

CHANGE IS COMING

BY TOM WALCH CHIEF EXECUTIVE OFFICER

What is the most pressing issue Grand Valley Power and its members face? Just about everyone will tell you it is the rising cost of electricity. And they're right: There's no sugar-coating it. It is a problem. In previous reports, we've explained the contributing factors: Volatile natural gas costs ... regulatory mandates ... supply chain issues ... and rising costs of materials, equipment, fuel, and labor.

When we break down the cost to provide electric energy to our Grand Valley Power consumers, the biggest chunk is the cost of power we pay to our wholesale provider, Xcel Energy. This is also the cost that has increased the most over the past two years. For every dollar that GVP receives from its members, about 60 cents goes to pay for the cost of power generation. Because of GVP's contractual obligations to Xcel Energy, there are significant limits on what we can do to contain or reduce these costs.

That doesn't mean we aren't trying. For example, after identifying serious problems with Xcel's planning before February 2021's Winter Storm Uri, we asked the company to partially refund its associated \$2.4 million fuel surcharge. Xcel refused to offer Grand Valley Power a single dollar, and so late last year we filed a complaint with our federal energy regulator asking for assistance. But

we're also considering a more proactive approach to controlling costs. Our contract includes an option to reduce our purchases from Xcel over time. With five years' notice, we could reduce those purchases by 100%.

Grand Valley Power consumers deserve better — better than what the current Xcel contract provides. And for that reason we're actively looking at either restructuring our Xcel contract or finding other sources of wholesale power.

The Grand Valley Power Board of Directors and management team have worked hard the past 18 months to examine and analyze power supply alternatives. It is a tremendous challenge to arrive at the right answer while also ensuring reliability, reasonable costs, and regulatory compliance in a rapidly evolving Colorado energy landscape. Our team is committed to getting it right. We are approaching a decision point and, one way or another, change is coming. As soon as we have information to share, you will hear from us.

For now, what we want to impart to you is this: While there may soon be changes to our power supply arrangements, the commitment that our members have from their board and from all GVP team members to provide safe, reliable, and affordable hometown service remains constant.



TOM WALCH

COMMENTS TO THE CEO

You are a member of a cooperative and your opinion counts.

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 you can email me at twalch@gvp.org. Visit our website at gvp.org.

BOARD MEETING NOTICE

Grand Valley Power board meetings are open to members and the public. **Due to scheduling conflicts, the June meeting of the board of directors will be held at 9 a.m. on Wednesday, June 28**, at the headquarters building located at 845 22 Road, Grand Junction, Colorado.

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.

Member Capital Allocation Notices in the Mail

Members who purchased electricity from Grand Valley Power in 2022 should have received their member capital allocation notice by mail in May. As a member of Grand Valley Power, you participate in our cooperative's financial success with every electric bill you pay.

Member-owned, not-for-profit electric co-ops set rates to generate enough money to pay operating costs, make payments on loans and meet other fiduciary obligations. At the end of each year, we subtract operating expenses from the operating revenue collected. The balance is called an operating "margin."

Revenue over and above these expenses is allocated back to the

members each year as member capital based on the amount paid by each member. This member capital is used to help pay for the construction and maintenance of our electric distribution system.

When its financial status allows, Grand Valley Power refunds or "retires" a portion of this member capital in the form of Cashback Credits paid to the members. Cashback Credits checks are typically mailed in December. The payment of Cashback Credits is made at the discretion of the board of directors. See page 8 for an infographic showing how Cashback Credits work.

GVP Wins National, State Awards

Grand Valley Power brought home three awards in the 2023 Spotlight on Excellence Awards program, a national competition among America's electric cooperative communicators. Grand Valley Power received a Gold Award in the Best Total Communication category for "Communicating a Time-of-Use Rate Restructure and Increase." Communications Specialist Dana Pogar received two awards for her work: a Gold Award in the Best Video category for "Understanding Time of Use," and a Gold Award in the Best Use of Social Media category for her "Time-of-Use Strategic Plan."

The national competition is sponsored by the Council of Rural Electric Communicators and the National Rural Electric Cooperative Association. The annual Spotlight on Excellence Awards program recognizes the best communication and marketing efforts by electric cooperatives and related organizations nationwide. More than 650 entries were submitted across 18 different categories, including writing, graphic design, digital communications, campaign development and more. Faculty members from the University of Missouri Columbia and noted professionals in the fields of marketing, digital communications and newspapers judged the entries.

Grand Valley Power's communications team also received awards in *Colorado Country Life* magazine's Excellence in Communication contest. Pogar received second place in the Co-op Industry Story category for her piece titled "Mapping Outages." Rita Sanders,



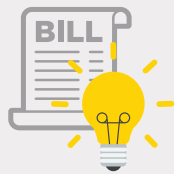
GVP Communications Specialist Dana Pogar (left) and Director of Marketing and Communications Rita Sanders pose with the Spotlight On Excellence awards they earned for their marketing and communications work.

