

UNDERSTANDING HOW DEMAND AFFECTS OUR POWER BILL

BY TOM WALCH CHIEF EXECUTIVE OFFICER

As much as I like to think that the words I write in this monthly column are important, deep down I know that the Grand Valley Power communication that is most important to our consumers is their monthly power bill. Our consumers want their power bill to be accurate, easy to understand and as low as possible. Unfortunately, we all find ourselves in an environment where it is difficult to keep any bills low, and your GVP power bill is no exception. Rising costs of commodities, long lead times on supplies and regulations that only seem to send prices higher impact GVP's costs to provide power to its consumers.

As household budgets get tighter, we want to pass along some information that could help manage your power bill. To do so, it helps to understand how GVP is charged for the wholesale power we buy from Xcel Energy to distribute to our consumers. You know that your bill has a few line items, including a grid connectivity charge (which is a fixed charge) and energy charges that are variable based upon how many kilowatt-hours you consume. GVP's bill from Xcel has even more line items, some of which are fixed,

and some of which are variable. In addition to the energy charge that our residential consumers see, our Xcel wholesale power bill includes variable charges for demand. Demand is a big part of our bill, but it is also something that most electricity consumers don't understand.

Here is a quick example to help you understand what demand is. Electric energy consumption is measured in kilowatt-hours (kWh). Demand is measured in kilowatts (kW). A lightbulb has a rating of the wattage it requires — let's say 100 watts per hour. If that lightbulb stays on for 10 hours, it "consumes" 1,000 watt-hours (or one kWh) but only demands 100 watts. Now, if you turn on ten 100-watt lightbulbs in your home for one hour, you are still consuming the same watt-hours (or one kWh). However, you are placing a demand 10 times higher on the utility to have those watts available to you over the course of 1 hour, instead of 10 hours. The demand would be 1,000 watts (or one kW). As more appliances in your home run simultaneously, your demand for power increases. This requires our power supplier, Xcel, to produce more power in less time to meet your demand.



TOM WALCH

Why does this matter? It matters because it imposes a big strain on power generation and transmission resources when a big demand for power spikes in a short period of time. Here's an example: In England a few years ago, that country's electric grid would be put to the test on a weekly basis at the conclusion of a popular television show. When the show ended, millions of Brits would head to the kitchen and turn on their electric tea kettles. Grid operators had to be ready to provide enough electric generation to meet this spike in demand.

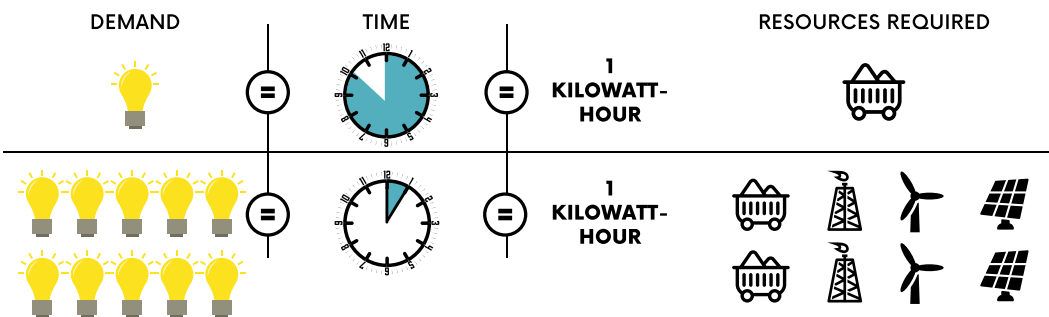
Closer to home, GVP consumers have a few of their own consumption patterns that impact power delivery. On cold winter mornings, thousands of GVP consumers wake up around 6 a.m. and turn on coffee makers, electric stoves, and electric heaters and water heaters. In hot summer months, consumer behavior is different, as those thousands of GVP consumers get off work around 5 p.m., head home and turn on their air conditioners, televisions, computers and all the other

electric conveniences that shape our lives. And it just so happens that the same consumption patterns that we see in our service territory are mirrored in other parts of the state.

But again, why does it matter? It matters because the strain that peak demand puts on power providers comes with a cost. To provide the added power needed during these

UNDERSTANDING DEMAND CHARGES

The energy used by one 100-watt light bulb lit for 10 hours is the same as the energy used by 10 bulbs lit for 1 hour. Demand is the amount of power needed to supply everything running off of electricity in your home at a specific point in time. Demand is expressed in kilowatts (not kilowatt-hours). The unit cost of demand (kW) is always much higher than the unit cost of consumption (kWh). Consumption is typically charged at a few cents per kWh. Demand is usually charged at a few to several dollars per kW.



