	(190,822)	(114,054)	(116,829)	1,967	(161,502)	(44,977)	(44,977)	(44,977)
FINANCING ACTIVITIES														
Margins & Equities	0	\$0	0	0	0	0	0	0	0	0	0	0	0	0
LT Debt - Additional Debt	0	\$220,000	220,000	0	0	0	0	0	0	0	0	0	0	0
LT Debt - Debt Service Payment	(47,526)	(\$215,243)	0	0	(48,174)	0	0	(53,586)	0	0	(54,295)	0	0	(54,859)
LT Debt - Other	0	0	0	0	0	0	0	0	200,000	0	0	0	0	0
Total LT Debt	(47,526)	4,757	220,000	0	(48,174)	0	0	(53,586)	200,000	0	(54,295)	0	0	(54,859)
LT Debt - Payments Unapplied	0	0	0	0	0	0	0	0	0	0	0	0	0	0
LT Debt - Current maturities	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Consumer Membership	(10)	0	(15)	5	15	30	25	(15)	25	40	20	0	0	0
Consumers Deposits	1,250	0	50	(500)	(950)	1,500	2,550	1,850	1,700	2,000	900	0	0	0
CASH FROM FINANCING ACTIVITIES	(46,286)	4,757	220,035	(495)	(49,109)	1,530	2,575	(51,751)	201,725	2,040	(53,375)	0	0	(54,859)
CASH FROM ALL ACTIVITIES	(126,896)	(58,020)	27,445	222,677	(56,201)	(110,212)	(133,571)	966	125,203	(25,295)	(56,059)	66,085	138,779	(320,973)
TOTAL CASH BEGINNING OF PERIOD	494,854	367,958	367,958	395,403	618,079	561,876	451,664	318,093	319,059	444,262	418,968	362,908	428,993	567,772
TOTAL CASH END OF PERIOD	367,958	309,938	395,403	618,079	561,876	451,664	318,093	319,059	444,262	418,968	362,908	428,993	567,772	246,799

General Manager's Report to the Board – November 2022

Operations Updates:

Early Storm Outages Report

The valley experienced an early snowstorm November 6th & 7th that dropped over 2 feet in some areas. OCEC experienced small but consistent outages as the long dry summer and fall abruptly moved into winter, creating common issues we see every year during the first storms. We did not experience any major circuit outages and believe our right of way program was paying off during this storm. We were very fortunate not to extensive damage to our system, but our neighbors to the East, Okanogon PUD and Nespelam Valley Electric, both were hit very hard by the abundant wet snow.

After our crews quickly restored power on our system Okanogon PUD requested mutual aid to give their crews a much-needed break. We sent three of our four crew to the PUD and they assisted keeping the work moving on their system while the PUD crews rested up to head back out. Due to our staffing levels and size we don't often get to assist our neighboring utilities so it is a great feeling for our crew to help out when they can.

Financial Updates:

Arrearage Assistance from WA State

OCEC has worked with the Department of Commerce and we anticipate receiving grant funding in the amount of \$35,960.32

While our qualifying arrearages are much smaller than the allocated amount, we will work within the rules of the grant and dispense as much funding as possible before the end of the calendar year. We then plan on returning the rest to Commerce so they can potentially re-allocate the funds.

Capital Credits Special Retirement Analysis

The board requested OCEC staff to analyze what it would take from an administrative workload to do a "special retirement" of capital credits for those members who are meeting established criteria by the board (i.e. members over the age of 80). After discussing internally I would not recommend the board direct staff to complete a "special retirement" this calendar year, but if the board so chooses in the future reasonable advanced notice would be helpful

given our limited staff resources. The following bullet points gives a summary of the tasks needed to complete this action:

1. Advertise Payout in 1 or 2 OCEC Newsletters (or other method such as email, direct mailing)
2. Collect completed Over 80 Special Capital Credit Distribution Applications including clear copy of government issued ID
3. Create Spreadsheet of all qualified applicants total Capital Credits with discounted payout distributions for management approval
4. Adjust qualified members Operating Margins to Zero
5. Adjust qualified members Gains to approved Discounted Amount
6. Balance adjusted member's CC accounts with management approved discounted spreadsheet
7. Create & send discounted payout checks to members

General Updates:

New Hire – Member Service Representative

We are very excited to announce that Svea Miller has joined OCEC as our Member Service Representative. Svea came over to us from Methownet where she handled billing and all things customer service, and a decade at Sun Mountain where she was the assistant controller. While we have had historic turnover in my short tenure as GM, we have consistently found quality people to fill in where we need help. I am glad for that but hoping we will not have to continue relying on that streak!

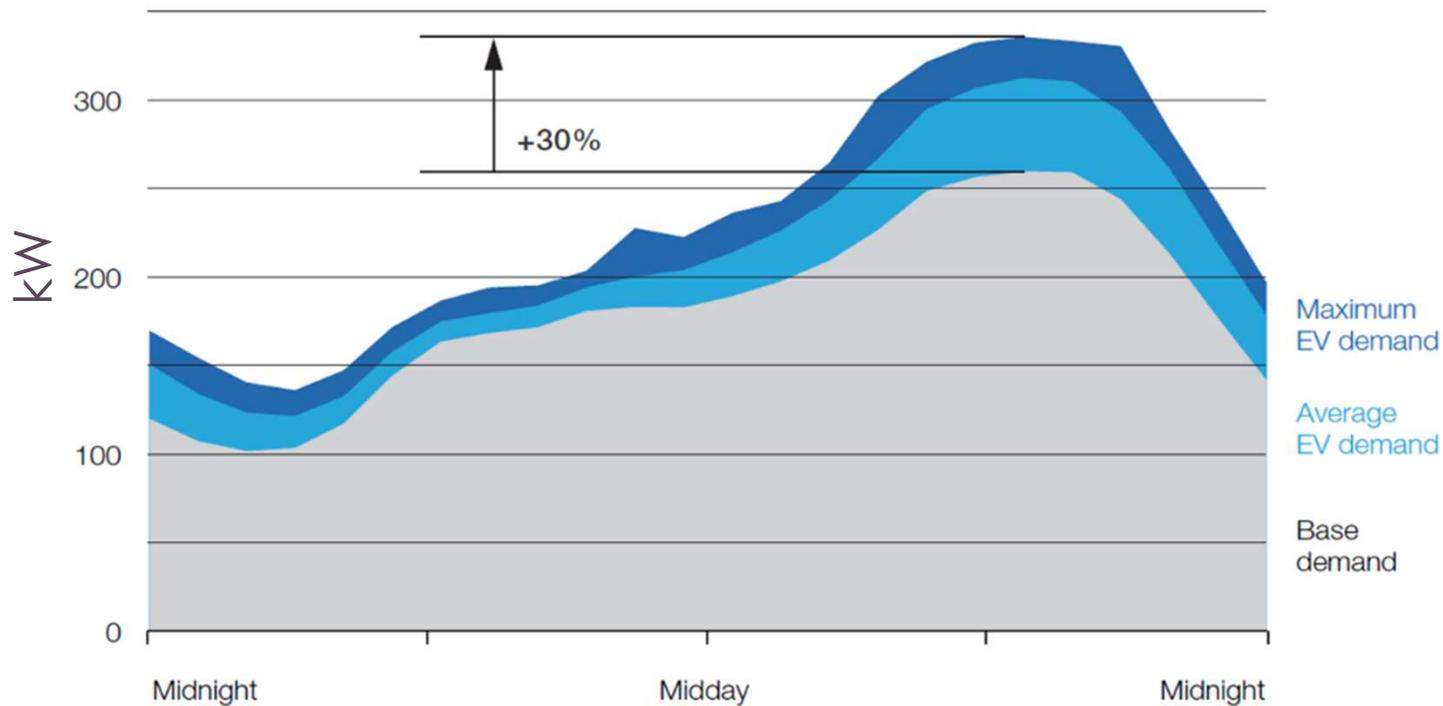
Okanogan County Electric Cooperative 2022 Electric Vehicle Program Roadmap

Brian Sloboda
Director, Utility Research & Policy
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Consideration for the Distribution System

Feeder circuit load, 150 homes with 2 vehicles per household, with 25% electric-vehicle (EV) penetration for Midwestern U.S. on a typical day in September,



Residential Charging

Source: McKinsey Global Energy Perspective



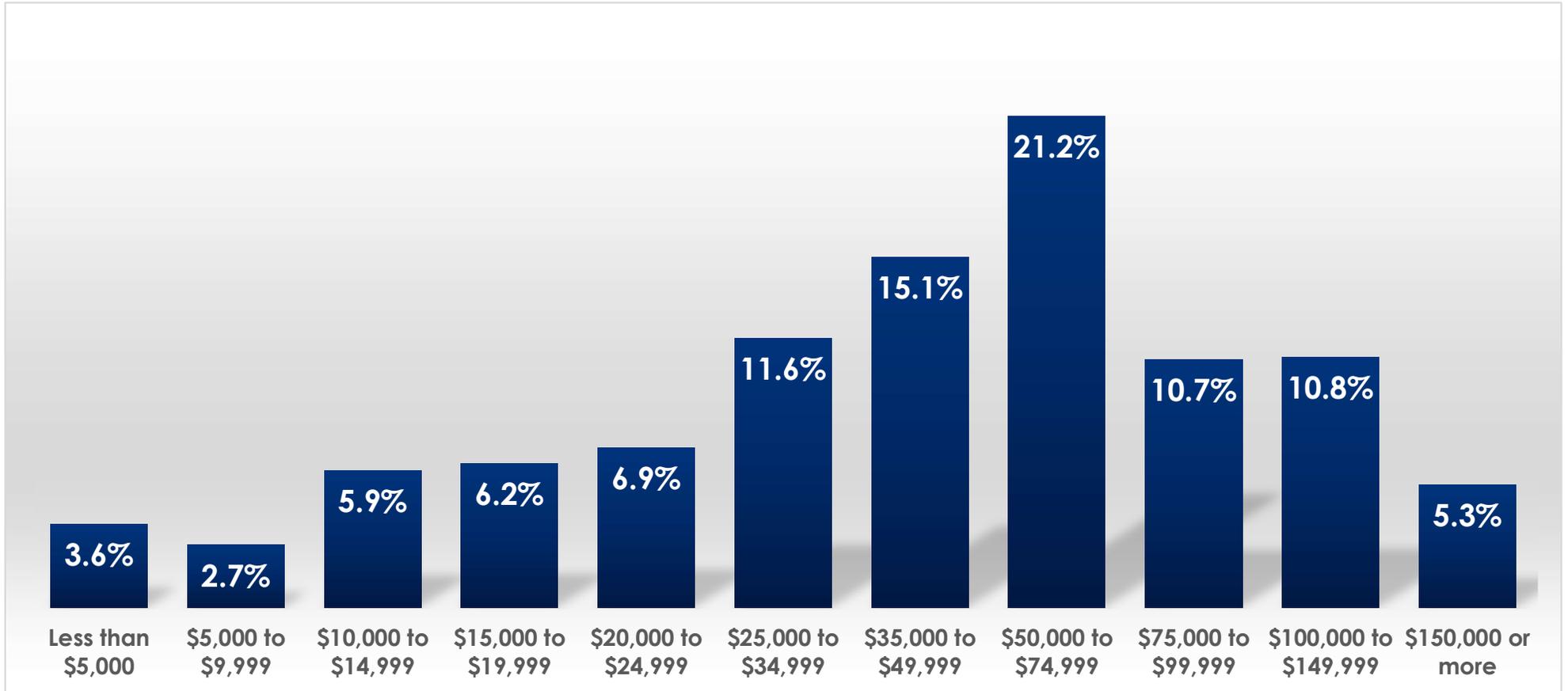
EV Registrations

Zip Code	Number of BEVs	Number of PHEVs
98833	10	1
98856	13	10
98862	23	11

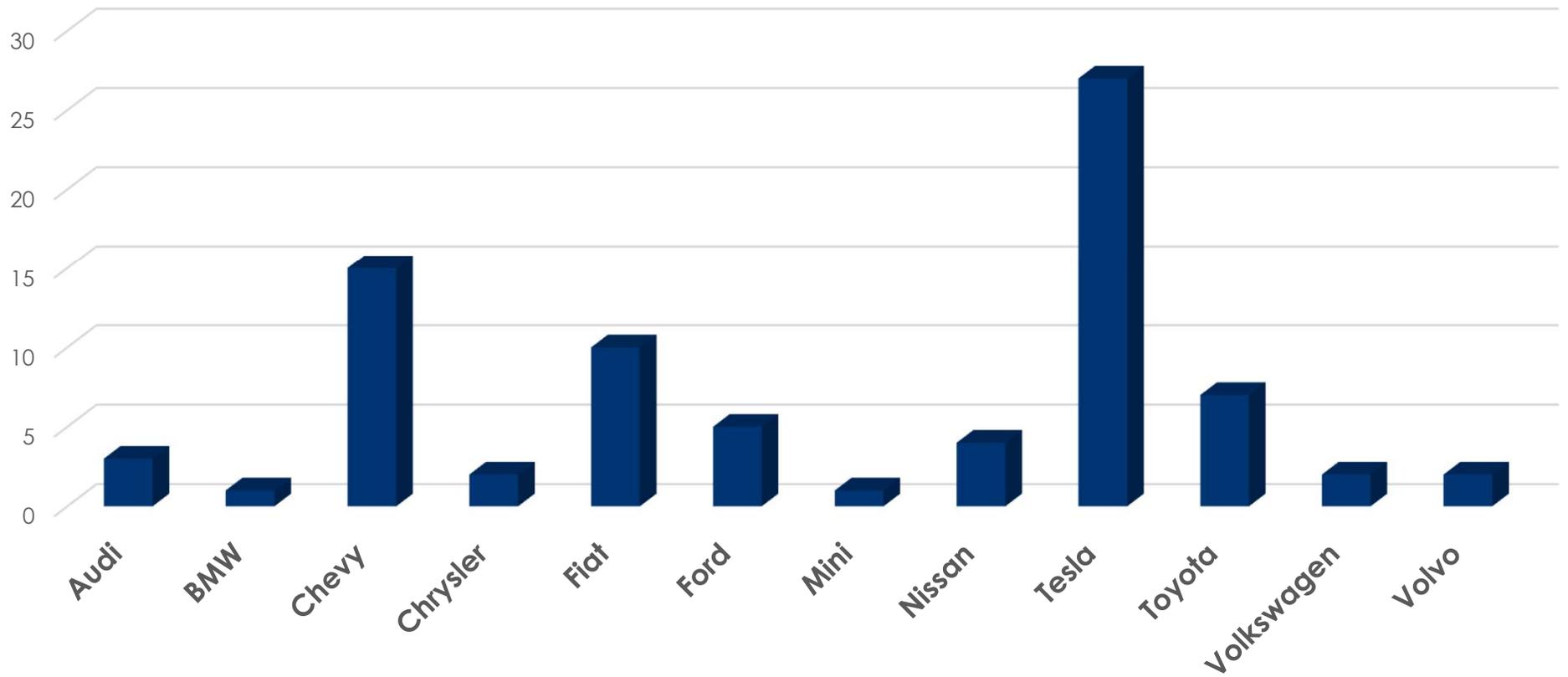
- **Registrations are not an accurate reflection of EVs within the territory due to seasonal member and tourism**

Source: WA DOL

Okanogan County Average Household Income



Electric Vehicle Manufacturers Within Service Territory



Source: NRECA, WA DOL

Recommendations for EV Programs

Education & Partnerships

- **Load Disaggregation**
- **EV Timer**
- **Member Education**
- **Leverage Federal Funding**

Traditional Program Strategies

- **Rebates**
- **EV Rates**

Increasing experience, member engagement, EV penetration

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NRECA Business & Technology Strategies
September 2022

Okanogan County Electric Cooperative 2022 Electric Vehicle Program Roadmap



Business & Technology Report

September 2022

Okanogan County Electric Cooperative 2022 Electric Vehicle Program Roadmap

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This summary report is prepared for Okanogan County Electric Cooperative and includes results and recommendations prepared by NRECA. The report is solely for the use of Okanogan County Electric Cooperative and is not intended to and should not be used or relied upon by anyone else.



