

# IMPENDING RATE INCREASES BEYOND OUR CONTROL

BY TOM WALCH CHIEF EXECUTIVE OFFICER

From time to time, we must work through issues that we do not control. What we can control during these challenging moments, of course, is how we respond.

Your Grand Valley Power Board of Directors is dealing with such an issue. This month, our wholesale power provider, Public Service Company of Colorado (PSCo — a subsidiary of Xcel Energy), is raising the rates that it charges us for the electricity we distribute to you. Because we are a not-for-profit cooperative that manages its operations and finances for the benefit of our members, the issue requires thoughtful consideration.

The first thing you should know is that your directors, elected to represent you in such decisions, have already put in many hours to understand what is happening across the utility market. Like you, they are cooperative members who pay for the electricity that powers their homes and businesses. And like you, they are personally feeling the pressure of inflation and the higher cost of goods and services.

We know that our members want reliable and affordable power, and we keep that at the top of our minds as we continually evaluate how to best serve our members under the duress of rising costs.

It's no secret that energy costs are increasing. The issue is not unique to any one location or sector. The cost of electricity is rising across the country. According to the U.S. Energy Information Administration, the average rate for residential electricity has increased by 10.6% over the last 12 months, the largest year-over-year increase in the past decade. In December, Xcel filed to increase rates for its Colorado retail customers by more than 8%. In the five

years from 2015 to 2020, residential rates were up just 4% across that entire period. For GVP, our rates were flat over this period.

The last two years have seen rapid price increases due to several factors: inflation; pandemic-induced labor and supply shortages; more demand for electricity; the war in Ukraine; and, as I discussed last month in this column, the cost of transitioning to clean energy. The largest impact on energy prices is the cost escalation of natural gas, which has happened rapidly as demand for the power source has shot up and supply markets have tightened. It's a combination of factors that we have never seen before.

Our contract with PSCo is cost-based. Historically, this kind of contract has proven to be an effective way to ensure reliable, affordable electricity for GVP members, but it means that Xcel passes the actual cost of power to us in our monthly bill.

PSCo's rate increase will take effect January 1. As I write this column, we are preparing for the December 14 board meeting during which our nine-member board of directors will discuss and vote on how to deal with PSCo's action. Recognizing that a winter increase, when utility bills are already pushed higher by cold temperatures, might make it difficult for members, the board will delay passing along the increase to members until March. But beginning in March, we will have to pass these higher costs along to GVP consumers.

How will GVP members be impacted by PSCo's wholesale power cost hike? The "average" GVP consumer uses 847 kilowatt hours per month, with 25% of that usage occurring during on-peak hours. This average consumer would see his or her kilowatt-hour charge increase by \$6.85 per month.



TOM WALCH

This increase, however, will only go so far as to cover the power costs that come directly from PSCo. We have also been monitoring the impact inflation has on building and maintaining our distribution grid and serving our members. Managing costs has always been a top priority for GVP team members. We are constantly looking for ways to increase operational efficiencies. Members have a role to play as well. You can help us realize efficiencies by signing up on SmartHub for electronic billing. E-bills help control the growing costs of paper, printing and postage required when we mail monthly bills.

Just as you are seeing with your household expenses, GVP's costs continue to rise. To help manage our increasing costs, the board is considering increasing GVP's monthly Grid Connection charge from \$30 to \$31.50. This way, all members will help cover the expense of maintaining the infrastructure that every member uses. Combined with PSCo's rate increase, we would expect the total increase for the typical GVP consumer to be about 6.7%.

In a not-for-profit cooperative, members also share in any financial returns. When the cooperative's financials allow, and the board votes to retire CashBack Credits as it did last month, members receive a check for their portion of margins (revenues after expenses) according to their electricity usage. Over the past few years, our members have consistently enjoyed the benefit of the CashBack Credit checks that we send out every December.

By the time this issue of *Colorado Country Life* hits your mailbox, the board

will have decided how to deal with the impending PSCo rate increase and inflationary pressures. You can see what they decided by visiting the Grand Valley Power website at [gvp.org](http://gvp.org).

