



TIMING MATTERS ONE-PAGER

NET METER TALKING POINTS

- Keeping you up to date on SMPA's Timing Matters Campaign & Time-of-Use Investigation
- See more one-pagers at www.smpa.com/timing-matters
- Give us your feedback at comments@smpa.com

TIME-OF-USE RATES: Rate should be designed to accurately reflect the cost of generating and delivering electricity at different times of the day. SMPA's new time-based rate does this with a lower kWh rate for off-Peak energy and a higher rate for Peak (4-9PM) energy. Solar panels that face east or south will generate the majority of their power during Off-Peak hours. Solar panels that face more to the west will produce more power in alignment with the 4-9PM Peak.

Battery energy storage can soak up day-time solar energy and then release that energy between 4-9PM, helping make solar energy have a greater impact. SMPA's TOU rate encourages the deployment of BESS (Battery Energy Storage Systems).

Shifting electric load to day-time hours is another important step to enhancing the value of solar. SMPA's TOU rate encourages members to use more Off-Peak energy, especially during the time of day when solar is producing the most.

COVERING A FAIRER SHARE OF COSTS: Building and operating one of the most complex physical infrastructure systems, the grid, especially in the lofty San Juan mountains and rugged canyons of western Colorado, is no easy endeavor. Despite the challenges, that is what SMPA has been doing for over 85 years. As a not-for-profit cooperative, SMPA counts on each and every member to help pay for a fair and proportionate share of the monthly and annual expense to keep our grid reliable and cost-effective. Large energy users pay more than low energy users when they purchase more energy and demand; however, everyone that is connected to the grid is asked to help cover the minimum that it takes to keep the grid operating smoothly. This is typically done through the grid access charge. The actual fixed costs associated with the Access Charge equate to about \$52/month/account, and SMPA is slowly increasing our access charge to be more in line with this. Right now, the Access Charge is \$25/month/account and to further achieve fairness, possibly going to \$28 in January, 2025.

DECLINING ENERGY COSTS: With the transition to more renewable energy resources and movement away from reliable fossil fuel based energy generation, the market costs for energy has gone down. This is largely driven by the fact that renewable energy sources like wind and solar have near zero fuel costs thanks to the remarkable energy of the sun. For SMPA, wholesale energy costs have decreased by almost 13%.

INCREASING GRID CAPACITY COSTS: Due to the intermittency of renewable energy resources the cost for grid capacity has been going up dramatically. The capacity costs paid by SMPA for our wholesale power have gone up by over 30%.