

LPEA's rate change brings more choices

BY DAN HARMS | MANAGER OF RATES, TECHNOLOGY AND ENERGY POLICY | DHARMS@LPEA.COOP

To maintain and improve electricity infrastructure and to prepare for the future of the electric grid, the La Plata Electric Association Board of Directors on Wednesday, January 15, 2020, approved new rate changes that will generate \$3 million for the association. The new rates will go into effect April 1, 2020.

LPEA has not had a rate increase since 2016 and has been unable to keep up with inflation and the increasing cost of equipment and services that an electric supplier must provide to its members. For example, during the last year, LPEA experienced major outages caused by old and decaying infrastructure.

"Electricity is critical to maintaining our economy and our lives in the 21st Century," said Bob Lynch, LPEA's board president. "We must continue to invest, or we will fall behind in providing the excellent electrical service that LPEA members expect."

LPEA's base and energy charge for our General Service rate (residential and small commercial) will remain the same, but LPEA will be adding a new peak-power rate charge. This new peak-power rate charge will encourage LPEA members to monitor their energy use at periods when demand for electricity is highest – from 4-9 p.m. The new peak-power rate will be \$1.50 per kilowatt and it is estimated that the average monthly bill will increase just \$5 per month. The peak-power charge gives the members an ability to lower this increase through their choices of how and when they use electricity.

"As a Board we voted to add a peak-power rate to assist LPEA in meeting our 2020 financial obligations and increasing our cooperative's safety and reliability," Lynch said. "It also allows for our members to have more choices in controlling their bills, giving them the flexibility to manage their energy during peak-power pricing."

LPEA's peak-power rate will encourage members to understand their energy usage and make different choices of how and when they use electricity. To support our members in this effort, LPEA will be developing new programs and enhancing current tools to assist members in managing their daily usage. That information will be available to members by the end of March.

LPEA's SmartHub application already allows members to see their usage hour by hour, allowing them to understand how they are using energy and make simple changes, like running your dishwasher or drying clothes outside the 4 to 9 p.m. peak-hours.

"LPEA's peak-power rate is important for the future as LPEA modernizes its electric grid which will include new technologies for controlling usage, and to accommodate things like battery storage systems, more alternative power sources and electric vehicles," said Jessica Matlock, LPEA CEO.

LPEA is looking forward to helping its members reduce their bills by providing tools to manage usage. The first step to understanding your electricity usage is knowing how you use your power on a daily and hourly basis. Through LPEA's SmartHub (lpea.smarthub.coop), members can see exactly how they are using their energy hour by hour. If you find that you are using a large amount of power during the peak-power times of 4-9 p.m., don't be surprised. We all do, that is why it is peak. This gives you more opportunity to make a difference on your bill.

Sometimes it is the simple things like running your dishwasher after 9 p.m. or running laundry on the weekends when you can do it during the middle of the day when solar energy is plentiful. For those of you wanting to get a little more serious about saving, consider slow cooked meals that can occur during non-peak times, or if you really want to save consider placing a timer on your electric water heater or other heating elements. Also keep an eye open for smart thermostat programs that LPEA will be rolling out in the near future.

The peak-power rate design will also be advantageous to your future energy needs as well. As more and more people transition to electric vehicles, this rate will help you save even more. LPEA currently offers free electric home vehicle chargers and rebates on electrical upgrades that may be necessary to any of our members that have purchased an electric vehicle. The EV chargers that LPEA provides come pre-programmed to help you avoid peak-power rates to ensure you save money and that your vehicle is topped off and ready to go by morning.

As energy storage in the form of batteries becomes less expensive, there will be additional opportunities to store excess solar energy produced during the day that can be used to completely avoid peak-power periods. LPEA has its finger on the pulse of the energy storage market and is considering program development in this realm as well.

DO WE OWE YOU MONEY?



LPEA seeks members, or former members, who are due to receive a Capital Credits refund.

