NOVEMBER 2026

ENERGYWISE

YOUR SAN MIGUEL POWER MEMBER NEWSLETTER

SAN MIGUEL POWER ASSOCIATION
Touchstone Energy® Cooperatives
The power of human connection®

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 • 7:00am – 5:30pm

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 x2120

NOVEMBER SAFETY TIPS:

- ☑ *Stay warm, but safe! Don't fold heating blankets while they are on!*
- ☑ *Protect your electronics! Unplug sensitive devices during power outages.*
- ☑ *Never use space heaters to dry clothes!*

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To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at http://www.ascr.usda.qov/complaint filing cust.html and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call

(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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FEATURE STORY

Planning for the Future: Understanding SMPA's Proposed Rate Increase

SAN MIGUEL POWER ASSOCIATION (SMPA) IS PREPARING TO CONSIDER A RATE INCREASE FOR 2027. WHILE NO FINAL DECISION HAS BEEN MADE, THE PROPOSAL REFLECTS A FAMILIAR CHALLENGE: THE COST OF PROVIDING SAFE, RELIABLE ELECTRICITY CONTINUES TO RISE, AND SMPA MUST ENSURE IT HAS THE RESOURCES TO MEET ITS RESPONSIBILITIES TO MEMBERS.

Why consider a rate increase?

Like households and businesses, SMPA faces increasing costs across the board. Wholesale electricity, tools, materials, insurance and labor have all become more expensive. At the same time, maintaining the infrastructure that delivers electricity throughout SMPA's rugged, geographically diverse service territory requires ongoing investment.

Wildfire mitigation is another increasingly important priority. SMPA continues to invest in efforts to reduce the possibility that electrical equipment could contribute to a wildfire ignition. As these efforts expand, the cooperative expects to devote additional resources to wildfire mitigation next year. This work is an important part of protecting our communities, natural surroundings and electric system.

These expenses are not optional extras. They are part of the work required to keep electricity flowing safely and reliably.

Why put most of the increase into the access charge?

SMPA's Board of Directors is also considering how any proposed rate increase should be structured, including placing most of the increase in the fixed monthly access charge rather than recovering it through electricity usage.

The access charge helps cover the costs of maintaining the electric system and making service available to every member, regardless of how much electricity that member uses. Many of these expenses are fixed: poles, wires, substations, equipment, insurance and other essential costs do not necessarily decrease when a member uses less electricity.

Recovering fixed costs primarily through variable electricity sales creates financial uncertainty. If members use less electricity because of mild weather, energy efficiency or other factors, SMPA may collect less revenue even though many of its expenses remain unchanged.

The experience of 2026 illustrates this challenge. ***When revenue fluctuates but fixed costs remain, the cooperative can face a growing gap between income and expenses.***

A greater reliance on the access charge can help align revenue more closely with the underlying costs of providing service, supporting greater financial stability and reducing the risk of future shortfalls.

Ultimately, SMPA's goal is to balance affordability with reliability, safety and long-term financial health. The Board's consideration of both the size and structure of a potential rate increase is part of that responsibility to the members the cooperative serves.

See the proposed rate tariffs at: www.smpa.com/rates





IT'S THE SMPA FOOD DRIVE! Throughout November, drop off your food donations to help families in need this holiday season. SMPA will match your food donation, can for can!

Valley Range Project Could Help Stabilize Future Electric Rates

San Miguel Power Association (SMPA) has joined three other Colorado electric cooperatives in a partnership to purchase power from the proposed Valley Range Energy Park near Cortez. The project represents an important opportunity to help control future electricity costs for SMPA members.

Developed by Accelergen Energy, Valley Range would combine 125 megawatts of solar generation with a 62.5-megawatt battery energy storage system. The project is part of Tri-State Generation and Transmission Association's Bring Your Own Resource (BYOR) program, which helps cooperatives access additional energy resources.

