

LPEA Currents



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BOARD OF DIRECTORS

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- Pam Patton, secretary — District 4
- Joe Wheeling, treasurer — District 4
- Jeff Berman, director — District 3
- Herb Brodsky, director — District 4
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- Tom Compton, director — District 2
- Bob Formwalt, director — District 1
- Harry Goff, director — District 3
- Bobby Lieb, director — District 3
- Davin Montoya, director — District 2

MISSION STATEMENT

La Plata Electric Association provides its members safe, reliable electricity at the lowest reasonable cost while being environmentally responsible.

**NEXT BOARD OF DIRECTORS MEETING:
WEDNESDAY, AUGUST 19, 9 A.M.
LPEA HEADQUARTERS, DURANGO**



No Summer Vacation for Your LPEA Directors

BY TERRY ALLEY, LPEA BOARD PRESIDENT

The summer of 2009 has been a busy one for your La Plata Electric Association Board of Directors and staff, and to keep you up-to-date, I'd like to cover just a few of the priority items.



Terry Alley

The first is in the area of growth. As everyone is aware, our area is a reflection of the national economy and residential growth is down when compared to recent years. However, growth in the gas field industry in southern La Plata County is keeping the staff busy. While the drop in natural gas prices has slowed construction somewhat, thus far this year 22 miles of distribution line has been constructed and additional miles are planned to bring power to the new wells. Several new substations are also planned to accommodate this growth. LPEA has policies and regulations in place that insure that the individuals or companies creating this growth — not the membership — are responsible for the up-front costs of expansion.

LPEA is also busy monitoring the carbon tax or climate change legislation, and, as you know, The American Clean Energy and Security Act of 2009 (HR 2454), also referred to as the Markey/Waxman bill, has passed the House. The bill, as currently written, sets limits on carbon dioxide emissions for producers of electricity in each state and creates a program where producers could purchase credits for emissions that exceed those set limits. LPEA is working with other organizations to ensure that the final legislation truly protects the environment and has a reasonable impact upon our membership.

The expanded use of renewable ener-

gy is also an area of great interest for LPEA. We are striving for an increase in use of renewable energy by LPEA itself, by our power supplier Tri-State Generation and Transmission and among our members. One of our Corporate Goals for 2009 is, "Support the development of additional local renewable generation and enhanced conservation and energy efficiency."

LPEA has an established program that will rebate \$2 per watt of installed capacity — up to \$3,000 — for members installing solar, wind or hydroelectric technology. Thus far, 84 members have applied for and received the rebate.

Further, LPEA hopes to expand the amount of renewable energy it purchases. To that end, Tri-State, our power supplier, has adopted policies that allow each co-op to purchase as much local renewable energy that each co-op can obtain and afford.

Another of our Corporate Goals for 2009 is, "To improve communication with LPEA's members on future challenges for the electric industry and the reliability of electric power." During the coming year we plan to expand and increase the amount of information made available to you the member. We want to be sure we provide you with enough information so you have an understanding of the future challenges we will face to meet the growing need for safe, reliable and affordable electricity.

Your cooperative's mission, "La Plata Electric Association provides its members safe, reliable electricity at the lowest reasonable cost while being environmentally responsible," will remain an important guiding principle as decisions are made in the coming year.

GEOTHERMAL — A Renewable Heating/Cooling Option Worth Exploring

BY INDIANA REED

In an era where finding ways to tap into renewable energy resources is becoming increasingly important, Braxis Energy and its founder Gordon Heinrich have stepped into the spotlight, now helping folks navigate this brave new world, including introducing geothermal, or heat (and cooling) from beneath the earth.

“Geothermal is the real premium energy saver out there,” says Heinrich, who assisted Charles Shaw with the design of the geothermal system at The Smiley Building, the historic structure that has emerged as a shining example of energy efficiency. “The Environmental Protection Agency claims that geothermal is the most cost effective way to heat a home.”

Statistics from the National Renewable Energy Laboratory in Golden, support industry claims that geothermal offers homeowners up to a 70 percent savings over a propane furnace and is up to 50 percent less expensive to operate than a natural gas furnace. Those homes equipped with water heating capability can save up to 50 percent on those costs as well.

Many people associate geothermal with large electricity generation facilities,



Gordon Heinrich with the geothermal system that heats and cools his residence.

which use the hot water or steam from beneath the earth to power a turbine and produce alternating current. Geothermal activity also fills the hot mineral pools at resorts such as The Springs Resort & Spa in Pagosa. The geothermal gaining in popularity for homes has little, however to do with heated water. It capitalizes on the solar energy stored in the earth.

“If you go down seven feet, there’s a constant 50 degrees,” explains Heinrich, reiterating that the earth holds the sun’s energy. “We use a heat pump basically to take the heat out of the ground and to your house. The efficiency is between 300 and 500 percent... And even though a lot of people say you never need to cool your home in Durango, you can also use the

‘battery’ to cool your house as well.”