To that end LPEA is publishing in local newspapers, and posting on its website, www.lpea.coop, as of March 1, 2020, a public notice naming those individuals or businesses whose Capital Credit money (aka patronage capital) has gone unclaimed because of an invalid address, or whose Capital Credit checks have not been cashed.

The notice will appear in the Durango Herald Weekend Edition on Saturday, March 7 and the Pagosa Springs Sun on Thursday, March 5, 2020.

"This is money that belongs to our members," says CFO Karl Ramsey, explaining that electricity payments made by LPEA members in excess of the cost of providing their electric service (called the "margin") is placed into a patronage capital account in each member's name.

"This capital, along with borrowed funds, is used to finance needed improvements to LPEA's system infrastructure," adds Ramsey. "The margins allow LPEA to maintain system reliability at its highest level and help keep rates lower. When we find we have patronage capital in excess of what we need, we refund it to members."

To claim funds, individuals and businesses noting their names on the public notice are asked to contact LPEA's Durango office, 45 Stewart St., Bodo Industrial Park, or call (970) 247-5786. Identification will be required to claim the available funds.

The Power of Giving

Members contribute to help members

Thank you to our La Plata Electric Association (LPEA) members who donated more than \$12,000 to the "Giving Tree" program this holiday season! These voluntary donations were applied to more than 435 accounts of LPEA members having trouble paying their electric bills during the holiday season.

"More people came into our office this holiday season offering to help a family member, friend or neighbor," said LPEA Customer Service Representative Julie McIntyre. "Our cooperative members have donated more than \$27,000 to the "Giving Tree" program over the last three years to help more than 885 members in need during the holidays."

Local businesses and non-profit organizations in Archuleta and La Plata counties have made substantial donations to the "Giving Tree" program since 2017.

"We are very fortunate to have a successful business in Durango that provides financial stability," said FIT247 GYM Owner Don Roberts. "I feel it's important to give back to the community and help those less fortunate struggling financially to keep their lights during the holidays. It's the right thing to do!"

LPEA members who received assistance through the "Giving Tree" program expressed their gratitude by delivering "Thank You" cards to the offices.

"I would like to say THANK YOU to the members of La Plata Electric who contributed to the "Giving Tree" program! One week before Christmas I received a disconnect notice," said LPEA member Teresa S. of Durango. "I took \$20 down to the LPEA office to pay my balance and the cashier told me "Giving Tree" funds were applied to my account. I couldn't contain myself and started to cry. Your donation to this program was so greatly appreciated, that I donated my \$20 to help someone else in need. THANK YOU to everyone who contributed to the "GivingTree" program. THANK YOU!"



LPEA CEO Jessica Matlock, LPEA Customer Service Representatives Denver Hutchins and Julie McIntyre, and LPEA Board President Bob Lynch receive a donation to LPEA's Power of Giving program.



Durango Emblem Club's LauriLou Reed presents a \$1,575 donation to LPEA's Power of Giving program.



FIT247 GYM Owner Don Roberts presents a \$1,000 donation to LPEA Customer Service Representative Aubrey Gillespie to help LPEA members struggling to keep their electric on during the holiday season.

Board Election Packets available

Election packets for those interested in running for a seat on the LPEA Board of Directors will be made available at cooperative offices in Durango and Pagosa Springs and online at www.lpea.coop on Friday, February 21, 2020. To be placed on the ballot, candidates must return completed petitions to either LPEA office by 5 p.m. on Friday, March 13, 2020.

As per LPEA bylaws, one-third of the directors' seats are up for election annually, one in each of LPEA's four districts. Candidates are required to be members in good standing and permanent residents of the district they seek to represent, and cannot work for a competing enterprise or supplier of the cooperative, plus not be employed or have a spouse or child employed by the cooperative in any position. A complete list of director qualifications can be reviewed in LPEA's bylaws, available on the LPEA website.

