



Fire Mitigation &
Wholesale
Rates



SMPA Scholarship
Winners Announced!



Board Election
Reminder!

JUNE 2021

ENERGYWISE

YOUR SAN MIGUEL POWER MEMBER NEWSLETTER



Touchstone Energy® Cooperatives
The power of human connections®



CONTACT INFORMATION

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Both Offices Open:
M - TH, 7:00a.m. - 5:30p.m.

www.smpa.com
www.facebook.com/SanMiguelPower

In the event of a power outage,
contact your local SMPA office to
reach our 24-hour dispatch.

QUESTIONS OR COMMENTS

energywise@smpa.com
(970) 626-5549 x212

SAFETY TIPS

HEADING TO THE LAKE THIS SUMMER? Know the dangers of your boat's electrical system.

- Have your boat inspected by a licensed electrician.
- Ensure all your outlets have proper GFCI protection.
- There is no visible warning to electrified water. NEVER swim near a marina or near a boat while it's running.

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(866) 632-9992. Submit your completed form or letter to USDA by:

(1) mail: U.S. Department of Agriculture
Office of the Assistant Secretary for Civil Rights
1400 Independence Avenue, SW
Washington, D.C. 20250-9410;

(2) fax: (202) 690-7442; or

(3) email: program.intakeusda.gov.

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Fire Mitigation, Reliability Projects to be Bolstered by Wholesale Power Rate Decrease

According to Colorado's 2021 Wildfire Outlook and Preparedness Plan, produced by Governor Polis and Colorado state fire agencies, the summer of 2021 is expected to be one of the most devastating drought seasons yet recorded.



This threat poses operational and financial risks. I can't imagine better timing for the wholesale rate decrease, that we helped influence, at the Federal Energy Regulatory Commission (FERC) rate review of wholesale power supplier, Tri-State Generation and Transmission (Tri-State). Simply said, we need this to help with fire mitigation measures now and in the future. – BILL MERTZ, CHIEF FINANCIAL OFFICER, SMPA

SMPA is one of six other Tri-State member cooperatives that intervened in the "stated rate" case regarding Tri-State's filing of their wholesale electric rates. "Our voice was heard, respected and considered. We worked hard, and now the settlement has a proposed rate reduction of 4%," said Mertz.

Under the terms of the settlement, which is still pending FERC approval, Tri-State will immediately reduce its wholesale power rates by 2%, then follow with another 2% wholesale rate reduction in 2022. After that, Tri-State will switch to a FERC-regulated "Formulaic Rate" which will also be subject to review.

The settlement is good news for SMPA consumers, but it will not likely result in a retail rate reduction. Instead, the savings will be used to defray costs of a number of growing needs, the most urgent of which is fire mitigation.

"Since 2016, our state has seen four of the five largest fires in recorded history," said Duane Oliver, Operations Manager for SMPA. "Lack of moisture, above-average temperatures, an increase in public visitation, and an abundance of tinder-dry vegetation are all contributing to these predictions." As caretaker of the local electric distribution grid, which crisscrosses the threatened areas, SMPA must make equipment adjustments and upgrades in order to double down on fire prevention and mitigation.

This challenge is made even tougher by the unprecedented rise in material costs that has followed the global pandemic. "Anyone paying attention to the price of lumber will tell you they've never seen increases like this," said Mike Therriault, SMPA Engineering Supervisor. Last year, material production came to a halt as lumber mills and manufacturing plants closed their doors. Then, demand went through the roof as quarantined consumers started



construction projects at an unprecedented rate. The result was a lumber price increase of over 230%. Last year, we could get a sheet of plywood for \$18," said Therriault. "Today, that same sheet costs over \$80." Other electrical supply materials and equipment are experiencing similar price increases. Distributors of steel, aluminum, copper, molded products, fiberglass and fittings are all raising prices and imposing surcharges for fuels and logistics. "Protecting our forests is vital," said Therriault, "...but it won't be cheap."

Another channel for wholesale power savings will be the various reliability projects that SMPA has taken on in order to "harden" the electric grid and lessen the number and impact of power outages. "Our next four-year work plan calls for the replacement of aging equipment and the installation of new protective equipment," said SMPA Engineering Manager, Jeremy Fox. In addition to the recent Telluride / Mountain Village Reliability project, and the ongoing Nucla / Naturita Reliability project, SMPA is preparing to undertake its largest infrastructure improvement project in its 82-year history.

