

WEIGHING THE PROS AND CONS OF CLOSING THE ENERGY GAP

BY RYAN ELARTON GENERAL MANAGER



RYAN ELARTON

I am going to get straight to the point: The energy gap is real and it's not going to close by itself.

Colorado's declared target of reaching 100% clean energy generation by 2040 is a lofty goal. But what is the cost and reality of achieving it? What are the consequences of getting close, but not all the way?

Closing the energy gap poses a serious challenge to San Isabel Electric member-owners and utilities across our state. It's something all of us should be thinking about because today's society has an ever-growing number of things that increase the demand for electricity. Plus, eliminating the use of fossil fuels to generate electricity would have adverse effects on southern Colorado's job market and the local economy.

How do we generate enough energy to meet our needs without relying on outdated, unreliable, or overly expensive methods?

The conversation is dominated by renewable solutions like solar panels and wind turbines.

Here's the harsh truth, according to the energy experts: While renewables have their place, they're not fully up to the task, at least not now. Do we completely rule out renewables to get us to Colorado's clean energy goals? Do we build more fossil fuel stations or nuclear power? Or is it something else entirely? The reality is, no one has the full answer yet. And there isn't a one-size-fits-all solution.

In southern Colorado, no two communities are exactly alike. Each has specific needs. The small farming community of Hoehne and the more densely populated community of Pueblo West use energy in different ways and at different times. There's not one model for how each community should use energy.

Closing the energy gap is a tough conversation nobody wants to have, but it's time we face it head-on.

Over the next several months, we'll lay out the facts — no sugar-coating and no biases. We'll dive into four of the most practical options: Nuclear power, natural gas turbines, geothermal energy, and renewables paired with batteries. We'll dissect the pros, the cons, and, most importantly, the cold, hard, practicality of each option for southern Colorado.

Throughout this series, we'll focus on what matters most to our members: safety, reliability, affordability, and job creation. It's up to us to make the tough choices and get it done. We need to be present now if we want a better energy future.

ELECTRIFICATION OPTIMIZATION

BY TREVOR VIGIL COMMUNITY OUTREACH COORDINATOR

Brad Atchison and Nicole Copel have been San Isabel Electric Association member-owners for 20 years, but it was not until a year ago that they felt like members.

After seeing San Isabel Electric's electrification of the La Veta Public Library — where Atchison serves on the board — he approached us wanting similar work done on his 105-year-old home. Atchison learned we could help him with this project in ways he had not previously realized.

"I knew [SIEA] offered some services such as selling appliances or helping upgrade from propane to electric. I wasn't aware that you would help with contract management."

Because of the services he knew we offered, and benefits he became only recently aware of, Atchison wanted help with a large-scale overhaul of his home energy system, which was previously reliant on propane. This included adding an electric thermal storage (ETS) heater, with wiring and construction primed for the addition of another sometime in the future. The home was also entirely rewired to replace the knob and tube wiring, and an electric vehicle charger was installed.

Throughout the project, Atchison was impressed with our dedication to making the transition from propane to electric seamless and simple. "I was surprised how hard SIEA worked to make this transition easy for us."

After project completion, Atchison noticed the benefits of a fully electrified home. He discussed the burden of maintaining a woodburning stove and the costs of a propane heater. In contrast, he is pleased with the ease of use that comes with a fully electric system, and other benefits — including cost.

The couple reported their electric bill was surprisingly low considering the additions. He also noted cost consistency as a welcomed change. "[Our] propane bill was pretty inconsistent; having a predictable electric bill is so much more convenient."

Member-owners who have an ETS heater are eligible for SIEA's Time of Day rate. The rate benefits members because electricity is nearly half the price during off-peak times: 14 hours per day in the winter, and eight hours per day in the summer.

Atchison talked about how he and his wife have optimized their costs by taking advantage of the Time of Day rate and using electricity during off-peak hours. For example, Nicole fires the kilns in her pottery studio during these times.

The combination of service, cost-effectiveness, and improved quality of life left Atchison and Copel satisfied with the project. The experience helped the couple realize what co-ops are all about, "I've been a member, for probably 20 years now, but this was the first time that I realized I have this service because I'm a member, I'm part of this company."

Are you interested in electrifying and upgrading your home's energy system? Contact SIEA for more information.



▲ Nicole Copel and Brad Atchison at home.



▲ Nicole works in her pottery studio and fires up her kilns during off peak times. This helps the couple take advantage of San Isabel Electric's Time of Day rate and save money on their electric bill.



▲ Brad adjusts the new electric thermal storage (ETS) heater at the couple's home. SIEA helped facilitate the large-scale overhaul of their home to update the home's energy system to electric.



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REFUND ALERT!



Did you get a capital credit refund check in September?

Check out siea.com/capitalcredits to learn more about this cool co-op perk!

CAPITAL CREDITS – HOW IT WORKS

San Isabel Electric is a not-for-profit cooperative electric utility, meaning we operate at cost. We allocate any excess money that wasn't used for running the business or investing for the future back to you. We call that unused money "capital credit."