Ballots will be mailed to the membership in mid-April, and all those returned tallied by an independent third party. Results will be announced at LPEA's Annual Meeting set for Saturday morning, May 16, 2020 at the Pagosa Springs High School. Candidates with questions should contact Jeannie Bennett, (970) 382-3505 or jbennett@lpea.coop.

New employees and roles at LPEA

LPEA has added two new employees to help better serve members. Hillary Knox and Karl Ramsey have joined the LPEA Senior Leadership Team in Durango.

Hillary Knox joins the LPEA team as Vice President of Member and Community Relations. She will work closely with staff, members, the board and the broader La Plata community to create a communications and engagement program that supports LPEA's mission.

An Oregon native and regular Durango visitor, Hillary has lived abroad for the past ten years leading communications for the International Renewable Energy Agency in Abu Dhabi, the United Nations Climate Change Secretariat in Germany, and the United Nations University in Tokyo.

"After so many years abroad, I am excited to relocate back to Durango to be closer to friends and family," said Hillary. "I'm also looking forward to re-entering the power sector and helping LPEA better connect and engage with the communities it serves."

Prior to moving abroad, Hillary managed communications and outreach for Emerald People's Utility District, a member-owned utility company in Oregon. She has a Bachelor's in Communications from the University of Oregon, and a Master's in Public Relations from the University of Stirling in the UK. In her spare time, she enjoys skiing, running, rafting, eating, and scuba diving.

Karl Ramsey joins the LPEA team as Chief Financial Officer. He is responsible for directing and controlling the budget, accounting, financial forecasting, financial planning, finance, billing, and risk management functions of the utility.

"I was born and raised in Southend-on-sea, England and went to the University of London. After working with Ernst & Young in London, and qualifying as a Chartered Accountant, I spent five years in Canada before returning to the UK to work for ADT Security and then Penguin Publishing," said Karl. "I moved to the US in 2011 with my American wife, and I have most recently been working for Umatilla Electric Cooperative in NE Oregon."

"I'm excited to join LPEA and to live in the beautiful city of Durango. It's a place that reminds us that we need to be responsible stewards of this Earth, and the Co-op's commitment to renewable energy, innovation and the cooperative principles is a perfect fit for me."

LPEA has promoted Monica Rodriguez as the new Controller. Prior to joining LPEA in 2018 as an Assistant Controller, Rodriguez served four years as the Financial Manager for LPEA's telecom subsidiary, FastTrack Communications.

"I'm excited for my new role as Controller with La Plata Electric," said Rodriguez. "I enjoy my work as an employee, and I take great pride in being a member in our cooperative."

In addition to finance and accounting support, she is responsible for the overall direction and the accuracy, completeness, timeliness of the accounting, and purchasing for the cooperative.

Rodriguez has dual degrees in Business Administration and Accounting from Fort Lewis College, and is a Certified Public Accountant. She was born in Denver and raised in Durango, though traveled and studied throughout the country.

La Plata Electric has opportunities in many diverse roles, ranging from information technology, communications, marketing and member services, engineering and operations, and community and economic development to name a few. Visit www.lpea.coop for a list of career opportunities in Durango and Pagosa Springs.



LIVE WIRES

Board meeting Feb. 19, 9a.m.

The next meeting of the LPEA Board of Directors is set for Wednesday, Feb. 19. The agenda will be posted 10 days in advance of the meeting at www.lpea.coop.

All members are reminded that public comment is heard at the beginning of the meeting shortly after 9 a.m. LPEA provides live streaming of the meetings. Log on to www.lpea.coop to connect via our website or other social media platforms.

Presidents' Day closures

LPEA's offices in Durango and Pagosa Springs will be closed Monday, Feb. 17 in observance of Presidents' Day.

Round Up Grants

The LPEA Round Up Foundation Board awarded Round Up and Educational grants to:

- The Hive
- Durango Independent Film Festival

The LPEA Round Up Foundation Board has provided more than \$1.2 million in grants to hundreds of local agencies and organizations in Archuleta and La Plata counties. Call (970) 247-5786 to sign up and participate in LPEA's Round Up program.