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Glossary of Terms

Battery Electric Vehicle (BEV) – All-electric vehicle that uses a battery pack to store the electrical energy that powers the motor, also referred to as EV.

Direct-current Fast Charging (DC Fast) – Fast charging equipment (typically 208/480V AC three-phase input) that enables rapid charging along heavy traffic corridors at installed stations.

Electric Vehicle (EV) – All-electric vehicle that uses a battery pack to store the electrical energy that powers the motor, also referred to as BEV.

Electric Vehicle Supply Equipment (EVSE) – Equipment that supplies electricity to an electric vehicle, commonly called charging stations or charging docks.

Internal Combustion Engine (ICE) – An engine that generates motive power by the burning of gasoline, oil, or other fuel.

Level 1 Charging (Level 1) – Charging equipment that provides charging through a 120V AC plug.

Level 2 Charging (Level 2) – Charging equipment that provides charging through 240V (typical in residential applications) or 208V (typical in commercial applications) electrical service.

National Rural Electric Cooperative (NRECA) – The national service organization dedicated to representing the national interests of cooperative electric utilities and the consumers they serve.

Plug-in Hybrid Electric Vehicle (PHEV) – Vehicle that is powered by an internal combustion engine and an electric motor that uses energy stored in a battery.

Washington State Auto Dealers Association (WSADA) – Represents new car and truck franchised Dealers across the state of Washington and advocates on behalf of its members in public policy, regulatory issues, and economic developments impacting the automotive industry.

Time of Use Rate (TOU Rate) – Utility rate structures that adjust the rate you pay for electricity over the course of the day.

Vehicle to Grid (V2G) – A technology that enables energy to be pushed back to the power grid from the battery of an electric car.

Zero Emission Vehicle (ZEV) – A California state regulation that requires automakers to sell electric cars and trucks in California as well as 10 other states.

Current Electric Vehicle Activity in Okanogan County Electric Cooperative Territory

In order to assist Okanogan County Electric Cooperative in developing goals to accelerate the adoption of electric vehicles (EVs) in their service territory, the National Rural Electric Cooperative (NRECA) researched the current state of EV adoption, existing publicly available electric vehicle supply equipment (EVSE) infrastructure, state and federal policies, and potential utility and market partners. While EV ownership remains relatively low when compared to internal combustion engine (ICE) vehicles, Okanogan County Electric Cooperative has the opportunity to increase adoption through leveraging existing policies, collaboration with nearby utilities, and developing programs that tap into a network of key market actors.

Baseline of Electric Vehicle Ownership

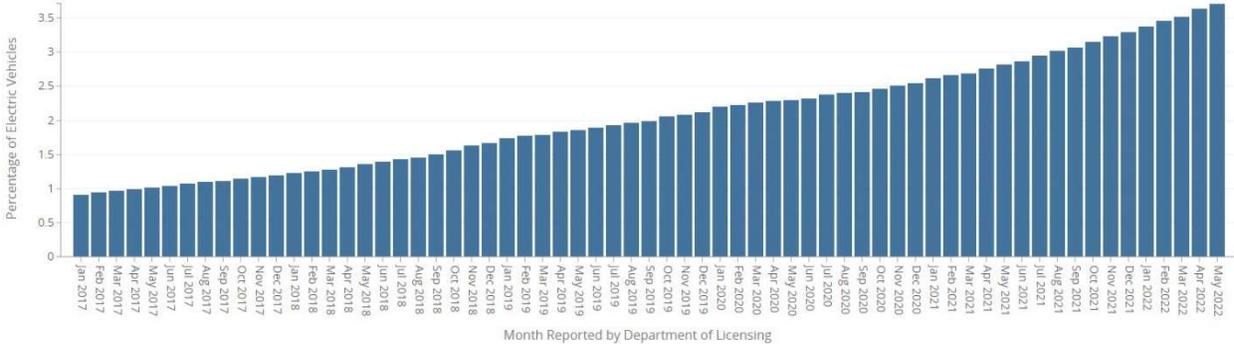
Understanding the current baseline of EV ownership can help Okanogan County Electric Cooperative set reasonable goals for increasing adoption over the next few years. Based on data provided by the Washington State Department of Licensing (DOL) there are currently 100,270 electric vehicles registered in the state of Washington. As of June 27, 2022 the DOL reports (Table 1), there were 74,430 battery electric vehicles (BEVs) and 25,840 plug-in hybrid electric vehicles (PHEVs) registered in the state of Washington. Chart 1 shows the steady increase in statewide EV registrations.

Table 1: Vehicle Types Registered in Washington as of June 2022

Vehicle Type	Registrations
BEVs	100,270
PHEVs	25,840

Source: Washington State Department of Licensing

Chart 1 Electric Vehicle Adoption Rate



Source: Washington State Department of Licensing

Table 2 contains June 2021 information from the US Department of Energy’s Alternative Fuels Database. This database only tracks the number of registered electric vehicles and does not include PHEV. Each state provides registration information to DOE at irregular intervals.

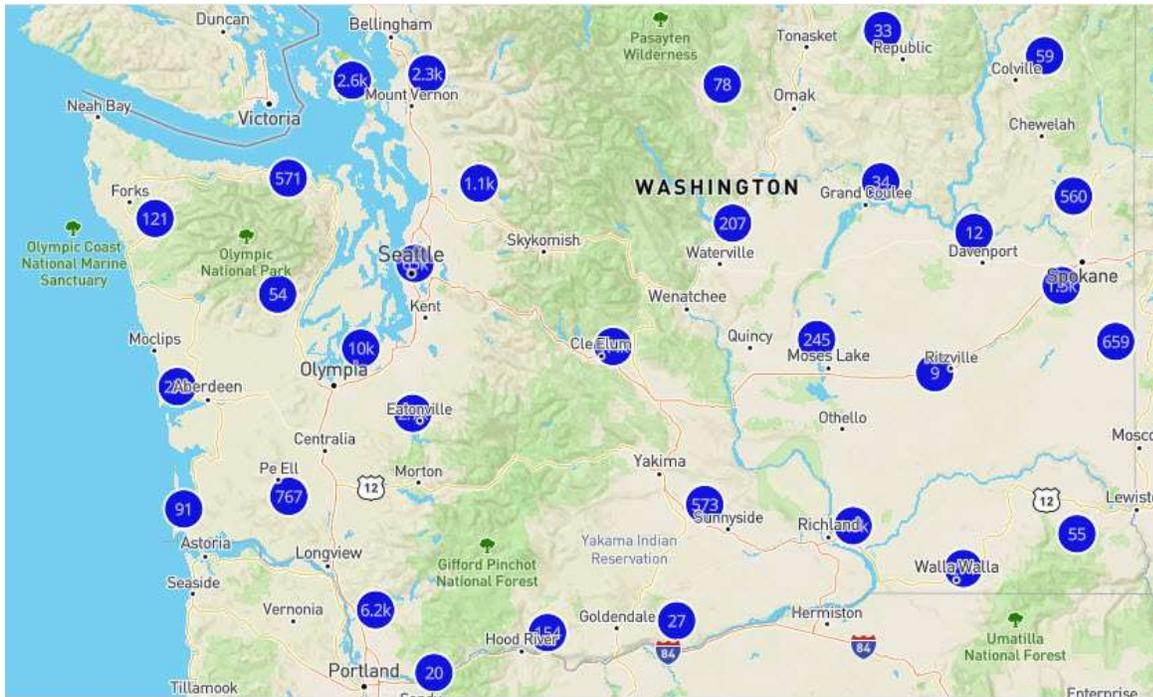
Table 2: Total EV Registrations by State as of June 2021

State	Registration Count	State	Registration Count
Alabama	2,890	Montana	940
Alaska	940	Nebraska	1,810
Arizona	28,770	Nevada	11,040
Arkansas	1,330	New Hampshire	2,690
California	425,300	New Jersey	30,420
Colorado	24,670	New Mexico	2,620
Connecticut	9,040	New York	32,590
Delaware	1,950	North Carolina	16,190
District of Columbia	2,360	North Dakota	220
Florida	58,160	Ohio	14,530
Georgia	23,530	Oklahoma	3,410
Hawaii	10,670	Oregon	22,850
Idaho	2,300	Pennsylvania	17,530
Illinois	26,000	Rhode Island	1,580
Indiana	6,990	South Carolina	4,390
Iowa	2,260	South Dakota	410
Kansas	3,130	Tennessee	7,810
Kentucky	2,650	Texas	52,190
Louisiana	1,950	Utah	11,230
Maine	1,920	Vermont	2,230
Maryland	17,970	Virginia	20,510
Massachusetts	21,010	Washington	50,520
Michigan	10,620	West Virginia	600
Minnesota	10,380	Wisconsin	6,310
Mississippi	780	Wyoming	330
Missouri	6,740	Total	1,019,260

Source: Alternative Fuels Data Center June 2021 <https://afdc.energy.gov/data/10962>

In Washington, EV adoption is highest in Seattle, Spokane and areas connected to Puget Sound. Image 1 provides a high-level depiction of EV locations in the state.

Image 1: Currently Registered Electric Vehicles in Washington



Source: Washington State Department of Licensing This map shows the generalized location of currently registered electric vehicles registered.

Table 3 is a breakdown of EV ownership in the zip codes served by Okanogan County Electric Cooperative.

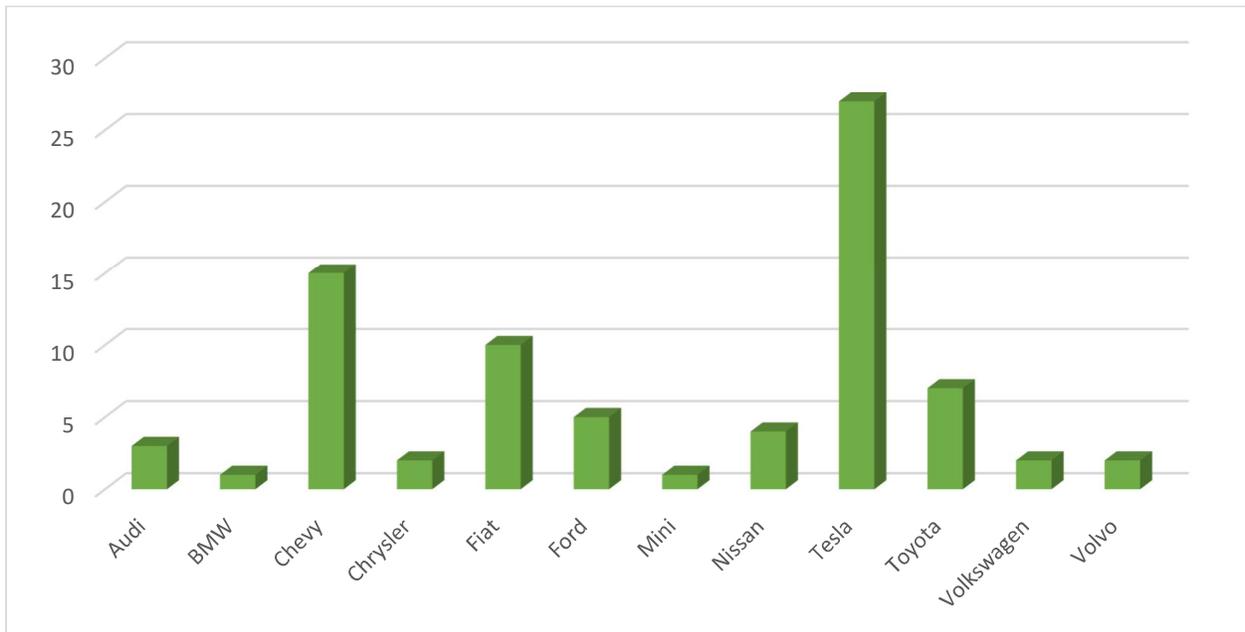
Table 3: EV Registrations Served by Okanogan County Electric Cooperative

Zip Code	Number of BEVs	Number of PHEVs
98833	10	1
98856	13	10
98862	23	11

Source: WA DOL

Throughout the service territory there are 12 different EV manufacturers represented. Tesla is by far the most common manufacturer. The number of different manufacturers and models represents another indication of the maturity of the local EV market.

Chart 2 Electric Vehicle Manufacturers Within Service Territory

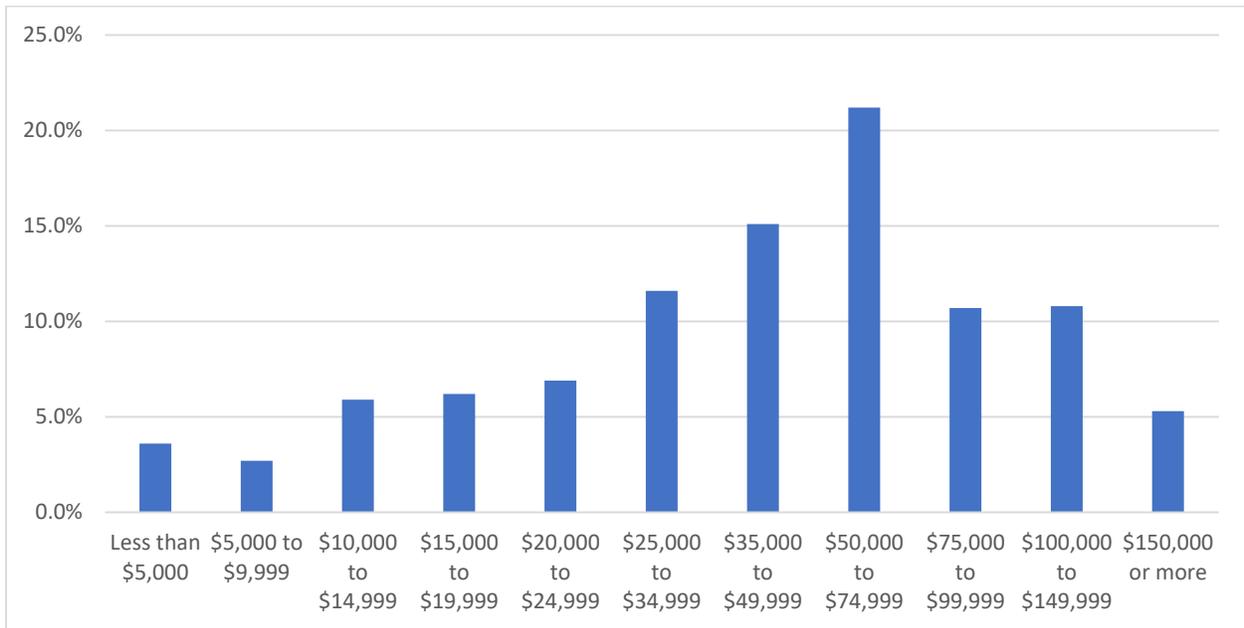


Source: NRECA, WA DOL

Chart 3 shows average household income of Okanogan County Electric Cooperative members. The mean household income is \$75,193 compared to the national average of \$97,516. According to the Fuels Institute the average EV owner has a household income of over \$100,000¹. Based on average household income, this places 16% of Okanogan County residents into the category of today's typical EV owner.