1. We track how much electricity you buy and how much money you pay for it throughout the year.
2. At the end of the year, the company determines if there was excess revenue not used for operating and reserves.
3. If there is an excess, the funds are divided up among member-owners as capital credits for that year, based on how much electricity each member-owner purchased.
4. Every year, if it is financially safe to do so, the board "retires" the capital credits, or refunds the money back to you.
5. SIEA sends capital credit refund checks in the mail, typically every September.
6. If you receive a capital credit check, it reflects your share of the excess revenues based on the amount of electricity you used during the years of the capital credit retirement.
7. If you don't cash your check, your name goes on our Unclaimed Capital Credit list. The list is published in Colorado Country Life every April. It is also updated online at siea.com/capitalcredits where you can search for your name to see if we owe you money; you can file a claim if you find your name.
8. We follow state law returning unclaimed funds. If your capital credit refund is unclaimed after three years, the funds cannot be used for operational expenses. Instead, the Board of Directors uses it to grant scholarships and to donate to community events and programs. You can learn more about how to apply for a donation at siea.com/donations.

CAPITAL CREDIT REFUND YEARS

In 2024, nearly \$1.5 million in capital credits were retired. Member-owners who were members during 1992, 1993, 1984, 1985, and 2023 were issued a check. If your total capital credit refund was less than \$10, the balance will be held until a \$10 threshold is met, and then a check will be issued.



STAY IN TOUCH Have you recently moved?

We find that unclaimed capital credits are typically not claimed because we have incorrect or outdated contact information.

Because payments continue to be made many years after credits are earned, please ensure that San Isabel Electric always has your current mailing address.

To make sure you get your capital credit checks, email SIEA with your name and current address to capitalcredits@siea.com or contact our office at 800-279-7432 and ask for the Capital Credits department.

BRINGING A SENSE OF HUMOR TO SERIOUS WORK

After 28 years of service with San Isabel Electric Association, Anthony Ortega — Line Foreman for the Trinidad linecrew — retired in August.

The Trinidad linecrew has long been the closest of San Isabel Electric’s three line teams; coworkers credit Ortega for fostering that bond.

“He’s the one that makes the camaraderie, bringing everyone together through lightheartedness and fun,” Safety and Compliance Manager Lonny Rhodes said.

Rhodes and Ortega were both young journeymen when they were hired. They learned from each other for 25 years. By the end of Ortega’s career, they were both mentoring others. Rhodes shared that he enjoyed Ortega’s knack for playful banter.

Even SIEA employees who didn’t get to

work closely with Ortega say they appreciated his lighthearted, easygoing nature; many say he was a great person to work with.

Lineworkers have a demanding job that requires intense focus. Ortega knew when to be serious, but also knew when to find time for a joke.

Tara Reese, SIEA Engineering and Operations Administrative Assistant, recalled, “One time when Anthony called, I told him, ‘The only reason you ever call me is when you want something.’ After that, he’d call about once a month just to say, ‘Hi.’”

Ortega’s retirement announcement caught some by surprise. “I bet him \$100 that I’d retire before he does,” Rhodes said. “I guess I need to pay up.”

Ortega himself thought he’d work a few more years, but after handling several large

outages in early 2024, he decided it was time.

“His kids — and now being a grandpa — are important to him,” Rhodes added. “Getting to be a grandpa is a big deal to him.”

“I never thought I’d miss the early mornings and long shifts. It’s weird, I can’t shake this feeling like I need to get ready for something. I’ll get used to it. But it’s the guys I miss the most. I haven’t been around them much since retiring, but that’ll change soon. I’ll fix that,” Ortega said.

“From my first day meeting Anthony and throughout his career, I enjoyed his caring, playful nature and appreciated his dedication to helping our members,” Ryan Elarton, General Manager said.

Congratulations, Anthony, on a great career. We at SIEA wish you the best in your retirement.

DONATION IMPACT REPORT

JULY & AUGUST 2024

The following donations were approved during July and August’s board meetings. All donations were matched by Basin Electric Power Cooperative.



PUEBLO COUNTY			
Assistance League of Pueblo	Holiday Fashion Preview	\$1,200	Pueblo Co.
Beulah Educational Support Team	Beulah Challenge	\$800	Beulah
Pueblo West Community Xeriscape Gardeners	2024 Garden Improvements	\$800	Pueblo West
Pueblo West Parks & Recreation	2024 Halloween Bash	\$500	Pueblo West
Pueblo West High School	Community Sponsorships Advertising	\$1,000	Pueblo West
Pueblo West Chamber of Commerce	PWCC Red White and Blue Golf Tournament	promo items only	Pueblo West
HUERFANO COUNTY			
Walsenburg Downtown Revitalization Committee	Mountain Mining Days	\$3,000	Walsenburg
La Veta Village, Inc.	Legacy Golf Tournament	\$500	La Veta
LAS ANIMAS COUNTY			
Town of Aguilar	Aguilar Senior Center Kitchen Remodel	\$4,036	Aguilar

San Isabel Electric operates under seven cooperative principles which includes practicing a Concern for Community. Each board member lives in the community they serve, and we all work together to help our communities thrive.

Each month, the Board of Directors donates to community projects to help keep our communities strong and growing. All philanthropic funding comes from unclaimed capital credits not from member rates and electric bills. Our process for using unclaimed capital credits follows state law for unclaimed property. Unclaimed capital credits cannot be used for system improvements, maintenance, payroll or other overhead costs.

For more information about capital credits and unclaimed capital credit, visit siea.com/capitalcredits.