



Closing the Gap  
with Affordable  
Housing!



Diversifying the  
Power Supply



Board  
Candidates  
Announced

MAY 2022

# ENERGYWISE



Touchstone Energy® Cooperatives  
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YOUR SAN MIGUEL POWER MEMBER NEWSLETTER



## CONTACT INFORMATION

**Nucla**  
170 W. 10th Ave.  
P.O. Box 817  
Nucla, CO 81424  
(970) 864-7311  
Toll Free: (877) 864-7311

**Ridgway**  
720 N. Railroad St.  
P.O. Box 1150  
Ridgway, CO 81432  
(970) 626-5549  
Toll Free: (877) 864-7311

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

[www.smpa.com](http://www.smpa.com)  
[www.facebook.com/SanMiguelPower](https://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](mailto:energywise@smpa.com)  
(970) 626-5549 x212

## SAFETY TIPS

May is Electrical  
Safety Month!

- Take time to visit [www.safeelectricity.org](http://www.safeelectricity.org) to hear stories of close calls and access information that can save your life!

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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.intake@usda.gov](mailto:program.intake@usda.gov).

USDA is an equal opportunity provider, employer, and lender.

## Rural Homes; For Sale, FOR LOCALS

IN OUR RURAL SCHOOL DISTRICTS, THERE IS A WIDENING GAP BETWEEN WHAT A SALARIED RURAL TEACHER EARNS, THE KIND OF HOME THEY CAN AFFORD, AND WHAT IS AVAILABLE IN THE MARKET. CURRENTLY IN NORWOOD, THE AVERAGE HOME PRICE IS ABOVE \$487,000, WHILE THE AVERAGE TEACHER SALARY ONLY ALLOWS THEM TO AFFORDABLY PAY FOR A \$200,000 HOME.



Groundbreaking at the site of Norwood's future Pinion Park neighborhood.

This gap is evident across the entire workforce, in which town employees, police, and emergency workers all encounter the same cost barrier to living where they work, representing the "missing middle" of the housing market.

To address the affordable housing gap, the Telluride Foundation created "Rural Homes: For Sale, For Locals," an initiative to attack the cost of building housing. By integrating donated land, prefabricated panelized home design, and low-cost construction finance into a toolkit, this project restructures the way rural homes can be financed affordably for the region's essential workforce.

Through the Sharing Success Economic Development Grant, SMPA and cooperative provider, CoBank were proud to add \$15,000 to a \$5000 match from cooperative partner, Basin Electric for a total donation of \$20,000 to the Telluride Foundation project. The grant will ensure the quality of the HVAC systems within the Norwood and Ridgway housing developments. "We are very pleased that community partners like SMPA, CoBank and Basin Electric are helping to make this key improvement without burdening the homeowner with an additional cost," said Paul Major, Rural Homes; For Sale, For Locals Project Lead.

## 2022 SMPA Board Candidates Announced

As a consumer-controlled electric cooperative, San Miguel Power Association (SMPA) is overseen by a seven-member board of directors who are elected by the membership. This year, board seats for District #3 and District #6 are up for election.

**IN DISTRICT #6**, which includes Ridgway and much of Log Hill Village, the incumbent director, Debbie Cokes is running unopposed. She will be deemed re-elected per SMPA bylaws. No ballots will be sent to voters in this district.

**IN DISTRICT #3**, which includes Dunton, Norwood, Placerville, Rico and Sawpit, current director, Dave Alexander and challenger, Allyn Svoboda are running against each other for the seat.

**Learn how to vote, and register for the online Annual Meeting, where election results will be announced, at [www.smpa.com](http://www.smpa.com).**

# SMPA to Diversify Power Supply

At its regular Board Meeting in March, the SMPA Board of directors accepted two recommendations from the SMPA Staff: The first was to begin contractual negotiations on a transition away from its “All-Power-Requirements” contract with current wholesale power provider, Tri-State Generation and Transmission (Tri-State). SMPA may transition to a “Partial Requirements” contract, thereby allowing room in SMPA’s total power load, for service from another supplier. The other was to select a finalist from the recent SMPA Request for Proposals (RFP) for alternative power supply providers. The selected finalist was Denver-based Guzman Energy.