¹ EV Consumer Behavior, Fuels Institute, June 2021

Chart 3 Okanogan County Average Household Income



Source: NRECA, US Census

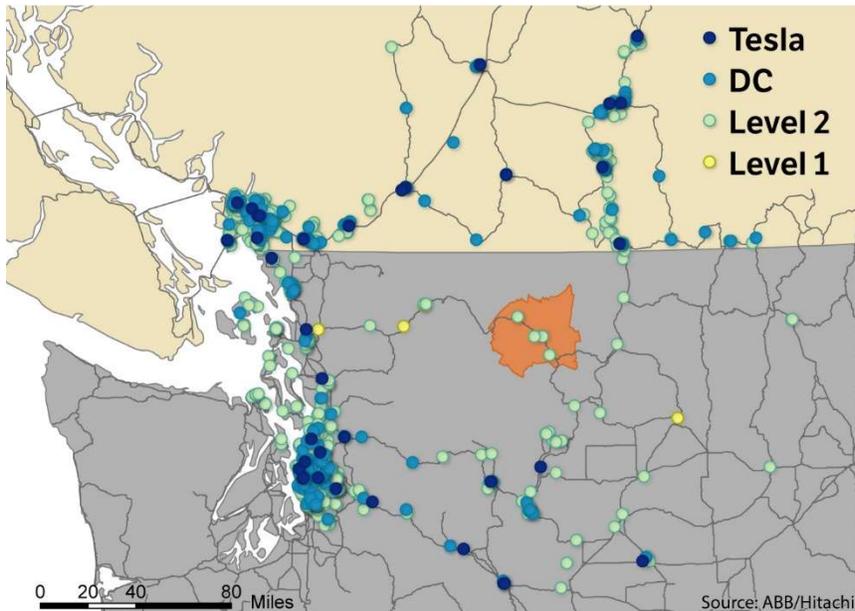
Existing EVSE Infrastructure

Public charging opportunities are concentrated in the Spokane area. As Okanogan County Electric Cooperative looks to increase the total number of EV drivers in their service territory, EVSE availability will also need to increase. As a point of reference, in states with much higher EV penetration, such as California, there is a push to install 1.2 million public and shared chargers to serve the states’ 7.5 million passenger cars by 2030². That would be roughly 6 chargers per driver. However, consideration should be given to the housing stock of co-op consumer-members. Individuals in multi-unit dwellings are more likely to lack charging at home and will need access to public charging. This should be taken into consideration if planning a public charger program.

Image 3 shows the public chargers within and around Okanogan County Electric Cooperative’s service territory. The existing network to the West and South is sufficient for today’s higher range EVs to travel to destinations within the service territory. This is not the case for points East of the co-op’s service territory. Given the distance of the existing charging network it should be expected that travelers will need to charge once arriving at destinations within the co-op’s service territory.

² California Energy Commission

Image 3: Publicly Available EV Charging Stations in Okanogan County Electric Cooperative's Service Territory



Statewide Policies Impacting Adoption

In April 2021, the Washington legislature passed three bills that will ultimately drive increased electrification of the transportation sector.

- HB 1287 creates a mapping tool that assists utilities in predicting EV adoption and load impacts across their service territories. The bill passed the legislature with a section included that would have established a goal that all passenger and light-duty vehicles sold in the state for the 2030 model year and beyond be electric vehicles (EVs). However, this section was vetoed by the Governor because the EV target was only to go into effect after the state adopts a road usage charge and 75% of registered passenger and light-duty vehicles are subject to it.
- HB 1091 requires the Department of Ecology to adopt rules that establish standards that reduce carbon intensity in transportation fuels used in Washington. The standards must reduce the greenhouse gas emissions to 20% below 2017 levels by 2038.
- Climate Commitment Act (S.B. 5126) was enacted instituting a state economy-wide cap and trade program, which includes both the electric sector and the transportation sector. Consumer-owned and investor-owned utilities in the state would be given allowances so as to prevent ratepayer costs from increasing. State agencies are tasked with adopting rules for these allowances.

In early 2021, the Washington State Energy Strategy was published, recommending that the legislature set targets for electric vehicle (EV) adoption, as well as charging

infrastructure deployment, and provide state funding for infrastructure deployment. In March 2020, S.B. 5811 was enacted adopting California's zero emissions vehicles mandate and requiring the state to reach 8% EV sales by 2025.

- **Senate Bill 5689-** was signed by the Governor in March 2022. The bill:
 - The Washington State Department of Commerce and the Washington State Department of Transportation must establish an interagency EV coordinating council (Council) to advance transportation electrification.
 - Directs the Interagency EV Coordinating Council to develop a plan for all light-duty vehicles sold, purchased, or registered in Washington to be an EV by model year 2030.
 - The Joint Transportation Committee must study opportunities for high-consumption fuel users to adopt electric vehicles and make recommendations to the Committees and governor by July 1, 2023.
 - Electric Vehicle (EV) Charging Station Community Grant Program Authorization- The Washington State Department of Transportation (WSDOT) is authorized to establish a grant program for by local governments, federally recognized tribal governments, or utilities to deploy EV charging stations in rural areas, office buildings, multi-unit dwellings, ports, schools and school districts, and state and local government offices. Preference will be given to direct current fast charging (DCFC) projects.
 - Washington State Department of Transportation (WSDOT) must install co-located DCFC and hydrogen fueling stations in the Wenatchee or East Wenatchee area near a state route or publicly owned facility.
 - The Northwest Seaport Alliance (NWSA) must establish and coordinate a zero emission truck stakeholder group to lead the development and implementation of at least one zero-emission drayage truck demonstration project and develop a roadmap to transition the NWSA cargo gateway fleet to zero-emission trucks, by 2050.

In July 2020, Washington joined 14 other states and D.C. and signed a memorandum of understanding (MOU) to ensure 100% of medium- and heavy-duty truck sales are zero-emissions vehicles by 2050, with an interim target of 30% electric vehicle sales by 2030.

Washington also has several incentive programs available related to zero emission transportation.

- **Alternative Fuel Use Requirement-** All state agencies must, to the extent practicable, use 100% biofuels or electricity to operate all publicly owned vehicles. Agencies must prioritize all-electric vehicles (EVs) when leasing or purchasing new vehicles, and all trips that may feasibly use EVs must employ them. (Reference [Executive Order 18-01](#), 2018, [Washington Administrative Code 194-28](#) and [194-29](#), and [Revised Code of Washington 43.19.647](#) and [43.19.648](#))
- **Alternative Fuel Vehicle (AFV) Car Share Pilot Program-** The Washington State Department of Transportation (WSDOT) will develop a pilot program to provide AFV use opportunities to underserved and low-income communities and to those

without easy access to transportation corridors. (Reference Revised Code of Washington 47.04.355)

- Alternative Fuel Vehicle (AFV) Technical Assistance and Education Program- The Washington State University (WSU) was directed to create a technical assistance and education program for public agencies. The Green Transportation Program website contains information on available grant opportunities for state agencies.
 - Mandatory Electric Vehicle Supply Equipment (EVSE) Building Standards- The legislature directed the Washington State Building Code Council to adopt rules for EVSE installation at all new buildings that provide on-site parking by July 1, 2021. At least one parking space, or 10% of parking spaces rounded to the next whole number, must be made-ready for Level 2 EVSE. Electrical capacity must accommodate the potential to serve a minimum of 20% of the total parking spaces with Level 2 EVSE. Buildings classified as utility or miscellaneous are exempt from these requirements. Buildings classified as residential R-3 must implement rules for EVSE installation by July 1, 2024. By July 1, 2024, the Council is required to adopt rules that exceed the minimum requirements set in July 2021. Additional terms and conditions apply. (Reference House Bill 1287,2021 and Revised Code of Washington 19.27.540) The council published the edited document on June 1, 2021.
 - **Electric Vehicle Supply Equipment (EVSE) Fees-** EVSE ports are subject to the following annual registration fees:
 - \$20 per Level 2 port
 - \$40 per Direct Current (DC) Fast port
 - The Department of Agriculture may adopt additional registration fees and consider differential fees for electric vehicle service providers operating less than 25 public EVSEs in Washington. EVSEs found to be an economic detriment to the customer may be subject to a \$200 penalty for the first violation, and \$400 penalty for the second violation. (Reference SenateBill 5192, 2021)
 - **Plug-In Electric Vehicle (PEV) Charging Signage and Parking Regulations-** All EV charging stations must have signage consistent with U.S. Department of Transportation Federal Highway Administration's Manual on Uniform Traffic Control Devices. By 2023, all charges and fees associated with using the station must be displayed.
 - **Commercial Alternative Fuel Vehicle (AFV) and Fueling Infrastructure Tax Credit-** Businesses are eligible to receive tax credits for purchasing new or used medium- and heavy-duty AFVs and medium- and heavy-duty vehicles converted to alternative fuels, and installing alternative fueling infrastructure. Eligible
-

alternative fuels are natural gas, propane, hydrogen, dimethyl ether, and electricity. Tax credits for qualified alternative fueling infrastructure are for up to 50% of the cost to purchase and install the infrastructure.

- **Electric Vehicle (EV) Road User Assessment System Pilot-** The Washington Transportation Commission (Commission) studied the feasibility of transitioning from a fuel tax to a road user assessment system in the state. The Commission began a year-long pilot project in fall 2017. On January 13, 2020, the Commission submitted a report of findings and recommendations to the governor, state legislature, and the U.S. Department of Transportation. The state legislature directed the Commission to further study the impact of a road usage charge, incentives, and other factors on consumer purchase of EVs and conduct a test with drivers to assess impacts.
- **EV Fees-** All-electric vehicle owners must pay an annual fee of \$150 in addition to standard registration fees. Plug-in hybrid electric vehicles with an all-electric range of at least 30 miles are subject to a fee of \$75. Hybrid electric vehicles are subject to a fee of \$75.
- **EV State Incentives-** The retail sales and state use tax of 6.5% does not apply to the sale or lease of new or used passenger vehicles, light-duty trucks, and medium-duty passenger alternative fueled vehicles. Vehicles must not have a selling price plus trade-in property value that exceeds \$45,000 for new vehicles and \$30,000 for used vehicles. The maximum eligible amount for used purchased or leased vehicles is \$16,000. The maximum eligible amounts for new purchased or leased vehicles are as follows:
 - Through July 31, 2021- \$25,000
 - August 1, 2021 - July 31 2023- \$20,000
 - August 1, 2023 - July 31 2025- \$15,000

Federal Policies Impacting Adoption

In addition to state policies and incentives that impact EV adoption, there are existing and proposed federal incentives, initiatives, and policies related to EVs and EV infrastructure that are expected to expand under the Biden Administration. If implemented, these policies could help to increase EV adoption across the country.

National Electric Vehicle Infrastructure (NEVI) Formula Program

The Bipartisan Infrastructure Law (BIL) establishes a National Electric Vehicle Infrastructure Formula Program (“NEVI Formula”) to provide funding to States to strategically deploy electric vehicle (EV) charging infrastructure and to establish an interconnected network to facilitate data collection, access, and reliability. This funding will be directed to state Department of Transportation (DOT). State DOTs must submit

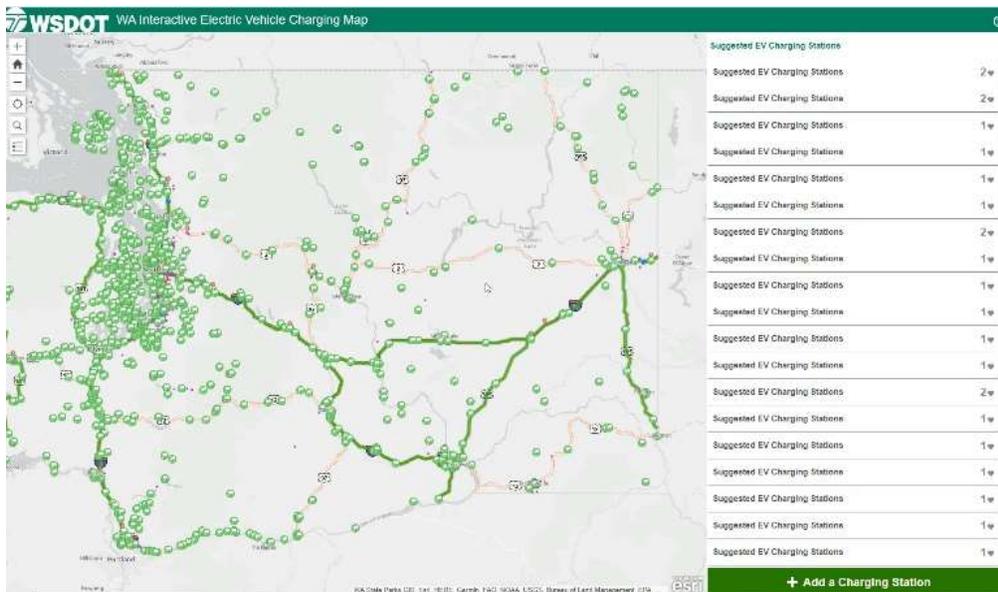
their EV infrastructure development plan to the Joint Office of Energy and Transportation not later than Aug. 1, 2022.

Federal requirements for state plans

- Minimum of four 150kW combo charging system direct current fast chargers per site.
- Site power capability no less than 600 kW.
- 50 miles between sites along designated alternative fuel corridors within one mile of the highway.
- Interagency Electric Vehicle Coordinated Council.

The Washington State Department of Transportation published a draft plan³ that is open for review through July 15, 2022. The draft plan prioritizes I-5 and I-90. The state has also identified I-82/I-182, US 395, US 101 and US 195 as secondary priorities. The state has published an interactive map (Image 4) where citizens can vote on proposed charger locations and suggest new ones.

Image 4: Public Input on Proposed Charger Deployment



Source: WSDOT

Clean School Bus Program

With funding from the Bipartisan Infrastructure Law, EPA's new Clean School Bus Program provides \$5 billion over the next five years (FY 2022-2026) to replace existing school buses with zero-emission and low-emission models. EPA is offering \$500 million through the 2022 Clean School Bus Rebates for zero-emission and low-emission school

³ <https://wsdot.wa.gov/construction-planning/statewide-plans/washington-state-plan-electric-vehicle-infrastructure-deployment>

bus rebates as the first funding opportunity. The first phase of funding is being conducted via lottery and will fund up to 25 school buses. Eligible applicants are:

- State and local governmental entities that provide bus service
- Eligible contractors
- Nonprofit school transportation associations
- Indian tribes or tribally controlled schools that provide service to a Bureau of Indian Affairs (BIA) funded school

Federal Tax Credit

There is an existing federal tax credit for battery electric and plug-in hybrid electric vehicles that currently can be used for the first 200,000 EVs sold by a manufacturer as counted from January 1, 2010. This tax credit can be redeemed for up to \$7,500, although the amount varies depending on the battery capacity of the EV.⁴ The “Clean Energy for America” bill, which has passed the US Senate Finance Committee, would eliminate the existing EV cap of 200,000 (Tesla and GM have already exceeded this cap) and would boost the rebate amount to as much as \$12,500.⁵ Federal tax credits can help bring the cost of EVs down to make them more competitive with ICE vehicles in terms of price.

Expansion of Public Charging Stations

In addition, the Biden Administration proposes to build 500,000 public charging stations across the US by the end of 2030.⁶ According to the Department of Energy Alternative Fuel Data Center, the US passed the milestone of 100,000 public chargers in March 2021. Increasing public charging infrastructure would not only make it more convenient to charge EVs across the country, but this would also create jobs in industries that support vehicle electrification.

