

LIFE ON THE LINE

A MESSAGE TO THE MEMBERSHIP

General Manager & Board President



Rube Felicelli
President

The theme of this year's SMPA Annual meeting is **Life on the Line**. Our goal is to recognize and thank the crews who selflessly work to keep our lines in good shape and our electric service reliable. Most of us take for granted the convenience of flipping that switch and having the lights come on and we rarely give much thought to what it takes to make that happen. But, on any given day our crews work in a very challenging environment with heavy equipment, tough terrain, mother nature, and high voltages, to name a few. One mistake could cause serious injury and even death. They also work on those nights when most of us curl up at home with a good book or nightcap and don't venture out. These are the times when our linemen shine. They work in the most challenging weather to ensure that those of us at home continue to enjoy reliable electricity. Last December they earned their merit when a blizzard hit the region. They dealt with outages in Silverton, Ouray, Telluride, Mountain Village, Rico and the far West end of our system in some of the worst conditions we see. We hope you take a moment with us to thank this hardy, tough breed of person (Yes, we have a woman on our crew too) for their commitment and sacrifice for you, our members. They earn it every day.



Kevin Ritter
General Manager

2014 was a good year for SMPA. We ended the year in excellent financial shape. Because of that the Board approved a \$1 Million Christmas Credit to the current members of SMPA. This was an exciting event that has not occurred before at SMPA.

We also gave back \$900,000 to the members in a capital credit retirement in May 2014. This retirement goes to the oldest members in our patronage capital record. The amount included \$500,000 for SMPA patronage retirement, plus \$400,000 which we received from Tri-State when they retired capital credits to SMPA.

But the good news does not stop there, the SMPA Board just approved a \$1,000,000 capital credit retirement for May 2015, plus \$221,000 that we received from Tri-State. The board also approved \$500,000 from unclaimed capital credits to go back to members. In total we will be retiring, or paying back, \$1,721,000 to our members in 2015.

We are proud to say that this is our third consecutive year paying out member dividends, also known as capital credits, while also going three years in a row without a rate increase.

Ready for more good news? The SMPA Community Solar facility in Paradox Valley has sold out. This is a tribute to our communities and their commitment to renewable energy in our area. The SMPA Board has asked staff to start evaluating options for a second facility, or other renewable options. Another new initiative is to evaluate a business plan to promote rooftop solar and other renewable technologies, in order to position SMPA to meet the new challenges of a changing utility industry.

The Board has set a strategic goal of developing new technologies that allow us to serve our members more efficiently and effectively. We can report our AMI system is complete and we are using it as a base to explore even more new technologies such as Pre-Pay on your bills, a portal to monitor your energy use, remote disconnects, etc. SMPA also continues to develop our SCADA system to allow us to monitor and improve our electric system.

Will there be challenges ahead? Absolutely! Tri-State is currently in the middle of a rate analysis and restructuring and we are watching carefully how SMPA may be affected. There are many issues on the regulatory and environmental front that could substantially change the landscape of our business. Renewable technologies could completely alter our business model. We will meet these challenges and continue to provide reliable electric service well into the future.

A handwritten signature in dark ink, appearing to read "Rube Felicelli".A handwritten signature in dark ink, appearing to read "Kevin L Ritter".



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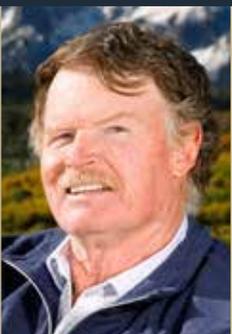
YOUR BOARD OF DIRECTORS



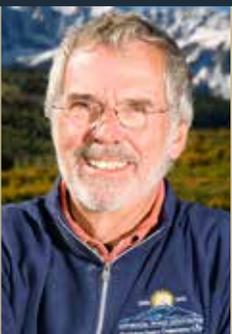
Doylene Garvey
District #1



Robert Justis
District #2



Dave Alexander
District #3



Jack Sibold
District #4



Rube Felicelli
District #5



Debbie Cokes
District #6



Terry Rhoades
District #7

As a member-owner of SMPA, you have a voice in the direction of the co-op. Each member is represented by a democratically elected member of our Board of Directors. The directors represent the members' interests. Our seven directors, each elected by a different district, serve the entire SMPA membership for a four-year term. Elections are held annually for different districts.

