IREA will refund customers capital credits totaling $16.1 million this month.

This is the seventh straight year in which IREA’s Board of Directors has voted to issue capital credits in the double-digit millions. In those seven years, IREA has refunded more than $105 million to customers.

Most customers will see their capital credit refund payment as a line item on their March bill. A capital credit refund check is printed and mailed if the customer has opted out of the bill credit, is on budget billing, maintains multiple active accounts or no longer has an active account.

IREA is a member-owned cooperative and does not operate for profit. The net earnings of the cooperative are invested in the infrastructure used to provide electric service. Those earnings are carried on our books as capital credits because they constitute the cooperative’s working capital and are credited to each customer based on electric usage. Capital credits represent each customer’s share of ownership of the cooperative.

Each year the cooperative’s Board of Directors considers our financial position and determines whether we are in a position to retire capital credits. With rare exceptions, we have retired capital credits every year since 1965. Our goal — which we have been able to reach in recent years — is to retire capital credits in an amount equal to 5% of our allocated capital credits each year.

For more information about capital credits, visit www.IREA.coop/capital-credits.

Allocations and retirements

A capital credit allocation is the share of IREA’s net earnings assigned to each customer who purchased energy during the year. An allocation is not a deposit of cash; it is a bookkeeping entry denoting an ownership stake in the cooperative. That share increases when additional allocations are made.

A retirement is the amount of the capital credit allocation paid out by the cooperative when the Board of Directors authorizes a refund of capital. Capital credit payments reduce each customer’s capital credit allocation by the amount of the payment.
RTO offers more benefits than EIM

IREA and other Colorado utilities are again looking to the future of wholesale market development in the region. Movement toward a more structured wholesale energy market has been discussed or attempted over the years, with the most recent attempt ending in 2018, when Xcel Energy announced it would not participate in a plan for a group of utilities to join the Southwest Power Pool. The Colorado Public Utilities Commission recently opened a docket to examine the benefits and risks associated with Colorado utilities' participation in any of several wholesale market structures.

Unlike the present system, in which generators are dispatched to meet load within a relatively limited geographic scope, an Energy Imbalance Market (EIM) dispatches the lowest cost-available generators to meet electricity demand across a much wider area. The Western EIM, for example, operated by the California Independent System Operator, includes participants across 10 Western states. This expansion beyond the local area lowers energy costs because low-cost generators have access to a wider market and higher-cost generators can shut down in many hours of the year without affecting reliability. The benefits of an EIM depend upon the willingness of utilities to commit generation and provide transmission capacity.

A Regional Transmission Organization (RTO) can provide additional benefits on top of the cost savings from more efficient dispatch of generators. An RTO provides better coordination for transmission planning, unit commitment (deciding which generators will be available to run) and transmission system use. To procure power from distant generators, a utility currently must separately arrange for transmission rights across each separate system used to transport power to its ultimate delivery point. The utility must pay the owner of each transmission system a fee to move power across its system.

This collection of multiple fees or rates is known as “rate pancaking.” An RTO would set zonal rates which reduces the cost to move power across multiple transmission systems, affording wholesale power purchasers a wider range of counterparties.

Colorado should move toward participation in an RTO as a means to access lower-cost energy and integrate higher levels of renewable generation while maintaining reliable service. This would allow IREA to integrate higher levels of renewable generation, potentially market energy from Comanche Unit 3 and likely reduce wholesale power purchase costs.

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Annual meeting scheduled for Saturday, April 18

The annual meeting of the members of The Intermountain Rural Electric Association will be held at the Association’s headquarters, located at 5496 N. U.S. Highway 85, Sedalia, CO 80135, at 10 a.m. on Saturday, April 18, 2020, to transact the following business:

1. The presentation of reports covering the previous fiscal year.
2. All other business that may properly come before the meeting.

Note: Registration is from 9 a.m. to 10 a.m. on the day of the meeting.
IREA routinely evaluates our distribution system to determine where, when and how much additional capacity is needed. Growing demand, investments in renewable generation and the need to upgrade facilities have prompted the addition of several new substations:

- **Meadows Substation**, currently under construction in The Meadows area of Castle Rock, will help meet demand associated with growth in the area. This substation is expected to be completed this summer.

- **Pioneer Substation**, west of Bennett, will interconnect the 80-megawatt Pioneer Solar facility to our system. Construction is expected to begin in the next couple months and be completed by the end of the year to coincide with Pioneer Solar’s commission.

- **Franktown Substation**, north of the intersection of Highways 86 and 83, will help our existing Castle Rock Substation answer demand from the growing Pinery, Castle Oaks and Terrain areas when it goes into service, tentatively in fall 2021. Construction is planned to begin in early 2021.

