

AN EQUAL AND OPPOSITE REACTION

BY TOM WALCH CHIEF EXECUTIVE OFFICER



TOM WALCH

As I grow older, my memories of high school are hazy. But even through that fog, I remember my science teacher hammering home one universal concept: For every action, there is an equal and opposite reaction. I'm told that proposition is Newton's Third Law of Motion. Perhaps one of the reasons I still recall that proposition is because I see a similar result when policymakers take action in the complex world of energy production. Those actions also cause reactions. Another way to say it is that those actions have consequences.

Here we are at the end of 2022, staring winter in the face, and consumers are feeling the consequences of actions policymakers have taken. These consequences take the form of increasing energy costs. In May 2021, on the pages of this magazine, I cautioned that:

We would be wise to pay attention to market forces that impact the cost of natural gas. As more renewable resources are integrated into our grid, the demand for natural gas will increase. More gas-fired generation will be necessary to support the grid when the wind doesn't blow and the sun doesn't shine. If you are paying attention, you know that policymakers in Washington and Denver are starting to put the squeeze on natural gas, first

by limiting hydraulic fracturing and then by imposing mandates limiting greenhouse gases. These measures could limit the supply of natural gas and would be expected to increase its cost and volatility.

My prediction was accurate. The cost of electricity — driven by higher natural gas costs — started going up in 2021. It accelerated this year, as Grand Valley Power's wholesale power costs increased by more than 10%. Yes, the war in the Ukraine contributed to the problem, but the cost increases were already having an impact before Russia's unprovoked aggression made a bad situation worse.

What does the coming year hold in store? Xcel has already told us that our wholesale power cost will rise another 10% in the coming year. That number does not include the full impact of volatile natural gas costs. Part of the recovery for this expense is managed with Xcel's monthly Fuel Cost Adjustment.

I have said before that our objective at Grand Valley Power is to invest in a clean energy future — as required by Colorado policymakers — without exposing our consumers to reliability issues and overwhelming costs. The acceleration of the clean energy transition here in Colorado imposes significant challenges. More challenges surface with rising costs of labor,

transportation and interest, along with supply chain breakdowns that could expose our robust distribution system.

Unfortunately, rising costs seem to be a fact of life for all of us these days. No quick fixes are available, as we must deal with policy decisions and their consequences. On our end, we will do that, while we continue to strive to keep power affordable and reliable.

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. Visit our website at gvp.org.

BOARD MEETING NOTICE

Grand Valley Power board meetings are open to the members, consumers and public. **The December board meeting will be held at 9 a.m. on Wednesday, December 14 at the headquarters building located at 845 22 Road, Grand Junction, Colorado. The meeting has been moved due to the holidays.**

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.



GRAND VALLEY POWER DIRECTOR ACHIEVES BOARD CREDENTIAL

BY RITA-LYN SANDERS DIRECTOR OF MARKETING AND COMMUNICATIONS

Grand Valley Power Director Brian Woods recently earned the Credentialed Cooperative Director (CCD) certificate from the National Rural Electric Cooperative Association. The program recognizes individuals who gain the knowledge and experience needed to govern the cooperative effectively.

The NRECA CCD program requires attendance and for directors to demonstrate an understanding of the basic competencies contained in five core courses: Director Duties and Liabilities, Understanding the Electric Business, Board Operations and Process, Strategic Planning, and Financial

Decision Making.

Woods is serving his first term as a Grand Valley director. He was elected in August 2021 to serve a three-year term on the nine-member board of directors.

An ever-changing business environment has imposed new demands on electric cooperative directors, requiring increased knowledge of changes in the electric utility business, new governance skills, and a solid knowledge of the cooperative principles and business model. Grand Valley Power has committed to working through NRECA to sharpen this body of knowledge for the benefit of our electric cooperative members.



Brian Woods

A GRISWOLD CHRISTMAS FRUITA PARADE OF LIGHTS

SAT, DECEMBER 10TH ❄️ 5:30PM-7:00PM ❄️ DOWNTOWN FRUITA

Co-op Calendar

TOYS FOR TOTS DRIVE - through Tuesday, Dec. 6
FRUITA PARADE OF LIGHTS - Saturday, Dec. 10
BOARD MEETING - Wednesday, Dec. 14

Holiday Schedule

OFFICE CLOSED (Holiday) - Friday, Dec. 23
OFFICE CLOSED (Christmas Day Observed) - Monday, Dec. 26
OFFICE CLOSED (New Year's Day Observed) - Monday, Jan. 2



CASHBACK CREDITS

YOU GET THE CREDIT



Unwrap the Cooperative Difference

One of the greatest benefits of being a co-op member is your investment in our business. As a not-for-profit, all revenues Grand Valley Power receives beyond the costs of providing electric service are allocated to members.

