

WEIGHING THE IMPACTS OF DISTRIBUTED GENERATION

BY TOM WALCH CHIEF EXECUTIVE OFFICER



TOM WALCH

Turning the calendar page to a new year always prompts me to revisit challenges our cooperative has addressed in the past year, and to prognosticate about what the new year may have in store for us.

Even though most serious COVID cases were in the rearview mirror in 2023, we continued to deal with the aftermath of the pandemic. Disruption in the labor market, supply chain upheaval, and continued escalation of costs this past year are all rooted in the pandemic. We dealt with all of those this past year. Our consumers were impacted, as cost challenges required a modest rate increase last year.

Grand Valley Power addressed a true generational challenge in 2023, by providing notice to Xcel Energy that we will terminate energy purchases from it in 2028, and by signing a new wholesale power purchase agreement with Guzman Energy.

What are our challenges for 2024? In our planning for the next year and beyond, we continuously evaluate Grand Valley Power's expenses and monitor revenue. We look ahead to what we need to continue delivering power that is all at once reliable, safe, and affordable—to your home. One thing we know right now is that in 2024, we do not have any rate increases planned. Your Grand Valley Power board and employees are stewards of the cooperative's business dollars. They have carefully assessed the needs and prioritized those that will mean efficiency and improvements for our members.

We also know that with the transition to Guzman Energy as our wholesale power supplier five years from now, we will have flat rates that eliminate the most volatile portion of our costs. As I have shared in previous columns, your board members

invested many, many hours of research and planning into considering the transition. Staff members have work to do to support the transition to Guzman, so that it is as seamless as possible.

We expect that in 2024 the board will need to examine the impact of distributed generation on Grand Valley Power's electric distribution system. With distributed generation, individuals build small electric generation systems using solar, wind or hydro power. Here in Mesa county, this is typically rooftop solar. These systems are behind the meter on the individual's property and connected to GVP's distribution grid. Over the last two years, we've watched the number of residential solar systems connected to Grand Valley Power's lines grow rapidly.

Not surprisingly, the most significant factors affecting solar installations are cost and the amount of sun a location gets. According to the U.S. Energy Information Administration, the capacity of small solar systems in Colorado increased by 50% in just one year from 1,907 MW in September 2022 to 2,884 MW this past September. The National Renewable Energy Laboratory expects total energy produced by residential solar to continue climbing.

It is difficult to predict how many Grand Valley Power members will install distributed generation systems. Many factors play into the decision. We encourage members considering a solar installation, for example, to explore the initial cost, the size of the system, the impact on your Grand Valley Power bill, the age of your roof, and the direction the panels face among other factors.

Going solar is not a quick and easy decision, but it is one that more members are making. We anticipate that this month

we will have more new solar connections on our lines than we will have new home connections. And new home connections may not catch up with new solar connections in 2024. Members generating their own electricity use Grand Valley Power's distribution system but do not purchase as many kilowatt-hours as those who do not have solar. That means Grand Valley Power could see no revenue growth, which is necessary to operate and maintain our distribution system. Sooner or later the

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 Tom Walch 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. Check out our website at gvp.org.

BOARD MEETING NOTICE

Grand Valley Power board meetings are open to members, consumers and the 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, 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.

JANUARY 2024						
SUN	MON	TUE	WED	THU	FRI	SAT
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

CO-OP CALENDAR

New Year's Day (Office Closed) - Monday, Jan. 1
 January Board Meeting - 9:00 a.m. Wednesday, Jan. 17



GRAND VALLEY POWER

YOUTH LEADERSHIP EXPERIENCES

Washington, D.C.

Applications due January 8, 2024
gvp.org/youth-leadership-programs

Steamboat Springs, CO

Energy Efficiency Tip of the Month



During winter months, ensure your home is well sealed and properly insulated to reduce the need for excessive heating. Seal air leaks around your home and add insulation where needed to save up to 10% on annual energy bills.

Install weather stripping on exterior doors and apply caulk around windows. Check attic insulation levels and hire a qualified contractor if additional insulation is needed.

Source: energystar.gov



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board will have to address ways to collect revenue for operating the distribution system that are not reliant on kilowatt-hour sales. Grand Valley Power implemented the Grid Connectivity Charge to help cover operations and maintenance costs. As distributed generation increases, though, the board will have to examine whether this is enough to cover the costs of operating the cooperative's distribution system.

Another challenge that Grand Valley Power will face with distributed generation is electrical capacity. In a traditional system, electricity is generated at a central location,

transmitted to substations, and then distributed to homes and businesses. This type of system was created to deliver power one way. With distributed generation, many small systems generate electricity from multiple locations. Some of these distributed systems generate more electricity than the household uses and put the extra electricity on the utility's distribution system. Power in this system flows in two directions. In this way, an excess of distributed generation can pose challenges for traditional electrical systems, including voltage problems and protection device desensitization. Within

our membership, the total capacity of distributed generation increased by 38% from the end of 2022 to October 2023. While Grand Valley Power has not yet encountered capacity limitations, other cooperatives have.

No matter what we face, your Grand Valley Power board and employees will hold true to our values and principles. We are dedicated to considering the needs of all we serve. This is our mission into 2024 and beyond.

Grand Valley Power Opens Career Doors for Army Intern

BY TANYA MARCHUN COMMUNICATIONS SPECIALIST | TMARCHUN@@GVP.ORG



TANYA MARCHUN

Josh Barela is no stranger to hard work. While serving in the United States Army for more than three years he faced numerous challenges, one of which was training at the Army Mountain Warfare School in Jericho, Vermont. There he participated in tactical and technical training for mountain warfare and cold weather operations. Exercises consisted of rough terrain casualty evacuations, high-angle marksmanship and airborne training. Barela earned the Expert Infantryman Badge, which required him to demonstrate advanced infantry skills, including marksmanship, navigation, and fitness.

In preparation for the completion of his military service at the end of this month, Barela has spent the last 120 days continuing to work hard in the Army Career Skills Program with Grand Valley Power.

The program provides soldiers the opportunity to learn job skills that set them up for success as they transition back to civilian life. These skills are learned through internships, apprenticeships, on-the-job training, and job shadowing. The CSP provides over 200 established internship opportunities in various fields and careers such as trades, information technology, truck driving, home building,

and automotive repair. Service men and women can choose an organization in which to focus their training efforts if the organization is willing to sponsor them as an intern. The CSP continues to provide pay and benefits to service men and women during the program so that they can move into their new positions without a gap in benefits.

Grand Valley Power worked closely with CSP to provide an internship opportunity that has enabled Josh to learn first-hand what it takes to be a lineman. He has worked with our crews to gain valuable skills that he will use at the Electrical Line Worker Program at Northwest Line College in Denton, Texas in February. The three-month Electrical Line Worker Program will prepare Josh for a lineman apprenticeship, making his transition back to civilian life seamless while providing job opportunities. “We are excited for Josh’s future,” said Tom Walch, Grand Valley Power CEO. “We are proud to support service men and women as they continue their sacrifice for our country and community.”

◀ During his internship, Josh Barela learned skills that will help him at the Northwest Line College in Denton, Texas. Barela’s internship was made possible by the Army Career Skills Program and Grand Valley Power.



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MARCH 1, 2024**

gvp.org/scholarship-program