

Transforming your electric cooperative's power supply

By Duane Highley Chief Executive Officer Tri-State Generation and Transmission Association

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As a member of Socorro Electric Cooperative Inc., you are part of a larger cooperative family that has delivered reliable and affordable power across your community and others like it for decades. And just as the way your electricity use has likely changed over the years, the way your power is generated also is changing.

As the CEO of Tri-State Generation and Transmission Association, the power supplier to SEC, I want to visit with you about how we are changing to better deliver reliable, affordable and responsible power to you today and for decades to come.

While you certainly know SEC, Tri-State may be unfamiliar to you. We are a member-owned, not-for-profit power supply cooperative created by local distribution cooperatives, like yours. Around the clock, we generate and deliver power to SEC, which delivers power you. With more than 40 cooperatives working together, we are able to do this on a large scale, which is more cost-effective, efficient and helps to manage the many risks that come with securing power.

The way electricity is generated is rapidly changing. New renewable energy technologies from large-scale wind and solar power plants are now the lowest-cost way to generate electricity. Many consumers want electricity generation with lower emissions, and some states – like Colorado – are requiring significant emissions reductions from power plants.

Last year, our members, which own and govern Tri-State, directed that we make significant changes to use more renewable energy, reduce emissions and provide more flexible options for co-ops that want to generate more electricity locally. Our members further directed that we do this while ensuring electricity reliability and striving to reduce our rates.

In January, Tri-State announced our Responsible Energy Plan. The plan fundamentally transforms how we generate power, and does so while protecting reliability and addressing rates. I want to share with you several of the specific steps we are taking to meet our members' goals.

By 2024, Tri-State will add eight additional wind and solar power plants to our system, which more than doubles our clean energy resources. These will be the lowest-cost power generation in our system, and with them we will maintain the high-level of reliability expected by our members. In total, we will have 15 wind and solar projects, each located in the communities served by our members.

To significantly reduce emissions, we are retiring the coal power plants that we operate in Colorado and New Mexico. This action eliminates our coal emissions in New Mexico by the end of the year and in Colorado by 2030. We will continue to provide reliable power, and the cost savings from our renewable energy additions help us to manage the costs of closing these coal power plants. Importantly, we are supporting our employees and the communities affected by these difficult changes.

Some of our members have asked for more flexibility in their power contracts. A new contract option will provide greater opportunities for our members that want to generate more power themselves. Our members will soon have a new contract option to self-supply up to 50% of their power.

We also are working with our members to support greater energy efficiency, and expand the use of electric vehicles and other products that can use cleaner electricity and further reduce costs.

A case study recently published by the Rocky Mountain Institute recognized our efforts, noting how we dedicated more than a year to the development of a thoughtfully crafted, detailed and forward-thinking plan. Our Responsible Energy Plan is what our members asked for and voted to adopt, to lead their co-op into the future.

Our members asked us to transform, and we are doing that while also protecting all of the values that make our cooperative business model unique and special. We can reduce costs and preserve reliability, while decreasing emissions and making investments in the communities we serve. And with you, SEC and Tri-State, we're doing it together.

Duane Highley

Chief Executive Officer

Tri-State Generation and Transmission Association