

Base Rates Unchanged for 2025

by Josh Dellinger General Manager

I am very pleased to report that Empire Electric Association members will not see a base rate increase for 2025. The operating budget EEA staff presented to the board of directors will allow us to continue providing safe and reliable electric service for our members but did not require an increase in our base rates. The EEA board of directors approved the 2025 operating budget at its November meeting.

Focusing on our mission as an electric distribution cooperative and disciplined execution by each department has helped EEA keep costs in check while still maintaining the high reliability and excellent customer service our membership expects. EEA employees understand and work to keep a balance between reliability and affordability so each member can use the vital service we provide. By continuing to search for cost saving measures and implementing best practices for safety and reliability, EEA can continue to provide power delivery that is more than 99.9% reliable as defined by industry standard metrics. I am also grateful to report that our employees' dedication to safety continues and as of the writing of this article, we have worked 2,521 days without a lost time accident.



Our budget includes \$8.9 million for distribution system operation, maintenance, and improvements, along with new crew equipment, vegetation management, and upgraded protective devices and controls. System maintenance and equipment upgrades help ensure our reliability remains high. We have also budgeted \$2.5 million in

matching funds for grant opportunities that, if awarded, will benefit reliability.

There are other important drivers that impact base rates beyond cost control and increasing operational efficiency. EEA continues to see a steady growth in its membership. As of October 2024, EEA has added more than 100 new services. These new services increase the utilization of equipment we have in service and lower the average fixed costs of providing power, which creates a downward pressure on rates.

A second driver in our cost to provide electric service is the cost to purchase power on behalf of our membership. Tri-State Generation and Transmission Association, EEA's wholesale power provider, has continued to strive for affordable rates while transitioning to a cleaner supply portfolio. Tri-State has also completed its budget for 2025 and announced it will



EMPIRE ELECTRIC ASSOCIATION, INC

Empire Electric Association's primary mission is to safely, responsibly and reliably meet the electrical energy needs of our member-owners.

Office Hours:

Monday – Thursday – 7:30 a.m. to 5:30 p.m.
Friday – 7:30 a.m. to 11:30 a.m.

801 N. Broadway
P.O. Box K
Cortez, CO 81321
phone 970-565-4444
toll free 800-709-3726
pay by phone 833-923-1409

eea.coop

Facebook.com/EEACortez

@eeacortez

YOUR CO-OP NEWS

not require a base rate increase in 2025. Purchased power is the largest single item in EEA's budget, coming in at 73.3% of operating expenditures in 2023. We appreciate Tri-State's efforts in controlling costs at the wholesale level and the positive impact its efforts have on our members.

EEA will continue to keep safety and reliability as top priorities. If we continue to take advantage of cost saving opportunities that do not jeopardize safety or reliability, then affordability will be a natural result. There is upward rate pressure on the horizon. Inflation has abated but has not been eliminated, and our long-range work plan indicates we will need to replace equipment and add capacity to two substations in the next five years. Our financial forecast indicates we can meet our financial policy requirements as well as those of lenders without an increase in base rates until 2028. I cannot guarantee we will not have a rate increase until 2028 because no one can predict the future. What I can promise you is that we will continue to manage the things we can control and abide by the cooperative principles that define our business model. Thank you for supporting EEA as we continue to meet your electrical energy needs in a safe, responsible, and reliable manner.




EEA Linemen Matt Ruggles, Shad Bellmire, Brett Crouse, and Chase Suckla work on the three phase upgrade to Weber Canyon serving members south of Mancos, Colorado. This project is part of EEA's construction work plan to increase capacity where we see consistent growth. *Photo by Denise Moore*



THE DANGERS OF EQUIPMENT TAMPERING

Posting signs on utility poles can put lineworkers at risk by tearing their protective gloves.

Safe Electricity.org



ENERGY EFFICIENCY TIP OF THE MONTH

Taking steps to help your home heating system run more efficiently can reduce energy use and lower your winter bills. Check to see if any air vents around your home are blocked by furniture, curtains, or other items.

Obstructed vents force your heating system to work harder than necessary and can increase pressure in the ductwork, causing cracks and leaks to form. If necessary, consider purchasing a vent extender, which can be placed over a vent to redirect air flow from underneath furniture or other obstructions.