Electrifying the Federal Government’s Fleet

In January, President Biden vowed to electrify the federal government’s 600,000 vehicle fleet which, in 2019, was only made up of less than 0.5% battery electric vehicles.⁷ Electrifying the federal government’s fleet has been an ongoing effort that had previously made some progress under former President Barack Obama via the Green Car Initiative. This effort would help reduce emissions in the US and it is a good sign of the commitment the Biden Administration has of expanding EVs across the country.

Airport Zero Emission Vehicle and Infrastructure Incentives

This program allows airport sponsors to use airport improvement program (AIP) funds to purchase zero emission vehicles (ZEVs) and to construct or modify infrastructure needed to use ZEVs.⁸

⁴ US Department of Energy Office of Energy Efficiency & Renewable Energy

⁵ electrek

⁶ Biden Harris

⁷ Ars Technica

⁸ Federal Aviation Administration

Two Wheeled Plug in Electric Drive Motor Vehicle Tax Credit

Two or three wheeled plug-in electric vehicles purchased in 2012 or 2013 are eligible for a tax credit of 10% of the purchase price with a maximum credit of \$2,500.⁹ Providing incentives for more EV types encourages diverse EV adoption, which may appeal to a wider base of adopters.

Alternative Fuel Infrastructure Tax Credit

Fueling equipment for alternative fuels, including electricity, installed through December 31, 2021 at qualified businesses is eligible for a tax credit of 30% of the cost, not to exceed \$30,000. Residential consumers are eligible for a tax credit of up to \$1,000 for fueling equipment purchased prior to December 31, 2021.¹⁰ EVSE tax credits can help reduce the cost of home charging and can help to bolster publicly available charging infrastructure.

Federal Grant Opportunities

Agencies such as the Department of Energy (DOE), Department of Transportation (DOT) and Environmental Protection Agency (EPA) have previously released programs to fund various aspects of electric vehicle research and development. Most funding opportunities are announced without prior warning and applicants are given as few as six weeks to submit a proposal.

Leveraging Market Partners

To meet statewide and service territory goals for EV adoption, Okanogan County Electric Cooperative may need to leverage relationships with EV dealers, EVSE installers and retailers, city governments, and other local organizations to support customers throughout their EV experience. Identifying which dealerships sell EVs, providing educational resources to share with customers, and informing dealers about rebates available will help ensure interested customers can purchase an EV.

While EV technology has been around for quite some time, only recently have carmakers started to show their commitment to EV adoption. As evidenced in the figure below, OEMs (Original equipment manufacturers) have begun making significant changes to their EV offerings, with many announcing several new all-electric options for consumers over the next 10 years. Additionally, OEMs have since made commitments to phase out manufacturing of ICE vehicles all together, as announced by Volvo in March 2021, Honda in April 2021, and Audi in June 2021.^{11,12,13}

⁹ Internal Revenue Service

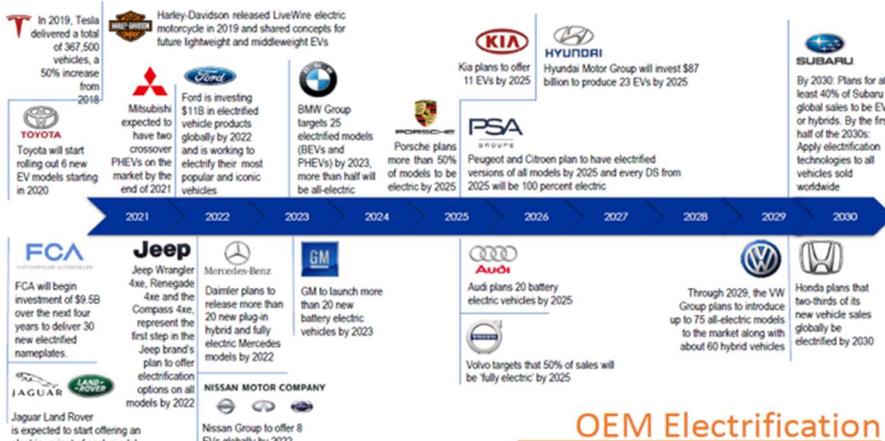
¹⁰ US Department of Energy Alternative Fuels Data Center

¹¹ Volvo Cars USA

¹² Honda

¹³ Audi

Image 4: OEM Electrification



Source: Electric Drive Transportation Association

Despite the increase in EV models coming to market, it is still very difficult to purchase an EV in most areas of the United States. From a study conducted by Sierra Club in 2019, 74% of auto dealerships nationwide are not selling EVs, and few dealerships have staff informed about EVs to answer customer questions¹⁴. While access to EVs has increased since then in some ZEV states, the availability of EVs can be a struggle.

Establishing relationships with auto dealers through local auto dealer associations could help identify the dealers that carry EVs, and then provide the necessary education to dealer staff to ensure customers are provided with un-biased, accurate information about EVs.

Washington State Auto Dealers Association (WSADA) has members in and around Okanogan County Electric Cooperative's service territory and could therefore serve as a potential partner. In May 2021 they announced a partnership with Chargeway to install their digital EV education tools in dealerships. The tool is designed to educate consumers on how EVs are charged.

Sharing information about where to buy a charger and how to install one can also help reduce uncertainty and lower perceived barriers for those considering EVs. EV charger retailers such as Costco, Amazon, Lectron, ChargeHub, Lowe's, Home Depot, or the charger manufacturer itself could potentially disseminate useful information for customers and/or help promote Okanogan County Electric Cooperative's initiatives. QMerit, a company that manages contractor networks across the US with a focus on EVSE, could also assist in developing a list of qualified local installers for customers to reference.

To ensure local policies support increased adoption of EVs and the development of EVSE infrastructure, Okanogan County Electric Cooperative may also want to partner with organizations within its service territory and neighboring districts.

¹⁴ Sierra Club

Cities and towns could also expedite the permitting process for EVSE and enforce parking regulations that prevent ICE vehicles from parking in EV charging spots.

Local and Regional Utility EV Efforts

In addition to working with market and government allies, Okanogan County Electric Cooperative could review and assess neighboring cooperatives and utilities EV efforts and learn from successful EV programs across the region. This section briefly highlights utility EV programs in the area.

Avista

- Residential Programs
 - ChooseEV web tool
 - Avista will pay for the Level 2 charger, direct installation costs, and 50% of the premise wiring costs, up to \$1,000. Customers are responsible for the remainder of the premise wiring costs.
 - Customers are asked to provide feedback through periodic surveys and to program vehicles to charge during off-peak hours whenever possible.
- Commercial Programs
 - ChooseEV web tool
 - Avista will pay for the charger, direct installation costs, and 50% of the premise wiring costs, up to \$2,000 per port. Customers are responsible for the remainder of the premise wiring costs.
 - Customers are asked to provide feedback through periodic surveys, ask employees to program vehicles to charge during off peak hours, and program fleet vehicles to charge during off peak hours whenever possible.

Clark Public Utilities

- Residential Level II Connected Charger Rebate/Program
 - \$500 rebate for the installation of a qualified Level II charger
 - Must be Energy Star rated and “Connected” (internet connection, Wi-Fi enabled)
 - Provides qualified list of almost 40 chargers eligible for rebate
- Residential Level II Non-Connected Charger and Mobile Connector Rebate Program
 - \$100 rebate for the installation of any Level II charger

- \$100 rebate for the purchase of a mobile connector plugged into a 240V socket
- Not required to be Energy Star or connected to the internet
- Used EV Rebate/Program (low income only / income qualified)
 - \$2,000 or \$1,000 rebate (depending on household income level) for the purchase and Clark County registration of a used EV.
 - Available only to limited income customers; income verification required
 - One rebate per household
 - Used EV must cost \$20,000 or less

Tacoma Public Utility

- Residential Rebates
 - \$400 bill credit when you buy and install a Level 2 charger
 - \$400 bill credit when you buy and install a smart splitter
 - \$400 bill credit for the installation of a 240-volt outlet
 - \$600 maximum bill credit for installing more than one of the above
- Public Electric Vehicle Charging
 - Funds to cover up to 80% of project cost for public Level 2 EV charging stations.
 - Funds when you buy EV supply equipment (EVSE) for use within the City of Tacoma.
 - Free assessment to determine whether the utility infrastructure is equipped to handle increased electric loads from new chargers.
- Multifamily Dwelling EV Charging
 - In Takoma and in an “historically underinvested area”
 - Up to 100% or \$20,000 for the first two charging ports or one dual head charger, and installation;
 - Up to 100% or \$25,000 of utility infrastructure upgrades;
 - Up to \$2,000 for each additional charging port.
 - Other areas of Takoma

- Up to 80% or \$16,000 for the first two charging ports or one dual head charger, and installation;
- Up to 100% or \$25,000 of utility infrastructure upgrades;
- And up to \$2,000 for each additional charging port.

Pacific Power

- Time of Use rate
- Renewable energy program
- Public charging grants- applications no longer accepted
- Technical assistance and advice for commercial customers interested in EV charging
- Consumer education website and calculators

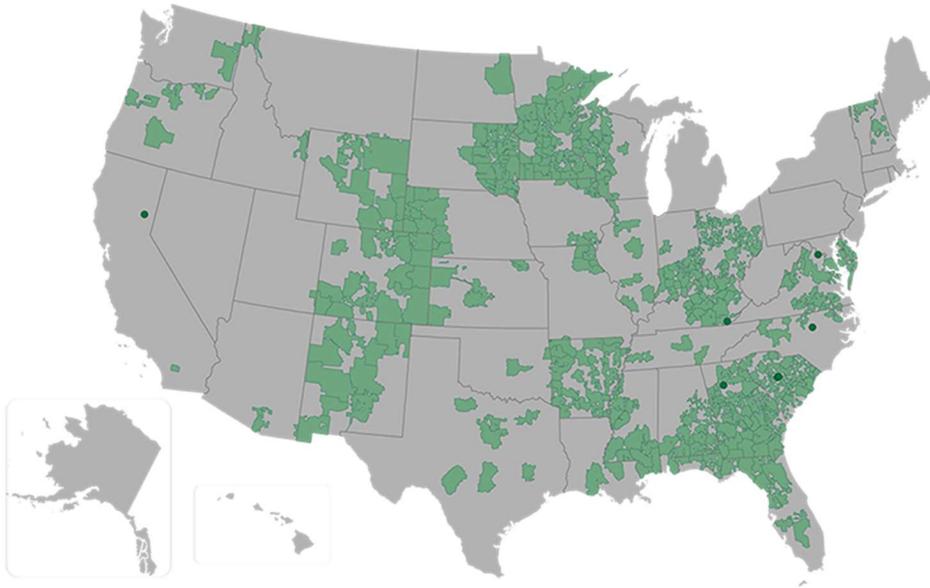
Snohomish Public Utility District

- Residential Programs
 - \$500 level 2 charger rebate
 - \$400 account credit for purchase of a BEV
- Commercial Programs
 - Up to \$1,000 level 2 charger rebate

In January 2021, a group of 29 Midwestern electric co-ops announced the formation of Charge EV. CHARGE EV's founding co-ops are located throughout the Midwest in Illinois, Iowa, Minnesota and Wisconsin. Together they are working to build a national electric vehicle (EV) charging brand powered by co-ops and investing in EV-focused companies. Charge EV is looking to expand beyond the Midwest and may fit into future Okanogan County Electric Cooperative plans. Charge EV includes marketing and communication materials and seeks to provide a national network for co-op members and non-members.

In Spring of 2022, NRECA launched The Cooperative Approach to Vehicle Electrification (CAVE). This is a network of electric cooperatives that have implemented or are planning to implement a variety of electric transportation programs. This group seeks to work with federal agencies, foundations and vendors to provide grassroots electric transportation solutions for rural America. CAVE is NRECA's electric vehicle consortium created to assist our members in taking advantage of funding opportunities available through the \$1 trillion bipartisan infrastructure law.

Image 5 Members of NRECA's CAVE Consortia



Source: NRECA

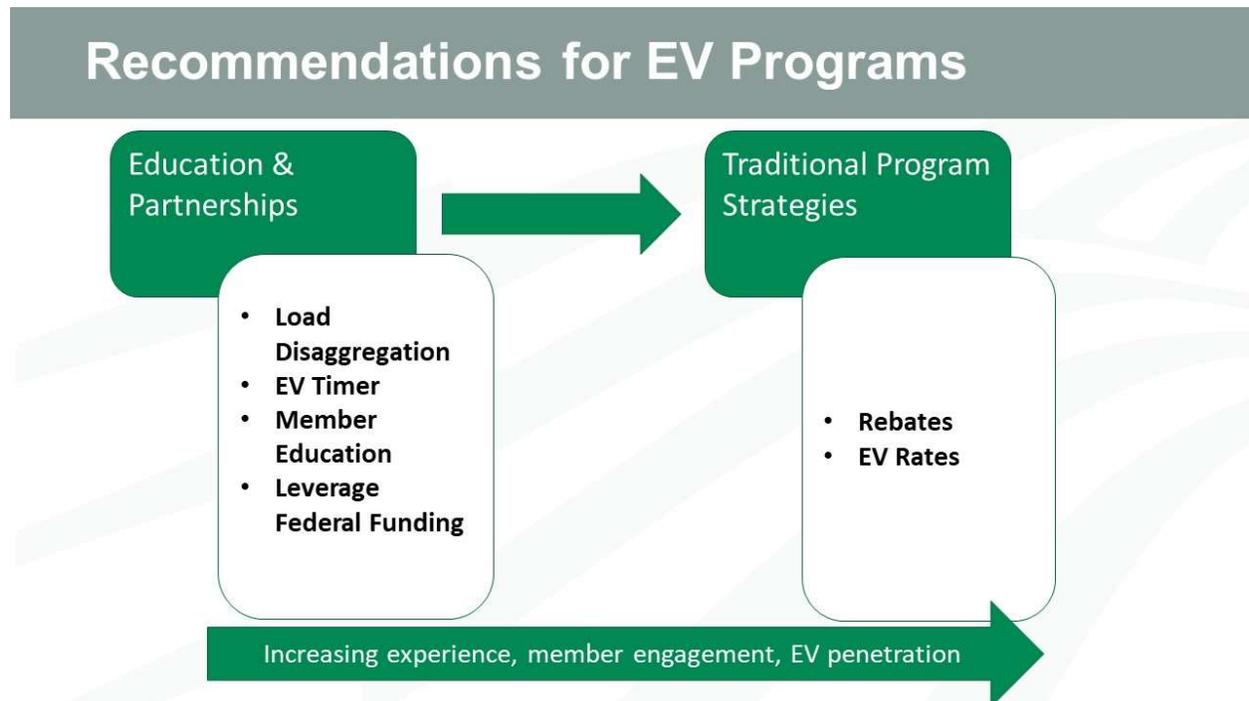
In March, 2021, six utilities (Duke Energy, American Electric Power, Dominion Energy, Entergy Corporation, Southern Co., and the Tennessee Valley Authority) announced a plan to ensure EV drivers have access to a seamless network of charging stations connecting major highways in the South, Midwest, Gulf and Plains regions. Each utility is taking steps to provide DC-fast charging options in their service territories to facilitate interstate travel. The group refers to themselves as the Electric Highway Coalition. Since the original announcement, several other utilities have joined the group bringing their number to 14.

Nearby utilities may be interested in partnering with Okanogan County Electric Cooperative to co-sponsor Ride and Drive events, coordinate dealership outreach, or plan EVSE installations along highway corridors. Infrastructure development should be aligned with forecasted EV adoption areas but should also be focused on areas within Okanogan County Electric Cooperative's territory that could support the area's tourism industry.

