

SOMETHING WE CAN ALL AGREE ON

BY TOM WALCH CHIEF EXECUTIVE OFFICER

Republican versus Democrat. Socialist versus capitalist. Urban versus rural. Hawk versus dove. Fossil fuel versus renewable energy. Vegetarian versus meat eater. Rom-com versus thriller. It seems like people today deal with more disagreement and discord than we have ever seen before. At times, it seems like there is nothing we can agree on.

Even so, I can think of one area where just about all of us agree: We like a reliable source of electric energy. We want electric power that is available whenever we flip a light switch, fire up the coffee maker, power up the computer, or settle in for an evening of movies on Netflix or Prime. If you think we are disagreeable now, imagine how hard it would be to get along with each other if we didn't have these little luxuries and escapes.

Grand Valley Power is responsible for providing reliable power to its members. All members. Not just the ones who are easy to reach with electric lines. Not just the ones who have big loads. Not just the ones we agree with. We have an obligation to provide reliable electric service to all consumers in our service territory. We serve our consumers with electricity that is available virtually 24 hours a day, seven days a week, 365 days a year. That is a little different from providers that serve people only when they can make a profit. That is different from those that provide power only when the sun is shining.

It is a challenge to meet this obligation to serve, but Grand Valley Power is up to the task. As a distribution cooperative, we do it two ways. First, the most visible way that we provide reliable electricity is with our local distribution grid. This consists of the substations, poles, wires, transformers, and other equipment that transports electrons from the transmission grid to the

homes and businesses of our members. Grand Valley Power has more than \$100 million invested in its distribution grid, and we must continue to make investments to maintain it, improve it, and expand it.

The second thing Grand Valley Power must do to provide reliable electric energy is to secure generation and transmission to ensure that all our members have all the power they need whenever they need it. This job was a lot easier when there was a big fleet of coal plants that produced power around the clock, and peaking gas generation plants that could be fired up quickly when demand for electricity was at its highest. With the clean energy transition and increased reliance on intermittent wind and solar generation, it is much more difficult to provide reliable electricity during periods of peak demand, which often occur when the sun isn't shining, and the wind isn't blowing.

The foundation of a reliable source of electricity is the distribution grid that carries it to our members' homes, and that grid has a cost.

Grand Valley Power isn't big enough to meet this challenge without help. Help has traditionally been provided by wholesale power providers that commit to providing all the power our consumers need. But to get them to make this commitment, Grand Valley Power must, in turn, commit to buying all the power it needs from the same wholesale power provider. The wholesale provider relies on this commitment from the distribution cooperative to make the investments it needs to generate and



TOM WALCH

transmit electricity to our local substations. As most of you know, we have had this kind of “full-requirements” arrangement with Xcel Energy since the early 1990s. That will change in four years, when Grand Valley Power transitions to Guzman Energy as our full-requirements provider.

I hope you agree with me that there is real value in the work that Grand Valley Power does to provide reliable electricity for our members. There are other providers that make their living selling and promoting solar-generated electricity. I have heard some of these folks trumpet “the value of solar.” I acknowledge that solar has real value. When the sun is shining, it is a good source of affordable kilowatt hours. Incorporating solar into our energy portfolio reduces our carbon emissions and reduces the impact of climate change. But we should all understand that we can't rely on solar for all-important reliability.

The foundation of a reliable source of electricity is the distribution grid that carries it to our members' homes, and that grid has a cost. The grid has been built by the determination and dollars of our members who wanted to create a co-op that would bring electricity to their homes when no one else would.

Grand Valley Power is that co-op, and we have a vested interest in providing our members with reliable electric energy at-cost. We can trumpet the value of our \$100 million-plus distribution grid. We can preach about the value of reliability. But we will do more than that. We will provide all of our members with all the power they need, whenever they need it, at a cost that is fair and equitable. This is our commitment.

Member Capital Allocation Notices in the Mail

Members who purchased electricity from Grand Valley Power in 2023 should have recently received their member capital allocation notice by mail. As a member of Grand Valley Power, you participate in our cooperative's financial success with every electric bill you pay.

Member-owned, not-for-profit electric co-ops set rates to generate enough money to pay operating costs, make payments on loans, and meet other fiduciary obligations. At the end of each year, we subtract operating expenses from the operating revenue collected. The balance is called an operating "margin."

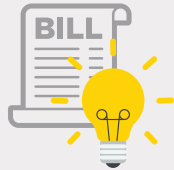
The operating margin is allocated back to the members each year as member capital based on the amount paid by each member. This member capital is used to help pay for the construction and maintenance of our electric distribution system.

When the financial status allows, the board can direct Grand Valley Power to refund or "retire" a portion of this member capital in the form of Cashback Credits paid to the members. Cashback Credits checks are typically mailed in December. The payment of Cashback Credits is made at the discretion of the board of directors.

