

ENERGY WISE

YOUR SAN MIGUEL POWER MEMBER NEWSLETTER



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JUNE
2015



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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

Lightning is a potential danger 10 miles in advance of a storm. Make sure that your children know "If thunder roars, go indoors" and not to seek shelter under a tree or open picnic shelter.

This institution 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 of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W. Washington, D.C. 20250-9410, by fax (202) 690-7442 or email at program.intake@usda.gov.

NOTABLES: SMPA Sells Out the SMPA Community Solar Facility, What is Next?



Kevin Ritter
SMPA General Manager

A message from your General Manager, Kevin Ritter

This month I am happy to announce that the SMPA Community Solar Facility has been completely sold out to our membership. In early 2011 the SMPA board of directors recognized that the membership would like to see more local renewable energy on SMPA lines. This was evident from our member surveys. In exploring options it quickly became apparent that a great deal of 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 energy in the form of tax incentives, became the foundation of SMPA's quest to create a solar project that would benefit the San Miguel Power membership.

On December 13, 2012, in partnership with the Clean Energy Collective, the SMPA community solar array was completed in Paradox Valley. At the time, this was the largest cooperative owned Community Solar Array in the nation. Three years later our membership has shown immense support for the program. A very recent, large purchase by the Telluride School district now leaves the array 100% sold out.

Since this news became public we have received a lot of questions about what is next. The feedback we are receiving is that there is significant demand for another local community clean energy project. In response the SMPA Board has instructed staff to begin an analysis of doing another project. Fortunately, in the time since the solar facility was completed SMPA has continued to keep our eye on renewable energy development in our area. We have helped evaluate potential wind, biomass, various size hydro, and solar projects.

We know many things have changed in this realm since we built the first facility. For one, we expect the tax incentives available for renewable energy projects to drastically change in 2016. Also the prices for renewable energy equipment have decreased substantially. However, in our analysis we are leaving no stone unturned. We are looking at the options for all local renewable resources including hydropower, solar, or any other renewable resource that is feasible. We have also heard about a facility that benefits low-income families, which we will investigate. We do feel that the community model is the way we want to continue. In this model our membership can buy into the facility and receive credits on their utility bill for the production from the portion of the facility that they own. There are several factors that must be considered with a project of this scope. Therefore we must do our due diligence to make sure we end up with a project that is the most beneficial to the SMPA membership.

Unfortunately, putting together a project of this magnitude will take some time. First, we must find the project and do our evaluation. Part of this will be addressing the 5% contractual limit for purchasing local energy that SMPA has with Tri-State and finding partners to complete and maintain the facility. We think we will have the best success by taking Tri-State a real project that is feasible to complete. Once all the hurdles are crossed, the SMPA Board will have the final approval on whether the project is in the best interest of the members. We are excited to take SMPA's participation in renewable energy to a new level, in a responsible manner. We'll keep you informed as we progress through this process.



Congratulations to the 2015 SMPA Scholarship Winners

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

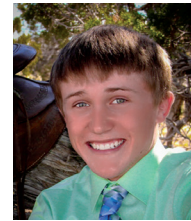
In memory of late board member Wes Perrin, SMPA awards one, \$2,500, four-year, renewable scholarship to a deserving graduate from our service territory who is pursuing a degree and career in the energy industry.

- \$10,000 | Mikaela Balkind, Telluride

2015 Recipients



Chance Ronemus
Ridgway



Aaron Morgan
Nucla



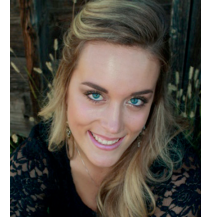
Kelsey Rowe
Norwood



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 to Pay Out \$1,721,479 in Member Dividends

For the third consecutive year San Miguel Power Association, Inc., (SMPA) will be paying out member dividends also known as capital credits. We will be paying back a total of \$1,721,479 this year to our members from the years 1986, 1987, and part of 1988. This consists of \$1,000,000 of SMPA budgeted funds for a regular dividend payment, \$500,000 of a special dividend payment from unclaimed member dividends from previous years, and \$221,479 is a pass through directly from our power supplier Tri-State for their dividend payment to SMPA. Checks will be mailed to the addresses on file at the co-op next month. Dividends less than \$10 will be placed in a hold account for the member and paid in the future when the balance reaches a total greater than \$10.

SMPA is a member-owned rural electric cooperative, which means that those who receive electric service from the co-op own a portion of the business. This entitles them to a portion of the co-op's margins or profits. Member Dividends or Capital credits are essential to the cooperative business model. They represent our members' ownership in the co-op and set us apart from for-profit, investor owned businesses.

Annually, San Miguel Power allocates excess profits, called margins, to its members based upon how much they were billed that year. The money a member pays to the co-op is considered his or her capital investment. The larger that investment is, the larger the allocation, and eventually, the larger the dividend when it is paid out.

SMPA allocates member dividends each year, but only pays, or retires, those dividends back to members on a delayed rotation when the co-op's financial position allows them to do so. SMPA returned member dividends in the Spring of 2013 for the first time in 13 years. During that period the dividends functioned as operating capital and were used to make improvements and expansions to the co-op's distribution grid. They also served to improve the co-op equity position and financial ratios. Each year, SMPA's board evaluates the co-op's ability to return member dividends to the membership.



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 Sts, N. to Tomboy Rd and East to approximately .5 miles from Royer Lane. (Incumbent Director Bob Justis is running unopposed and is therefore deemed elected)
2. The reports of Officers, Directors and Committees.
3. Any other business that may properly come before the meeting.



Members Receive a \$10 bill credit and are automatically entered to WIN A FLAT SCREEN TV by attending the 76th Annual Meeting of Members FREE BURGERS AND HOT DOGS WILL BE SERVED.