All San Miguel Power Association board meetings are open to the public. Typically the meetings are held on the fourth Tuesday of the month at 9:30 a.m.; however, alternate days are sometimes chosen. Meeting times and locations are posted on our website www.smpa.com. Meeting minutes are also posted on the website.



SMPA 2015

OUR EMPLOYEES

30+ YEARS OF SERVICE

- 42 David Kelly, System Planner
- 32 Duane DeVeney, Service Planner

26-30 YEARS OF SERVICE

- 29 Rick Gabriel, Supervisor Purchasing/Stores
- 28 Paul Enstrom, Manager of Operations
- 27 Sherry Spor, Accounts Payable Accountant

21-25 YEARS OF SERVICE

- 25 Scott Davidson, Journeyman Line Technician
- 23 Frances Lendin-Graybeal, Customer Service Rep.
- 22 Clint Colson, Lead Line Technician
- 21 Claude Barrett, Journeyman Line Technician
- 21 Shawna Sinks, GIS Specialist

16-20 YEARS OF SERVICE

- 20 Lester Oltjenbruns, Systems Technician
- 20 Tammy Magallon, Plant Accountant
- 20 Marvin Walisky, Service Planner
- 19 Leif Karo, Lead Line Technician
- 18 Daniel Hubert, Journeyman Line Technician
- 18 Gay Carver, Billing Representative
- 18 Carla Reams, Manager of Administration & HR
- 18 Keri Kling, Billing Representative
- 17 Renee Koski, Custodian
- 17 Mark Castle, Journeyman Line Technician
- 16 Gary Crawford, Mechanic
- 16 Grant Kennedy, AMI Technician

11-15 YEARS OF SERVICE

- 15 Jon Puderbaugh, Journeyman Line Technician
- 14 Preston Joseph, Journeyman Line Technician
- 14 Calvin Rutherford, Manager, Finance & Accounting

11-15 YEARS OF SERVICE

- 11 Penny Gabardi, Customer Service Representative
- 11 Michael Morlang, Equipment Technician
- 11 KJ Johnson, Journeyman Line Technician
- 12 Johnathan Smith, Journeyman Line Technician

6-10 YEARS OF SERVICE

- 10 Sam Purcell, Journeyman Line Technician
- 10 Bart Reams, Journeyman Line Technician
- 10 Eric Pottorff, Journeyman Line Technician
- 9 Brad Boulden, Lead Line Technician
- 9 Bob Coulson, Facility Maintenance Technician
- 9 Kim Nickolaus, AMI Technician
- 9 Jacquie Sinclair, GIS Specialist
- 9 Coleman Summers, Operations Supervisor
- 9 Toni Bertorello, Executive Assistant
- 8 Tom Mcleod, Journeyman Line Technician
- 8 Byrd Williams, Journeyman Line Technician
- 8 Darcy Weimer, Journeyman Line Technician
- 7 Kevin Ritter, General Manager/CEO
- 6 Jeff Shea, Lead Line Technician
- 6 Brad Zavorski, Manager of Member Services

0-5 YEARS OF SERVICE

- 5 Amy Sickels, Customer Service Representative
- 5 Terry Daley, Manager of Engineering
- 5 Scott Reed, Journeyman Substation Technician
- 4 Bill Riley, Staff Engineer
- 3 Becky Riley, Customer Service Representative
- 3 Joshua Hainey, Human Resources Assistant
- 3 Wiley Freeman, Energy Services Executive
- 1 Jeremy Fox, Supervisor of Service Planning
- 1 Duane Oliver, Special Projects Manager