North Carolina EMC has partnered with their member cooperatives to create a statewide public charging program. They also offer a branded website for consumer-members to access to obtain basic information on electric vehicles- <https://www.ncdriveelectric.com/>. The website includes a drop-down menu with links to each member cooperative. Distribution co-op websites also include educational information on electric vehicles- <https://www.blueridgeenergy.com/powerful-solutions/ev>. Okanogan County Electric Cooperative in partnership with other co-ops in the state or region could seek to replicate such a branded program.

Recommendations for EV Program Adoption

The main drivers for the following recommendations are to create a positive user experience that educates and empowers the owner of EVs to charge off peak, create an education program that positions the co-op as a trusted advisor on the issue of electric transportation and addresses the two distinct EV markets within the territory. The two markets, full time residents that own an EV and members that own a second home within the territory present unique challenges and very different markets.



Education and Partnerships

Education will be key in helping to move charging to off peak hours. This is a lower cost effort compared to replacing the co-op's metering system or deploying a charger with revenue grade metering. The focus of this effort is the deployment of an advanced load disaggregation system that has been designed for the small utility market.

- 1. Load Disaggregation:** A load disaggregation program can be deployed within the service territory and provide value to both full time and part time residents. The value for part time residents could be higher since the program can remotely monitor the home and the loads within the home. It is recommended that the co-op explore the Apolloware system.

Apolloware was developed by and owned by Bandera Electric Cooperative. The system is designed specially for smaller cooperative and municipal utilities. The system requires the installation of revenue grade CTs within the home and uses

the homes Internet for communication. Members will need Internet access for the system to function.

End-use members receive an app that allows them to see each circuit within the home and gives them real time information on how much each load such as an EV charger is consuming in dollars.

The service allows members to:

- Monitor real-time energy consumption with a mobile app.
- Voluntarily alter energy use at different times of the day during peak demand.
- Monitor major appliances to ensure optimal performance.
- Receive weekly energy report summary.
- Data is encrypted for security.

Cooperative staff have access to a dashboard that provides the home's circuit level information. This can be used by the co-op's member service representatives to address high bill complaints or for the co-op to ensure that members are participating in the co-o's voluntary EV timer program second recommendation). Given the value of the information contained within the app and the level of service that participating members will receive it is recommended that the co-op charge a fee of \$15 a month for access to the app.

An option used by a growing number of utilities is Bidgely (<https://www.bidgely.com/>). Bidgely is a product analytics tool that is capable of variety of functions from identify end use loads such as EVs to detecting power theft. The tools does require an AMI deployment. Most utilities use between 15 minute and hourly interval data in a deployment such as this.

The tool most similar to Apollaware is Sense (<https://sense.com/>). Sense is a commercially available product to end-use customers that can provide whole home energy usage information. It uses CTs and it is recommended that a licensed electrician perform the installation. It is compatibly with several smart home systems. Retails price for Sense ranges from \$299-\$349 depending on options purchased. Sense is working with utilities that use the Revelo® meter from Landis+Gyr. The meter comes equipped with Sense integrated inside the meter.

Bandera Electric Cooperative has provided a proposal for 500 units to be deployed with the service territory. The price is \$520,000. If the co-op were to charge members a \$15 a month fee to access the data within the app then the co-op would have initial hardware costs paid for in under 6 years. This does not include cost savings associated with changes in member consumption behavior.

2. EV Timer Program: To address the immediate concern of EV's charging at home during the co-op's peak it is recommended that the co-op create a marketing campaign the educate members on the benefits of setting the timer of the vehicle to ensure that charging takes place at night. Setting the timer is an easy act that most EV drivers do not do since there is no reason for them to do this simple act. A marketing and communication program will need to be created that addresses the key benefits of setting the time:

1. Ensure system reliability and resiliency
2. Empowers the EV driver to help the local community by using existing resources in a responsible and beneficial manner
3. Gain access to the Apolloware load disaggregation tool that will provide detailed home energy consumption
4. Provide a small cost savings

Participants in this voluntary program would be eligible for a small financial incentive. The incentive could be in the form of a \$5 a month bill credit or access to the Apolloware system at a reduced cost. The co-op can use the Apolloware dashboard to ensure the members participation in the program.

Today's EV owners purchase their vehicle because of the positive environmental impact or the high-tech performance characteristics of the car. Program messaging should highlight both of these messages in order to appeal to these two distinct groups.

Some utilities with high EV penetration have seen a second peak occurring at 11:00 pm. This is the time that the utility chose or in some instances the EV drivers chose to begin EV charging. A better and simpler solution is to encourage EV owners to set their timer for when they will need their car battery full recharged. The car will begin the charging process at the right time to have a full battery by morning. This method will create a natural stagger to the start time across the service territory.

3. Member Education: In this education-based concept, the co-op's knowledgeable staff provides members with information electric vehicle models and the pros and cons of the vehicles. This includes but is not limited to online education platforms, such as ChooseEV, ride and drives, EV owner networking groups and other engagement strategies to build knowledge and awareness of EVs. Staff will also advise members on existing incentives, such as federal and state tax credits for EVs, and installation assistance. The co-op does not offer additional financial incentives of their own, but instead leverages the significant incentives that already exist through various government programs.

1. **Online Education-** Tools such as ChooseEV are offered by roughly half of co-op's nationwide. This tool provides information on each EV model currently offered in the United States, provides an emissions savings calculator and a cost savings calculator.

2. **Ride and Drive-** Co-op sponsored ride and drives take education to the next level. This hands-on approach gives people a real world experience with the vehicle. Ride and drives can be held with volunteer EV owners that live within the community or the co-op's fleet EV. These high profile public events help to position the co-op as the trusted energy advisor and can be fun community engagement activities.
 3. **EV Owner Networking-** With minimal cost and staff time the co-op can create an EV Owners group. The co-op can partner with an existing group and or create a new group. The group would be educated on the co-op's off peak charging program and be ambassadors to other EV owners to educate them on the ease and value of setting their car's timer for off peak charging. These owners can also form the foundation of community ride and drives and other outreach efforts.
4. **Leveraging Federal Funding.** If Okanogan County Electric Cooperative is interested in federal funding for research and deployment activities, they should begin planning now. There are several steps that can be taken.
1. Federal agencies publish their funding opportunities at <https://www.grants.gov/web/grants/search-grants.html>. The list is updated on a daily basis.
 2. The co-op should scope out potential projects before funding is available. Clues to future funding can be found in several areas. Federal funding legislation can give an indication to funding programs several months into the future. The "infrastructure bill" is an example of a bill that would create programs for public charging and electric school buses once approved by both chambers of Congress, signed by the President and then goes through agency rulemaking and program creation. Nearer term clues can be found in Requests for Information (RFI) and Notice of Intent (NOI). The RFI generally seeks feedback on agency ideas. Answering RFIs can help to shape future funding requests to your advantage. The NOI means that the funding requests will be released within days or weeks and will give clues as to what the agency would like to fund. However, some funding requests are complete surprises.
 3. To pursue federal funding you will need specific skillsets related to grant writing and federal accounting rules. Both of these are critical to a successful bid.

Typically, NRECA evaluates federal grants and will form teams of co-ops to pursue these opportunities. Given the tight turnaround on these applications it is recommend that the co-op create a priority list of their top needs for federal R&D funding and create project outlines and determine local partners. It is hard to predict what programs the federal government will fund in the future. However, the administration and Congress have indicated an interest in EV adoption in areas that have large numbers of low-

income and minority populations, EV technology that interacts with the grid, mass transit, and in medium and heavy-duty transportation.

It is expected that the Department of Energy will announce a community charge program in late 2022. This program will most likely fund the deployment of public level 2 chargers. Applicants for this program will need to be either state or local government agencies or entities created by state or local government such as a regional council of governments. The co-op should work with relevant agencies to determine the likelihood of agencies applying for funds that may place chargers into places such as parks, libraries, hospitals or other popular public locations. Working in advance can minimize make ready costs by steering agencies away from placing chargers at locations that would require significant infrastructure upgrade costs and to areas that would be cheaper to operate.

Traditional Program Strategies

These program concepts use approaches that have been applied to other products and, therefore, are already familiar to most co-ops.

- 5. Rebates:** Similar to many current co-op programs, members would purchase and install a co-op approved EVSE and receive a rebate from the co-op for the EVSE and/or the installation. Rebate programs are by far the most common residential EVSE programs among co-ops. Rebates range from \$200 to \$500. Given the co-op's desire for off peak charging this program is a natural fit. However, the yearly software fees may be cost prohibitive. Software fees can vary greatly. Given the small size of the deployment within Okanogan County Electric's territory compared to other utilities it is difficult to provide an estimate. Based on other projects the co-op should expect software fees in the area of \$200-\$2,000 per year. The co-op may be able to reduce costs by partnering with neighboring utilities and create a regional residential EV program. The co-op should determine the effectiveness of the timer program before considering a more expensive rebate program. It is very likely that through a concentrated education and communication campaign the co-op could achieve results similar to a more expensive managed charge program.
- 6. EV Rates:** Okanogan County Electric can encourage off-peak charging through an EV-specific rate. Since member control does not require direct communication and control with the EVSE, members can purchase less expensive, non-communicating EVSE. Communicating EVSE, however, will allow members to manage charging remotely and gain insights into their EV's electricity consumption. Member charge management is an effective way to shift EV charging to off-peak hours, while allowing members to charge their vehicles when they need to. To fully capture the benefits of EVs, such as mitigating system peaks, reducing demand charges, or using excess renewable generation, the co-op can control EVSE directly. EVs are excellent candidates for flat rate subscription programs. These programs can be tailored to meet the needs of the

co-op and make communicating the financial savings of EVs easier with the member.

The following chart summarizes the opportunities and risks of various program concepts.

Opportunities and Risks Related to Program Concepts

	Program Concept	Opportunities	Risks
Education & Partnerships	1. Load Disaggregation	<ul style="list-style-type: none"> • Educate both members and co-op staff. • Provide home monitoring solution to seasonal accounts. • Allows for EV monitoring without advanced AMI or new charging equipment. 	<ul style="list-style-type: none"> • Cyber attacks
	2. EV Timer Program	<ul style="list-style-type: none"> • Low cost for co-op. • Excellent tie in to the Apolloware program. 	<ul style="list-style-type: none"> • Take significant member education and outreach. • Seasonal accounts may not be receptive on the first day of being in the home. • Successful deployments such as this get 20-30% participation rates.
	3. Member Education	<ul style="list-style-type: none"> • Will take significant staff time. • Positions co-op as the go to resource. • Builds a network of advocates for the off peak charging program. 	<ul style="list-style-type: none"> • Time consuming.
	4. Leveraging federal funding	<ul style="list-style-type: none"> • Potential for a low cost program to build public charging network. 	<ul style="list-style-type: none"> • Hard to predict which programs will get funded. • Significant staff time to find partners.
Traditional Program	5. Rebates	<ul style="list-style-type: none"> • Familiar approach. • Reduces cost to member. 	<ul style="list-style-type: none"> • If member dislikes product, dissatisfaction may be aimed at co-op.
	6. Rates	<ul style="list-style-type: none"> • Encourage off peak charging • Subscription pricing is a new engagement opportunity 	<ul style="list-style-type: none"> • Co-op would need either AMI or a residential program focusing on one model of charger. • Could become costly • Communication technology may be lacking

Electric Vehicle Charging Utility Benchmarking Survey – 8/22/2022

The objective of this survey is to request information on your utilities response and/or activities surrounding the Electric Vehicle (EV) space for a benchmarking exercise for Okanogan County Electric Cooperative (OCEC). OCEC will not attribute any answers to any specific utility and will roll up responses anonymously and will share the rolled-up responses with the participants and the OCEC Board of Directors. You can either **highlight** the answer to each question below or **change the text color**. For the open-ended questions please just fill in below the question where “Text” is written.

Please take a moment to fill this survey out, save a copy with your answers, and return to Greg Mendonca (gmendonca@ocec.coop) by **September 23rd, 2022**. Thank you in advance for helping OCEC benchmark EV charging in the region.

Public EV Charging

1. How does your utility engage with public charging EV infrastructure?
 - a. Own public EV chargers
 - b. Lease public EV chargers
 - c. Planning to own/lease public EV chargers
 - d. Not planning to own/lease public EV chargers
 - e. Other (please describe below)
 - i. Text
2. Does your utility have a public EV charging rate?
 - a. Yes
 - b. No
 - c. Planning to have one
 - d. N/A
3. If you answered “Yes” or “Planning to have one” to Q2, please briefly describe the rate
 - a. Text
4. Has your utility been approached to partner on a public EV charging station by a potential partner or vendor?
 - a. Yes
 - b. No
 - c. Don’t know
5. Does your utility have any incentive programs for public EV charging?
 - a. Yes
 - b. No
 - c. Planning to have incentives
 - d. Don’t know
6. If you answered “Yes” to Q5, please briefly describe the incentive(s)
 - a. Text

Member EV Charging

7. Does your utility have an EV rate for residential members?

- a. Yes
 - b. No
 - c. Planning to have one
 - d. Don't know
8. If you answered "Yes" or "Planning to have one" to Q7, briefly describe the EV rate for residential members
- a. Text
9. Does your utility have any incentive programs for residential EV charging infrastructure?
- a. Yes
 - b. No
 - c. Planning to have incentives
 - d. Don't know
10. If you answered "Yes" or "Planning to have incentives" to Q9, please briefly describe the incentive(s)
- a. Text
11. Does your utility communicate EV charging specific information to your membership?
- a. Yes
 - b. No
 - c. Planning to
 - d. Don't know
12. If you answered "Yes" or "Planning to" to Q11, please briefly describe the topics currently or planned to be communicated
- a. Text

Peak Load Management

13. Does your utility deploy any programs to manage peak load in relation to EV charging?
- a. Yes
 - b. No
 - c. Planning to
 - d. Don't know
14. If you answered "Yes" or "Planning to" to Q13, please briefly describe the programs in place or planning to be in place
- a. Text
15. Do you expect that EV charging will cause a material increase on your forecasted peak load in the next 10 years?
- a. Yes
 - b. No
 - c. Don't know
16. If you answered "Yes" to Q15, what actions are you taking or plan to take to mitigate the peak load growth?
- a. Text