Of course, dealing with rising costs, especially ones that are outside our control, is no fun. And electricity is necessary for our modern-day lifestyles. We all want reliable and affordable power, and we at GVP work toward that every day with our members at the top of mind.

### COMMENTS TO THE CEO

You are a member of a cooperative and your opinion does count. If you have any questions, concerns, or comments, please let me know by writing to Ask the CEO, P.O. Box 190, Grand Junction, CO 81502, or send an email to me at [twalch@gvp.org](mailto:twalch@gvp.org). Check out our website at [gvp.org](http://gvp.org).

### BOARD MEETING NOTICE

Grand Valley Power board meetings are open to the members, consumers and public. Regularly scheduled board meetings are held at 9 a.m. on the third Wednesday of each month at the headquarters building located at 845 22 Road, Grand Junction, Colorado.

The monthly agenda is posted in the lobby of the headquarters building 10 days before each meeting and posted on the GVP website. If anyone desires to address the board of directors, please let us know in advance and you will be placed on the agenda.

### UPDATED PRIVACY POLICY

The Grand Valley Power Board of Directors updated the cooperative's privacy policy on September 21, 2022. These updates make it easier for you to understand the information we collect and how it is used to provide service to you. You can read our privacy policy online at [gvp.org/privacy-policy](http://gvp.org/privacy-policy).

## GET COZY WITH ENERGY EFFICIENCY

We all have our favorite season. Some people love crisp, cool weather and bundling up under a favorite blanket, while others prefer the warm temperatures summer brings and all the fun outdoor activities that go with it. But there's one thing we can all agree on: high winter bills are never fun. Grand Valley Power is here to help you find ways to manage your home energy use and keep winter bills in check. Here are five tips to help increase your home's energy efficiency and save with Time-of-Use this winter:



**Use window coverings wisely.** Open blinds, drapes or other window coverings during the day to allow natural sunlight in to warm your home. Close them at night to keep the cold, drafty air out. If you feel cold air around windows, consider hanging curtains or drapes in a thicker material; heavier window coverings can make a significant difference in blocking cold outdoor air.



**Mind the thermostat.** This is one of the easiest ways to manage your home energy use. Consider preheating your home before on-peak hours begin. You can do this by adjusting your thermostat to 68 degrees (or higher) during off-peak hours and reducing the temperature once on-peak hours arrive (4–9 p.m. daily). In addition, when you're sleeping or away for an extended period of time, try setting your thermostat between 58 and 62 degrees; there's no need to heat your home when you're away or sleeping and less active.



**Consider your approach to appliance use.** When combined, appliances and electronics account for a significant chunk of our home energy use. Consider shifting your energy use to off-peak hours of the day. In addition, look for electronic devices like phone chargers or game consoles that consume energy even when they're not in use, and unplug them to save energy. Every little bit helps.



**Button up your home.** The Department of Energy estimates that air leaks account for 24% to 40% of the energy used for heating and cooling a home. Caulking and weather stripping around windows and doors is another simple, cost-effective way to increase comfort and save energy. If you can feel drafts while standing near a window or door, it likely needs to be sealed.



**Think outside the box.** If you're still feeling chilly at home, think of other ways to warm up — beyond dialing up the thermostat. Add layers of clothing, wear thick socks, and bundle up under blankets. You can even add layers to your home. If you have hard-surface flooring, consider purchasing an area rug to block cold air that leaks in through the floor.

Winter months often bring some of the highest energy bills of the year, but by making simple changes, you can increase the comfort of your home and reduce monthly bills. Visit our website at [gvp.org/energy-efficiency](http://gvp.org/energy-efficiency) for additional energy-saving tips.

## Energy Efficiency Tip of the Month

Did you know insulating your electric water heater can reduce standby heat loss by 25%–45%? This could save you 7%–16% on annual water heating costs. Insulating your electric water heater is an easy, inexpensive project that can improve energy efficiency and save you money each month. The Dept. of Energy rates this project as medium difficulty, meaning most homeowners can tackle this project on their own. You can purchase pre-cut jackets or blankets for about \$20 at most home improvement stores. Visit [energy.gov](https://energy.gov) for project tips and additional considerations.

