

# UNDERSTANDING THE WHY OF YVEA RATE INCREASES

BY STEVE JOHNSON PRESIDENT AND GENERAL MANAGER



STEVE JOHNSON

## PART 1: PURCHASING DEPENDABLE POWER

As mentioned in the May 2022 issue, we are publishing a three-part series that will dive into the “why” of this year’s rate increase, which is necessary for Yampa Valley Electric Association (YVEA) to operate in a healthy, fiscally responsible manner.

### YVEA is raising rates due to three main drivers:

- power supply costs,
- maintaining and investing in our infrastructure, and
- the rising cost of doing business.

My column this month examines the rising cost of power we purchase from our power supplier, Xcel Energy.

While many elements impact what you pay YVEA for electricity, the most substantial expense is what YVEA pays Xcel Energy for wholesale electricity. YVEA is what is called a “distribution cooperative.” What that means is we do not produce or generate power, but rather purchase power from a wholesale provider (in our case, Xcel Energy) and distribute it to our members. Power supply is, by far, our single biggest expense, accounting for two-thirds, or 60% of YVEA’s operational expenses. Power supply costs are dynamic and dependent on many factors, including commodity costs, weather events, legislation, supply and demand, and infrastructure investment plans.

Xcel has set goals to cut their emissions, as well as invest a significant amount of money into their transmission system. Their transmission infrastructure plans alone are budgeted at \$1 billion, which Xcel has indicated will lead to a rate increase of over 8% year over year. When those rising costs are incurred by Xcel, they pass it through to YVEA and our members. To remain fiscally healthy, YVEA cannot absorb the upward pricing pressure from Xcel Energy nor any other increased cost of doing business without a rate increase.

Next month, I will share more information about what is driving the rate change, specifically the maintenance and investment costs of YVEA’s distribution system — the “grid” we serve you with. Investing in our grid is essential to delivering dependable, safe power to our 7,000-square-mile territory in northwestern Colorado and southern Wyoming.

As always, we remind members that if they are having any trouble paying their electric bill to contact our Member Service team at 970-879-1160. The team can connect you with outside agencies who assist with bill pay, offer tips on how to lower your bills, and can work with you to pay your bill. For more information on the rate change, please visit [www.yvea.com/2022-rate-increase](http://www.yvea.com/2022-rate-increase).

## CAPITAL CREDITS

The Board of Directors has approved a general retirement of capital credits in the amount of \$365,618 for 2003 and \$3,634,382 for 2004. In previous years, we processed two retirements, one in June and one in December. To increase efficiency and be more cost effective, YVEA will now be processing and paying out our general retirements once, in December. For any questions, please contact Member Services at 970-879-1160.



# YAMPA VALLEY ELECTRIC ASSOCIATION

JUNE 2022



### MAILING ADDRESS

2211 Elk River Road  
Steamboat Springs, CO 80487



### STEAMBOAT SPRINGS SERVICE CENTER

2211 Elk River Road  
Steamboat Springs, CO 80487



**ph** 970-879-1160  
**tf** 888-873-9832  
**fax** 970-879-7270  
**web** [yvea.com](http://yvea.com)



### CRAIG SERVICE CENTER

3715 East US Highway 40  
Craig, CO 81625



**ph** 970-824-6593  
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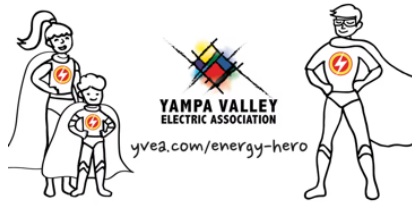
[instagram.com/  
yampavalleyelectriccoop](https://instagram.com/yampavalleyelectriccoop)

## MISSION STATEMENT

Yampa Valley Electric Association is a cooperative that enhances the lives of its member-owners through technology and consulting resources that deliver clean, safe, and reliable electric service in an environmentally and financially responsible manner.