LIFE ON THE LINE



YOUR CO-OP AT-A-GLANCE

	2014	2013	2012	2011
METERS	13,128	13,103	13,065	13,017
MILES OF LINE	1,880	1,880	1,907	1,904
METERS PER MILE	6.98	6.97	6.85	6.84
EMPLOYEES	64	60	60	60
KILOWATT HOUR (kWh) CHARGE	\$0.138	\$0.138	\$0.130	\$0.130
AVG. kWh PER RESIDENCE	799	820	774	835
TOTAL kWh SOLD	192.6 million	194.5 million	186.4 million	195.6 million
NET METERED ACCOUNTS	174	154	137	112
PEAK DEMAND	31,581	32,660 KW	45,370 KW	46,482 KW
NET MARGINS	\$1,481,646	\$2,708,359	\$1,131,348	\$1,984,041

NOTICE OF ANNUAL MEETING OF MEMBERS OF SAN MIGUEL POWER ASSOCIATION, INC.

The 76th Annual Meeting of the Members of San Miguel Power Association, Inc., will be held at the San Miguel Power Association Ridgway office (720 North Railroad Street, Ridgway, Colorado) on the 11th day of June 2015. Registration will be open from 4:30 p.m. to 5:30 p.m., and the business meeting will begin at 5:30 p.m. This meeting is being held for the following purposes:

1. The election of a director to the Board of Directors for District No. 2: Town of Telluride from Townsend Avenue, east of S. Tomboy & N. Townsend Streets, North to Tomboy Road and East to approximately .5 miles from Royer Lane. (Incumbent Director Bob Justis is running unopposed and deemed elected.)
2. The reports of Officers, Directors and Committees.
3. Any other business that may properly come before the meeting.



2015 Scholarships

Every year SMPA awards academic scholarships to students who are served by the cooperative and are pursuing higher education. The scholarships are awarded based on overall academic performance, community involvement, student need, and a brief essay. Recipients are selected by a panel of educational professionals through a blind selection process. The recipients for the 2014-2015 academic year are listed below.

San Miguel Power Association Scholarship

- \$2,000 | Chance Ronemus, Ridgway
- \$2,000 | Aaron Morgan, Nucla
- \$2,000 | Kelsey Rowe, Norwood
- \$2,000 | Alyssa Antista, Telluride
- \$2,000 | Julia Vann, Ouray
- \$500 | Jordan Williams, Norwood
- \$500 | Rane Dickerson, Ridgway
- \$500 | TJ Fulton, Telluride
- \$500 | Chiara Degenhardt, Ouray

Basin Electric Cooperative Scholarship

As a member of Tri-State, SMPA is also a member of Basin Electric Cooperative in Bismark, ND. Basin allows SMPA to select one student from across the service territory and award a \$1,000 scholarship.

- \$1,000 | Julia Vann, Ouray

Tri-State Scholarship

Tri-State Generation & Transmission Association, SMPA's wholesale power supplier, allows SMPA to award two, \$500 scholarships to academically deserving students from across our service territory.

- \$500 | Sabine Lindler, Ridgway
- \$500 | Mikaela Balkind, Telluride

Wes Perrin Memorial Scholarship

In memory of late board member Wes Perrin, SMPA awards one, \$2,500, four-year, renewable scholarship to a deserving graduate from our service territory who is pursuing a degree and career in the energy industry.

- \$10,000 | Mikaela Balkind, Telluride

2015 Recipients



Chance Ronemus
Ridgway



Aaron Morgan
Nucla



Kelsey Rowe
Norwood



Alyssa Antista
Telluride



Julia Vann
Ouray



Jordan Williams
Norwood



Rane Dickerson
Ridgway



TJ Fulton
Telluride



Chiara Dagenhardt
Ouray



Sabine Lindler
Ridgway



Mikaela Balkind
Telluride



SMPA employees teach local youth about the dangers of power lines.

WITH “LIFE ON THE LINE” SAFETY IS EVERYONE’S JOB

As one can imagine, the electric utility industry is one of extremely high hazard. If the deadly voltages, construction hazards, and extreme terrain that we work in on a daily basis are not enough, add in blizzards, avalanches, middle of the night outages and other extreme weather conditions. This is why it is necessary to build a culture of safety and to continually renew our commitment, each and every day, to the safety of our employees and our membership.

