



Jimmy Capps,  
General Manager

*“Keep your face to the sunshine and you cannot see a shadow” – Helen Keller*

## **Tri-State G&T Announces Wholesale Power Rate Change**

Very simply put – the cost of power is going up. Sierra’s wholesale power provider, Tri-State Generation & Transmission Cooperative (Tri-State), has announced an increase in their cost of power for 2016. While these rates are going up for all of Tri-State’s 44 member cooperatives, we estimate the impact of this increase to Sierra will be about 3.40% or about \$1.28 on a monthly basis for the average residential consumer.

While our cost of power does fluctuate slightly on a monthly basis, based our total system demand and usage for each month, the total increase from Tri-State to Sierra for the years 2011-2016 is approximately 10.53% - averaging just over 2% annually for this 5 year period.

While Sierra may need to update our base rates at some point in the near future to reflect these increases, for now we will collect this change in power cost through the “Fuel Ad Rate” portion of your monthly power bill. This increase will begin showing up on your February 2016 electric bill.

## **Sierra Electric Supports the Sierra County Junior Livestock Sale**

The Sierra County Fair is a major event for Sierra County, but more importantly, it is an important part of the local 4-H and FFA youth livestock programs. Sierra Electric takes tremendous pride in being able to assist these organizations by participating in the Junior Livestock Sale. We feel this is a worthwhile endeavor, as these young people are the **FUTURE OF OUR COUNTRY!**



## EPA's Clean Power Plan

The Environmental Protection Agency's (EPA) final rule to address carbon dioxide emissions from fossil-fueled power plants, called the **Clean Power Plan (CPP)**, was released on August 3, 2015. The CPP sets performance standard "goals" for states and utilities to reduce carbon dioxide (CO<sub>2</sub>) emissions from the power industry by approximately 32% from 2005 levels by 2030. The CPP is extremely complex with the final rule and supporting material consisting of over 2,000 pages of very technical information.

This proposal is the most complex and wide-ranging regulation written under the Clean Air Act and we believe it sets out to restructure the electric utility industry in a way that ignores the costs to the consumers, and disregards the realities of providing safe, reliable power. The rule would cause many modern, efficient, cleaner burning coal power plants to close down and be replaced with massive amounts of wind and solar generation.

While we support the integration of renewables into our generation mix, currently 24% of the power produced by Tri-State comes from renewable sources, the reality is that the sun doesn't always shine and the wind doesn't always blow. This can affect the reliability factor of providing your power, and would create the need for new natural gas fired generation to back up these renewable sources as coal fired plants are not built to turn on and off quickly.

The CPP sets performance standards or "goals" for each state, and each will have the option to develop their own compliance plan or to adopt the Federal Implementation Plan for adoption. As the State of New Mexico has decided to develop their own plan, Sierra and other electric cooperatives are working with the New Mexico Environment Department (NMED) to educate them on the potential impacts the CPP could have on the cost and reliability of power to you as the end consumer. After review, the NMED offered the following comments on the draft CPP – *"We agree with the overall goal of the Clean Power Plan, which is to address climate change, but we are also extremely concerned about the unprecedented breadth of the proposal. We intend to submit a state-level plan even though we have a number of practical and legal concerns about the draft Clean Power Plan..."* The NMED is conducting public "listening sessions" around the state to aid in drafting their plan and you can find this schedule at [www.env.nm.gov](http://www.env.nm.gov). While this process may take up to three years, you can monitor their progress on our state plan on this website.

Why are we telling you all of this now? We want to inform our members of regulations that will directly impact the price you pay for power in the near future, and ask for your assistance in making our voices heard both at the state and national levels. We understand there are many factors to consider with the CPP before we know the final impact to Sierra, so we ask you to "Stay tuned....we will be in touch".

**The Board of Trustees, Staff, and Employees of Sierra Electric Cooperative, Inc. wish you and yours a very happy and safe holiday season.**

**SEC Holiday closings:  
November 26<sup>th</sup> and 27<sup>th</sup> Thanksgiving  
December 25<sup>th</sup> Christmas**

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YOUR TOUCHSTONE ENERGY® COOPERATIVE*