**YAMPA VALLEY ELECTRIC ASSOCIATION IS AN EQUAL OPPORTUNITY PROVIDER AND EMPLOYER.**

# ENERGY HERO TIP OF THE MONTH



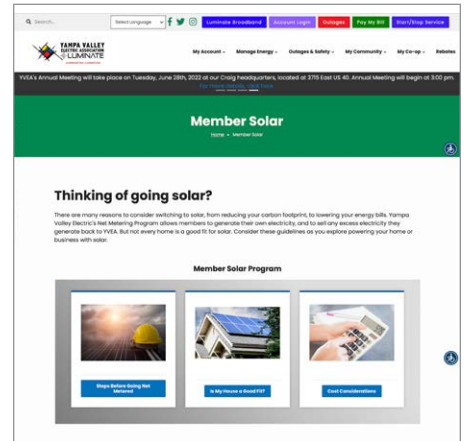
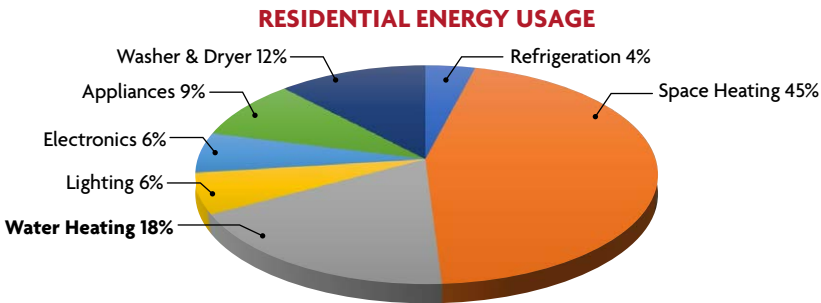
## ELECTRIC WATER HEATER KWH USAGE

- An electric water heater uses approximately 14 kWh hours per day.
- That equals 405 kWh per month.
- This equates to approximately \$38 on your monthly electric bill.

Save energy and money by lowering your water heater thermostats to 120 degrees Fahrenheit. This will also slow mineral buildup and corrosion in your water heater and pipes.

Consider insulating your water heater tank, which could reduce standby heat losses by 25 to 45 percent and save you about 4 to 9 percent in water heating costs. You can find pre-cut jackets or blankets available from around \$20.

Visit: <https://www.yvea.com/be-energy-hero-your-home> for more tips.



## OUR NEW SOLAR WEBSITE IS HERE!

Have you been thinking about switching to solar, but aren't really sure where to start? Our new Solar website is here to help! We have the answers to many of your solar questions, from making sure your house is a good fit, understanding the costs associated with solar, the process of interconnecting to the YVEA grid, and how to find a qualified solar installer. To learn more, visit <https://www.yvea.com/member-solar>

## WILDFIRE PREPAREDNESS

Are you prepared for a wildfire? With the increasing frequency of wildfires throughout the year, it is important to be prepared for the worst-case scenario. Here are a few quick tips to be aware of:

1. Have a safety kit or go bag prepared, should you have to leave with a moment's notice.
2. Visit your county's website and sign up for emergency alerts.
3. Be aware of downed power lines and stay at least 35 feet away from downed power lines.

For a complete list of what needs to be in your go bag, how to sign up for alerts, and more storm and wildfire preparedness plans, visit: <https://www.yvea.com/outage-center>

## SPRING & SUMMER CONSTRUCTION

This spring and summer, you will see YVEA and Luminare crews working on various construction projects. From Lynx Pass to North Routt, and in Hayden, Craig and Baggs, teams and contractors will work to improve the reliability of service you receive.

We know construction can be frustrating, and we thank you for your patience as we make improvements throughout our territory. Please give crews space while they are working and contact YVEA at 970-879-1160 with any questions about the ongoing construction.

### YVEA begins a capital work project running from Tamarack to Steamboat Blvd. on May 1.

This project will be a combination of excavating and boring roads and driveways to run underground conduit to improve reliability.

# CELEBRATING 80 YEARS OF EXCELLENCE

80 years ago, the federal government offered the rural residents of NW Colorado the chance to have electrical power wired directly to their homes. Loan money would be available to groups of people (associations) who would work together to expand electric infrastructure across rural America, but the members had to contribute a small amount and commit to being a member. If they had enough interest, they could create a new business, an electric cooperative, owned by its member users.

