



# ENERGYWISE

YOUR SAN MIGUEL POWER MEMBER NEWSLETTER



Touchstone Energy® Cooperatives  
The power of human connections®



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**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**  
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## SAFETY TIPS

Video is one of the easiest ways to learn safe habits that can protect you and your family. Check out the Electrical Safety Foundation International (ESFI) video collection at [www.esfi.org](http://www.esfi.org)

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Office of the Assistant Secretary for Civil Rights  
1400 Independence Avenue, SW  
Washington, D.C. 20250-9410;

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

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## Tri-State CEO Talks Contracts, Renewables and a Carbon-Free Colorado

### SMPA 80th Annual Meeting Hosts CEO, Duane Highley

The theme of San Miguel Power Association's (SMPA's) 80th Annual Meeting, "Through the Lens" challenged members to look at current power issues from different viewpoints. The guest speaker was Duane Highley, CEO of Tri-State Generation and Transmission (Tri-State). Through his remarks, Highley was able to offer the viewpoint of a power provider facing internal struggle, a technological revolution and new State mandates that guarantee that Colorado's power grid will look very different thirty years from now.

**What follows is a summary of Mr. Highley's comments and selected questions and answers that followed:**

It is truly my privilege to be here in such a beautiful service territory at a co-op with such fundamental American values. I'm proud to be here, and I'm proud to say that I work for you. I want to say that I understand, very thoroughly, that our costs of power supply are the biggest part of your power bill. At Tri-State, we believe in three fundamental values about power supply: First and foremost, it needs to be reliable. Second, we know that price matters. And today, ever increasingly, it's about energy that is responsibly generated.

Already, one third of the kilowatt-hours that are consumed by our members in the Tri-State footprint are coming from renewable sources. And we're not done. Tri-State's just announced another 100 megawatt (MW) solar farm and a 104 MW wind farm to come online in the next couple years, and I'm proud to tell you that, just this week, the Board took some pretty significant actions towards this energy transition as well.

We had a strategic planning session over two days, and the Board made several resolutions. The first is that the Board directed staff to develop a Cooperative Responsible Energy Plan that will meet the New Mexico goal which is 50% renewable by 2050, and the Colorado goal of effectively 80% carbon-free by 2050. And we'll do all of this while lowering your rates. That's going to be a hard job for all of us, but that's what we're committed to do because we work for you.

The next resolution was to direct us to go out and issue Requests for Proposals (RFPs) across the four-state region for additional



Duane Highley, CEO of Tri-State Generation & Transmission

renewable capacity. The Board wants to see more local renewables developed across our footprint. In addition, they instructed us to form a solar partnership to develop solar within the footprint and to do it in a way that is cost-effective.

In addition, we had a Contracts Committee meeting which included your representative, Debbie Cokes (Dist. 6). The goal of this committee is to change the rules by which member co-ops like San Miguel can generate more local renewable energy if they wish, and to decide how all the member co-ops can share the costs of that. This work might be really hard, but it might really be beautiful at the end of the day.



*Already, one third of the kilowatt-hours that are consumed by our members in the Tri-State footprint are coming from renewable sources. And we're not done. Tri-State's just announced another 100 megawatt (MW) solar farm and a 104 MW wind farm to come online in the next couple years,*

— DUANE HIGHLEY, CEO TRI-STATE

# A Q&A with Duane Highley

**FOLLOWING MR. HIGHLEY’S REMARKS, THE SAN MIGUEL POWER MEMBERS HAD A CHANCE TO ASK SEVERAL QUESTIONS:**

**What can Tri-State do to help us recover economically from the closure of the Nucla mine and associated power plant?**

That’s a very good question. Because we’re a cooperative, ‘concern for community’ is one of our foundational principles, and our Board is very sensitive to the impacts to the communities affected by plant closures.

As we are talking about changes to the power mix, we have to realize that, by the time we hit 2030, there probably won’t be many coal plants left in Colorado, because of the rules that have been passed. I’ve spoken with Governor Polis, and I’ve asked him to help find a revenue stream that can fund the Colorado Just Transition Bill that just passed in the last session of congress. This bill is intended to provide support to communities impacted by the energy transition.

**What are your thoughts on the proposal you recently received from Guzman Energy, which would replace three of Tri-State’s coal plants with a mix of renewable energy and natural gas backup?**

The Guzman folks met with me within my first few weeks on the job, and they brought this proposal which is really innovative and creative. We found that Guzman would bring us investors who would give roughly a half-a billion dollars for us to retire coal plants, support communities and lower rates. They would get their investment back in the form of a Power Purchase Agreement (PPA) that would charge us above-market rates for the next twenty years.

On the other hand, we have the ability to develop resources as much as anybody, we’re in the market everyday, and, through RFPs, we’ve gotten really low costs on the renewables we’ve developed so far, so we think we can do the same job as Guzman, if not better, at retiring those resources, without having to pay billionaire investors their rate of return.

**What are your thoughts about the current status of the Delta-Montrose Electric Association (DMEA) / Public Utilities Commission (PUC) case?**

Your neighbor, DMEA, wanted to seek outside power supply and possibly save some money with that. In order for them to move down that path, they would have to prematurely terminate their long term contract with Tri-State. As power supply, we built certain facilities that depend on DMEA using that supply, and, if they end early, there’s a cost that must be borne by the remaining members of Tri-State, like San Miguel. Determining a fair buyout price has been a point of contention and we ended up going to the PUC to get a ruling.

There’s been a lot of negotiation, and I’m not sure if it’s possible, but we are certainly trying to find a number that is fair to DMEA and that’s also fair to the other 42 cooperative members. I’m proud to say that, right now, we are continuing discussions with them and that we are close to a settlement. I remain optimistic. So far, we’re still talking.

## SCAM ALERT!

If you get a call from someone threatening to turn off your power, hang up.  
View your account status at [smpa.smarthub.coop](http://smpa.smarthub.coop)

## Through the Lens at SMPA 80th Annual Meeting

**Last month, SMPA’s Annual Meeting provided not only perspective from Tri-State’s CEO, but also a fine barbecue dinner, member gifts, and opportunities to learn about a myriad of local organizations and offerings. Thanks to these organizations for manning booths:**

- Tri-State Generation & Transmission
- Eco-Action Partners
- Ouray County Ranch History Museum
- Ridgway Railroad Museum
- Last Dollar Community Solar Garden
- Telluride Sports
- SMPA Booths including:
  - SmartHub
  - Carbon Clear
  - Hotline Safety Demo
  - SMPA Line Gear Display

**Thanks, also, to these folks for helping us put on a great meeting:**

- Marcus & Carmella Wilson/Country Graphics (“Through the Lens” 2020 Calendar)
- David Nunn (Music)
- Ouray Chorus (National Anthem)
- Twin Peaks / The Mine Shaft (Catering)
- Ridgway Secondary School (Tables & Chairs)
- The Palm Theater
- The Coach’s Mother
- SMPA Employee Volunteers
- Western United Electrical Supplies
- ESC Engineering



### The Touchstone Energy Balloon Flies Again

The Telluride Balloon Festival was a chance to fly our colors high while making a donation to the Telluride Rotary Club. Like all Touchstone Energy Cooperatives, San Miguel Power provides financial support for community initiatives. Thanks to our volunteer crew!

# SMPA POWER PLAY

**This Month’s Puzzle: I COP AN VERI STRIC PEOPLE**  
**Hint: These seven guide co-ops like SMPA**

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

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

Last Month’s Scramble Answer: George Westinghouse