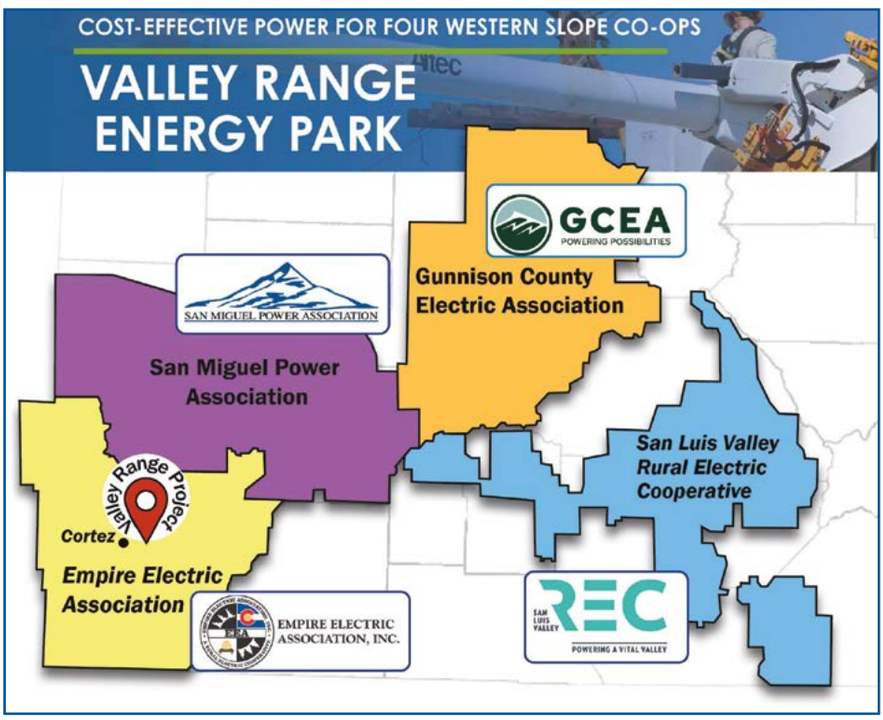
For SMPA, the primary motivation is the 20 years of cost-savings that would begin in 2030 when the project is brought online. If approved, the project could allow the cooperative to lock in a lower-cost rate for wholesale energy representing up to 40% of its wholesale power needs. This would significantly reduce upward pressure on electric rates, helping offset rising wholesale power costs and the expense of maintaining and improving essential infrastructure.

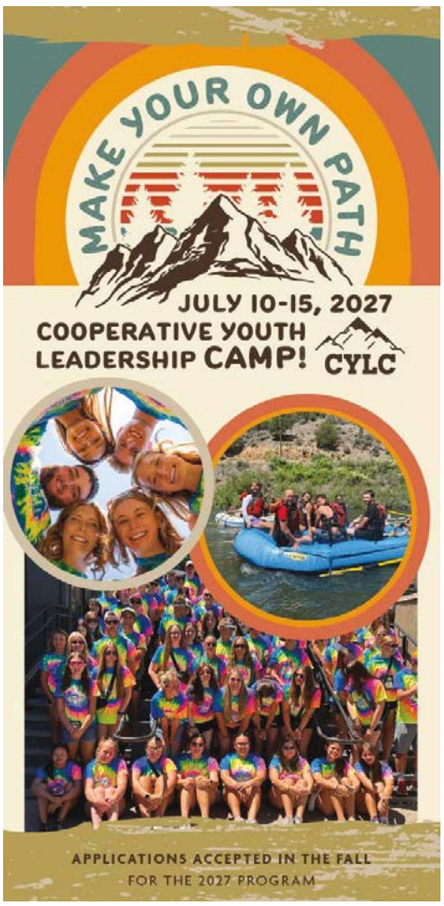
The partnership, which also includes Empire Electric Association, Gunnison County Electric Association and San Luis Valley Rural Electric Cooperative, estimates the project could generate more than $20 million in combined savings over 20 years, including nearly $5 million for SMPA members.

"Valley Range represents a major win for all the electricity consumers served by the four partner coops. Crucially, the cost savings from the project will help buffer SMPA members from upward rate pressure for years to come while lessening carbon emissions at the same time," said Brad Zaporski, SMPA Chief Executive Officer and General Manager.

The project remains subject to approval by Montezuma County officials. If approved, it would also bring local economic benefits, including an estimated $13.9 million in property tax revenue over its lifetime.

For SMPA, Valley Range represents a significant opportunity to expand access to renewable energy while helping protect members from future electricity cost increases.







Renewable Rebates

Even as the cost of renewable energy systems continues to drop, SMPA supports our members' efforts by offering Renewable Energy Rebates.

- Solar Photovoltaic Residential
  - Rebate amount: $0.10 per watt
  - Maximum amount: Up to 3kW or $300
- Solar Photovoltaic Commercial
  - Rebate amount: $0.10 per watt
  - Maximum amount: Up to 10kW or $1,000
- Small Wind Residential
  - Rebate amount: $0.10 per watt
  - Maximum amount: Up to 3kW or $300



SMPA POWER PLAY

THIS MONTH'S PUZZLE:
GEE C Y GREEN R CLEAN
Hint: Range Maker

Last Month's Answer: ELECTRICAL SUBSTATION

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

EnergyWise
PO Box 1150
Ridgway, CO 81432