In northwest Colorado, Edson Bar, who in 1940 was the Routt County Extension Agent, played a vital role in creating and appointing the first YVEA Board of Directors. The initial task of the Board of Directors was to hold a membership drive. It was an exciting time and in five short

months, there was sufficient membership to obtain the first Rural Electric Association (REA) loan. The new electric cooperative used the loan to build and energize our first electric line on December 6, 1941. So much hard work and dedication by members and employees alike put us on the path of who we are today.

One of YVEA's most influential people was Jim Golden. Jim served as General Manager of the association for 33 years. During his tenure, the membership grew from 4,000 members to 18,500. He was highly respected by the employees as well as members of the community. His contributions made a significant difference to our cooperative.

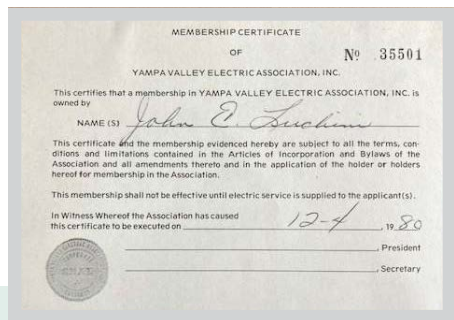
So what makes YVEA the co-op it is today? It's written in our tagline: People. Pride. Power.

## PEOPLE

We realize our co-op could not be as great as it is today without the amazing people who work for us, as well as our passionate and engaged members. Our employees are responsible for so much of our success, and they continue to be the drivers who push YVEA to be better. They are out repairing lines, creating engineering plans for system improvements, updating our IT services to help prevent cyber-security attacks, setting budgets to help us hit our co-op goals, hiring the right candidates for the job, and helping our members when they call us or swing by the office. Each and every person involved with our co-op is essential to our success.

## PRIDE

YVEA takes great pride in ensuring our members receive the best service possible.



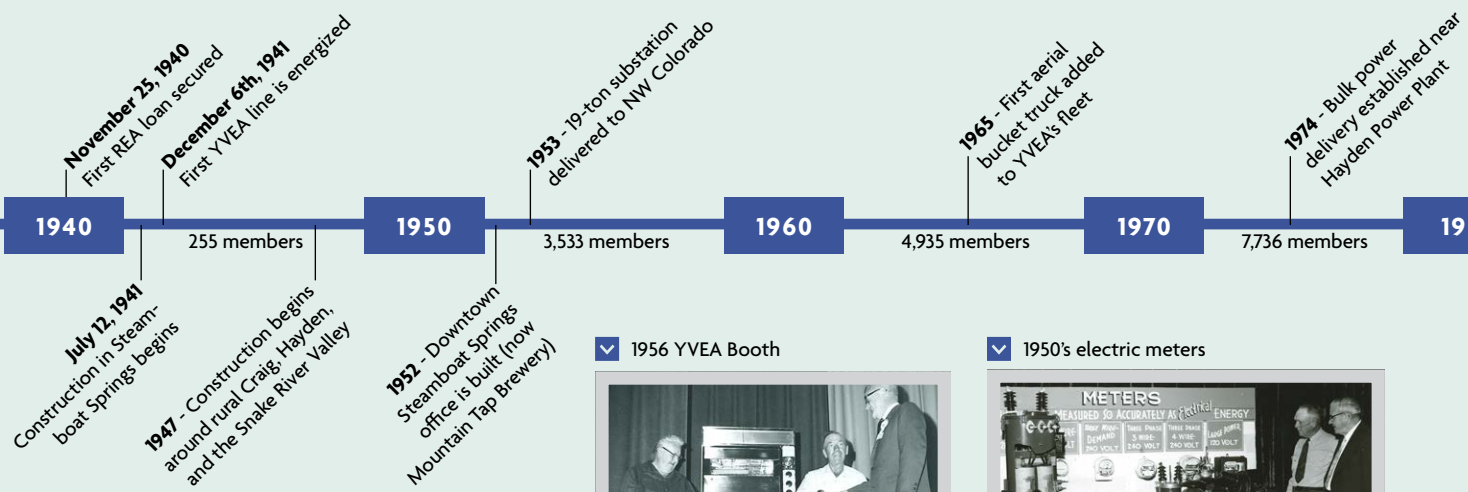
Member Shelly Draper-Luchini recently discovered John C. Luchini's original Membership Certificate