Fire Mitigation Continued...

The Red Mountain Electrical Reliability and Broadband Improvement Project will see the re-construction the 16.2 mile-long 46kV transmission line that spans the notoriously rugged Red Mountain Pass and serves as a redundant power feed to the communities of Ouray County. These projects, while unquestionably necessary, do not help bring in new revenue, the way that new construction typically does. "It's a pretty heavy lift for a small cooperative like San Miguel," said Fox. "The wholesale savings from Tri-State will definitely help."

All told, the recent stated-rate settlement with Tri-State under FERC, is good news for the members of San Miguel Power. Although it won't result in a retail rate decrease, it will help protect against damaging and dangerous forest fires, and it will help improve electric service reliability in a time of extreme weather challenges. As SMPA Operations Manager Oliver put it, "We can use some good news about now."

Major Reliability Project Begins

SMPA is moving forward with Phase 1 of our Red Mountain Project Rebuild. This phase will be the clearing of the existing designated Right-of-Way (ROW) and other hazard trees from the Ouray to the Burro Bridge Substation.

In order to mitigate fire risk, to meet United States Forest Service (USFS) permit guidelines, and to prepare for rebuild construction, SMPA has contracted with VM West, LP to facilitate the vegetation removal this summer season. Working closely with USFS representatives, the Colorado Department of Transportation (CDOT), and stakeholders in our communities, we have devised a plan to reduce fire risk and harden the reliability of this section of our power system.

In order to achieve this major objective, Hwy 550 will experience partial road closures. At times, trail heads may be temporarily closed, and equipment will need to be operational in SMPA's Right-of-Way. SMPA will be posting updates to this page as permit stipulations and closure schedules are finalized.



2021 SMPA Board Election Silverton & Ouray – Don't Forget To Vote

The candidates for the upcoming SMPA board election have been announced. In district #7, which includes Silverton and Ouray, the candidates are Rory Cowie, and Terry Rhoades. In District #5, which includes Mountain Village, incumbent director, Rube Felicelli is unopposed and will be deemed re-elected per SMPA bylaws.

Members in district #7 will elect their director this year by secret mail-in ballot. Voters may drop off ballots at the SMPA Office in:

- Ridgway: 720 N. Railroad St. or;
- Nucla: 170 W. 10th Ave.

Mail-in and drop off ballots must be received by 5:30 pm on June 9th.

For this year's election, members in district #7 may also hand deliver ballots to the Independent Election Monitor or vote in person on June 10th from 3:30 pm – 5:00pm. (Polls close at 5:00 pm.). June 10 voting locations are:

- Silverton: SMPA Silverton Storehouse: 706 Greene St. or;
- Ouray: Alpine Bank, 917 Main St.

2021 SMPA Scholarship Winners



DANIELA ACOSTA
Silverton High School
SMPA \$2000 Scholarship



KAITLYN ALMONEY
Telluride High School
SMPA \$2000 Scholarship



SAMANTHA ALMONEY
Telluride High School
Tri-State \$500 Scholarship



JENNA BAUGH
Norwood High School
SMPA \$2000 Scholarship



MAISY GARDINER
Ridgway High School
SMPA \$2000 Scholarship



JUAN FLORES
Telluride High School
SMPA \$2000 Vocational Scholarship



CLIONA PASEK
Ouray High School
SMPA \$2000 Scholarship



CASSIDY PETERSEN
Norwood High School
SMPA \$2000 Vocational Scholarship



SAM PUDEBAUGH
Nucla High School
SMPA \$2000 Vocational Scholarship



CAILEN TOUGHER
Telluride High School
Tri-State \$500 Scholarship



SOPHIA WATKINS
Telluride High School
Basin Electric \$1000 Scholarship



TYLER WYTULKA
Nucla High School
SMPA \$2000 Scholarship

SMPA POWER PLAY

This Month's Puzzle: RIO MI GIANT FITE

Hint: It's one of SMPA's top priorities, especially during drought conditions.

SUBMIT YOUR ANSWER and be entered into a drawing for a fun prize to:

**EnergyWise
PO Box 1150
Ridgway, CO 81432**

Our offices will be closed on Monday, July 5th!

Basic services are always available at smpa.smarthub.coop