Beginning in 2015, SMPA officially entered the Rural Electric Safety Achievement Program (RESAP). RESAP was developed by the National Rural Electric Cooperative Association and Federated Insurance as a way to improve safety and ultimately reduce injuries. Its focus is on improving the overall safety culture of the organization so that it becomes something that every employee is focused and working together on.

While safety rules are necessary and must be followed, the program recognizes that many accidents can occur even though no rules were violated. The focus is on how to prevent an incident (or recurrence) rather than on blame. The development of a strong safety culture means that all employees are watching over each other, freely discussing what could or did go wrong, and how risks may be avoided or eliminated. A key element of this is developing procedures, systems, and checklists to ensure consistency and eliminate individual preferences, while always reinforcing safety as the priority.

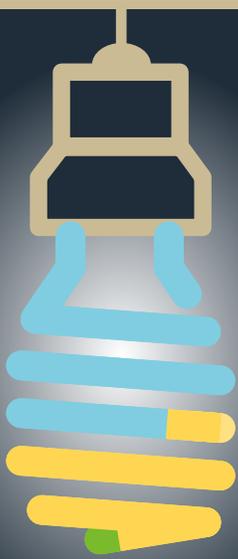
The RESAP program includes a comprehensive review of policies, records, training and programs. It also includes thorough site audits and interviews with employees to determine the level of understanding of individuals on a particular safety procedure. One common example of this is: Where is the nearest fire extinguisher and what do you do if the fire alarm sounds? In this review we are trying to identify all areas that may need a little brushing up. We then create a “Safety Improvement Plan” in all of these areas.

The RESAP program is a national program, emphasizing a fundamental shift from “following safety rules” to actively engaging, understanding, and taking ownership of safety practices in our coop. We have taken these steps to actively improve the culture of safety at our coop.

STATEMENT OF OPERATIONS

REVENUES	2014	2013	2012
RESIDENTIAL	\$15,997,029	\$16,322,635	\$14,434,853
COMMERCIAL	\$11,898,639	\$11,759,403	\$10,858,447
IRRIGATION	\$136,499	\$138,014	\$133,199
STREET LIGHTS	\$66,214	\$66,504	\$60,654
OTHER REVENUE	\$140,290	\$127,398	\$77,380
CHRISTMAS CREDIT	(\$1,000,000)	\$0	\$0
TOTAL OPERATING REVENUE	\$27,238,671	\$28,413,954	\$25,564,533
EXPENDITURES	2014	2013	2012
COST OF PURCHASED POWER	\$15,120,646	\$15,148,002	\$13,844,925
TRANSMISSION EXPENSE	\$90,108	\$102,760	\$127,013
DISTRIBUTION EXPENSE	\$3,962,507	\$4,084,069	\$3,830,692
CONSUMER ACCOUNTING EXPENSE	\$1,087,422	\$1,167,693	\$1,209,701
CONSUMER SERVICE & INFORMATIONAL EXPENSE	\$283,459	\$233,083	\$179,057
SALES EXPENSE	\$319,464	\$389,969	\$359,139
ADMINISTRATION & GENERAL EXPENSE	\$2,289,235	\$2,177,235	\$2,298,941
DEPRECIATION	\$2,270,263	\$2,349,350	\$2,314,063
INTEREST EXPENSE	\$1,260,730	\$1,271,028	\$1,374,143
OTHER	\$26,639	\$33,970	\$23,933
TOTAL COST OF ELECTRIC SERVICE	\$26,710,473	\$26,957,159	\$25,561,607
MARGINS	2014	2013	2012
OPERATING MARGIN	\$528,198	\$1,456,795	\$2,926
NON - OPERATING MARGIN	\$86,176	\$87,282	\$425,590
CAPITAL CREDITS	\$867,272	\$1,164,282	\$702,832
EXTRAORDINARY ITEMS	\$0	\$0	\$0
NET MARGIN OR PATRONAGE CAPITAL	\$1,481,646	\$2,708,359	\$1,131,348