Source: energy.gov

MONTHLY CALENDAR & CO-OP PHOTO CONTEST WINNER JANUARY 2025

January 1 – New Year's Day. EEA Office Closed

January 10 – 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 20 – Martin Luther King, Jr. Day



Mesa Verde Park Point in Winter.
Photo by Brianna Westergren

EEA Member Survey

January 1 to February 28

We value your

FEEDBACK



To take the survey on-line go to eea.coop and click on the survey link. Be sure to have your EEA account number handy.

Prepaid and paperless bill members will get emails with a link.

If you receive a paper bill, a survey will be included with your bill.

Only 1 survey per membership.

Co-op Principle 2

Democratic Member Control

Cooperatives are democratic organizations controlled by their members - those who buy the goods or use the services of the cooperative - who actively participate in setting policies and making decisions.

DOVE CREEK ELEMENTARY RECEIVES ENERGY EFFICIENCY REBATE

This fall was very special for elementary students in the Dove Creek area. It marked the first day of classes in their new school that was completed in July 2024. Dove Creek Elementary serves kindergarten through fifth grade, and also has a preschool program. The school was made possible by a \$12.6 million BEST grant from the Colorado Department of Education and a bond passed by voters for \$10.3 million.

The school is heated and cooled by an energy-efficient 69-ton air-source heat pump system that includes both ducted and ductless units. The system efficiency rating qualified for the highest rebate level available. The school received a \$34,500 rebate through Empire Electric Association's Electrify and Save program that is supported by its wholesale power supplier Tri-State Generation and Transmission Association.



Dolores County RE-2J Superintendent Ty Gray, center, receives an energy efficiency rebate check from EEA General Manager Josh Dellinger in front of the new Dove Creek Elementary School. Also present: EEA District 2 Director Bob Barry, far left, school Principal Charlotte Forst, second from the right, and Business Manager Roxie Guynes, far right. *Photo by Denise Moore*



Grant Application Update

EEA overhead line in a high fire danger area of the Manti-La Sal National Forest. This is a portion of the line that will be relocated underground using funds from the Utah Preventing Outages and Enhancing the Resilience of the Electric Grid grant program. Photo by Dalton Randolph

Empire Electric Association has been pursuing grant funding opportunities that would provide financial assistance for mitigating wildland fire risks, improving vegetation management, and increasing system reliability. EEA was notified that two applications submitted in early 2024 for the Grid Resilience and Innovation Partnerships program were not selected for an award. EEA submitted a standalone application and also applied through a consortium of Colorado rural electric cooperatives for funding to convert overhead electric lines to underground in high fire danger areas along the west fork of the Dolores River. EEA will continue to evaluate potential grant funding options and plans to submit another application for the third round of GRIP funding in 2025.

EEA submitted a Colorado Electric Grid Resilience Fund application in November 2024 to replace conventional copper or aluminum clad steel conductors with covered conductors at overhead river crossings in high fire danger areas. A covered conductor system is an overhead configuration where the conductor is covered with an insulating layer that protects against incidental contact with the energized cable. This is preferred to moving the conductor underground because of the lengthy time required and high cost to secure permits to construct underground river crossings. It also eliminates the possibility of an underground conductor being exposed because of erosion in high runoff years.

As we pursue available funding opportunities, we will take advantage of the grants we

have been awarded previously. EEA will use the \$50,000 awarded through the Rural and Municipal Utility Advanced Cybersecurity Technology program to improve our cybersecurity measures. We have received final grant agreements for the Colorado Advanced Grid Monitoring grant award. This award of \$298,769 is for implementing an advanced vegetation management and electric grid monitoring program using drones and advanced imaging technology. EEA was also awarded a Colorado Grid Hardening for Small and Rural Communities Grant in 2024 for \$456,906 to upgrade protective devices with advanced relay-recloser technology. EEA is currently negotiating the grant agreement with the Colorado Energy Office.

In Utah, EEA received grant funds totaling \$500,019 to convert overhead electric lines to underground in a high fire danger area south of Monticello in the Manti-La Sal National Forest. EEA is currently coordinating with the Forest Service to complete the required environmental review. We anticipate the line conversion will begin this summer.

EEA continues to evaluate grant opportunities to take advantage of funds available to improve reliability and mitigate the risks inherent in operating an electric distribution system. Grant funding is just one part of the financial picture. EEA will continue to budget for and complete the required system upgrades to ensure we provide our members with safe, reliable, and responsible electric service.