Director of Marketing and Communications, received second place in the Safety Article category for her piece titled "Avoid Mom Guilt During Storms." The Excellence in Communication contest recognizes the best in writing, photography and overall publication among Colorado's electric cooperatives.

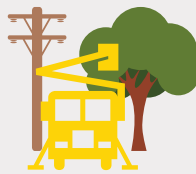
"We are honored to accept these awards for Grand Valley Power," Pogar said. "Keeping members informed about the work that the cooperative is doing to provide safe, reliable and affordable electricity is key to our mission. It is a joy to tell the stories of our members and co-workers."

Member Capital Allocation

Grand Valley Power is a not-for-profit cooperative. After expenses have been paid, remaining funds (margins) are allocated to Member Capital accounts. Member Capital is allocated based on the amount paid by each member. The co-op keeps a record of each member's capital account, which grows every year that you remain on our lines. Member Capital Allocation notices are usually sent in late spring to notify you of your allocated Member Capital funds for the previous year.



Revenues



Expenses



Co-op Margins

Margins left over after expenses are paid are allocated to members as Member Capital.

Funding Ongoing System Improvements

Sound business practices require GVP to operate with margins to maintain its fiscal health. GVP uses these margins, or member capital, to help pay for the construction and maintenance of its electric distribution system and to minimize the amount the cooperative has to borrow.



When its financial status allows, Grand Valley Power's board of directors can authorize the cooperative to refund or "retire" a portion of member capital in the form of Cashback Credits paid to the members. Cashback Credits checks are typically mailed in December.

How You Get Cash Back Over Time

gvp.org/CashBackCredits

Household Chores

Run your dishwasher and clothes dryer in the morning or at night during off-peak hours. Always run full loads. **PRO TIP:** Switch your water temperature setting to warm instead of hot for additional energy savings.

Thermostats

Consider installing a smart and programmable thermostat to improve the efficiency of your home's heating and cooling system. **PRO TIP:** Take advantage of time-of-use rates by pre-cooling your home during off-peak hours.

Efficient Landscaping

Plant trees and shrubs to shade the exterior of your home. **PRO TIP:** Never plant a tree that could grow more than 25 feet tall or into overhead power lines. Before you dig, call 811 for utility locating services.



Outdoor Cooking

When the sun is out, put your grill to use. Cooking outdoors saves energy and eliminates unwanted heat indoors. Find grilling recipes on page 14 of this issue of *Colorado Country Life*.

Outdoor Lighting

Look for outdoor LED lighting products and fixtures to illuminate steps, porches, and pathways. Some have efficient features like automatic daylight shut-off and motion sensors.

Save More!

Members who shift their energy use to off-peak hours of the day have the potential to save more. Learn more about time-of-use rates by visiting gvp.org/TOU.



gvp.org/TOU

Source: energy.gov



TEAR ME OUT
Free Kids Safety Activity

ELECTRICAL SAFETY SCAVENGER HUNT

Conduct a safety scavenger hunt this summer to learn how you can stay safe from electrical hazards inside and outside your home. Be sure to complete this activity with the supervision of an adult and remember to stay safe!

Supplies Needed:



COMPLETED

Check box when completed

TASK



With the help of an adult, check that electrical cords are removed from high-traffic areas. Cords in busy areas can easily become damaged and create a shock hazard.



It's important to have Ground Fault Circuit Interrupter (GFCI) outlets near areas where water is present. These special outlets will turn off the power if water gets into them. With an adult, find the GFCI outlet in your kitchen and bathroom.



Turn on each light in your home to ensure bulbs are lit and working. Ask an adult what type of light bulbs they use. It's best to use light-emitting diodes (LEDs) that can help save energy.



Smoke alarms should be installed on the inside and outside of every bedroom and on all levels of your home. Notify an adult if a smoke alarm "chirps." This means that the smoke alarm battery is low and needs to be replaced.



Inspect the light switches in your home. Make sure they are working properly by turning them on and off. If a switch is not working, tell an adult.



Take a look in your backyard... Do you see overhead power lines? Never fly any kites or drones near these lines. These poles help deliver electricity to your home and are very dangerous.



Now take a look at the trees and bushes in your backyard... Are there any trees touching the power lines? Are there any bushes covering the utility box? If so, contact your local utility provider and a professional will safely trim your trees.



WELCOME TO THE SAFETY EXPERT TEAM!

Congratulations! You have completed the electrical safety scavenger hunt. Welcome to the Grand Valley Power Safety Expert team. Cut out your badge.



WE WANT TO MEET OUR NEW SAFETY EXPERTS! POST AND SHARE A PHOTO WITH US BY TAGGING:

  **@GVRURALPOWER**