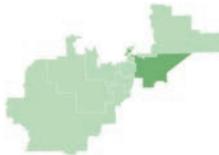


DIRECTOR NEWSLETTER

Play it safe during spring yard projects



BRUFF SHEA
District 5



As we transition from colder months to the warmth of spring and summer, I have several seasonal updates regarding Intermountain Rural Electric Association, as well as tips on how to more safely enjoy your time outdoors.

Call before you dig

It is important that customers be mindful of electric and other utility lines as they begin gardening, landscaping and other outdoor work in these warmer months.

A call to Colorado 811 is the most effective way to avoid the many possible problems caused by hitting a utility line. I urge you to call 811 or visit www.Colorado811.org/ticket-express at least three business days before you start any project that requires digging. Professional utility locators will then mark with flags and paint the locations of underground lines in the area you designate.

You should contact 811 regardless of the extent of your digging. Colorado 811 recommends you make a request even for projects as small as installing a new mailbox. Failure to do so makes it three times more likely that you will hit a buried utility line, which can result in serious injury, fines, costly repairs and service interruptions.

This simple call is well worth the short amount of time it takes to make. IREA pays the cost of this service; there is no charge to you.

Vegetation management

Safety above ground is equally important.

Many spring and summer landscaping projects include the trimming and planting of trees and other vegetation. IREA asks that you consider the location of vegetation so that it won't eventually grow onto or into conductors, transformer boxes and other equipment. Careful placement of trees, shrubbery and other plants helps our field personnel stay safe while working and reduces outages and other problems down the road. You can read IREA's full guidelines regarding vegetation at www.IREA.coop/irea-your-property.

The association does its part to mitigate problems caused by trees and shrubbery through highly-planned vegetation management. Last year we trimmed vegetation along 740 miles of overhead distribution lines, and as of late March we have trimmed more than 200 miles this year. Proactive removal of potentially hazardous vegetation mitigates fire risk and is especially beneficial in the winter, when snow and ice can cause it to interfere with our power lines and create service interruptions.

We also assess and address individual hazards brought to our attention. Don't hesitate to call us at (800) 332-9540 if you spot a potentially hazardous tree near a power line, transformer, pole or other piece of equipment. We will assess the hazard and remove the tree at our cost, if needed.

Education grants

I encourage any and all graduating high school seniors who reside in District 5 and plan to continue their studies at a college, university or

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vocational school to apply for IREA's education grants.

This is the 30th year IREA has awarded these grants. Three winners from each of IREA's seven director districts will be chosen at random via a lottery-type drawing at our June board meeting. A \$2,000 grant can help offset the increasingly expensive tuition, books and other costs associated with higher education. IREA is happy to help the students it serves as they advance their educations.

The easiest way to apply is through our online form at www.IREA.coop/education-grants, though printable forms are available at that same webpage and at any of our four offices. Don't delay; all entries must be received by 5 p.m. Friday, June 1.

Capital credits

IREA's exceptional financial position in 2017 allowed the board to authorize \$15 million in capital credit refunds. You likely saw your refund as a line-item credit on your March bill.

This is the fifth straight year in which we have issued capital credits in the double-digit millions, and in that span we have refunded customers more than \$73 million total.

These allocations of the association's margins are just part of IREA's mission of providing reliable service at low rates. The return of capital credits is fundamental to the cooperative business model, in which customers are the owners and invest capital in the co-op through payment for electric service. My fellow board members and I are committed to returning capital each year, while also meeting the association's financial obligations and installing the facilities needed to keep service reliable.

If you are a new IREA customer and unfamiliar with capital credits, or simply would like to learn more about how they work, visit www.IREA.coop/capital-credits.

Nextdoor

The association is also committed to maintaining an open dialogue with our customer-owners. To that end, we are now part of the Nextdoor online community, located at www.Nextdoor.com.

Nextdoor allows users to directly communicate with neighbors and businesses within their respective communities. As a business, however, IREA's ability to respond to and engage with residential Nextdoor users requires the recommendations of users within the many communities we serve. We would like any IREA customers who also use Nextdoor to recommend us on the site. Doing so will allow us to directly address your and other customers' questions and comments regarding IREA in your community.

We also welcome any suggestions you have for other channels through which we can communicate with customers. Feel free to send those suggestions to CustomerContact@IREA.coop. In the meantime, you can follow and contact us on Twitter (@IREAColorado) and Facebook (IntermountainREA), though our website, www.IREA.coop, is the most useful online resource for info and news regarding the association.

Mountain West Transmission Group

This past September we shared with you via Watts & Volts news of the Mountain West Transmission Group (MWTG).

This group includes electric cooperatives, federal power projects and investor- and municipality-owned utilities that work together to adapt to ongoing changes in the electricity market. One of the MWTG's more recent efforts is an analysis of the costs and benefits of joining the Southwest Power Pool (SPP), a regional transmission organization whose members serve most or all of South Dakota, Nebraska, Kansas and Oklahoma, as well as parts of Montana, Missouri, Arkansas, Louisiana, Texas and New Mexico.

Though IREA is not currently part of the MWTG nor a member of SPP, we have been involved in meetings with the group and have been preparing for the possibility of becoming part of SPP or operating within the ambit of that organization. The SPP initiative is now very much in doubt, as Xcel Energy has announced it is pulling out of the MWTG, effectively ending its interest in joining SPP. It is not clear what the future holds for development of a regional transmission organization in the West.

We believe the intermountain west would benefit from an organized wholesale power market, though SPP may not be the best available option. We will continue our involvement on this subject and let you know of further developments.

Solar projects

You may have heard secondhand about several potential solar projects in the area. I would like to offer some clarification on the issue from the association's perspective.

State law mandates that, by 2020, at least 20% of the energy IREA provides must be drawn from renewable resources. Federal law requires us to purchase power from a renewable energy project that meets specific criteria at our "avoided cost." Our avoided cost is what IREA would otherwise pay for energy generated by sources other than renewable generation. The idea is that if a qualified renewable energy project is developed within our service territory, IREA must purchase the energy from the facility if the price charged by the facility's developer is at or below what IREA would pay for the same amount of energy generated elsewhere. Recent reductions in the cost of solar facilities have brought solar energy prices within striking distance of IREA's current avoided cost, which has led developers to pursue projects in our service territory.

IREA is not currently developing any solar projects and is not able to take advantage of available tax credits that lower the cost of those projects. Several third-party developers have identified sites within IREA service territory where they hope to build solar facilities and sell their output to IREA. Though there are issues to be resolved, it is possible that IREA will purchase power from one or more of these projects. If this happens IREA will not own the facilities and will not pay more for the power produced at these facilities than we pay for our current power supply.

Thank you for your support as the association continues its mission of providing reliable power at low rates.