

ENERGY WISE

YOUR SAN MIGUEL POWER MEMBER NEWSLETTER



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In the event of a power outage,
contact your local SMPA office.
If it is after hours, you will be able
to automatically transfer to our
24-hour dispatch.

QUESTIONS OR COMMENTS

Send your questions or
suggestions for the editors of
EnergyWise to:
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SAFETY TIP

Except for Thanksgiving, December
25 sees more home fires than any
other single day and cooking is
the #1 cause of fires. Remember
"Stand by Your Pan" and always
stay in the kitchen when cooking.
If a pan catches fire, Put a Lid On
It to smother the flames and then
turn off the heat.

San Miguel Power Association is an equal
opportunity provider and employer. If you
wish to file a Civil Rights program complaint
of discrimination, complete the USDA
Program Discrimination Complaint Form,
found online at http://www.ascr.usda.gov/complaint_filing_cust.html, or at any USDA
office, or call (866) 632-9992 to request
the form. You may also write a letter
containing all of the information requested
in the form. Send your completed complaint
form or letter to us by mail at U.S. Department
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NOTABLES: Turning the Page: A Look Back; the Way Forward

A final message from your General Manager, Kevin Ritter



Kevin Ritter
SMPA General Manager

Dear Members,
As I conclude my career
as General Manager of
your electric cooperative,
I am struck by how
different our co-op is
today. Perhaps, as you
read, those of you who
were members through
the past eight years will
understand what I mean.

In September of 2007, San Miguel Power
Association (SMPA) was just coming off
some rough years. Wholesale rates had
recently gone up, and SMPA had just
extended the contract with wholesale
power provider, Tri-State Generation
and Transmission (Tri-State), which was
somewhat controversial. Relationships with
the communities and media were strained
and the Board wanted to reposition SMPA in
our communities and our industry.

Another source of tension was a proposed
upgrade to an aging 69kV transmission
line linking Nucla to Telluride. At the
time, the line was the only backup feed
to the mountain communities and was
inadequate for the task. This had been
recently illustrated by two avalanches near
Ophir that had knocked out primary power
and left residents to face intermittent
blackouts. Tri-State and SMPA had signed
a deal to install a new 115 kV line to meet
the need, but legal and right-of-way issues
had stopped any progress on the project. In
late 2007 I was approached by San Miguel
County and we began discussions on how
to resolve issues and complete the project.
This would involve many partners and
stakeholders as it progressed.

SMPA also began to consider adding
renewable projects on our system. We
partnered with The New Community
Coalition to evaluate local renewable
projects and found a wealth of opportunities
in small hydro and solar.

Improving communications was also a high
priority. When I first took over, much of what
members knew—or thought they knew—
about SMPA came through the "grapevine."
As the industry lurched into a time of
change and uncertainty, it was crucial that
SMPA communicate with its members in
every possible way (and there were a lot of

possible ways). EnergyWise, the newsletter
you're currently reading, would be the
first. Enhancing our Member Services
department and efforts were another. Our
new Communications Executive began to
formalize media relations and advertising,
while producing the newsletter and
updating the co-op web site.

Early in the year of 2009, the Board of
Directors identified four strategic goals: 1)
to enhance "green" programs. 2) to upgrade
the costly and inefficient meter-reading and
line maintenance processes by installing
a "smart grid" along with its computerized
control infrastructure. 3) to improve
communication with the membership
and 4) to ensure employee buy-in of the
strategic plan. The SMPA employees did,
indeed, buy in to the new direction as the
accomplishments of the following years can
demonstrate.

SMPA's venture into renewable energy
started with purchasing energy from Coal
Creek Hydro, a small hydroelectric plant,
south of Ridgway. Also, the Telluride
Wastewater plant became a significant
net metered account using their solar
photovoltaic (PV) system.

Not to ignore the importance of energy
efficiency, SMPA partnered with the Town
of Ouray and Tri-State to accomplish the
landmark Ouray LED Streetlight program.
We also introduced several efficiency
rebates to help members make better use
of their energy.

By 2010, the Nucla-Telluride 115 kV
transmission impasse had come to an end
with the decision to pay for undergrounding
with a surcharge to the power bills of
affected residents. Construction began in
June.