Scholarship deadline

The deadline for high school seniors to submit applications for LPEA scholarships is Monday, Mar. 2. Scholarship applications are available at <https://lpea.coop/scholarships>.



What is the electric power grid?

BY JAKE WILLS | SYSTEMS ENGINEER | JWILLS@LPEA.COOP

The distribution of electric power, first envisioned by Nikola Tesla, and Thomas Edison, eventually achieving success in the form of the Alternating Current (AC) distribution grid, is the largest moving machine in the world. The grid stretches from coast to coast, powering millions of homes, businesses, providing heat, lights, and a living to all connected. Historically, the electricity has originated at central generating stations, whether powered by coal, hydroelectric, or natural gas, they were all some type of rotating machine. By coincidence, two of the original AC generating stations are located here in southwest Colorado. The Ames hydro plant located at Ophir, and the Tacoma hydro plant, located along the Animas River, first provided power to the mining camps and communities along lines owned by the Western Colorado Power Company.

From the generating station, in the traditional design, electricity is extended vast distances, at a high voltage along transmission lines. Operating at high voltage reduces the current in the lines, and limits power loss. As the transmission lines reach areas where power is needed, they enter substations, and the voltage is reduced through transformers, to a level that may be ten times less than left the generating station. Using the electricity, at a transformed voltage, distribution powerlines then leave the substation, and extend to the location it will be utilized. Finally, a final transformation is performed to lower the voltage to level that can be utilized by the end consumer inside of their home or business.

Along this entire “machine” there is a system of controls, performing a wide variety of tasks, from monitoring, modifying voltages, detecting faults from damaged wires, and performing metering. To make all these pieces work together, a vast communication network, made of radio links, microwave hops, phone lines, and fiber optics are needed to ensure each piece is performing it’s intended operation, and does so before another piece of the machine does a job it isn’t supposed to. In the event of a fault in the grid, the intention is to disconnect power from the smallest portion of the grid as possible. The last thing that

is wanted is for a tree limb, 100 miles from the generator, to disconnect power from the entire network.

Today, with the advancements in Distributed Generation (DG) technologies, including solar, and wind, we have begun to significantly change the “historical” operation of the distribution grid by adding many more moving pieces to the machine. These changes have introduced many challenges and opportunities to the way the grid operates. While utility scale solar and wind installations still act as a central generator, dependent on weather, they are not always available. At these times, the challenge is ensuring there is enough base load generation in place to support the demand. This is usually accomplished with a natural gas generating unit connected somewhere else on the grid.

When connecting generation behind the meter, “net metered” installations, another set of challenges, and opportunities are encountered. Instead of historical operation, where power flows from the central generator, to the end consumer, power is now able to flow from the end consumer back onto the distribution system. The main challenge faced with net metered DG is ensuring the generation matches the power requirements at any given time. If it doesn’t, power quality challenges may arise from reverse power flow in a grid designed to transmit power down to the consumer. However, increasingly advanced inverter technologies, and advancements in battery storage technologies can dramatically reduce the challenges. They allow power production to be reduced in times the grid cannot support it, and the ability to store power for consumption at times that the demand for electricity is greater.

The power grid has made large advancements over the last century, although, sometimes at a slow pace. Some of the largest, and fastest moving changes have occurred over the last 15 years, forever changing the traditional idea of how electricity is delivered. It is exciting to think what the future holds, and what benefits and challenges it will place on the machine that is the electric power grid.

LPEA

La Plata Electric Association, Inc.

A Touchstone Energy® Cooperative 

Mission Statement:

La Plata Electric Association provides its members safe, reliable electricity at the lowest reasonable cost while being environmentally responsible.

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Jack Turner (District 4)

Chief Executive Officer:

Jessica Matlock

Social Media:

La Plata Electric Association is on Facebook, Twitter, Instagram and YouTube.