SAME 1 KILOWATT-HOUR, BUT
10 TIMES THE RESOURCES

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A Year of Giving

THE COOPERATIVE DIFFERENCE



JAN

Grand Valley Power searches for nine empowering students looking to further their education. Each year, GVP awards over \$20,500 in scholarship funds.



FEB

GVP supports the Mesa County Safety Council by participating in its annual safety fair hosted at Mesa Mall. GVP linemen present the importance of electrical safety by showcasing our high-voltage safety demonstration to over 1,000 students.



MAR

GVP Board of Directors extends the availability of the Hometown Relief Fund, a program designed to support members impacted financially by the COVID-19 pandemic. Over 650 members applied.



APR

GVP supports Rocky Mountain PBS in its Drive-In Tour. This event was designed to provide fun and educational activities to local youth while learning from home.



MAY

The co-op awards the Western Colorado Community College (WCCC) Lineworker Scholarship, a one-time \$2,000 award, to one qualified applicant. In 2021, GVP opened this scholarship opportunity to all Mesa County residents.



JUN

GVP supports the Glade Park Volunteer Fire Department by sponsoring a Movie Under the Stars event. Funds raised from this event contribute to the volunteer fire department's needs in Glade Park.



JUL

Each year, GVP participates in the Mesa County Livestock Sale by purchasing an animal from a local 4-H student. GVP also awards locally-raised beef to one lucky member who attends the annual meeting.



AUG

Grand Valley Power is proud to support the Colorado State Fair Livestock Sale and Colorado 4-H in partnership with 22 other Colorado cooperatives.



SEPT

GVP is a proud member of the Grand Junction Economic Partnership supporting economic development efforts to ensure our communities thrive — because we live here too!



OCT

GVP is a proud member of the Fruita Area Chamber of Commerce. Each year, the cooperative participates in the Fruita Truck n' Treat event by showcasing a GVP bucket truck.



NOV

GVP awards three empowering student leaders an opportunity of a lifetime by sponsoring all-expenses-paid trips to the Washington D.C. Youth Tour and to the Cooperative Leadership Camp hosted in Clark, CO.



DEC

GVP supports many organizations and events during the holiday season including: Operation Interdependence, Toys for Tots, Fruita Parade of Lights and Let it Glow event.

NEW YEAR, NEW OPPORTUNITIES!

BY DANA POGAR COMMUNICATIONS SPECIALIST



DANA POGAR

Each January, many of us ponder the thought of New Year's resolutions. For some, that goal includes eating healthier or exercising more, but have you considered continuing your education or boosting your leadership skills? It's 2022 and what better way to ring in the new year by doing something for YOU and applying to Grand Valley Power's scholarship or youth leadership programs.

HOMETOWN SCHOLARSHIP PROGRAM

Grand Valley Power is now accepting scholarship applications until March 1, 2022, except for the WCCC Lineworker Scholarship, which is due June 1, 2022. Applications are open to any current member residing in a home served by GVP and who is continuing their education to obtain an undergraduate degree and enrolling as a full-time student. Each year, the cooperative offers nine scholarships to students including:

- Jack Broughton-Colorado Mesa University Scholarship: One \$2,000 scholarship will be awarded, which is renewable for a total of four years (if terms are met).

- Grand Valley Power Scholarship: Six \$1,500 scholarships will be awarded. This is a one-time award.
- Western Colorado Community College (WCCC) Scholarship: One \$1,500 scholarship will be awarded. This is a one-time award.
- Western Colorado Community College (WCCC) Electric Lineworker Scholarship: One \$2,000 scholarship will be awarded. This is a one-time award and is open to current Mesa County residents.

For more information on GVP's scholarship program and application requirements, please visit gvp.org/scholarship-program.

YOUTH LEADERSHIP CAMP

Got leadership skills? Then we've got the trip for you! Each July, GVP sends two students to the Colorado Electric Education Institute's Cooperative Youth Leadership Camp (CYLC) in Clark, Colorado, just outside Steamboat Springs. Here they will join approximately 90 other students from Colorado, Kansas, Oklahoma and Wyoming to improve upon their leadership

skills; set up and operate a cooperative; participate in legislative forum; and enjoy some classic Colorado activities like rafting, riding gondolas and touring the Trapper Mine. Many of the attendees call this camp a "life-changing" experience. This year's trip will be July 16-21. To apply, students must submit a minimum 500-word essay addressing the following questions:

- Why do you want to attend the Cooperative Youth Leadership Camp?
- What are some of your hobbies, extracurricular activities, volunteer experiences or academic achievements that you would like us to know about?
- What do you hope to gain from this experience?