High-density polyurethane pipes — the same product used for transport of natural gas — are buried beneath the ground creating what is called a “loop field.” The pipe comes with a 50-year warranty, but according to the International Ground Source Heat Pump Association, the loop fields will last for 200 years or more.

Water, which includes a non-toxic type of antifreeze solution, is circulated through the pipes. During the winter, the fluid absorbs heat from the earth and carries it through the system and into the building. During the summer, the system reverses itself, pulling heat from the building, carrying it into the ground, returning with the cool solution.

The pipes feed into the ground source heat pump, which is essentially the same size as a traditional furnace, though considerably quieter. Within the heat pump, a compressor (similar to those found in a refrigerator) enhances the heat, which is then distributed through a standard duct-work system. It also can be attached to an in-floor radiant system, which Heinrich has installed in his own home.

Geothermal systems typically pay back between five and 10 years, less than the expected 25 years for PV. The up-front cost, however, is considerable. Depending on the system, they run \$40,000 to \$70,000, with the bulk of the cost involved in excavation and drilling for the pipes. The “above ground” equipment is essentially comparable to traditional HVAC systems. Currently, however, a 30 percent tax credit is available, as well as rebates for the ground source heat pumps through LPEA.

Heinrich will expound on the technology as part of a free, half-day Heating/Cooling Technology Workshop, sponsored by LPEA and Tri-State Generation and Transmission, August 13, at LPEA headquarters in Bodo Industrial Park. To reserve a seat, contact Suzy Bynum, 970-382-3506.

CO-OP MEMBERS ASK ...

Q: *Is there a difference between Green Power and energy efficiency or conservation? Doesn't it all, like your tag line says, "Save Your Energy?"*

A: In a broad sense, yes, both our members' purchase of Green Power and participation in energy efficiency/conservation efforts ultimately helps in the effort to reduce demand of electricity from carbon-based generation facilities. But they are different.

Energy efficiency and conservation is using LESS electricity. It's what you can do by using CFLs, weatherizing your house, turning off lights and helping "the grid" by changing your behavior or employing new technologies to use less energy. Green Power is actual electricity generated from a renewable resource like wind, solar or small hydro. By participating in LPEA's Green Power Program (an additional \$0.80 per month for a 100-kWh block), you help fund these renewable energy efforts locally and on "the grid." The more funds we all invest in renewable energy, the less energy needs to be produced by, for example, a coal-fired power plant.



Volunteers “Rock Around the Clock” For Relay for Life

LPEA volunteers welcomed all-comers for a barbecue under “the big top” (the green and yellow striped tent that couldn’t be missed on the Fort Lewis College football field) during the American Cancer Society’s annual “Relay for Life,” this year themed “Rock Around the Clock.”

LPEA’s “Greased Lightning” team, coordinated by Sue Maxwell and Jeannie Bennett, raised more than \$2,000 for the annual effort. LPEA employees contributed to or participated in the relay (walking through the night), and raised additional funds during in-house fundraisers such as the car wash and bake sale, coffee and candy sales and more.

Team members participating in the events included Steve Gregg, Mark Schwantes, Jerry Fleener, Jeannette and Brice Simpson, Brandi Fassett, Herb and Enid Brodsky, Keith Brant, Malanie Vaughn, Char Sandoval, Sandie Marlatt, Dustrie Marlatt and Skye Moreno, with assistance from WESODI, Lisa, Dylan and David Schwantes, Gary Maxwell, Ron Meier, Frank Sandoval, Ray Pierotti, Linda Looman, Jim Coloff, Craig Burn-



Lisa Schwantes and Team Captain Sue Maxwell enjoyed a barbecue dinner during the Relay.



Mark Schwantes, manager of corporate services, took on barbecue duties at Fort Lewis.

ham, summer interns Philip Ouellette and Wes Glasco, and members of LPEA line crews, who erected the tent.

“We’d really like to thank everyone who assisted in this very worthwhile effort,” says Maxwell, LPEA project specialist. “It was a pleasure to work on this event and I look forward to our continued support of the American Cancer Society.”

THE GREEN CORNER A Great Team — LPEA and Nature’s O

Sherri and Jeff Watson, owners of Nature’s Oasis, Durango’s home-grown natural foods store, have long been leaders in sustainability, and among their efforts, purchase enough Green Power from La Plata Electric to off-set 100 percent of electricity used at the 20,000 square foot store.

Recently the couple (and the community) celebrated the grand opening of the new Nature’s O at 300 Camino del Rio. Ray Pierotti, who handles all things “green” for LPEA, was on hand to give away compact fluorescent light bulbs to those dropping by and encourage folks to take the Energy Star “Change a Light” pledge.

“It was a great day,” says Ray who received commitments for 800 bulbs to be changed out from an incandescent to an energy-saving CFL. “More than 300 people took the pledge and received a CFL. That is a savings of \$45 over the lifetime of the bulb and 37,600 watts in energy savings, preventing 320,000 lbs. of green house gas.”