REVENUE DOLLARS

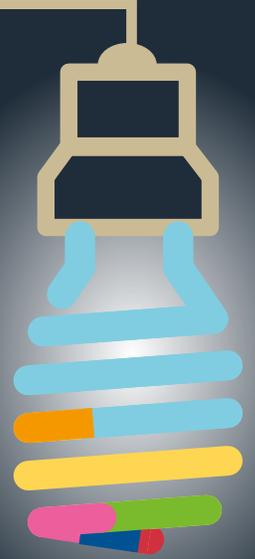


INCOME

RESIDENTIAL	56.65%
COMMERCIAL	42.14%
OTHER	1.21%

SPENDING

COST OF POWER	56.61%
OPER. & MAINT.	15.17%
DEPRECIATION	8.50%
ADMIN. & GENERAL	8.14%
CUST. ACCOUNTING	5.13%
INTEREST	4.72%
OTHER	1.73%
SALES EXPENSE	1.20%
DIRECTORS COST	0.43%
OTHER	0.10%



COMPARATIVE BALANCE SHEET

ASSETS	2014	2013	2012
TOTAL UTILITY PLANT	\$76,407,251	\$73,443,704	\$75,516,647
LESS: RESERVE FOR DEPRECIATION	\$26,425,228	\$24,635,552	\$25,396,901
NET UTILITY PLANT	\$49,982,023	\$48,808,152	\$50,119,746
RESERVE FUNDS & INVESTMENTS	\$18,418,344	\$18,169,892	\$17,570,007
OTHER INVESTMENTS	\$60,606	\$130,982	\$133,408
GENERAL FUNDS	\$4,313,373	\$4,218,149	\$2,905,469
SPECIAL DEPOSITS	\$610,270	\$534,280	\$2,765,421
ACCOUNTS RECEIVABLE - NET	\$2,450,967	\$3,123,304	\$2,857,492
MATERIAL INVENTORY	\$1,070,643	\$1,091,944	\$1,062,185
PREPAYMENT & OTHER ASSETS	\$81,355	\$80,670	\$119,193
TOTAL ASSETS	\$76,987,581	\$76,157,373	\$77,532,921
LIABILITIES & EQUITY	2014	2013	2012
TOTAL EQUITIES & MARGINS	\$42,885,568	\$41,969,569	\$39,978,278
TOTAL LONG TERM DEBT	\$25,961,550	\$27,145,266	\$26,579,712
NOTES PAYABLE	\$0	\$0	\$0
CURRENT & ACCRUED LIABILITIES	\$5,916,380	\$5,365,843	\$5,902,798
DEFERRED CREDITS	\$2,224,083	\$1,676,695	\$5,072,133
TOTAL LIABILITIES & EQUITY	\$76,987,581	\$76,157,373	\$77,532,921

REBATE REPORT

Earning Through Efficiency

San Miguel Power offers a variety of rebates that help offset the cost of making our members' homes or businesses more energy efficient. We also provide incentives that reduce the cost of installing renewable energy systems. In 2014 we awarded the following rebates.

REBATE	#ISSUED	TOTAL \$	AVG. PER REBATE	SMPA	TSGT
WATER HEATERS	20	\$2,000	\$100	\$1,000	\$1,000
WATER HEATERS LIFETIME WARRANTY	3	\$825	\$275	\$225	\$600
REFRIGERATORS	52	\$4,160	\$80	\$2,080	\$2,080
FREEZER	6	\$480	\$80	\$240	\$240
REFRIGERANT DISPOSAL	61	\$3,965	\$65	\$1,525	\$2,440
DISHWASHER	77	\$4,620	\$60	\$2,310	\$2,310
CLOTHES WASHER	58	\$4,640	\$80	\$2,320	\$2,320
LED BULBS	230	\$55,253	\$240	\$0	\$55,253
LED SMALL BULB	6	\$381	\$64	\$381	\$0
LED TUBE LIGHT	28	\$11,785	\$421	\$11,785	\$0
STRIP LIGHT	2	\$85	\$43	\$85	\$0
YARD LIGHT	2	\$319	\$160	\$319	\$0
COMMERCIAL LED RETROFIT	13	\$21,203	\$1,631	\$0	\$21,203
OUTDOOR LED LIGHTING	2	\$13,368	\$6,684	\$0	\$13,368
MINI-SPLIT HEAT PUMP	1	\$675	\$675	\$150	\$525
ELECTRIC VEHICLE	0	\$0	\$0	\$0	\$0
MOTOR	1	\$500	\$500	\$100	\$400
VARIABLE SPEED DRIVE	1	\$2,350	\$2,350	\$0	\$2,350
ENERGY AUDITS	15	\$2,450	\$163	\$2,450	\$0
WEATHERIZATION	15	\$8,468	\$565	\$8,468	\$0
SOLAR PV RESIDENTIAL	16	\$33,983	\$2,124	\$33,983	\$0
SOLAR PV COMMERCIAL	2	\$8,265	\$4,133	\$8,265	\$0
COMMUNITY SOLAR	168	\$183,212	\$1,091	\$183,212	\$0
SOLAR HOT WATER	1	\$1,200	\$1,200	\$1,200	\$0
SMALL HYDRO	1	\$7,500	\$7,500	\$7,500	\$0
TOTAL PAID TO MEMBERS	781	\$371,687		\$267,598	\$104,089



