

Renewable energy grows at IREA



MICHAEL KEMPE
District 1



In December 2016, IREA began receiving energy from a 12.8-megawatt, AC solar photovoltaic plant near Bennett. This is in addition to approximately 11 megawatts of member-owned and smaller Public Utilities Regulatory Policies Act (PURPA)-qualifying facilities. At its June meeting, IREA's Board of Directors approved a long-term power purchase agreement (PPA) with Pioneer Solar LLC for an 80-megawatt AC (nominal 110-megawatt DC) plant, also to be built near Bennett and expected to be operational in 2020 that will produce an estimated 215 million kilowatt-hours per year. To put this in perspective, IREA's typical summer peak is around 550 megawatts and, in 2017, IREA billed more than 2.3 million kilowatt-hours. Thus, this new facility could produce about 9% of IREA's energy.

IREA can do this because the cost of solar has dropped precipitously in recent years, allowing this facility to be built as a PURPA-qualifying facility. IREA currently draws a little more than half its energy from the Comanche III coal plant near Pueblo, some hydroelectric (less than 5%) from the Western Area Power Authority, some member-owned solar, Victory Solar (less than 1.3%), with the remainder purchased through a contract with Xcel Energy. PURPA requires utilities in Colorado to purchase renewable energy from "qualifying facilities" up to 80 megawatts AC if the price comes in at or below the "avoided cost of power," which includes all the ancillary costs such as the cost of back-up power, the value of energy when created, and other factors. IREA's Xcel contract does not foreclose PURPA purchases and the Pioneer project meets the PURPA avoided cost standard. Thus, it is expected that this facility will, even in a worst-case scenario, be revenue-neutral but may save you money while providing clean renewable energy.

IREA turns 80

IREA shares its roots with those of more than 800 other electric distribution cooperatives. In the mid-1930s, nine out of 10 rural homes and 90% of the land mass of the U.S. lacked electric service. Investor-owned power companies had little incentive to serve rural areas because of sparse population and thin returns on investment.

The Rural Electrification Administration was established in 1935 as a New Deal program intended to help lift the country out of the Great Depression by bringing rural America into the 20th century's electrically driven economy. The REA served as the primary source of low-interest loans to prospective cooperative utilities. By the end of 1936, nearly 100 cooperatives in 26 states signed loan agreements through the REA.

On Aug. 24, 1938, seven people from the Bailey area filed for incorporation, and soon thereafter Intermountain Rural Electric Association held its first official board meeting. It took two more years of work before IREA's first 23 miles of line opened to 15 customers. Mergers with and acquisitions of surrounding cooperatives and other utilities followed and, by 1955, IREA was providing electricity to nearly 7,000 customers in Adams, Arapahoe, Clear Creek, Douglas, Elbert, El Paso, Jefferson, Park and Teller counties.

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Another 15 years brought IREA's customer base to more than 15,000, and each subsequent decade saw a huge increase in the number of service locations. By 2002, IREA served nearly 109,000 customers, which made it the 10th-largest and fastest-growing rural electric association in the country. That once-staggering figure of 109,000 now pales in comparison to the 157,000-plus meters we currently serve. IREA currently is the third-largest electric utility in Colorado and the fourteenth largest distribution cooperative in the U.S., with assets of more than \$1 billion. We are moving swiftly into the 21st century economy, with the impending installation of new metering and automated distribution infrastructure and Board of Director approval of a contract for energy from a new 80-megawatt solar project.

Even as we have grown, we have remained steadfast in our mission of providing reliable service at low rates. This mission has been realized through several notable figures and actions:

- Our customer-to-employee ratio of 685:1 is one of the highest among U.S. electric cooperatives.
- IREA has not raised general rates since February 2013.
- We have returned to our customers more than \$73 million in capital credits since 2014.
- More than \$8 million in wholesale power cost savings was returned to customers this past December.

Our commitment to the communities we serve extends beyond monetary savings, though. This year is the 30th in which we have awarded generous grants to graduating high school seniors who plan to continue their education. I'm happy to announce the District 1 recipients of this year's grants, whose names were drawn randomly at the IREA Board of Directors' June meeting:



Patrick Corbley



Mitchel Turano



Christopher Widger

- **Patrick Corbley** of STEM School Highlands Ranch, who plans to attend Colorado State University
- **Mitchel Turano** of Castle View High School, who plans to attend the University of Colorado-Cororado Springs
- **Christopher Widger** of Dakota Ridge High School, who plans to attend Wake Forest University in North Carolina

These students and their peers will have the opportunity to shape our shared future. Some of them, perhaps, will help IREA and the thousands of other U.S. electric utilities as we further our mission of providing reliable service at low rates.

Though IREA's 80-year history has seen many breakthroughs in electricity, the last decade has been particularly exciting, and the technology will only accelerate. IREA will continue to adopt and implement innovations that benefit our customers, just as we have with our outage management system, utility-scale solar generation, advanced metering infrastructure and other technology.

I'm proud to play a role in IREA's rich history, and believe more exciting developments are on the horizon as we turn to the next chapter in that history.

Other 2018 Education Grant Winners

District 2

- Wyatt Brammer of Castle View High School, who plans to attend the University of Colorado in Boulder
- Tyler Krueger of Platte Canyon High School, who plans to attend Metropolitan State University
- Alec Greve of Evergreen High School, who plans to attend Colorado School of Mines in Golden

District 3

- Tucker Miller of Palmer Ridge High School, who plans to attend Metropolitan State University
- Nicole Buckley of Lewis Palmer High School, who plans to attend Marian University in Wisconsin
- Emily Hopfe of Woodland Park High School, who plans to attend the University of Montana

District 4

- Erin Templeton of Regis Jesuit, who plans to attend Washington State University
- Zackery Ruybal of Castle View High School, who plans to attend Arapahoe Community College
- Madison Luna of Ponderosa High School, who plans to attend Colorado State University

District 5

- Tomas Estrella of Legend High School, who plans to attend the University of Northern Colorado
- Jordan Hempelman of Legend High School, who plans to attend the University of Colorado-Cororado Springs
- Ezekial Kinnison of Overland High School, who plans to attend the University of Colorado in Boulder

District 6

- Alex Linhardt of Cherokee Trail High School, who plans to attend the University of Nebraska
- Brayden Bride of Strasburg High School, who plans to attend Metropolitan State University
- Adrian Chan of Regis Jesuit, who plans to attend the University of California-Los Angeles

District 7

- Casey Hourihan of Lutheran High School, who plans to attend Colorado Mesa University
- Annika Williams of Legend High School, who plans to attend the University of Colorado in Boulder
- Paige Bowers of Chaparral High School, who plans to attend Columbia College in Chicago