Other EV Charging Topics

17. What other activities or investments is your utility making in the EV charging space not covered so far?

a. Text

18. Any other comments

a. Text

OKANOGAN COUNTY ELECTRIC COOPERATIVE INC
REVOLVING LOAN FUND #1
MONTHLY REPORT

For the Month Ending
September 30, 2022

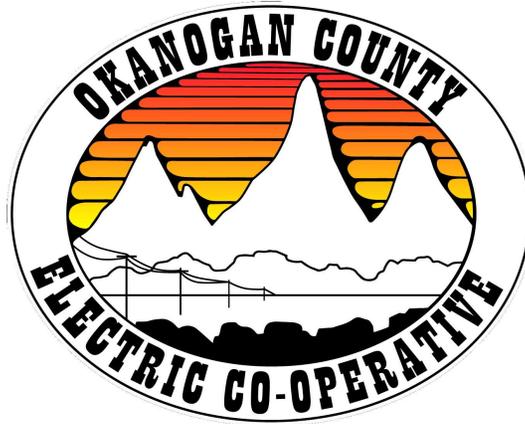
Beginning RLF Balance		\$133,758.93
LOUP LOUP SKI ED FOUNDATION LOAN #3		\$0.39
PAYOFF OCTOBER 01, 2024	MONTH	TO DATE
PAYMENTS RECEIVED	\$429.17	\$42,154.41
ADMINISTRATIVE FEE (1%)	\$12.50	\$2,570.76
PRINCIPAL PAYMENT TO LOAN	\$416.67	\$39,583.65
ORIGINAL AMOUNT OF LOAN		\$50,000.00
BALANCE REMAINING ON LOAN		\$10,416.35
MVSTA LOAN #2		
PAYOFF JULY 01, 2022	MONTH	TO DATE
PAYMENTS RECEIVED	\$0.00	\$105,621.60
ADMINISTRATIVE FEE (1%)	\$0.00	\$5,621.60
PRINCIPAL PAYMENT TO LOAN	\$0.00	\$100,000.00
ORIGINAL AMOUNT OF LOAN		\$100,000.00
BALANCE REMAINING ON LOAN		\$0.00
TOWN OF WINTHROP		
PAYOFF NOVEMBER 01, 2027	MONTH	TO DATE
PAYMENTS RECEIVED	\$839.17	\$49,653.48
ADMINISTRATIVE FEE (1%)	\$47.50	\$3,736.62
PRINCIPAL PAYMENT TO LOAN	\$791.67	\$45,916.86
ORIGINAL AMOUNT OF LOAN		\$95,000.00
BALANCE REMAINING ON LOAN		\$49,083.14
Smiling Woods Yurts		
PAYOFF NOVEMBER 01, 2028	MONTH	TO DATE
PAYMENTS RECEIVED	\$356.66	\$16,659.80
ADMINISTRATIVE FEE (1%)	\$23.33	\$1,326.62
PRINCIPAL PAYMENT TO LOAN	\$333.33	\$15,333.18
ORIGINAL AMOUNT OF LOAN		\$40,000.00
BALANCE REMAINING ON LOAN		\$24,666.82
TwispworksFoundation		
PAYOFF DECEMBER 01, 2028	MONTH	TO DATE
PAYMENTS RECEIVED	\$356.66	\$16,293.15
ADMINISTRATIVE FEE (1%)	\$23.33	\$1,293.30
PRINCIPAL PAYMENT TO LOAN	\$333.33	\$14,999.85
ORIGINAL AMOUNT OF LOAN		\$40,000.00
BALANCE REMAINING ON LOAN		\$25,000.15
Winthrop Rink		
PAYOFF JULY 01, 2030	MONTH	TO DATE
PAYMENTS RECEIVED	\$0.00	\$55,275.04
ADMINISTRATIVE FEE (1%)	\$0.00	\$275.04
PRINCIPAL PAYMENT TO LOAN	\$0.00	\$55,000.00
ORIGINAL AMOUNT OF LOAN		\$55,000.00
BALANCE REMAINING ON LOAN		\$0.00
TOTAL BALANCE REMAINING ON LOANS		\$109,166.46
ENDING RLF BALANCE		\$135,633.93

OKANOGAN COUNTY ELECTRIC COOPERATIVE INC

**For the Month Ending
September 30, 2022**

**REVOLVING LOAN FUND #2
MONTHLY REPORT**

Beginning RLF Balance		\$37,588.56
TOWN OF WINTHROP LOAN #2		
PAYOFF JUNE 01, 2022	MONTH	TO DATE
PAYMENTS RECEIVED	\$0.00	\$21,633.89
ADMINISTRATIVE FEE (1%)	\$0.00	\$1,133.89
PRINCIPAL PAYMENT TO LOAN	\$0.00	\$20,500.00
ORIGINAL AMOUNT OF LOAN		\$20,500.00
BALANCE REMAINING ON LOAN		\$0.00
MVSTA LOAN #3		
PAYOFF OCTOBER 01, 2024	MONTH	TO DATE
PAYMENTS RECEIVED	\$600.84	\$60,293.28
ADMINISTRATIVE FEE (1%)	\$17.51	\$3,710.27
PRINCIPAL PAYMENT TO LOAN	\$583.33	\$56,583.01
ORIGINAL AMOUNT OF LOAN		\$70,000.00
BALANCE REMAINING ON LOAN		\$13,416.99
PINETOOTH CREATIVE		
PAYOFF July 01, 2026	MONTH	TO DATE
PAYMENTS RECEIVED	\$79.60	\$6,145.94
ADMINISTRATIVE FEE (1%)	\$3.09	\$425.50
PRINCIPAL PAYMENT TO LOAN	\$76.51	\$5,720.44
ORIGINAL AMOUNT OF LOAN		\$9,275.00
BALANCE REMAINING ON LOAN		\$3,554.56
EQPD		
PAYOFF February 01, 2027	MONTH	TO DATE
PAYMENTS RECEIVED	287.08	\$19,608.23
ADMINISTRATIVE FEE (1%)	13.54	\$1,383.92
PRINCIPAL PAYMENT TO LOAN	273.54	\$17,910.44
ORIGINAL AMOUNT OF LOAN		\$32,500.00
BALANCE REMAINING ON LOAN		\$14,589.56
Little Star Montessori School		
PAYOFF February 01, 2027	MONTH	TO DATE
PAYMENTS RECEIVED	\$309.38	\$19,644.50
ADMINISTRATIVE FEE (1%)	\$13.55	\$1,362.55
PRINCIPAL PAYMENT TO LOAN	\$295.83	\$18,278.95
ORIGINAL AMOUNT OF LOAN		\$32,500.00
BALANCE REMAINING ON LOAN		\$14,221.05
MVSTA LOAN #4		
PAYOFF November 01, 2030	MONTH	TO DATE
PAYMENTS RECEIVED	\$908.34	\$20,083.44
ADMINISTRATIVE FEE (1%)	\$75.01	\$1,750.18
PRINCIPAL PAYMENT TO LOAN	\$833.33	\$18,333.26
ORIGINAL AMOUNT OF LOAN		\$100,000.00
BALANCE REMAINING ON LOAN		\$81,666.74
OLD SCHOOLHOUSE BREWERY		
PAYOFF August 01, 2031	MONTH	TO DATE
PAYMENTS RECEIVED	0.00	\$8,910.00
ADMINISTRATIVE FEE (1%)	0.00	\$810.00
PRINCIPAL PAYMENT TO LOAN	0.00	\$8,100.00
ORIGINAL AMOUNT OF LOAN		\$81,000.00
BALANCE REMAINING ON LOAN		\$72,900.00
TOTAL BALANCE REMAINING ON LOANS		\$200,348.90
ENDING RLF BALANCE		\$39,651.10



Wholesale, Expense, and Revenue Budget 2023

NOVEMBER 28TH, 2022



Agenda

Review Wholesale Power & Transmission Budget

Review Forecast Revenues

Review Expense Budget

Review Compass Model 10-Year Projections

**NOTE – no borrowings are built into the draft balance sheet or cash flows statements to illustrate forecasted needs



Wholesale Power & Transmission Budget

This component of OCEC's expenses make up ~45% (as compared to 60% last budget year) of the total and is a result of energy sales from PNGC to OCEC at their Part A (Tier 1) or Part B (Tier 2) rates, transmission charges pass thru PNGC from BPA, and overhead and equity charges from PNGC

Rates from PNGC, and BPA, have been set for the period of October 2021 thru September 2023 for the vast majority of OCEC's purchases from PNGC for power and transmission providing rate certainty

BPA has put forth a rate settlement for the period of October 2023 thru September 2025 and we anticipate the settlement rates to be finalized in December 2022

Part of the BPA settlement is a one-time Revenue Distribution Clause (RDC) amount of ~\$350k which will show up as a credit on our power bills

OCEC Utilizes a PNGC-created model to forecast the power and transmission expenses for calendar year 2022

- This year OCEC utilized a CFC BudgetPro forecast of purchases rather than the PNGC forecast

2023 Wholesale Budget Highlights

Retail Sales Forecast	66,560,364 kWhs
+ Distribution Losses & Own Use	+ 5,426,091 kWhs
= Total Retail Load (purchased power)	= 71,986,455 kWhs

Forecast Cost of Power	\$2,595,838 (79% including RDC credit)
+ Forecast Cost of Transmission	+ \$500,634 (18%)
+ Forecast Cost of PNGC Overhead	+ \$102,260 (3%)
- RDC Credit	- \$354,248
= Total All-In Cost	= \$2,844,483

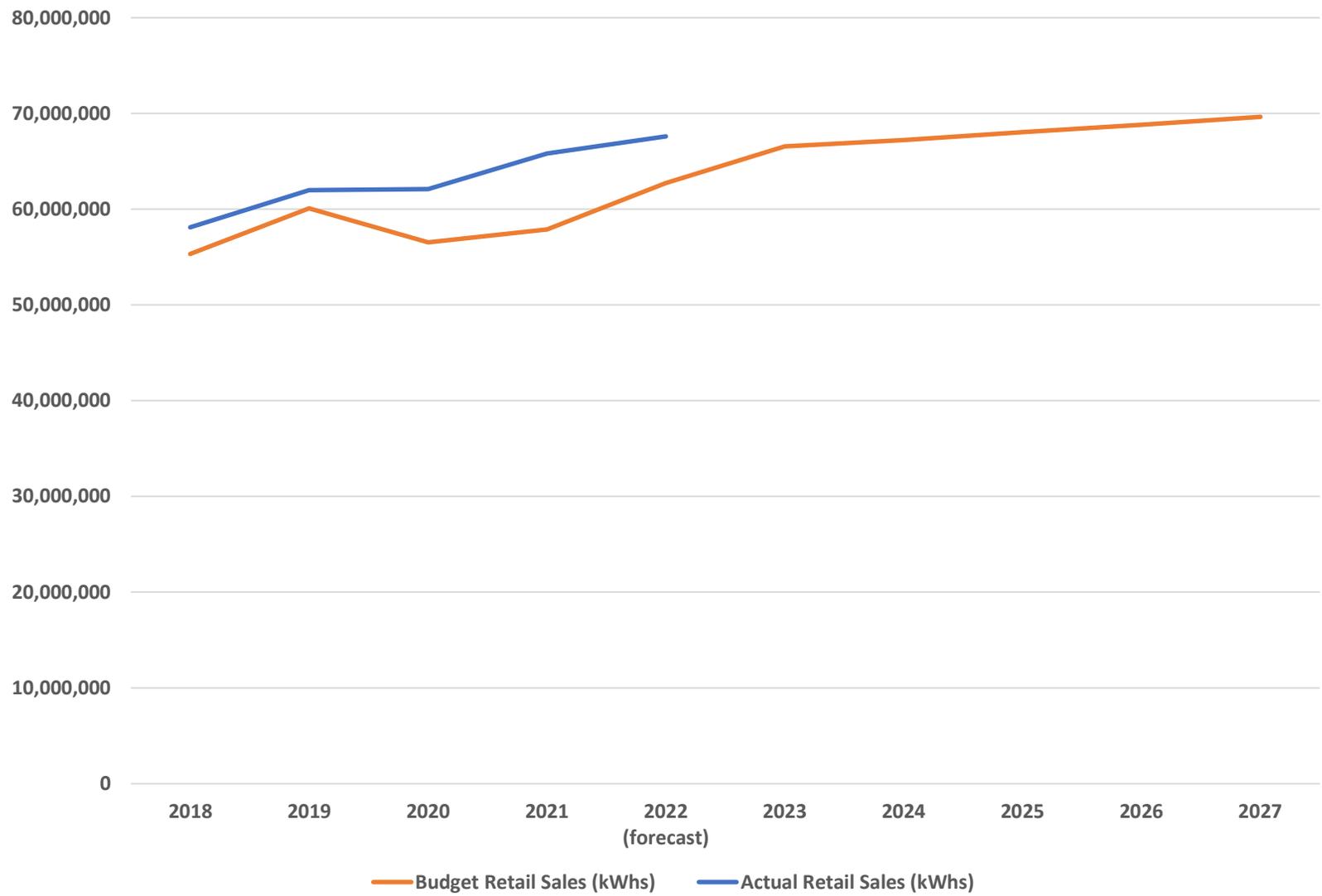


Wholesale Budget Comparison Table

Budget	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Budget Retail Sales (kWhs)	55,317,000	60,087,000	56,540,000	57,897,000	62,734,814	66,560,364	67,237,720	68,039,080	68,846,080	69,658,720
Budget Purchased Power (kWhs)	59,617,000	64,947,000	61,214,000	63,204,000	67,410,057	71,986,455	73,065,683	73,935,403	74,811,244	75,693,206
Budget Purchased Power (\$)	\$2,710,582	\$2,831,793	\$2,734,987	\$2,831,204	\$3,023,720	\$2,844,483	\$3,396,153	\$3,429,292	\$3,600,757	\$3,636,764
Actual	2018	2019	2020	2021	2022 (forecast)	2023	2024	2025	2026	2027
Actual Retail Sales (kWhs)	58,120,088	61,988,913	62,083,740	65,828,280	67,604,984	#N/A	#N/A	#N/A	#N/A	#N/A
Actual Purchased Power (kWhs)	62,704,330	66,977,682	67,412,765	70,998,281	69,427,931	#N/A	#N/A	#N/A	#N/A	#N/A
Actual Purchased Power (\$)	\$2,707,600	\$2,905,014	\$2,940,546	\$3,026,755	\$3,025,609	#N/A	#N/A	#N/A	#N/A	#N/A
Delta (Actual less Budget)	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Retail Sales (kWhs)	2,803,088	1,901,913	5,543,740	7,931,280	4,870,170	#N/A	#N/A	#N/A	#N/A	#N/A
Purchased Power (kWhs)	3,087,330	2,030,682	6,198,765	7,794,281	2,017,874	#N/A	#N/A	#N/A	#N/A	#N/A
Purchased Power (\$)	(\$2,982)	\$73,221	\$205,559	\$195,551	\$1,889	#N/A	#N/A	#N/A	#N/A	#N/A

