

YOUR CO-OP NEWS

increase in 2027 and it may include an increase for EEA base rates as well as an increase due to increased purchased power costs. Part of the rate change will be a realignment of EEA Time Of Use On and Off Peak energy charges to reflect the trend we are seeing in our wholesale power costs. This change will show a wider price difference in the On and Off Peak energy charges. The difference is due to lower energy charges we are seeing plus the increased demand charges. The revenue for demand charges EEA pays Tri-State is collected in the On Peak energy rate. If the Tri-State demand rate increases, EEA will need to increase the

On Peak energy charge to ensure we collect enough revenue to operate.

As you think through the impact of a potential increase in your 2027 electric bill, remember that you have opportunities to soften the impact. Using less energy through free conservation measures or energy efficiency upgrades will help you reduce your bill on any rate. If you are on a Time of Use Demand rate, shifting energy use to Off Peak hours and avoiding using high demand appliances at the same time will also reduce your bill. For tips on how to save or to compare rates, please visit eea.coop.



Tri-State's rates remained relatively flat 2016 through 2024. As cheaper but intermittent renewable power generation became more prevalent, energy prices have dropped but capacity prices have increased.

MONTHLY CALENDAR AND CO-OP PHOTO CONTEST WINNER

August 14 – EEA board meeting begins at 8:30 a.m. at 23999 Road L.4, Cortez, CO. The agenda is posted 10 days in advance of the meeting at eea.coop. Members may attend in person or remotely. Instructions to attend remotely are included on the agenda.



Peek-a-Boo
Photo by Cindie Miller

An Evolving Power Market

By **Andy Carter** Member Engagement Manager

While Empire Electric Association continues to see modest load growth in our area, some parts of the nation are experiencing a far more rapid pace, and the overall impact on the wholesale electricity market is an increase in the cost for the facilities required to generate and deliver safe and reliable power. This, coupled with a change in the type of generation used to make electricity and their associated costs to produce a kilowatt-hour, are having an impact on EEA's purchased power prices. If you guess prices are going up, you would be partly correct. EEA is seeing an increase in the wholesale demand charges we pay for capacity but a decrease in the energy charge.



they place on Tri-State's generation and transmission capacity as well as for the energy consumed. Tri-State demand charges are determined by dividing the dollars required to make capacity available by the forecast kilowatt demand. Tri-State then charges each member cooperative the calculated generation and transmission rate for the highest demand each cooperative places on its system.

A cooperative that has a higher demand will have larger demand charges. As Tri-State's cost to acquire and maintain generation and transmission capacity increases, a corresponding increase must take place in its demand rate if it is to recover enough revenue to operate.

CAPACITY VERSUS DEMAND

Capacity and demand are both measured in kilowatts, but they are on opposite sides of the market. The rated capacity of a generator tells us how much power it can produce. The rated capacity of an electric line tells us how much power it can move from one point to another. Combining the capacities describe the power supply that is available. Demand is the power requirement customers need to perform work like cooling a home or powering an internet server. Demand by customers drives the power supply.

Not-for-profit utilities like EEA and EEA's wholesale power supplier Tri-State Generation and Transmission Association design their rates to recover costs in a fair manner. Tri-State uses a rate design that charges member cooperatives for the demand

DEMAND VERSUS ENERGY

Demand describes a customer's power requirement to accomplish their work. Energy describes the power being used as the customer performs work over time and is measured in kilowatt-hours. The Tri-State energy charge is determined by dividing the dollars required to use the generator by the forecast kilowatt-hour sales. The average cost to produce or purchase a kilowatt-hour has been decreasing because of the changing generation mix. Renewable power generation is less expensive to operate, and as Tri-State's power supply moves toward more renewable sources, its energy charge has decreased accordingly.

IMPACT ON EEA RATES

Board President David Sitton mentioned in his annual meeting report that EEA is likely to have a rate



EMPIRE ELECTRIC ASSOCIATION, INC

Empire Electric Association's primary mission is to safely, responsibly, and reliably meet the electrical energy needs of our member-owners.

Office Hours

Monday–Thursday — 7:30 a.m. to 5:30 p.m.
Friday — 7:30 a.m. to 11:30 a.m.

23999 Road L.4
Cortez, CO 81321
phone 970-565-4444
toll free 800-709-3726
pay by phone 833-923-1409

eea.coop

Facebook.com/EEACortez

@eeacortez