- The existing **Brick Center Substation**, south of Bennett, will be expanded to interconnect a future solar facility from which IREA will purchase 45 megawatts of power. Construction is expected to begin in 2021, but will depend on the development of the solar facility.

- **Our continued upgrade of the transmission line between Grant and Como includes replacement of our existing Grant and Roberts Tunnel substations. Construction work on a larger Roberts Tunnel Substation will continue until summer 2021.**

Several other new substations are in the early planning stages, but depend on future need and other factors. Look to future editions of Watts & Volts and our website, www.IREA.coop, for news on these and other system improvements.

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**High school seniors: Apply for a higher education grant**

We have expanded this longstanding program to now award 35 graduating high school seniors grants of $2,000 each to help with higher education expenses. The names of five seniors from each of the seven IREA director districts will be randomly drawn during the June Board of Directors meeting.

To apply for one of IREA’s education grants, each applicant—or applicant’s parent or guardian—must be an IREA customer to be eligible. The applicant must also:

- Be a graduating high school senior in 2020;

- Submit an acceptance letter from a college, university or vocational/trade school; and

- Return a completed entry form by 5 p.m. Friday, June 5, to any IREA office or submit an application, available at www.IREA.coop/education-grants.

**Safety poster contest returns**

IREA wants budding artists to help us promote National Safety Month in June.

Students in grades one through five can enter their hand-drawn artwork for our Electric Safety Poster Contest. Posters should include a tip, slogan or message about electrical safety.

Five winning entries—one from each grade—will be awarded $100 and appear in IREA’s print, electronic and social media channels as part of National Safety Month. They also will be displayed in the lobby of our Sedalia headquarters.

Additional details and the official entry form are available at www.IREA.coop/safety-poster-contest. Submissions must be received by Thursday, April 30.
Newer EV models alleviate ‘range anxiety’

Electric vehicle (EV) sales doubled between 2018 and 2019. Many new EV models soon will be introduced, as manufacturers look to replicate the success of Tesla, whose popular Model 3 accounted for about half of all EVs sold in the U.S. last year. Increasing EV interest likely is attributable to increases in range.

Increasing EV interest likely is attributable to increases in range. Early EV models ran out of battery power in less than 100 miles. This made customers reluctant to purchase an EV because of “range anxiety.” Most currently available EVs have at least doubled that range, and some have more than tripled it.

For Coloradans who have a daily roundtrip commute of 60 or more miles – Castle Rock to Denver, for example – current and upcoming EVs offer a reliable option. The models listed below will achieve at least three 60-mile, roundtrip commutes on a full charge:

- Chevrolet Bolt – estimated 259-mile range
- Nissan LEAF “Plus” – estimated 226-mile range
- Tesla Model 3 Standard – estimated 250-mile range
- Tesla Model 3 Long Range – estimated 322-mile range
- Tesla Cybertruck (expected in late 2021) – estimated 300- to 500-mile range
- Ford Mustang Mach-E (expected in late 2020) – estimated 300-mile range
- For consumers on a smaller budget, the models below are under $35,000 before tax credits, and are reliable commuter vehicles with daily charging at home or work:
  - 2019 Nissan LEAF (base model) – $29,990; estimated 150-mile range
  - 2019 Volkswagen e-Golf – $31,895; estimated 125-mile range
  - 2019 Kia Soul EV – $33,950; estimated 111-mile range

For more information on electric vehicles, visit our webpage at www.IREA.coop/electric-vehicles. Here you’ll find links to an EV buying guide, charging station map, EV cost calculator and info on tax credits.

Vets with disabilities sought for wilderness program

IREA is seeking veterans with disabilities who would like to participate in the No Barriers Warriors program in June and July.

This program takes veterans into the mountains of Colorado for a multi-day experience that typically includes rafting, rock-climbing, hiking and other activities. Up to 50 veterans will be sponsored by CoBank, a cooperative bank that provides financial services to IREA. CoBank will cover the full cost for each participant, and sponsor a group of veterans with disabilities for the No Barriers Summit in California later this year.

Veterans from all eras and branches of service, combat-wounded or training-injured, with physical or “invisible” disabilities, are eligible, but require a nomination from IREA or another CoBank customer. IREA will nominate any eligible veteran who resides in our service territory. Nominations are considered on a first-come, first-served basis. CoBank will make the final determination as to which applicants are accepted for the program.

For more information on the program, visit www.cobank.com/no-barriers. To request a nomination, visit www.IREA.coop/no-barriers-warriors or call (720) 733-5478.

IREA will accept nomination requests through April 1, 2020.