Since 2017, the SMPA Board has been evaluating its wholesale electric supply contract (WESC) with Tri-State and gathering the data necessary to determine if adding a different source of wholesale electricity would be advantageous to the membership. A detailed cost analysis was presented to the Board during a recent Executive Session. Based, partly, upon this analysis, the board, in open session, directed staff to move forward with the negotiations.

“Supplying a portion of our power from Guzman may yield significant cost reductions for SMPA,” said Board President, Rube Felicelli. But members are cautioned not to expect a retail rate decrease. “There are a number of unprecedented cost hikes affecting SMPA at this time,” said SMPA CEO, Brad Zaporski. “...including increased need for fire mitigation measures, increased tool and material costs due to inflation, increased cost of labor, the need for reliability improvement projects including a possible transmission line reconstruction project on Red Mountain, as well as likely wholesale rate increases from Tri-State.”

“The pressure is currently quite strong to recover more revenue through a higher access fee,” said Zaporski. “However, a reduction in overall wholesale costs could provide some relief.”

Asked why SMPA would not seek a full exit from Tri-State, like neighboring co-op, Delta-Montrose Electric Association (DMEA), Zaporski noted that Tri-State, as a member-driven cooperative, offers a number of significant benefits, including preferential access to the Tri-State transmission system, multiple points of risk mitigation, and financial aid for critical reliability projects.

“Even though the Board has given SMPA the go-ahead, it is still far from a final step in diversifying SMPA’s power supply,” said Board President, Felicelli. “Several critical pieces of the puzzle still need to be put into place.” For one, the methodologies of the Partial Requirements calculations still need final approval from the Federal Energy Regulatory Commission (FERC). Beyond that, new contracts will need to be negotiated and drawn up with both Tri-State and Guzman.

“We are on the 50-yard line,” said Zaporski to illustrate the point.

Nonetheless, many are encouraged by recent developments, and even though the Board has signaled that retail rates will not go down, there are still a myriad of potential benefits to be realized, including:

- Improved fire mitigation within the territory
- A more reliable grid
- Greater stability through diversification in wholesale rates
- Preserved Tri-State membership rights, including a seat on the Tri-State Board
- Lower pressure on retail rates
- Lower carbon footprint

“The difficulties of the past few years have forced us to adapt,” remarked Felicelli. “But the changes we are making in response, have the potential to make us stronger than ever.”

## DID YOU KNOW...that you can pay your power bill on your next trip to the Family Dollar?

We’re continuously seeking faster, more convenient ways to meet your needs. SMPA is now offering cash bill-pay service at participating retail stores, so you can pay your power bill while running errands. Find out more on the SMPA SmartHub app or call our office to learn how to take advantage of this new convenience.

These participating locations will accept cash payments up to a maximum amount of \$500:

- Family Dollar
- Dollar General
- CVS Pharmacy
- Stripes
- Speedway
- 7 Eleven
- Kum & Go



The Family Dollar thrift store. Naturita, Colorado

# SAVE THE DATE

Thursday, June 9<sup>th</sup>  
5 PM to 6:30 PM  
An online event.

## San Miguel Power Association's 2022 Annual Meeting

Prizes ♦ Information ♦ Board Election Results ♦ Q&A

## Electrical Safety Month

May is National Electrical Safety Month. This May, we’d like to raise awareness of the fact that contact with electricity is one of the leading causes of injury in construction workplaces. Are you working outside? Make sure all of your workers are staying safe around electricity by:

- Staying at least 25 feet away from power lines while working
- Checking for hidden power lines when trimming trees or working in other high places
- Never running a generator indoors
- Knowing what’s below - Remember to call 8-1-1 before any digging
- Keeping electrical equipment away from water



# SMPA POWER PLAY

**This Month’s Puzzle: AR KIND NOO CELTIC BABES CAN**  
**Hint: Who can help SMPA help the helpers?**

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

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