Gas streetlight and new electric streetlights



New ballfield lights installed in Craig



1956 YVEA Booth



1950's electric meters



From our first power pole set near the R.R. Hudspeth ranch in 1941 to our first AMI meter installed in Strawberry Park in 2015, it is our goal and responsibility to serve our members. We continue to stay involved in the communities we serve by supporting local Chamber of Commerce entities, charitable organizations, youth programs, and sponsorships. Our heritage of being an innovator in our communities beginning when we worked to power the Yampa Valley continues today as we move forward with bringing much needed Luminate broadband internet services to our communities.

**POWER**

Today, we buy the majority of our power from Xcel Energy. Originally, the small McGregor power plant in Milner provided YVEA's power. Our ability to receive bulk

(wholesale) power from other parts of the state or country began when delivery points were constructed for Steamboat in 1972 and Craig in 1977. This construction included the assembly of large substations in Craig, Clark, Hayden, Keystone, and Steamboat. In the late 90s we expanded Stagecoach Substation and transmission line to enhance service to south Routt County.

New technology and industry drove change just like it does now.

Our "power" doesn't just come from generation stations and solar gardens; our power comes from the innovation and resourcefulness that has always driven YVEA members to improve the quality of life for our families and communities.

Some of our most recent milestones include upgrading and improving infrastructure based on new long-range plans for construction and maintenance. Our members are seeing fewer and shorter outages. We continue to improve our systems by adding much-needed connectivity to our substations through Luminate Broadband, as well as looking at ways to improve our grid, like adding more electronic reclosures to our system every year.

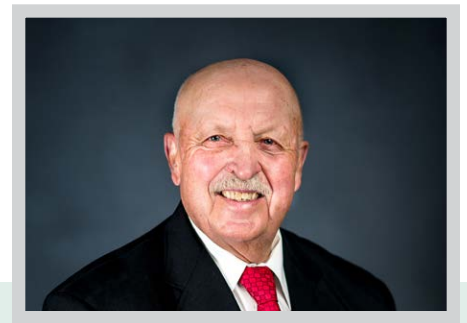
As we look back on our last 80 years of success, it's easy to see that great **people**, taking **pride** in our history, and focusing on delivering safe, reliable, and affordable **power** always has and will continue to be what makes this electric cooperative thrive.



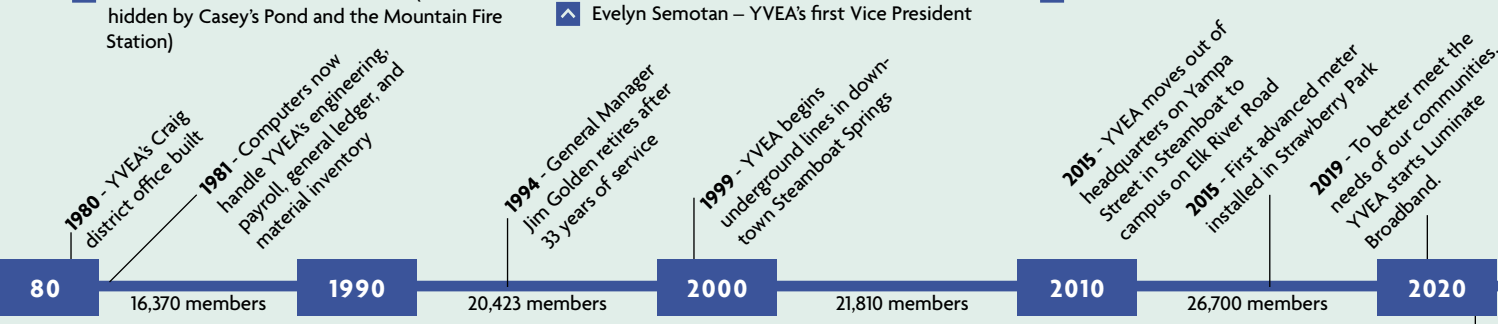
Steamboat's Mt. Werner substation (now is hidden by Casey's Pond and the Mountain Fire Station)