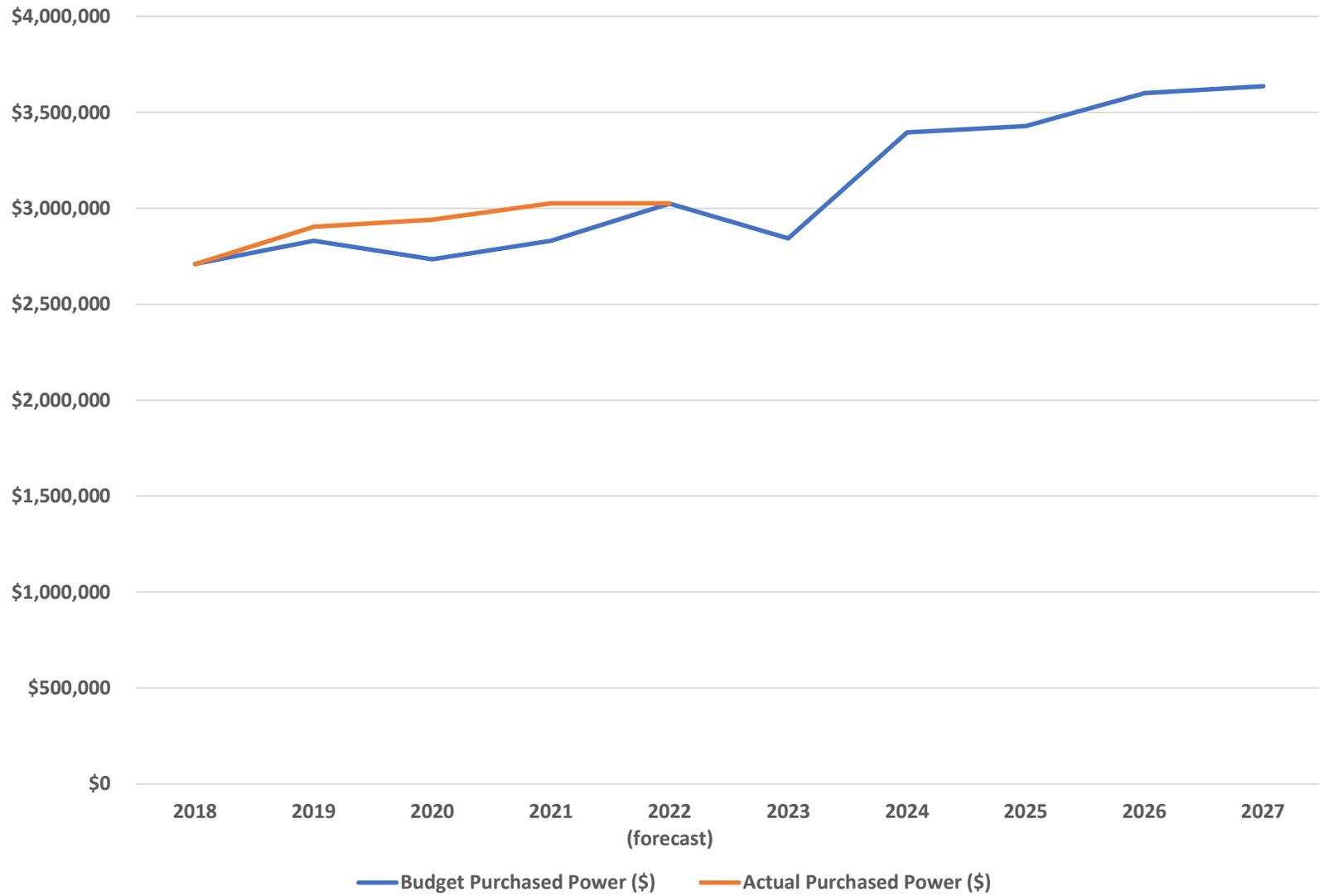


Budget vs Actual - Retail Sales in kWhs





Budget vs Actual - Purchased Power Cost in \$





Expense Budget Highlights

This component of OCEC's expenses make up ~65% of the total and is comprised primarily of labor and benefits, minor materials, office expenses, association dues, consulting support, and other administration-related costs

We took time this year to revisit allocations in the expense budget for labor and benefits and transportation which move dollars around the various categories as well as from expense to capital

Changes compared to 2022 expense budget that are material include:

- One-time expenses totaling \$305,000 (NISC platform switch (\$160k), IT consulting support (\$40k), Union contract support (\$35k), Broadband grant application (\$70k))
- Labor and benefit cost increases (executive session item)
- Increase of 1 FTE



Strategic Objectives & Expense Items

SO-1: Enhanced Capital Planning

- Cost of “shared engineer” with Lincoln Electric (3-5 year commitment)
- NISC platform switch
- Engineering Clerk position

SO-2: Develop Broadband Strategy

- NRTC support of a potential grant application

SO-3: Elevate Cooperative Profile in Community

- New FTEs to allow for expanded roles in energy efficiency and communications

ES-1: Apply Cost-Effective Technology

- NISC platform switch
- IT consulting support (best practices for critical hardware, develop remote work capabilities)

ES-2: Strengthen Workforce Capabilities

- New FTEs to bring in specialized skills to address current resource needs (accounting, admin support for engineering)

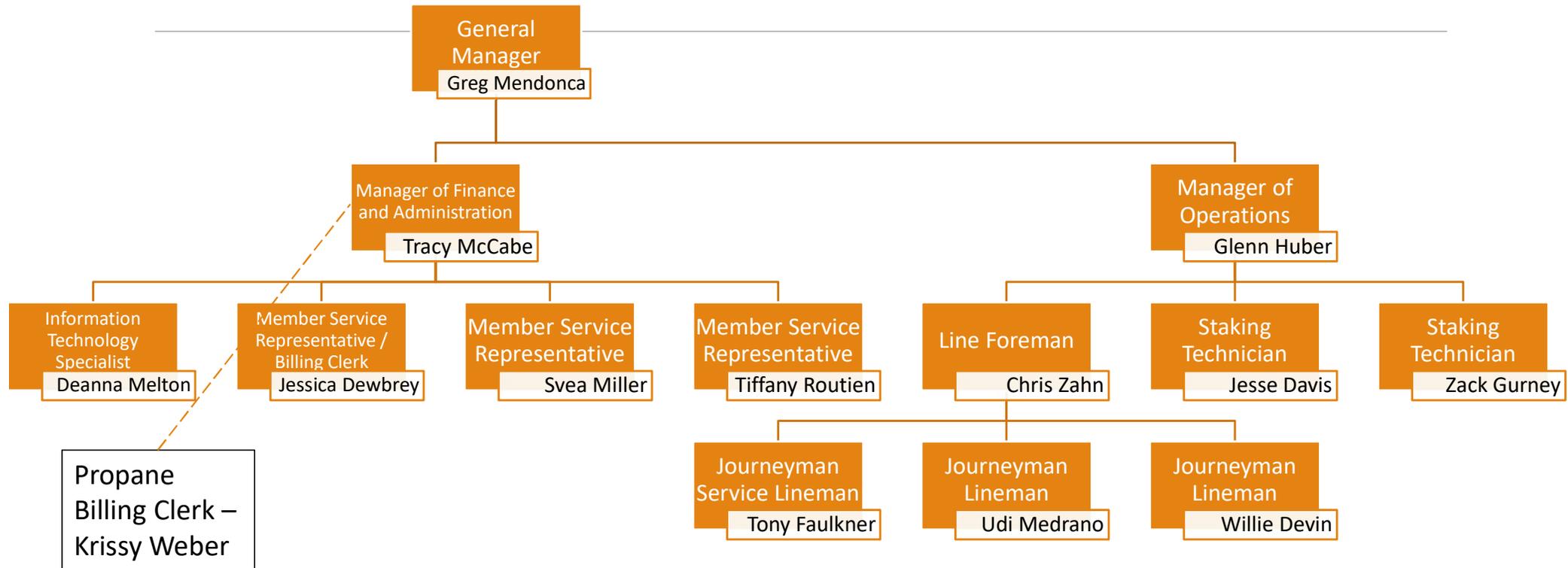


NISC ENTERPRISE SOLUTIONS

FINANCIALS	SERVICE	OPERATIONS	MARKETING
General Accounting Plant Accounting Purchasing Material Management Human Resources & Payroll	Customer Care & Billing Payments Delinquent & Collections Services Management Key Account Management Capital Credits SmartHub	Work Management Asset Management Ticket Management	Lead Management Sales Opportunities Campaign Management Program Management
OPTIONAL ADD-ONS			
	SmartHub Order Management Meter Data Management User Services System	Operations Analytics Provisioning Mapping & Staking Outage Management	Market Segmentation SmartHub Crowdsourcing
ENTERPRISE PLATFORMS INCLUDED IN ALL PACKAGES			
CalltoOrder Document Management IVUE AppSuite Business Intelligence & Reporting Multi-Channel Messenger			

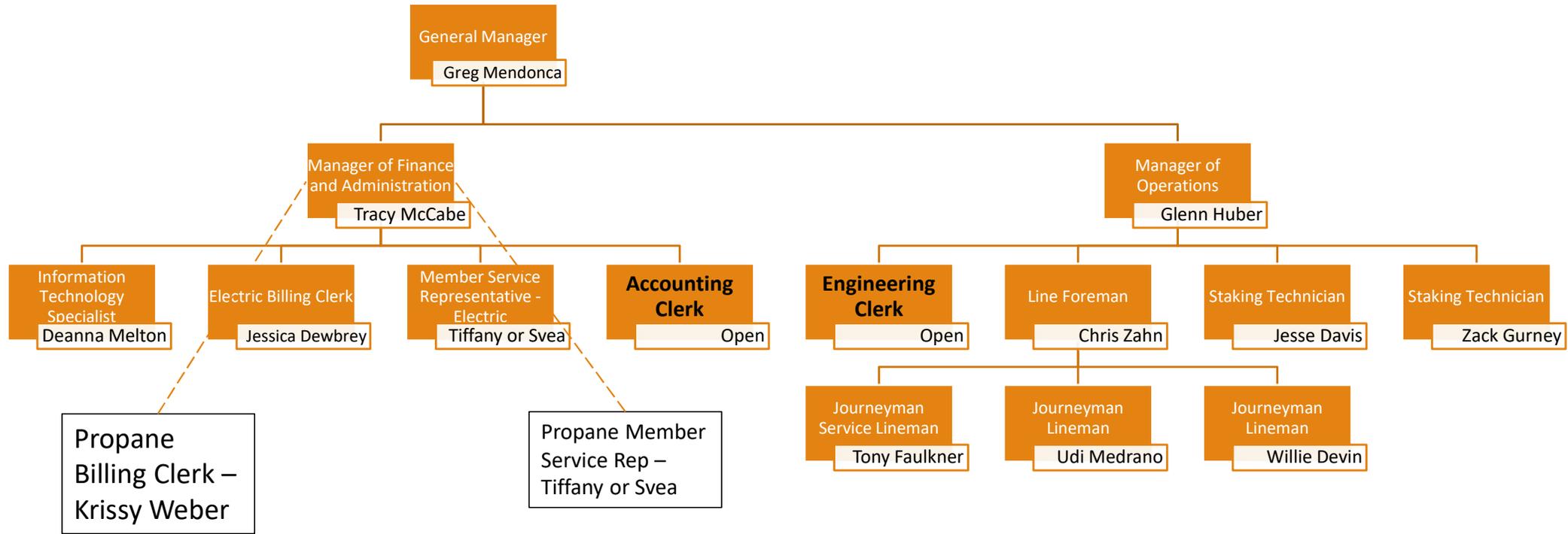


Electric Organizational Chart (Current)





Electric Organizational Chart (Proposed)



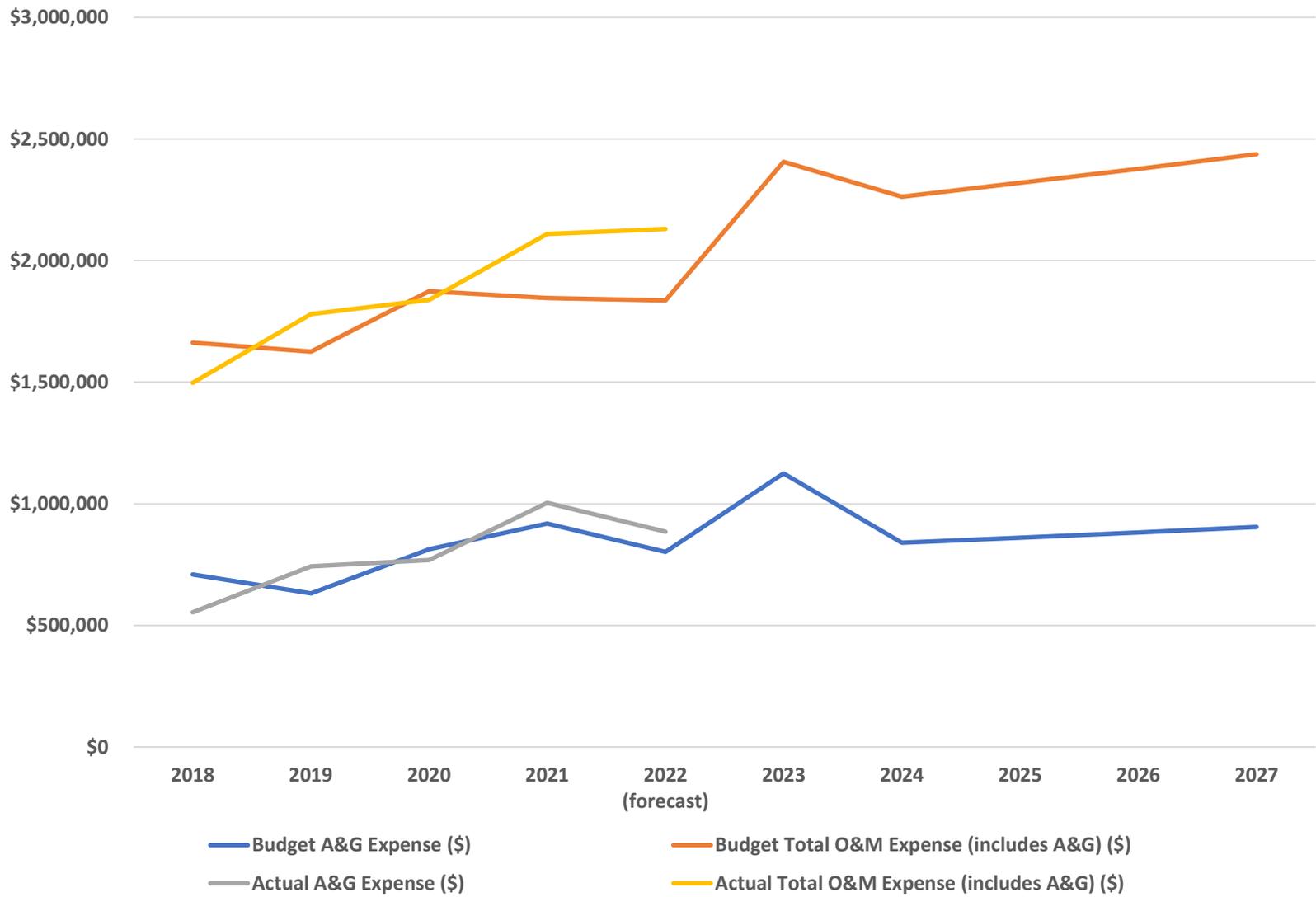


Expense Budget Comparison Table

Budget	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Budget A&G Expense (\$)	\$709,145	\$631,819	\$811,945	\$917,671	\$801,822	\$1,124,353	\$839,837	\$860,833	\$882,354	\$904,412
Budget Total O&M Expense (includes A&G) (\$)	\$1,662,625	\$1,625,180	\$1,873,768	\$1,845,952	\$1,836,490	\$2,406,209	\$2,262,594	\$2,319,159	\$2,377,138	\$2,436,567
Actual	2018	2019	2020	2021	2022 (forecast)	2023	2024	2025	2026	2027
Actual A&G Expense (\$)	\$554,082	\$742,205	\$768,742	\$1,002,973	\$885,162	#N/A	#N/A	#N/A	#N/A	#N/A
Actual Total O&M Expense (includes A&G) (\$)	\$1,497,913	\$1,780,128	\$1,838,041	\$2,109,297	\$2,129,575	#N/A	#N/A	#N/A	#N/A	#N/A
Delta (Actual less Budget)	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
A&G Expense (\$)	(\$155,063)	\$110,386	(\$43,203)	\$85,302	\$83,340	#N/A	#N/A	#N/A	#N/A	#N/A
Total O&M Expense (includes A&G) (\$)	(\$164,712)	\$154,948	(\$35,727)	\$263,345	\$293,085	#N/A	#N/A	#N/A	#N/A	#N/A



Budget vs Actual - A&G and Total Expense (\$)



Revenue Forecast Highlights

Retail Sales Forecast (in kWhs)	66,560,364 kWhs
2022 Revenue Forecast from Sales	\$6,573,212
+ 2022 Other Revenue	+ \$16,800
= 2022 Total Revenue Forecast	= \$6,590,012
Average Revenue per kWh	\$0.099/kWh

Revenues are calculated by weighted avg by class and rate class, then forecasting member growth by class