Note: Matching funds for many of our rebates are provided by Tri-State Generation and Transmission Association (\$104,089) and Clean Energy Collective(\$60,612).



ALTERNATIVE ENERGY

	COMMERCIAL	AC CAPACITY	RESIDENTIAL	AC CAPACITY	2014 KWH PRODUCED
SOLAR	16	187	155	499	1,169,005
WIND	-	-	2	4	2,868
HYDRO	2	33	-	-	82,409
TOTAL	18	220	157	503	1,254,282

Total Accounts as of Dec 31, 2014



THE ELECTRIC CAR CLUB

Wiring the Future

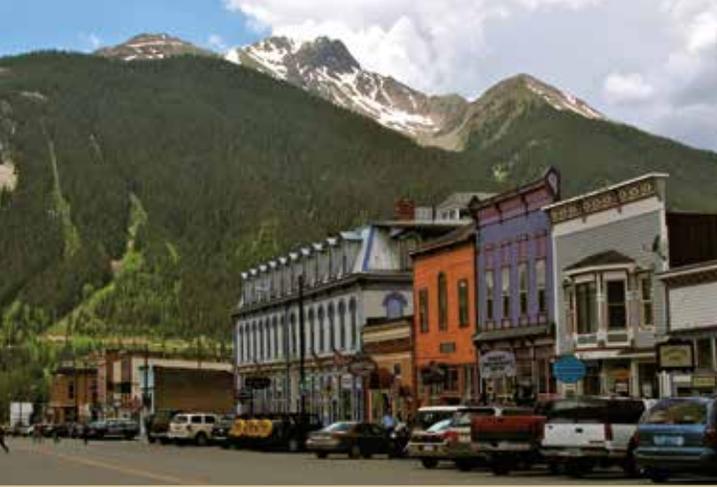
San Miguel Power remains committed to helping the youth within our region. One of the ways we are currently doing this is by helping to fund the Electric Car Club at the Ridgway and Ouray high Schools. SMPA funded the purchase of the retrofit kit necessary to convert a 1971 Volkswagen Bug to electric propulsion. The conversion is nearly complete and the car could very likely be mobile this summer. The students have become quite familiar with the wiring of DC battery banks, electric motors, and the battery charging process. These are real world skills which the students are learning as part of a larger goal to make sure the youth of our area have the knowledge and skills necessary to enter the workforce. Through their participation in the electric car club these kids are gaining technical experience in the electric industry.