Evelyn Semotan – YVEA's first Vice President



Tom Fox – YVEA's current Board President



Downtown Steamboat Springs 1980s



The opening of the Rays Up community solar garden



# WHY GOOD WI-FI MATTERS

## **FAST INTERNET REQUIRES GOOD WI-FI**

Fast, reliable fiber internet has become a necessity as vital as other utilities. It is no longer a luxury item, but a critical tool. Many of us rely on a wireless signal to connect our many devices in our homes and a strong signal with wide coverage is imperative. If your Wi-Fi equipment is not up to the task and properly located, your internet won't perform as expected.

Before we get into the details of selecting the right Wi-Fi equipment for your internet needs, let's do a quick recap on how this all works. First, internet is run to the home via a fiber cable, either buried in the ground or connected to the outside of your home from an electric pole. Data is then sent through the cable/wire to a modem. From there, the modem needs to be connected to a wireless router. The purpose of the router is to direct data to and from your devices. The router is a key component to maximizing your internet speed and capacity. The router prioritizes traffic among your devices and is built to manage the speed of that traffic.

## **HOW YOU USE YOUR INTERNET IMPACTS YOUR SPEED**

Today, the average household can have anywhere from between 5 and 25 devices or more connecting to the internet at the

same time. This includes smart appliances, AI-powered assistants (Alexa/Echo), phones, tablets, readers, gaming equipment, televisions, security systems and the list just keeps growing. When multiple devices need to connect at the same time, it's important to have the right router in place to manage it because all those devices are sharing that connection. It is important to note that a wired connection directly from the modem will always be faster than wireless via a Wi-Fi router.

## **WHERE YOU INSTALL YOUR EQUIPMENT IMPACTS YOUR SPEED**

Not only is it important to have the right model of router in place to preserve your internet speed, where you install it is also critical. Because routers use a radio signal to transmit traffic (data), you want to be sure there is a clear line of sight for that traffic. Make sure your router is installed out in the open, where devices can easily communicate with it. Unfortunately, if you hide your router in a cabinet or remote area of the house, you will impair its effectiveness. Temperature and wall construction also impact the proper operation of the unit. A well-ventilated area is a must. Traveling through concrete and stone can have a negative impact on the signal.

## **WI-FI EXTENDERS AND MESH ROUTERS IMPACT YOUR SPEED**

Another great way to maximize your internet speed through Wi-Fi is to boost the signal with an additional device. If you have a large home or multiple rooms, it's a great idea to add a Wi-Fi Extender or Mesh Router. These act a little differently in how they transmit data, but the end result is a better signal that can go further. Which means, it's a great way to extend your Wi-Fi signal to a garage or second story. It's a good idea to plot out where you want Wi-Fi in your home to determine what devices you will need and where they should be installed. We call this a Wi-Fi plot.

So, if you are considering upgrading your internet (especially to a gig and beyond), be sure to upgrade your Wi-Fi equipment to a system that can handle that speed. For more information about Luminata Broadband and the latest Wi-Fi technology offered, please call 970-870-4320 or visit us online at [luminatabroadband.com](http://luminatabroadband.com) to see if your home is in our service area.



## **ANNUAL MEETING • JUNE 28, 2022 • GIFTS AND PRIZES FOR ATTENDEES!**

The Annual Meeting of the Members of Yampa Valley Electric Association is held annually for the purpose of electing directors, passing upon reports covering the previous fiscal year, and transacting such other business as may come before the meeting. YVEA will have the Q Live Crew BBQ truck onsite for the meeting, **so grab some delicious BBQ and join us for our Annual Meeting in Craig!**

**The 2022 Annual Meeting is scheduled for June 28, 2022, at YVEA's Craig Office, located at 3715 East U.S. 40, Craig, CO 81625.**

**BE ON THE LOOKOUT FOR YOUR BALLOTS, WHICH INCLUDE CANDIDATES UP FOR ELECTION AND PROPOSED BYLAW CHANGES.**