Member Capital Allocation

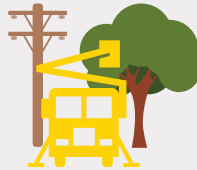


Grand Valley Power is a not-for-profit cooperative. After expenses have been paid, remaining funds (margins) are allocated to Member Capital accounts. Member Capital is allocated based on the amount paid by each member. The co-op keeps a record of each member's capital account, which grows every year that a member remains on our lines. Member Capital Allocation notices are usually sent in late spring to notify members of their allocated Member Capital funds for the previous year.



Revenues

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Expenses

=



Co-op Margins

Margins left over after expenses are paid are allocated to members as Member Capital.

Funding Ongoing System Improvements

Sound business practices require GVP to operate with margins to maintain its fiscal health. GVP uses these margins, or member capital, to help pay for the construction and maintenance of its electric distribution system and to minimize the amount of money the cooperative has to borrow.



When the financial status allows, Grand Valley Power's board of directors can authorize the cooperative to refund or "retire" a portion of member capital in the form of Cashback Credits paid to members. Cashback Credit checks are typically mailed in December.

How You Get Cash Back Over Time

gvp.org/CashBackCredits

Retiring

After **16** Years
OF HARD WORK & DEDICATION

Instead of fighting cyber crime, she will be at the local tennis courts!

Congratulations, Karen!

IT MANAGER KAREN ALLEN

GVP
GRAND VALLEY POWER
Empowering Lives with Hometown Service
A Truist Energy Cooperative

GVP Brings Home Communication Awards


Grand Valley Power has received both state and national recognition for its communication, including the top state award. Grand Valley Power won Best Overall Excellence in Communication for 2023. *Colorado Country Life's* Excellence in Communication contest recognizes the best in writing, photography, and overall publication among Colorado's electric cooperatives.

Additionally, staff members received state awards in other categories. Chief Executive Officer Tom Walch received first place in the Industry Article category for his piece titled "Standing Up for You," and second place in the Community Article category for his article, "Your Connection to Grand Valley Power."

Director of Marketing and Communication Rita Sanders received a second place award for her photo, "For the Birds." And Dana Way, a former communications specialist, won first place in the Best Safety category for "Electrical Safety Scavenger Hunt," a kids activity.

Grand Valley Power's local pages in *Colorado Country Life* and the 2023 annual report also garnered awards in the 2024 Spotlight on Excellence Awards program, a national competition among America's electric cooperative communicators. Grand Valley Power received Silver Awards in the Best External News Publication and Best Annual or Impact Report categories for the magazine and the "Annual Report to Our Members: Rooted and Resilient." The national competition is sponsored by the Council of Rural Electric Communicators and the National Rural Electric Cooperative Association. The annual Spotlight on Excellence Awards program recognizes the best communication and marketing efforts by electric cooperatives and related organizations nationwide. More than 800 entries were submitted by 179 cooperatives



 (left to right) Director of Marketing and Communication Rita Sanders, Chief Executive Officer Tom Walch, Energy Services Administrator Destry Smith, Chief Administrative Officer Derek Elder, and Communications Specialist Tanya Marchun bring home awards for their work communicating with Grand Valley Power members.

across multiple categories, including writing, graphic design, digital communications, campaign development, and more. Faculty members from the University of Missouri Columbia and noted professionals in the fields of marketing, digital communications, and newspapers judged the entries.

"We are honored to accept these awards for Grand Valley Power," Sanders said. "Keeping members informed about the critical work that the cooperative does to provide safe and reliable electricity at cost is key to our mission of empowering lives with hometown service. It is a joy to tell the stories of our members and the team that does this important work."

WIRED WISDOM

Knowledge for Powering Your Life

Is solar right for me? Consider roof age and shading and your motivation (financial, environmental).

Will solar eliminate my monthly electric bill?

No. While solar will offset some of your bill, you will continue to pay the monthly connectivity fee. You will also have the added monthly expense of your solar system loan.

Some members have shared that the combined cost of a solar loan and their remaining electric bill exceeds their average bill pre-solar.

Questions? Call GVP to learn more about solar and how it can affect your monthly bill. (970) 242-0040.



HAPPY FATHER'S DAY!

June 16

2024



SCHOLARSHIP WINNERS



MADISON HAWKINS

Fruita Monument High School
Jack Broughton-Colorado Mesa University Scholarship



LILLY PRESTON

Palisade High School
Grand Valley Power Scholarship



TIYALA HOLTON

Central High School
Grand Valley Power Scholarship



FERNANDO GUTIERREZ

Grand Junction High School
Grand Valley Power Scholarship



ANNA STONE EWING

Grand Junction High School
Grand Valley Power Scholarship



COLTON ECKARDT

Caprock Academy
Grand Valley Power Scholarship



MELISSA MARTINEZ

Regis University
Grand Valley Power Scholarship



ALANA WADE

Grand Junction High School
Cooperative Leadership Camp



LILIANA DAVIS

Central High School
Washington D.C. Youth Tour



SYDNEY MAURER

Palisade High School
Cooperative Leadership Camp