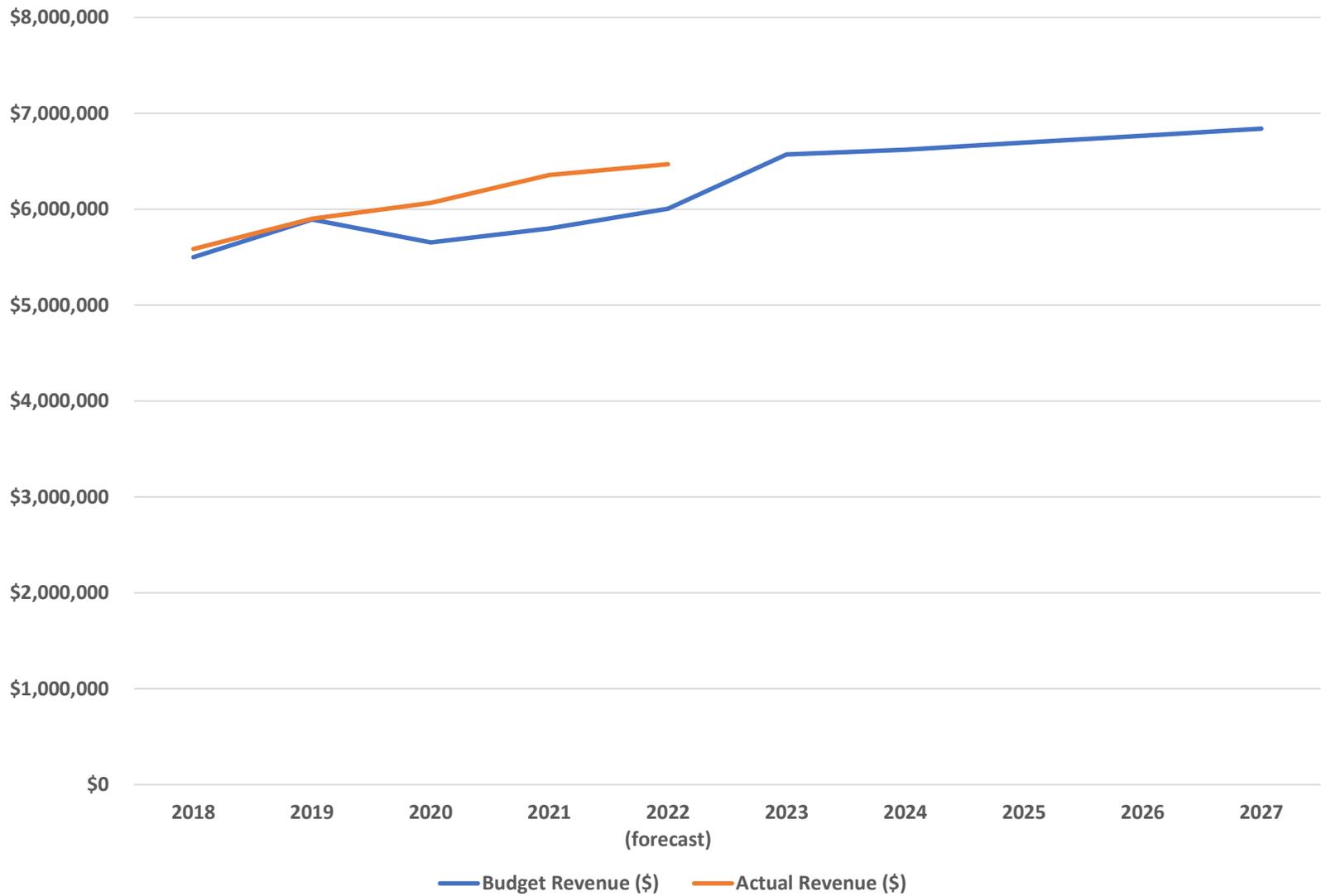


Revenue Forecast Comparison Table

Budget	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Budget Revenue (\$)	\$5,501,400	\$5,891,986	\$5,654,347	\$5,798,131	\$6,005,065	\$6,573,212	\$6,622,284	\$6,694,777	\$6,767,493	\$6,840,637
Budget Revenue per kWh	\$0.099	\$0.098	\$0.100	\$0.100	\$0.096	\$0.099	\$0.098	\$0.098	\$0.098	\$0.098
Actual	2018	2019	2020	2021	2022 (forecast)	2023	2024	2025	2026	2027
Actual Revenue (\$)	\$5,584,791	\$5,901,623	\$6,065,584	\$6,356,483	\$6,469,809	#N/A	#N/A	#N/A	#N/A	#N/A
Actual Revenue per kWh	\$0.096	\$0.095	\$0.098	\$0.097	\$0.096	#N/A	#N/A	#N/A	#N/A	#N/A
Delta (Actual less Budget)	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Revenue (\$)	\$83,391	\$9,637	\$411,237	\$558,352	\$464,744	#N/A	#N/A	#N/A	#N/A	#N/A
Revenue per kWh	(\$0.003)	(\$0.003)	(\$0.002)	(\$0.004)	(\$0.000)	#N/A	#N/A	#N/A	#N/A	#N/A



Budget vs Actual - Revenue





Review of Compass Model Dashboards

Major Assumptions Driving Outputs

- 75% of capital program borrowed starting in 2023 (not reflected in 2023 balance sheet or cash flows)
- “Additional Revenue” driven by requirement of 2.0 Operating Times Interest Earned Ratio (OTIER)
- Conservative customer and sales growth assumptions (~1%/yr in sales and ~0.5%/yr in customers)

Major Outputs

- Signs point to potential need for 2023 rate increase or increased need to borrow, or both, but certainty in 2024
- Consistent depletion of general funds with current capital budget level and revenue/expense forecasts
- Further rate increases on the horizon for 2026 and beyond at current forecast levels

Major Discussion Items

- Given our 10-year outlook how much risk would taking on a large capital project (new building, broadband) put on the electric rates?
- OCEC Board needs to begin to contemplate preferences on the level of borrowing vs. rate increases to address cash shortfalls and, eventually, financial metric degradation (OTIER)



2023 Capital Budget

NOVEMBER 28TH, 2022



Changes from October Review

Increased facilities budget by \$5k (from \$10k to \$15k) based on identified need for exterior fencing improvements

Increased system improvements by \$35k to capitalize 50% of anticipated “shared engineer” costs, other 50% expensed

Plan to not capitalize any upfront costs associated with a software platform change to NISC, will need to work with auditor to finalize that plan



2023 OCEC Capital Budget Summary										
	Direct Crew	Direct Line				Contractors				
Capital Projects	Hours	Crew Labor	Materials	107.25 Labor	Consultants	Transportation	Benefits	Totals	Notes:	
Members Requested Facilities (CIAC)	375	\$83,615	\$75,000	\$133,784	\$0	\$45,988	\$58,531	\$396,918	1	
Replacements (Pole and Transformers)	95	\$21,085	\$35,000	\$33,736	\$0	\$11,597	\$14,760	\$116,177		
System Improvements	260	\$57,250	\$109,144	\$91,600	\$74,354	\$31,488	\$40,075	\$403,911	2	
Replace 2500' of URD at Edelweiss	50	\$11,160	\$50,000	\$17,856	\$46,000	\$6,138	\$7,812	\$138,966	3	
Major Storm/Fire Damage	20	\$4,430	\$10,000	\$7,088	\$0	\$2,437	\$3,101	\$27,056		
Pole Inspections	0	\$0	\$0	\$0	\$10,000	\$0	\$0	\$10,000	4	
Fire Retardant/Treatment on Poles	20	\$4,430	\$3,000	\$7,088	\$0	\$2,437	\$3,101	\$20,056		
Meter Projects	5	\$1,099	\$0	\$1,758	\$10,000	\$604	\$769	\$14,231	5	
Subtotal Capital Projects	825	\$183,069	\$282,144	\$292,910	\$140,354	\$100,688	\$128,148	\$1,127,314		
Less Forecast Member Contribution (CIAC)								\$436,610	6	
Total Capital Projects less Forecast CIAC								\$690,704		
Capital Acquisitions	Materials									
Misc Items	\$25,000							\$25,000	7	
Meters	\$75,000							\$75,000	8	
Tools	\$15,000							\$15,000	9	
Computer/IT Replacements	\$10,000							\$10,000		
Facilities Upgrades	\$15,000							\$15,000	10	
Transformer Purchases	\$185,000							\$185,000	11	
Vehicle Replacements	\$75,000							\$75,000	12	
Total Capital Acquisitions								\$400,000		
Total Capital Budget (Capital Projects + Capital Acquisitions)								\$1,090,704		
NOTES:										
1) Estimated reduction in member work compared to 2020-2022										
2) System Improvements includes: Replacement of 10 OCRs, 3 prioritized system improvement capital projects										
3) Phase 5 of 10 aligning Edelweiss water project with replacing URD										
4) Split 50/50 between capital and expense (\$20k total)										
5) Replacement of two CTs on large commercial accounts, 3 total replacements identified										
6) Forecast is 110% of forecast CIAC work, assuming more cash coming in than work done as in previous years										
7) Misc includes: Dump trailer, Auxiliary arm for bucket truck, Truck #41 Canopy for Metering Equipment										
8) Increasing replacements due to age of meters on the system										
9) Tools includes: Miscellaneous tools pulled from ongoing replacement/improvement list										
10) Facilities upgrades include door locking system, vent fans, various projects										
11) Reduced cost compared to 2022 due to lower anticipated cost and lower demand for member work										
12) Vehicle Replacements include replacement of #19 Tahoe										



5-Year Capital Projections

2023 OCEC Capital Budget Summary					
	2023	2024	2025	2026	2027
Capital Projects					
Members Requested Facilities (CIAC)	\$396,918	\$400,000	\$408,000	\$416,160	\$424,483
Replacements (Pole and Transformers)	\$116,177	\$120,000	\$122,400	\$124,848	\$127,345
System Improvements	\$403,911	\$372,205	\$353,945	\$385,000	\$385,000
Replace 2500' of URD at Edelweiss	\$138,966	\$140,000	\$142,800	\$145,656	\$148,569
Major Storm/Fire Damage	\$27,056	\$30,000	\$30,000	\$30,000	\$30,000
Pole Inspections	\$10,000	\$10,200	\$10,404	\$10,612	\$10,824
Fire Retardant/Treatment on Poles	\$20,056	\$21,000	\$21,420	\$21,848	\$22,285
Meter Projects	\$14,231	\$7,000	\$0	\$0	\$0
Subtotal Capital Projects	\$1,127,314	\$1,100,405	\$1,088,969	\$1,134,124	\$1,148,507
Less Forecast Member Contribution (CIAC)	\$436,610	\$440,000	\$448,800	\$457,776	\$466,932
Total Capital Projects less Forecast CIAC	\$690,704	\$660,405	\$640,169	\$676,348	\$681,575
Capital Acquisitions					
Misc Items	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000
Meters	\$75,000	\$80,000	\$85,000	\$90,000	\$95,000
Tools	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000
Computer/IT Replacements	\$10,000	\$20,000	\$10,000	\$20,000	\$10,000
Facilities Upgrades	\$15,000	\$15,000	\$20,000	\$25,000	\$30,000
Transformer Purchases	\$185,000	\$180,000	\$150,000	\$150,000	\$150,000
Vehicle Replacements	\$75,000	\$125,000	\$65,000	\$400,000	\$200,000
Total Capital Acquisitions	\$400,000	\$460,000	\$370,000	\$725,000	\$525,000
Total Capital Budget (Capital Projects + Capital Acquisitions)	\$1,090,704	\$1,120,405	\$1,010,169	\$1,401,348	\$1,206,575



Recommendation

OCEC staff recommends the board approve the 2023 capital budget as presented in this months materials

2023 OCEC Capital Budget Summary

Capital Projects	Direct Crew	Direct Line	Contractors					Notes:	2023	2024	2025	2026	2027	
	Hours	Crew Labor	Materials	107.25 Labor	Consultants	Transportation	Benefits							Totals
Members Requested Facilities (CIAC)	375	\$83,615	\$75,000	\$133,784	\$0	\$45,988	\$58,531	\$396,918	1	\$396,918	\$400,000	\$408,000	\$416,160	\$424,483
Replacements (Pole and Transformers)	95	\$21,085	\$35,000	\$33,736	\$0	\$11,597	\$14,760	\$116,177		\$116,177	\$120,000	\$122,400	\$124,848	\$127,345
System Improvements	260	\$57,250	\$109,144	\$91,600	\$74,354	\$31,488	\$40,075	\$403,911	2	\$403,911	\$372,205	\$353,945	\$385,000	\$385,000
Replace 2500' of URD at Edelweiss	50	\$11,160	\$50,000	\$17,856	\$46,000	\$6,138	\$7,812	\$138,966	3	\$138,966	\$140,000	\$142,800	\$145,656	\$148,569
Major Storm/Fire Damage	20	\$4,430	\$10,000	\$7,088	\$0	\$2,437	\$3,101	\$27,056		\$27,056	\$30,000	\$30,000	\$30,000	\$30,000
Pole Inspections	0	\$0	\$0	\$0	\$10,000	\$0	\$0	\$10,000	4	\$10,000	\$10,200	\$10,404	\$10,612	\$10,824
Fire Retardant/Treatment on Poles	20	\$4,430	\$3,000	\$7,088	\$0	\$2,437	\$3,101	\$20,056		\$20,056	\$21,000	\$21,420	\$21,848	\$22,285
Meter Projects	5	\$1,099	\$0	\$1,758	\$10,000	\$604	\$769	\$14,231	5	\$14,231	\$7,000	\$0	\$0	\$0
Subtotal Capital Projects	825	\$183,069	\$282,144	\$292,910	\$140,354	\$100,688	\$128,148	\$1,127,314		\$1,127,314	\$1,100,405	\$1,088,969	\$1,134,124	\$1,148,507
Less Forecast Member Contribution (CIAC)								\$436,610	6	\$436,610	\$440,000	\$448,800	\$457,776	\$466,932
Total Capital Projects less Forecast CIAC								\$690,704		\$690,704	\$660,405	\$640,169	\$676,348	\$681,575
Capital Acquisitions		Materials												
Misc Items		\$25,000						\$25,000	7	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000
Meters		\$75,000						\$75,000	8	\$75,000	\$80,000	\$85,000	\$90,000	\$95,000
Tools		\$15,000						\$15,000	9	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000
Computer/IT Replacements		\$10,000						\$10,000		\$10,000	\$20,000	\$10,000	\$20,000	\$10,000
Facilities Upgrades		\$15,000						\$15,000	10	\$15,000	\$15,000	\$20,000	\$25,000	\$30,000
Transformer Purchases		\$185,000						\$185,000	11	\$185,000	\$180,000	\$150,000	\$150,000	\$150,000
Vehicle Replacements		\$75,000						\$75,000	12	\$75,000	\$125,000	\$65,000	\$400,000	\$200,000
Total Capital Acquisitions								\$400,000		\$400,000	\$460,000	\$370,000	\$725,000	\$525,000
Total Capital Budget (Capital Projects + Capital Acquisitions)								\$1,090,704		\$1,090,704	\$1,120,405	\$1,010,169	\$1,401,348	\$1,206,575

- NOTES:**
- 1) Estimated reduction in member work compared to 2020-2022
 - 2) System Improvements includes: Replacement of 10 OCRs, 3 prioritized system improvement capital projects
 - 3) Phase 5 of 10 aligning Edelweiss water project with replacing URD
 - 4) Split 50/50 between capital and expense (\$20k total)
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