2010 also saw the implementation of a
new LED rebate and a substantial LED
retrofit in the Nucla library. For its second
local, renewable energy purchase, SMPA
contracted to buy energy from the 900kW
Ouray hydroelectric plant. A contract with
the 500 kW Bridal Veil Hydro in Telluride
soon followed.

In 2012, SMPA, and its contractor, the Clean
Energy Collective, broke ground on what
would be the single largest community-
owned solar array in the country developed

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by a cooperative. Located in Paradox Valley, the system would generate about 1 MW of clean, renewable electricity (enough to power about 215 average homes). The system came online in December. Perhaps the greatest triumph of 2012, however, was the completion of the Nucla-Telluride 115 kV transmission line which, after years of blackouts, litigation and negotiation, was finally energized in November!

2013 was the 75th anniversary of SMPA, and by this time, SMPA had one of the highest percentages of net-metered customers in the state of Colorado. The automatic metering system was fully deployed and operational. We had won numerous awards for our efforts in renewable energy as well as our communications. SMPA was beginning to be recognized as an industry leader.

Moreover, the cooperative's financial position was strong enough for the board to make its first retirement of capital credits (money paid back to members for their investment in the cooperative) since 2000. The cooperative gave over \$700,000 back to its members while holding the rates steady.

In 2014, a rockslide on Red Mountain Pass took out a backup transmission line feeding several communities including Ouray and Ridgway. But, 2014 was also a good year for members who received \$1 million back in "Christmas Credits" in addition to a \$900,000 capital credit retirement.

During this past year, 2015, SMPA, again, avoided increasing rates! The



The view from Wilson Mesa, unobstructed by electrical transmission lines.

cooperative purchased its fifth local, renewable source, the new Pandora Hydro facility, just below Bridal Veil Hydro in Telluride. And the award winning Community Solar Array sold out its remaining capacity.

The restoration of the Red Mountain transmission line tested the mettle of our operations and engineering departments as well as that of our contractor, Wasach Electric (See last month's newsletter.) Even so, it was completed on time and under budget.

A robust fiber-optic network is being built to improve interoffice and substation communications. SMPA is actively exploring how these facilities could become part of a solution to the growing need for high speed internet in



our communities. If such a project were to come to fruition, it would be the result of partnerships and collaboration.

As I look at SMPA's accomplishments in the recent years, I am overwhelmed. It is a profound pleasure to report to you, the members, that you've got an outstanding cooperative working for you, and it humbles me to think of the people who boldly take difficult situations and turn them into success stories, time and time again. SMPA is a much different co-op today. We are recognized as one of the more progressive co-ops in the state. We have implemented substantial technology and renewable projects for a small cooperative and we have an excellent staff that manages the electric system and a myriad of programs for our members. SMPA is poised to do great things in the utility world in the future.

We look back to learn and help chart our course forward. However, I realize—as I prepare to leave the office of General Manager—that looking back is a luxury. For your workers, staff members and elected board members, however, they must maintain their vision forward to keep the co-op successful and progressive. They will continue to

Green Blocks: Local Solution to a Global Problem

Interested in reducing your "carbon footprint?" National companies are offering you the ability to do this by selling you portions of government-issued Renewable Energy Certificates (RECs) which serve as proof that electricity has been generated by an eligible renewable energy resource. This way, you can still know that for every kilowatt-hour (kWh) of retail power you used, a kWh of qualifying renewable energy was produced.

Did you know that San Miguel Power Association (SMPA) also offers a way to make the same kind of contribution while having a more local impact? Since 2001, SMPA has offered a product called "Green Blocks." This program has certain advantages over the commercial offering:

- 1) **SMPA is non-profit:** Most national companies are still profit-driven. As a not-for-profit member-owned cooperative, SMPA puts 100% of your Green Blocks purchase toward the RECs you intend to buy.
- 2) **Money Stays Local:** Since there are no additional fees, that amount stays with you, and it can be used to help stimulate our own economies, right here on the Western Slope.
- 3) **Support Renewables Here:** You don't need a company to support your favorite cause. Consider supporting them directly. Better yet, participate in SMPA's *Green Cents* program, which supports renewable projects right here in our part of the country.
- 4) **Green Blocks give you a voice:** When you invest in Green Blocks, that investment gets noticed, and the local movement toward green energy gains momentum.



www.smpa.com → Renewable Energy
→ Green Cents / Green Blocks.