Excess revenues (or margins) are allocated to each household in proportion to his or her contributions to revenue. Depending on the financial health and equity of the cooperative, credits are retired and paid to members in the form of a check.

This Christmas, many Grand Valley Power members will receive a CashBack Credit check by mail, reflecting their capital contribution and ownership of the cooperative - it's the cooperative difference! The capital provided by members helps Grand Valley Power keep the lid on rates and reduces the amount of money borrowed from lenders to build, maintain, and expand a reliable electric distribution system.

Frequently Asked Questions

1 What is the difference between the allocation notice and CashBack Credit?

An electric cooperative operates at cost by allocating excess revenue to each member based on the amount of electricity purchased. This is simply a notice of what was allocated to your Member Capital Account and varies each year based on your energy use. Later, as financial conditions allow, a portion of the allocated amounts are retired and paid out in the form of a check, also known as CashBack Credits.

2 What if I don't receive a CashBack Credit check?

CashBack Credit checks are issued to co-op members who have a credit greater than \$15. Due to the expense of processing printed checks, credits less than \$15 are accumulated year-to-year until the sum is equal to or greater than \$15.

3 What if I have additional questions?

Please contact our main office at (970) 242-0040 or stop by at 845 22 Road, Grand Junction, CO. We're here for you, our members!

THIS YEAR, GRAND VALLEY POWER RETIRED OVER \$1 MILLION IN CASHBACK CREDITS TO COOPERATIVE MEMBERS.

LEARN MORE ABOUT CASHBACK CREDITS AT GVP.ORG/CASHBACKCREDITS.



AVOID MOM GUILT DURING STORMS

BY RITA-LYN SANDERS DIRECTOR OF MARKETING AND COMMUNICATIONS

One of the best snowstorms I have experienced also caused me the most guilt. Not because we were unprepared, but because I endured the tear-streaked faces of my children.

During that storm, we were up to our calves in heavy, wet, Pacific Northwest snow. Being the stubborn individual that I am, who lived on the Front Range for a time, I figured that if I could just make it out of my driveway and beyond our gravel road to the plowed blacktop, I could get to my destination. (I did have front-wheel drive, after all.) Of course, I didn't even make it to the end of our long, country driveway.

And I was stuck. In my Camry.

Begrudgingly, I trudged on foot the few hundred feet back to our house and told my husband I wasn't getting any farther. He wanted to at least move the car so he could get out in his 4x4.

Thinking it would just take a few minutes (does anything?), we went to get the car unstuck and left our toddler and kindergartner in the house. After a few minutes, and with the car barely moved, I went to check on the kids. The scene that I returned to filled me with simultaneous pride and tiny pangs of mom guilt.

Tears streaming down both their faces; my son, then 5, was trying to wrestle his little sister, 2, into her thick winter snowsuit — the kind that turns toddlers into immobile cherubs. They wanted to be with us in the snow but knew they should bundle up. I immediately felt the mom guilt because I had not taken the time to bundle them up myself, and I was proud that my son tried with all his might to take care of his sister. We did manage to eventually get my car unstuck, and we followed it up with some frolicking in the snow.

We didn't lose power during that storm, but if we had, we would have been prepared.

We keep headlamps and a couple of battery-operated lanterns handy in our house. We have a battery-operated radio (hand-crank is also an option) and extra batteries. We also keep a supply of non-perishable food, including pet food.

Remember, during a power outage:

- Report the outage through Grand Valley Power's SmartHub app or on gvp.org. Alternatively, you can call in the outage to 970-242-0040.
- Keep freezers and refrigerators closed to preserve food.
- Use generators only outdoors, away from windows and doors; do not use them in a garage.
- Make sure portable heaters or cooking devices are properly rated for the space in which you will use them, as many are not safe for indoor use. Do not let pets or children near these devices and turn off when you leave the room or space.
- Have alternate plans for refrigerating or accessing your family's medicine and using electricity-dependent medical devices.
- Do not use a gas stove to heat your home.
- Unplug appliances and electronics to avoid damage from electrical surges when the power comes back on.
- Go to an alternate location for heating if needed and when safe to do so.
- Check on your neighbors if weather conditions allow. This is especially important since cellphone and internet communications may be disrupted, and they may be unable to call for help.



RITA-LYN SANDERS

If you're looking for a fun activity to pass the time during a stormy night, games by a battery-operated lantern make for a memorable family activity regardless of whether or not your house lights are working.

I've been on the job here at GVP for just over two months, but the dedication of our employees to our members is what has struck me the most. When the electricity does go out, our linemen brave the dark, cold, wind and snow and work as safely as possible to efficiently restore power.

For more information about outages, electrical safety and storm preparation, visit our safety resources at gvp.org/safety-resources or gvp.org/Outage-Center.

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GVP
 GRAND VALLEY POWER

APPLICATIONS DUE MARCH 1, 2023
gvp.org/scholarship-program