ANNUAL MEETING MINUTES | JUNE 17, 2014

- 1. CALL TO ORDER:** The 75th Annual Meeting of the San Miguel Power members was called to order by Board President Rube Felicelli on June 17, 2014 at 5:30 p.m. at the San Miguel Power Association offices located at 170 West 10th Avenue, Nucla Colorado.
Invocation was delivered by Pastor David Smith. SMPA Linemen presented the Raising of the Flag during the National Anthem. Employee Dave Kelly led the Pledge of Allegiance.
- 2. INTRODUCTION OF GUESTS:** President Felicelli introduced the SMPA Board of Directors, General Counsel, and the General Manager. The special guests, the two director candidates from District 6, and retired directors and employees were introduced.
- 3. DETERMINATION OF A QUORUM:** SMPA staff advised President Felicelli that 147 members were registered and present for the meeting. President Felicelli announced that the required quorum of at least 50 members has been satisfied.
- 4. READING OF NOTICE OF THE MEETING AND PROOF OF PUBLICATION AND/OR MAILING THEREOF:** Secretary/Treasurer Dave Alexander advised members that the appropriate legal notices regarding the meeting had been published in all newspapers within the service territory and the notices were available for inspection.
- 5. READING OF THE UNAPPROVED MINUTES OF THE 2012 ANNUAL MEETING OF THE MEMBERS AND THE TAKING OF NECESSARY ACTION THEREON:** The 2012 annual meeting minutes were published in the annual report. A motion was made and seconded from the floor to waive the reading of the minutes. The motion was voted on and carried.
- 6. TREASURER'S REPORT:** The treasurer's financial report was detailed in the annual report that was provided to all members in attendance. The report is also available to all members on the SMPA website. A motion was made and seconded from the floor to forgo the reading of the treasurer's report. The motion was voted on and carried.
- 7. PRESIDENT'S REPORT, RUBE FELICELLI:** President Felicelli welcomed members to the 75th annual meeting. He spoke about the accomplishments and milestones that have occurred throughout the history of SMPA from the world's first commercial power plant located in Telluride to the largest community owned solar array in the nation located in Paradox. He thanked thanked members, directors, and the dedicated, hard-working employees who built the co-op to what it is today.
- 8. GENERAL MANAGER'S REPORT, KEVIN RITTER:** Manager Ritter reported on the highlights of the previous year and the future of SMPA. \$904,691 in capital credits were returned to the members this year. The 115kV line from Telluride to Nucla is finished. SMPA has delisted from NERC (North American Electric Reliability Corporation) and WECC (Western Electricity Coordinating Council). The three structures that were taken out by a rockslide on Red Mountain will be replaced this summer and the line will be rebuilt. To provide better service and



communication, the work on the Technology Strategic Goal continues. SMPA is installing fiber communications from Nucla to Ridgway offices and as well as an Interactive Voice Response system. He reported on the Energy Efficiency/Renewable Energy programs and that SMPA gave back \$200,000 in rebates with CEC in 2013. The future vision, which is part of the SMPA history book, looks ahead to the resurgence of the Uranium industry and the continuing growth of the tourism economy. Unfortunately, the power costs will continue to rise and the challenge of the costs of line maintenance will always be there. SMPA staff, board, and employees are prepared to meet the challenges of the changing face of the industry.

Manager Ritter gave special thanks to Sue Hillhouse, designer of the SMPA 75th anniversary quilt, Carmella and Marcus Wilson of Country Graphics & Wayfinder Press and everyone involved in the completion of the SMPA 75 year history book, and to the Nucla-Naturita Chamber of Commerce and everyone involved in organizing the day's festivities.

9. **UNFINISHED BUSINESS:** None presented.
10. **NEW BUSINESS, QUESTION AND ANSWER SESSION:** Members posed questions regarding SMPA's support for economic growth, fees for credit card payments, and the funds available for the rebate programs.
11. **DISTRICT 6 ELECTION RESULTS:** Attorney Jim Link announced the district 6 election results. 342 ballots were cast. 5 ballots were spoiled. Jason Matesevac received 47 votes, Debbie Cokes received 182 votes and Marcus Wilson received 108 votes.
12. **SCHOLARSHIP AWARD ANNOUNCEMENTS:** The Scholarship Awards were announced. The recipient of the Wes Perrin Memorial Scholarship attended the meeting and was presented a certificate.
13. **PRIZE GIVE-AWAY AND INVITATION TO THE CONCERT AND BBQ IN THE PARK:** Every member attending the meeting received a \$10 bill credit. Although the weather didn't cooperate with the events planned to take place after the meeting, the bands played and the BBQ was served at the SMPA facilities rather than in the park.
14. **ADJOURNMENT:** The meeting was adjourned at 6:20 p.m.

