

EMPIRE ELECTRIC ASSOCIATION

Echoes of the Empire

JANUARY 2023

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BASE RATES UNCHANGED FOR 2023

BY JOSH DELLINGER GENERAL MANAGER



JOSH DELLINGER

I am excited to report that Empire Electric Association members will not see a rate increase for 2023. EEA staff crafted an operating budget that provides safe and reliable electric service to our members but did not necessitate an increase in our base rates. The EEA Board of Directors approved the 2023 operating budget at its November meeting.

Factors influencing our budget are many of the same that impact yours. Inflation has increased costs across all areas of our operations, and our 2023 budget reflects that with large increases for material, equipment, and labor. By continuing to aggressively pursue cost-saving measures and improve processes, EEA is able to absorb these increases while keeping our focus on safety and reliability. Our budget includes nearly \$8 million for distribution system maintenance and improvements, new crew equipment, vegetation management and modernizing our control and protective devices to be ready for the future. We have also budgeted matching funds for newly available grant opportunities.

Fortunately, one cost we have seen a decrease in is the power we purchase from our wholesale power supplier Tri-State Generation and Transmission Association. Tri-State has kept the commitment it made in August 2021 to reduce its wholesale power rate. In the last two years, Tri-State has lowered its Class A Rate by 4%. Purchased power expense is the largest expense EEA has, and we appreciate Tri-State's efforts to keep its costs down and your power more affordable.

A second way EEA is reducing our purchased power expense is taking advantage of the opportunity in our wholesale supply contract to purchase power from local generators. EEA will begin purchasing

power from the Totten Lake, Montezuma, and Rocky Ford solar generation stations in 2023 at a price that is economically beneficial to EEA. Supporting these local projects not only has positive impacts on our economy by increasing tax revenue and jobs, but also helps keep your power bill affordable.

Another important factor helping EEA keep our base rates the same in 2023 is an increase in revenue. EEA has set a record number of new electric services in 2022. These new services help to spread the fixed costs of providing power across more members and act as a buffer against rising expenses.

EEA has worked hard to not only keep your electric service safe and reliable, but also affordable. I assure you that we will maintain safety and reliability as top priorities, but I cannot assure you that 2024 and beyond will not have a base rate increase. Part of our strategic plan has been to focus on process improvements and to trim away budget items that do not directly contribute to our primary mission. We have done this and will continue to in the future, but we are finding opportunities for significant gains are now limited. There are also external factors such as inflation and the cost for purchased power over which we do not have any influence. As such factors continue to significantly increase our operating costs, we hope you understand there may come a time when we must increase rates. We assure you we will continue to manage the things we can control. Thank you again for supporting EEA as we continue to strive for excellence in safely, responsibly and reliably meeting your electrical energy needs.

Work Like a Safety Champion!



Empire Electric Association is committed to safety on many different levels. Our distribution system is part of our community, and we constantly work to ensure it is safe to protect our members as they go about their daily business. We also emphasize safety for our employees and provide training and necessary equipment to make sure everyone returns home at the end of the day to their families. One way we keep safety front and center is using quarterly safety slogans like “Work like a safety champion!”

In true championship form, EEA recently set a new record for number of days worked without a lost-time accident. The previous record was set almost five years ago at 1,664 days. As of December 1, EEA worked 1,765 days without a lost-time accident. That is four years and eight months of conscious

effort by all of our employees to think before they act, wear the proper protective equipment, follow safe work procedures, and watch out for their fellow employees.

Operations and Engineering Manager Ken Tarr said, “It’s awesome that we have achieved this record, but it really isn’t about setting records. It is about coming to work every day and being committed to working safely and then going home at night to our families. That’s really the achievement we set out to accomplish.”

The work EEA employees engage in is dangerous and physically demanding. Consistently performing that work in a safe manner speaks to the commitment our cooperative has to safety. Please join us in congratulating all our cooperative employees on a job well done.



Co-op Photo Contest Winner January 2023 – “Morning Mist” by Terry Kohler

2023 Energy Efficiency Incentive Program Changes

The drive to use energy efficiently has produced great savings for many of the appliances we use daily. As a result, many common appliances are very efficient and readily available. Continuing to provide incentives to purchase them does not make economic sense. There are also technologies EEA has offered incentives for that we have had little or no member participation in.

In light of these facts, EEA will no longer offer incentives for the following:

- ◆ Residential LED lighting
- ◆ Clothes washers
- ◆ Refrigerators and freezers
- ◆ Electric thermal storage
- ◆ Thermal slabs
- ◆ Electric resistance water heaters
- ◆ Electric motors
- ◆ Variable speed drives

We will continue to provide incentives for newer technologies that are very efficient including heat pumps and heat pump water heaters, and for electric equipment that is more economic to operate over its lifespan like electric vehicles and outdoor power equipment. More information on the 2023 incentive program can be found at eea.coop

Monthly Calendar

January 1 – New Year’s Day. EEA office closed Monday January 2.

January 13 – EEA’s board meeting begins at 8:30 a.m. at its headquarters in Cortez. The agenda is posted 10 days in advance of the meeting at eea.coop. Members may attend in person or remotely. Instructions to attend remotely are included on the agenda.

January 16 – Martin Luther King, Jr., Day

GREEN POWER PRICE CHANGES

EEA's Green Power program allows cooperative members to support renewable power generation without investing in their own generation system. Members support renewable



generation by purchasing 100 kWh blocks of Green Power each month. The current cost for Green Power is \$0.09 per 100 kWh block. The cost will increase to \$0.10 per 100 kWh block starting January 1, 2023.