LPEA’s Ray Pierotti (left) joins Nature’s Oasis owners Sherri and Jeff Watson and daughter, Annie, at the Grand Opening Celebration of the new natural foods store.

BAYFIELD BEER FACTORY HOSTS LPEA/UNITED WAY AUGUST 18

Draft beer and raising funds for non-profit endeavors may not seem logical mates, but La Plata Electric Association has found tremendous success in teaming up with the region’s breweries to raise funds for United Way of Southwest Colorado.

On the heels of successful United Way fundraisers with Ska Brewing Co. (in Durango) and Pagosa Brewing Co., LPEA will partner with Steamworks Brewing Co., on August 18 at Steamworks’ Bayfield Beer Factory. Folks are encouraged to drop by the brewpub located in Bayfield Center, 5-7 p.m., enjoy a brew and launch the fundraising for United Way’s 2009 campaign.

The “Bodo Bash” for United Way, in partnership with Ska Brewing, will be reprised in October for the second year. Watch *CCL* for the final date.

Co-op Leaders Take Consumer Concerns to D.C.

Concerned about what energy legislation before Congress might do to electric rates, nearly 100 Colorado electric co-op leaders visited with senators and representatives in Washington, D.C., including LPEA board member Tom Compton.

Compton, president of the Colorado Rural Electric Association board, joined 3,000 other co-op leaders on Capitol Hill to tell elected officials that Congress will be held accountable for ensuring that affordable and reliable electricity is not forgotten in climate change legislation.

Co-op representatives stressed that they are willing to work with Congress, and support putting together a climate change package that will serve the country well while also meeting the needs of electric co-op members.

Prior to visiting with legislators, co-op

leaders heard from National Rural Electric Cooperative CEO Glenn English who noted, "You can either side with Wall Street and the speculators, or you can side with Main Street, your constituents and your electric cooperative. If Congress doesn't fully appreciate or understand the ramifications of the actions and the votes they cast, we could find ourselves back to those days when certain segments of our population could not afford electric power on a regular basis."

The proposed bill included a plan that could enable Wall Street speculators and large corporations to corner the market on emissions credits, which represent tradable federal permits to emit carbon dioxide. President Barack Obama's budget outline proposed auctioning those allowances, but in an era of rampant financial speculation, English said that's the



Tom Compton, LPEA director and CREA board president (left), discusses issues with Colorado Rep. John Salazar (Dist. 3-D).

last thing the country needs.

"If you think the speculators handled the economy well last fall, just wait 'til they get a hold of your electric bills," said English.

"INVESTING" IN LPEA PAYS OFF WITH CAPITAL CREDITS

Directors announce \$2.6 million "patronage capital" refund

At a time of rising prices and shaky financial markets, LPEA continues to be a great investment for its member-owners (everyone who pays their electric bills to LPEA).

The LPEA Board of Directors has voted to refund \$2.6 million in patronage capital (also known as capital credits) to LPEA members. Capital credits could be loosely understood as dividends.

"LPEA is a not-for-profit corporation with a 501(c)(12) tax designation," says Greg Munro, LPEA CEO. "As part of that tax designation, which establishes us as a cooperative, we are required to return capital credits to our members. These can in some ways be thought of as dividends, but these refunds do differentiate us from other types of utilities. We give the money back to our members instead of giving it to investors."

Annually, the electricity payments made by members above the cost of providing their electric service (which is the margin) is placed into a patronage capital account in each member's name. This capital, along with borrowed funds, can be used to finance improvements such as electrical lines, poles,

transformers and substations.

"In other words," says Munro. "LPEA invests the margins earned by each owner back into our system. It helps build members' equity and reduces the amount of money LPEA has to borrow - so it reduces interest charges we'd have to otherwise pay. The margins allow LPEA to maintain system reliability at its highest level and help keep rates low."

LPEA will be retiring capital credits earned in 1989 and part of 1990, as well as a portion of capital credits from 1990 through 2008. Thus anyone with an established LPEA account in 2008 or prior, will receive funds in proportion to the member's contribution to LPEA margins.

The majority of the patronage capital refunds will be credited to electricity bills, though larger refund amounts will be mailed as checks during the August billing cycle. Since incorporation in 1939, LPEA has refunded more than \$27 million, with in excess of 80 percent of this amount returned since 1990.

For further information, call 247-5786 or visit www.lpea.coop.

Power Pole Inspections Now in Progress

Access across private property may be required

To help ensure safety and reliability of electricity transmission, LPEA and its contractor, Sundance Power Pole Inspections, are conducting power pole inspections through out the summer in various areas of La Plata and Archuleta counties.

Inspections, which involve hand digging beside each pole, boring two test holes in the pole and performing a complete visual inspection of poles and associated lines and hardware, may require access through backyards and fenced areas. Every effort will be made to avoid inconveniencing property owners.

LPEA customers with additional questions or concerns are urged to call Roland Pack, 970-382-7183 or Ben Cordova, 970-382-3534.