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http://www.dchieftain.com/opinion/letters_to_editor/transparency-independence-are-fundamentals-electrical-co-ops-need-to-reinstate/article_4073edd0-42b9-11ea-a733-eb3ba397c5f8.html

Last week our electrical co-op's electrical power supplier, Tri-State Generation and Transmission, announced that they were closing all of its coal power electrical generation plants in New Mexico and Colorado by 2030. The Escalante power plant near Grants, New Mexico will be closed this year, and units one, two, and 3 Plus the Colowyo coal mine in Craig, Colorado by 2030. Tri-State intends to have 50% more renewable energy by 2024 and be 100% renewable by 2040, along the line of PNM. This will result in a 90% reduction in CO2 by 2030 compared to 2005. This is great news in our effort to address the climate catastrophe. However, the transition to renewable, wind and solar and to get off coal, isn't driven by concern for rising temperatures per se, it's economics, wind and solar with battery storage back up, are simply cheaper and a contract can be locked in for 20 to 30 years. So you know the cost. While coal or gas cost of fuel doesn't remain at the same price year to year. Also, a real bonus of switching to wind and solar, they really don't use much of our precious water. Currently, the coal fired power plants here in New Mexico are the second, after agriculture, users of freshwater. Basically for every two glasses of water you drink, the coal plant drinks one.

So while Tri States' announcement that it's shutting down half it's coal power production and actively switching over to renewable power, is exciting, there are still a number of concerns. The first one would be transparency. As both La Plata electric co-op CEO Jessica Matlock, and United co-op Dean Hubbuck lamented, there was little to no collaboration with the Tri-State members on the plan to switch from coal to renewables, or the plan for replacement power. Until a year ago, we co-op members did not know that the 1.3 billion (yes with a B), Tri-State debt was not being paid off. Tri-State simply borrowed money to pay a balloon debt that was due. That means you'd never pay down or off the mortgage on your home.

Then there's the big issue, how much would it cost for each co-op to buy out of its Tri-State contract, which runs until 2050. Kit Carson Co-op (Taos) paid $37million, 3 and a half years ago to buy out its contract. It contracted with Guzman to supply electricity off the open market, and in 2 1/2 more years will have paid off the $37 million Tri-State buyout fee, without raising rates. That means that the Kit Carson co-op members will have a debt load that was $1300 fall to zero dollars.

Actually, if you look at the debt of $1,300 per co-op member and multiply it by the number of members in a co-op, it gives the co-op a pretty good buy out cost. For instants, Kit Carson has 28,538 members which times $1300 equals $37,099,400 and $37 million was paid to buy out their Tri-State contract. Socorro Co-op has 12,759 members, so $16,586,700 to buy out their contract. Why the emphasis on buying out a co-op's Tri-State contract? Currently, the Tri-State contract limits a co-op to being only able to self generated 5% of their own power. That used to work well when power was produced at large coal or nuclear power plants costing hundreds of millions to construct. But today, solar arrays can be located in each co-op service area, thus stimulating local jobs and contributing to the local tax base. While Tri-State can contract for a 1000MW solar array for about three cents a kilowatt hour versus today's cost of coal at 6 1/2 cents a kilowatt hour, your local co-op can contract for a 5 to 10 MW solar array

for $.04-$.05 a kilowatt hour versus the 7 1/2 cents a kilowatt hour you're currently paying on your bill. When you add in the two cents per kilowatt hour, transmission and line loss to ship in out of district solar into your co-op, there's not much of a cost difference, but there is a tax and job investment difference.

Supposedly in April, Tri-State will announce a revision of it's 5% limit on a co-op's ability to self generate electricity. Whether that increases to 15 or 20% or whatever, will undoubtedly dictate whether United and La Plata co-op's decide to buy out of their Tri-State contract. Nonetheless, I think it's really important that any increase in a co-op's electrical usage, or load, from the time the Tri-State contract was signed, that individual co-op decide how to supply that increase in demand. Let the co-op decide if the increase in electrical power is self produced, or purchased from Tri-State, Xcel energy, or PNM, or on the open market. And with EV vehicles about to takeoff, electrical demand will increase substantially. “Principle number four, co-ops are autonomous and any agreements must maintain their independence. Transparency and independence are the fundamentals that our co-ops need to reinstate as we move off dictatorial, top down coal power into distributed, independent, renewable energy.

Ward B. McCartney III

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