EEA provides the Green Power program in cooperation with Tri-State G&T, EEA's wholesale power supplier. Tri-State purchases Renewable Energy Certificates on EEA's behalf guaranteeing the Green Power program is supplied with solar, wind or hydroelectric generated energy. The price increase is necessary due to wholesale renewable power prices trending upward.

Most current Green Power program participants purchase enough blocks to supply their average monthly energy use, but some members have chosen to purchase more blocks to support more renewable energy generation. Members desiring to purchase more than their average power consumption should consult with EEA beforehand as there may be restrictions depending on the number of blocks they want to purchase.

If you currently participate in the Green Power program and you want to change the number of blocks you purchase, please call EEA at 970-565-4444 or send an email to greenpower@eea.coop with your request. If you are not currently participating but you want to, you can sign up by going to eea.coop/green-power-program.

New Year, New Savings. 

Visit eea.coop to learn about programs to help you save energy and money.

Preventing Home Electrical Fires



Fire departments respond to an average of **46,700** home fires each year caused by electrical failure or malfunction.

According to the National Fire Protection Association (NFPA):

Over a recent 4-year period...



30%

happened in cold weather months (Nov. – Feb.)

Fires caused

an estimated average of:



390 Deaths

1,070 Injuries



Wiring and related equipment were involved in the **greatest number of home electrical fires.**

Lighting, a lamp or a bulb was involved in the **second largest number of fires.**



WARNING SIGNS of electrical issues:

Damaged cords and flickering lights

Discolored outlets and switch plates

Frequently tripped circuit breakers or blown fuses

Hire a licensed contractor to ensure that your home's wiring is **installed to code** and functioning properly. Learn more at:

Safe Electricity.org

Source: NFPA's Electrical Fires Report, 2022



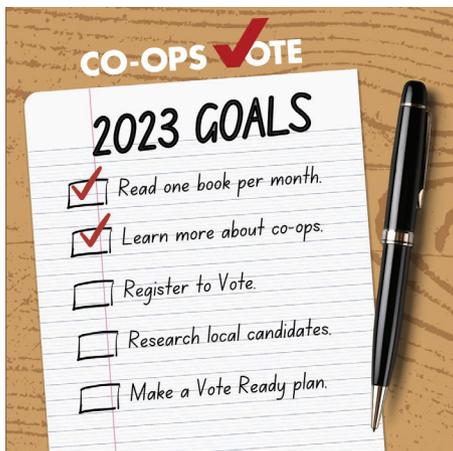
The Shocking Truth

It may be tempting to use an electronic device that has a frayed cord or damaged plug-in to save money, but your safest option is to discard or repair damaged electronics that can shock or electrocute the user.



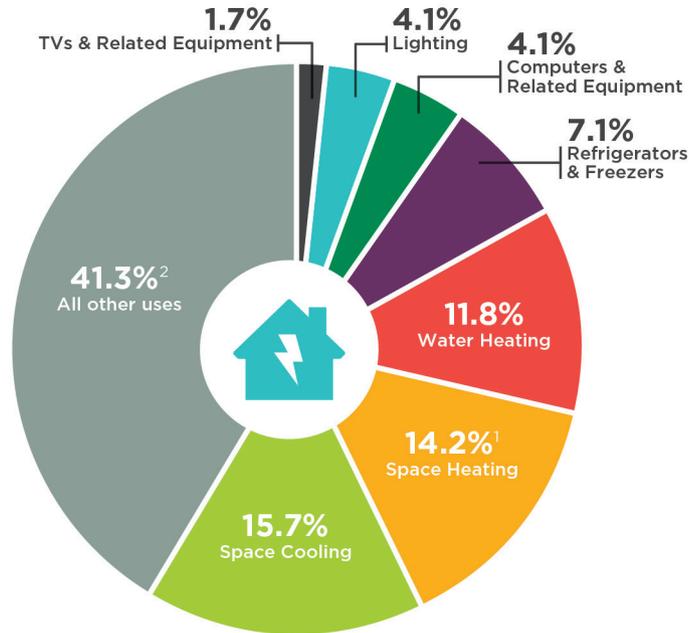
Ditch Your Phone When Driving

Activities like texting, talking on the phone, reading and watching a video significantly impair a driver's attention. Always put your phone away and pay attention to the road and driving conditions. Keep an eye out for potential hazards, such as road construction, downed power lines and accidents, so you can make it home safely.



How Americans Use Electricity

The latest data from the U.S. Energy Information Administration shows the combined use of clothes washers and dryers, dishwashers, small appliances and other electrical equipment (noted as "all other uses" below) accounts for the largest percentage of electricity consumption in American homes.



Source: Energy Information Administration 2021

¹Includes consumption for heat and operating furnace fans and boiler pumps.

²Includes miscellaneous appliances, clothes washers and dryers, stoves, dishwashers, heating elements, and motors.

Energy Efficiency Tip of the Month

Insulating your electric water heater can reduce standby heat loss by 25%–45%, saving you 7%– 16% on annual water heating costs.

The Department of Energy rates this project level as medium difficulty, meaning most homeowners can tackle this project on their own. You can purchase pre-cut jackets or blankets for about \$20 at most home improvement stores. Visit energy.gov for project tips and additional considerations.

Source: energy.gov