Now that we've helped check off your New Year's resolutions, it's your time to shine — apply today. For more information on GVP's youth leadership programs, please visit gvp.org/youth-leadership-programs.

OPPORTUNITIES
FOR ALL.

Scan to learn more!



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periods, power providers must use older, less-efficient, more expensive generating resources. In many instances, affordable renewable resources are not available during peak periods, which often occur when the wind isn't blowing and the sun isn't shining. Even if the sun is shining, solar power isn't generated unless the solar panels are properly oriented to capture it. The bottom line is that when power demand spikes, so do power costs. GVP consumers feel this impact. About half of our monthly wholesale power bill from Xcel Energy can be tied to demand charges. An analysis of these charges concluded that 82% of these demand charges result from consumer usage during the five-hour period between 4 and 9 p.m.

Some utilities are looking to time-of-use rates that charge consumers a higher rate for power used during peak periods (and lower rates for off-peak power consumption). Xcel is rolling out time-of-use rates for its retail customers. As this column goes to print, the Grand Valley Power Board of Directors is

looking closely at adopting time-of-use rates for its consumers as early as next spring. Consumers would have more control over their power costs, as changes in how they use electricity could lower their bills.

...MORE ON DEMAND

- GVP residential accounts don't have a demand charge on their monthly bills. However, commercial and industrial accounts do.
- Demand (measured in kW) is a measure of how much power a customer uses at a given time.
- The unit cost of demand (kW) is always much higher than the unit cost of consumption (kWh). Consumption is typically charged at a few cents per kWh. Demand is usually charged at several dollars per kWh.

If we want to be your trusted energy advisor, we must provide you with the education and resources to control your energy costs while meeting your needs. Generating and distributing power can be

a tricky and complicated business. GVP will always strive to meet your demand to provide safe, reliable and affordable electricity for you and your family.

COMMENTS TO THE CEO

You are a member of a cooperative and your opinion does count. If you have any questions, concerns, or comments, please let me know by writing to Ask the CEO, P.O. Box 190, Grand Junction, Colorado 81502, or send an email to me at twalch@gvp.org.

BOARD MEETING NOTICE

GVP board meetings are open to the members, consumers and public. Regularly scheduled board meetings are held at 9 a.m. on the third Wednesday of each month at the headquarters building located at 845 22 Road, Grand Junction.

The monthly agenda is posted in the lobby of the headquarters building 10 days before each meeting and posted on the GVP website. If anyone desires to address the board of directors, please let us know in advance and you will be placed on the agenda.



Last December, Grand Valley Power returned over \$1.4 million in CashBack Credit checks to both current and past cooperative members. Unfortunately, we can't always find everyone who has earned a CashBack Credit if we do not have the correct address on file.

Even if you move and are no longer a member of the cooperative, your member capital remains in your account. Be sure to update your mailing address with GVP if you move so we can send future CashBack Credit checks to the correct address. If you are an heir to an estate, please contact us if you think member capital remains in the estate's account.

We continue to keep an updated list of unclaimed or uncashed credit checks online. There you can search by first or last name (or a combination of both) to see if you have any unclaimed credit checks. If you find your name or an estate name listed, please contact GVP at 970-242-0040 to claim.

When you call, please be prepared with:

- Your previous service address(es)
- The approximate dates you lived at your address(es)
- Social security number associated with the account

Visit gvp.org/CashBackCredits to search online, view a PDF of unclaimed credits and more.

Updated Net-Metering Interconnection Tariff Effective January 1, 2022

Effective January 1, 2022, Rate GEN-1 Net-Metering Interconnections tariff was updated to reflect changes adopted from the Colorado Public Utilities Commission.

Utilities must submit extensive reporting regarding interconnection applications, adding additional administrative cost. Grand Valley Power engaged a third-party consultant to determine equitable and fair rate adjustments required, and a cost-based application fee will be implemented for new applications starting January 1, 2022.

You can find the updated rate sheet located at gvp.org/rates.



Maximize your heating system's performance by inspecting, cleaning or replacing air filters once a month or as needed to reduce energy costs and prevent potential damage to your system.