

ENERGY WISE

DECEMBER 2017

YOUR SAN MIGUEL POWER MEMBER NEWSLETTER



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

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SAFETY TIPS

**Driving in winter means changes in
the way you drive.**

**If the forecast looks iffy, wait out
the storm if possible. But if you must
travel make sure you share your
travel plans and route with someone
before you leave.**

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(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.

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SMPA Proposes First Rate Increase in Nearly Six Years

At its November meeting, the San Miguel Power Association (SMPA) Board of Directors approved an operating and capital budget for 2018 that was based on extensive analysis of expenses and consideration that SMPA, without raising rates to the membership, had absorbed a \$720,000 increase to the cost of wholesale power in early 2017.

Based on this 2018 budget as well as a detailed rate study of potential cost recovery methods, the staff has proposed an overall 1.2% rate increase for 2018.

"We are proud to say that this is the first rate increase we have had in nearly six years," said SMPA CEO, Brad Zaporski. "The cost of basic goods and services, as measured by the Consumer Price Index, has gone up 12 percent since our last rate increase. Our rates have only gone up by 1.2% in this same time period."

The Consumer Price Index (CPI) is a measure of inflation and is based on a monthly U.S. Bureau of Labor Statistics survey of 23,000 businesses nationwide. CPI was a factor in designing the cost recovery plan for SMPA.

"As a non-profit cooperative, our primary purpose is to provide our product--electricity--for the lowest possible cost,"

said SMPA Board President, Rube Felicelli. "That's why, when we have to raise rates, we conduct these studies--to make sure that our increase is as small as it can possibly be."

2018 Rate Increase Proposal Summary

- Single Phase – No Demand
 - \$2 Increase to Access Charge
 - No Change to per kWh rate
- Single Phase – Demand
 - \$2 Increase to Access Charge
 - \$1 Increase to Demand Charge
 - Reduced by 5.86% per kWh
- Three Phase – Demand
 - No Change to Access
 - \$1 Increase to Demand Charge
 - Reduced by 4.01% per kWh
- Three Phase – No Demand
 - \$5 Increase to Access Charge
 - No Change to per kWh rate

Overall Increase = 1.2%

The cooperative has a wide variety of costs, the largest of which is wholesale power. Yet other costs such as materials, labor, tools, and maintenance of the electrical distribution grid, play a big part in rates as well. The new rates

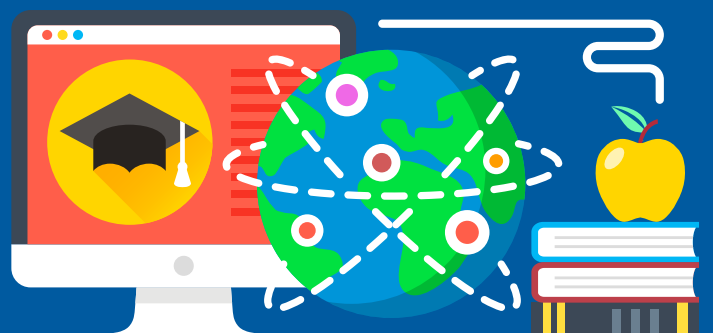
continued see Rates, pg. 2

SCHOLARSHIPS AVAILABLE

Know a student
who needs
money for
college?

Online Application:
www.smpa.com
→community-youth
programs

Deadline:
February 5, 2018



Rates from pg. 1

for 2018 propose an increase to the monthly access charge. The largest group of consumers, those in the single phase rate class, will see their access charge increase by \$2.00. When SMPA recovers more revenue from the fixed monthly access charge, the pressure for the cooperative to sell more energy (measured in kWhs) to meet revenue requirements is reduced. This gives Members greater flexibility in implementing energy efficiency measures and switching to more self-generation of energy without impacting the solvency and reliability of the grid.

"It's never easy to raise rates," said Felicelli, "but when we know we have the right information, we feel confident that our decision is necessary and appropriate for the long term health of your cooperative."

The SMPA Board will host a rate hearing at their regular December board meeting prior to officially adopting the proposed rate change for 2018. The meeting is scheduled to be held in Nucla on December 21st at 9:30 am.

How Green is Tri-State Power?

Answer Depends on What *Counts* as "Renewable."



How much of the power that we use from Tri-State is renewable? It seems like such a simple question. The answers however, are many and they vary widely. At issue is the question of what counts as a "renewable" source.

According to a recent brief from Tri-State, the Colorado-based cooperative has added over 475 megawatts of renewable projects to its portfolio since 2008. This includes power purchase agreements with a mixture of utility-scale wind, solar and other projects. This can be added to the federal hydropower allocation from the Western Area Power Association (WAPA) and Tri-State's purchases of output from small hydro projects throughout its four-state territory.

All of these sources count as "renewable" according to the Western Renewable Energy Generation Information System (WREGIS) an independent regional renewable energy tracking system. Under these definitions, and including local renewable generation from member systems like SMPA, Tri-State reports over 27% of renewable energy in its power mix.

However, qualifications for Renewable Portfolio Standards (RPS) for the states of Colorado and New Mexico do not include WAPA hydro allocations. These exclusions reduce the percentage significantly. Tri-State is, nonetheless, meeting these RPS standards with its other purchases.

Still another independent study has been circulating that excludes all power purchase agreements. This study depicts Tri-State as having virtually no renewable power because it does not directly own the generation facilities.

Ultimately, the disagreement over what counts as renewable can seem academic. What can be verified is that the percentage of our energy from sources other than fossil fuels is greater than it has ever been. See www.smpa.com/news-releases for Tri-State Issue Briefs including their statement on renewable energy.

News Briefs



Final stages of the Telluride / Mtn. Village Reliability project include re-vegetation of the Galloping Goose trail. More reliable power; same beautiful landscape.



Last month's Knowledge Bowl competition, sponsored by SMPA brought teams from Nucla, Norwood, Ouray, Ridgway, and Telluride.



Winter Savings Tips

- 1) Use the sun for free heat. Open the curtains on your south-facing windows during winter days to bring free heat into your home.
- 2) Bundle up with warm accessories.
- 3) Use ceiling fans to your advantage. Turn your ceiling fan on a low clockwise setting to gently push hot air back down.
- 4) Turning your thermostat down 10 to 15 degrees at night can save about 10 percent per year on your heating bills.
- 5) Only heat the rooms you use. Close and seal off the vents in guest rooms or large storage areas to be more energy efficient.

Reprinted from Niccole Schreck - US News & World Report

SCAM ALERT

A phone SCAM has been targeting our members. If you are contacted by someone threatening to turn off your power unless you make a payment, **HANG UP.**

Verify your account status at
(970) 626-5549



Congratulations to the recipients of the 2017 Sharing Success economic development grants, co-sponsored by SMPA and CoBank with additional support from Basin Electric. We can't wait to see what your project plans will become!