Source: [energy.gov](https://energy.gov)



## GRAND VALLEY POWER GOES THE EXTRA MILE

BY DANA POGAR GVP COMMUNICATIONS SPECIALIST



DANA POGAR

I love the feeling of walking into my favorite hometown shop, restaurant or store knowing that the profit, product and labor can positively impact my community. The spirit of Main Street is embodied in these local businesses, just like it is at Grand Valley Power.

Electric cooperatives are as local and community-centered as they come. Founded as a way to bring electricity to communities that weren't attractive to investor-owned utilities, electric cooperatives have been a cornerstone of remote communities and economic development in rural America for decades.

The feeling I get when I frequent local businesses in our community is the same feeling I get when I walk into work at the co-op every day: it is a feeling of pride. I am proud to be a part of an organization that goes the extra mile for our community and members. But how do we do this?

### UNIQUE SERVICE TERRITORY

One of the many ways your cooperative goes the extra mile is by delivering electricity to members in the state's most remote and rural areas. From the rugged terrain of the Grand Mesa to the rolling hills of Loma, Grand Valley Power has one of the most unique and challenging service territories in the state.

Additionally, electric co-ops maintain more miles of power lines per consumer than other electric utilities. In fact, GVP serves approximately 11 consumers per mile of line. Compared to investor-owned utilities, Grand Valley Power serves 65% fewer consumers per mile of line. Even

though we power fewer consumers on our lines than other providers, GVP will always go the extra mile for you, the members we proudly serve.

### UNMATCHED RELIABILITY

Across our treacherous terrain, GVP employees understand that cooperative members count on us for an essential need — electricity — that makes the world go 'round. In 2021, Grand Valley Power was ranked number one with the lowest number of outage minutes per consumer in Colorado. What does this mean? It means that GVP's mission of delivering safe and reliable electricity stands tried and true. Rain or shine, our crews are here for you.

### EMPOWERING LIVES WITH HOMETOWN SERVICE

Finally, the Grand Valley is where we make our homes. Each of us here at the co-op is proudly serving our friends, family and neighbors. When you call Grand Valley Power, you are greeted with a friendly voice — not a recording. The same principle goes for when you visit our office. You will always be greeted with a warm smile and a familiar face. After reading this column, I hope you view Grand Valley Power not just as your electric utility provider but as a local business that goes the extra mile for you, our members.



**ATTENTION HIGH SCHOOL JUNIORS & SENIORS!**  
*You Could Spend a Week in Washington, D.C., All Expenses Paid!*

Are you a high school junior or senior whose family gets its electricity from Grand Valley Power? Do you have big dreams of seeing the country? Do you like history or want to shake hands with your congressman? Do you like to travel? Do you want to meet new people from Colorado and across the country? If you answered yes to these questions, then the Washington D.C. Youth Tour is for you.

Candidates compete for a spot in the Washington D.C. Youth Tour, a week-long all-expenses-paid trip to Washington, D.C., sponsored by Grand Valley Power and organized by the Colorado Rural Electric Association, the National Rural Electric Cooperative Association and the Colorado Electric Educational Institute.

## AN EXPERIENCE OF A LIFETIME

*"Wow. That was my first reaction as the bus pulled into the city. In fact, that was my reaction about the whole trip. In D.C., we got to see just about everything: Capitol Hill, the Lincoln Memorial, Arlington National Cemetery, the Smithsonians, the Pentagon and even Mount Vernon. Every time we arrived at a new destination I was in awe and overwhelmed with emotion. Our schedule was jam packed. Our days started at about 7 a.m. and didn't end until 11 p.m. or later each day. To say the least, I was tired.*

*"This trip has taught me the importance of our history and honoring the things our country has gone through to get to where we are today. I have learned Washington, D.C., in fact, isn't all about politics and people arguing. It is about who we are as a country and it is a stance of strength. My trip has affected me in the most positive way. It reminded me of the endless possibilities our country has to offer, but it has, more than anything, made me proud to be an American."*



**Kianna Colaizzi**  
**GVP Youth Tour Scholar**

*Applications Due January 9!*  
[gvp.org/youth-leadership-programs](http://gvp.org/youth-leadership-programs)