ORGANIZED: 1938

POWER SOURCE: Tri-State Generation & Transmission

SOURCE OF LOAN FUNDS:

Rural Utilities Service (RUS)

Cooperative Finance Corp. (CFC)

CoBank - National Bank for Co-Ops

TERRITORY:

Parts of seven counties including: San Miguel, San Juan, Mesa, Ouray, Dolores, Montrose, and Hinsdale.

HEADQUARTERS:

The main office is located in Nucla, with branch offices in Ridgway, Telluride, and Silverton.



SMPA Community Solar Production

YEAR	PRODUCTION (kWh)	AVG. HOMES
2013	1,999,158	215
2014	1,791,000	193



SMPA COMMUNITY SOLAR

In early 2011, the SMPA board of directors recognized that the membership would like to see more local renewable energy on SMPA lines. This became evident in our member surveys. In exploring options, it was obvious that the territory served by San Miguel Power has an incredible solar resource. This, coupled with explosive growth in the solar industry due to rapidly falling PV prices, and political support for renewable alternatives to fossil fuels in the form of tax incentives, became the foundation of the utility's quest to build a solar project.

At the time, large utility-scale solar arrays had already been successfully built in many areas in the US, including Tri-State's 30 megawatt Cimarron solar array built in 2010. Therefore when SunEdison, a pioneer in utility solar development, proposed to build a two megawatt solar array locally, the San Miguel Power board was willing to explore a project with them. Despite many supporting factors, SunEdison was not able to establish a suitable site to host the panels, however SMPA did not give up. We issued a request for proposals for two different projects. One was to be a small community based project and the other was to be a larger utility project. After a thorough analysis it became evident that the

most efficient and beneficial way to bring more solar power to SMPA's system was going to be through one large community project that any of SMPA members could participate in.

After review and analysis of over 35 proposals, coming in from firms all around the country, a Colorado company called the Clean Energy Collective (CEC) was chosen to build the SMPA community solar project. Among other factors, their expertise in community based projects was why the

SMPA Community Solar Statistics

Array Size: 1,124.24 kW DC

Number of panels: 4,784

Acres of land used: 5

Annual kWh produced: approximately 1.8 million

First date of operation: December 13, 2012



SMPA COMMUNITY SOLAR, CONT.

CEC was chosen. Under the community solar model, each solar panel in the array can be purchased by any of San Miguel Power members for a price of about \$700. Before the SMPA community solar array was completed and switched on in December, 2012, twenty-five SMPA members had already pre-purchased panels in the array. Many members purchased the panels because they appreciate the idea of supporting solar power; they also appreciate the credits they would receive each month on their power bill. The credits are derived from the energy produced by their panels.

In mid-2014 a very special program was conceived in collaboration between the Town of Telluride and San Miguel Power. The town purchased a large portion of the array to distribute to all of their affordable housing units. This would help to offset the town's energy usage with local power from the sun, while also helping to reduce the electric bills of all of the SMPA members in those units. It was a perfect fit. By the end of 2014, nearly half of the array belonged to the SMPA membership. In May of 2015, another significant purchase took place. The Telluride School District purchased the remainder of the array to help offset the majority of the school's electric use with local renewable power. This purchase had the added benefit of creating an experiential learning opportunity for the students. "All of our efforts, including this one, are focused on helping safeguard a clean, prosperous future for Telluride families," said Cheryl Miller, Vice President of the Telluride School District. "By using locally-made clean energy, the District can serve as a model of good stewardship to our students and perhaps other districts." SMPA has been giving tours of the facility to students from all over the service territory since the program's inception and has received an incredible amount of positive feedback for the learning opportunity that the array provides. The purchase by the Telluride School District furthered those efforts.

Now that the array is completely sold out, many are wondering what will happen next. The SMPA membership and the board of directors believe that the SMPA community solar array was an incredibly successful project. There is also a demand among the membership for more community based projects such as this. SMPA staff has been directed to begin looking for options to do more local, community based, renewable energy projects that can benefit the membership, the cooperative and the beautiful environment that is the SMPA service territory.





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