





YOUR SAN MIGUEL POWER MEMBER NEWSLETTER



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**Both Offices Open:** M - TH, 7:00a.m. - 5:30p.m.

www.smpa.com www.facebook.com/SanMiguel Power

In the event of a power outage, contact your local SMPA office to reach our 24-hour dispatch.

### **QUESTIONS OR COMMENTS**

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### **ELECTRICAL SAFETY IN** THE HOME:





(1) mail: U.S. Department of Agriculture Office of the Assistant Secretary for Civil Rights 1400 Independence Avenue, SW Washington, D.C. 20250-9410;

(2) fax: (202) 690-7442: or

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# **Tri-State Announces 90% Reduction in** Colorado Carbon by 2030

**SMPA New Rate** 

Structure in Effect

**SMPA Remains Supportive of Tri-State Responsible Energy Plan** - Calls for Support to Coal Communities

EARLY THIS JANUARY, TRI-STATE GENERATION AND TRANSMISSION (TRI-STATE), WHOLESALE ELECTRIC POWER PROVIDER FOR LOCAL ELECTRIC COOPERATIVE, SAN MIGUEL POWER ASSOCIATION (SMPA) ANNOUNCED CLOSURE OF ESCALANTE COAL GENERATION STATION NEAR PREWITT, N.M., BY END OF 2020, AND CLOSURE OF THE NORTHWEST COLORADO CRAIG STATION AND COLOWYO MINE BY 2030.

Tri-State currently operates the Craig Station a 1,285-megawatt, three-unit power plant located in Moffat County, Colo. that employs 253 people. Tri-State owns 24% of Units 1 and 2 and it owns 100% of Unit 3.

Tri-State previously announced that the 427-megawatt Unit 1 will close by the end of 2025; that date remains unchanged. The 410-megawatt Unit 2 and the 448-megawatt Unit 3 will close by 2030.

Colowyo Mine, located in Moffat and Rio Blanco counties, produces coal used at Craig Station and will cease production by 2030, at which time operations will turn entirely to reclamation. The mine currently employs 219 people.

Tri-State has pledged to work with state and local officials to support affected employees and their communities during the transition. "Our focus is on making these changes with the care and respect our employees and their communities deserve - easing the transition whenever and wherever possible," said Duane Highley, chief executive officer of Tri-State. "Working together, we can meet the state's clean energy goals while preserving affordable, reliable and responsible energy for rural Colorado.'

As a member cooperative of Tri-State, SMPA is very sensitive to, and engaged with the actions and plans of its wholesale power provider.



We are very supportive of Tri-State's Responsible Energy Plan yet we also understand--very personally--the effect that these types of closures have on employees' families and their local communities.

-SMPA CEO, BRAD ZAPORSKI

Zaporski refers to the effects of the closure of the Nucla Generation Station, announced by Tri-State in July of 2019. Nucla, where SMPA is headquartered, has struggled to recover its economy following the job losses resulting from the closure of the generating station and the nearby Horizon coal mine. SMPA actively promotes economic development in the area and can acknowledge the challenges. "It takes a very well-coordinated effort amongst all community stakeholders and others," says Zaporski, "to mitigate the economic consequences of these types of closures."



In Craig, the challenges are likely to be many, but Tri-State hopes that time will help ease the transition for its employees. "With ten years until the closure of Craig Station and Colowyo Mine, we have time to work with the legislature, our employees and the communities in Moffat and Rio Blanco counties to plan for and support the transition," said Highley. "Our work starts now to ensure we can continue to safely produce power while working with stakeholders to thoughtfully plan for the future."

#### THE RESPONSIBLE ENERGY PLAN

The closures of coal generating stations and the mine are just a part of Tri-State's transformative Responsible Energy Plan, which is designed to dramatically and rapidly advance Tri-State's clean energy portfolio and programs to serve its member electric cooperatives and public power districts.

"We're not just changing direction, we're emerging as the leader of the energy transition," said Duane Highley, Tri-State's chief executive officer.

The next part of the Responsible Energy Plan was the announcement of six new renewable energy projects in Colorado and New Mexico which, along with two projects previously announced and yet to be constructed, will result in more than 1 gigawatt of additional emissions-free renewable resources being added to Tri-State's power supply portfolio by 2024.



# The long-term renewable energy projects to be added to Tri-State's resource portfolio by 2024 include:

- Escalante Solar, a 200-megawatt (MW) project located in New Mexico.
- Axial Basin Solar, a 145-MW project in northwest Colorado
- Niyol Wind, a 200-MW project located in eastern Colorado
- Spanish Peaks Solar, a 100-MW project, and Spanish Peaks II Solar, a 40-MW project, located in southern Colorado
- Coyote Gulch Solar, a 120-MW project located in southwest Colorado in La Plata Electric Association's service territory.
- Dolores Canyon Solar, a 110-MW project located in southwest Colorado in Empire Electric Association's service territory.
- Crossing Trails Wind, a 104-MW project located in eastern Colorado
  - With the closures of all coal facilities it operates, and these new renewable generation facilities,
    Tri-State is significantly decreasing greenhouse gas emissions to meet state laws and goals. Tri-State will eliminate 100% of its greenhouse gas emissions from coal in New Mexico by the end of 2020 and in Colorado by 2030. By closing Craig Station, Tri-State is committed to reducing carbon emissions from units it owns or operates in Colorado by 90% by 2030.

Some have expressed concern that all these changes would exert upward pressure on Tri-State's rates, but Tri-State maintains that rates will remain stable, or perhaps even lower in the coming years as it will account for coal assets over time through a to-be-determined



use of deferred revenue, and accelerated depreciation or regulatory asset recovery. "The low costs of renewable energy and operating cost reductions will also help to counterbalance the cost to retire coal assets early." says Highley, "With our not-for-profit cooperative business model and strong financial position. Tri-State is favorably positioned to successfully transition our resources at the lowest possible cost."

As Tri-State prepares to make all these changes, the cooperative message seems to shine through. As Tri-State Board Chairman, Rick Gordon says, "Our cooperative and its members are aligned in our transition to clean power. With today's announcement, we're poised to become a new Tri-State; a Tri-State that will provide reliable, affordable and responsible power to our members and communities for many years to come."



### **Congratulations to Julien Brooks of Telluride High School**

His video application to the National Rural Electric Youth Tour was selected by SMPA. He will join hundreds of his fellow delegates on a week-long, all-expense-paid tour of our nation's capital this summer. This opportunity is available every October. *Learn more at www.smpa.com/Community/Youth.* 





REMINDER: A new rate structure is in effect. For many, the increased access charge will be reflected on this month's bill. If you have questions or concerns, please email rates@smpa.com.



This Month's Puzzle: NUE TWIN BIRDS
Hint: Over the course of a year, these can generate usable amounts of electricity over 90 percent of the time.

**SUBMIT YOUR ANSWER** and be entered into a drawing for a fun prize to:

EnergyWise PO Box 1150 Ridgway, CO 81432 SCAM ALERT!

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