



Partners In Power

- MEMBERS
- HOLLY
- LA JUNTA
- LAMAR
- LAS ANIMAS
- SPRINGFIELD
- TRINIDAD

February 2015

Southeastern (LED) Lights

The first phase of the LED (Light-emitting diode) lighting conversion has been completed and the results are *positive!*

ARPA has been working on a Supplemental Environmental Project (SEP) to convert existing lighting in community facilities to LED lighting.

The first phase of the Project consisted of converting approximately 2,200 lights. The empha-

sis for Phase 1 was primarily in the public libraries within the ARPA member communities.

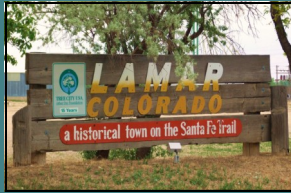
Collectively, it is expected this conversion will result in an estimated reduced energy consumption of 111,528 kWhs at an annual savings of \$15,614.

Additional facilities that will be included in the second phase of the project include a Senior Cen-

ter, Community Center, and a Community Day-care facility.

The SEP, which will invest \$125,000 in lighting conversions, is related to a lawsuit settlement and is being administered by Prowers County Development Inc.

The Project is slated for completion by mid-December of 2015.



Springfield Electric Utility Customers Receive \$50 Rebate

At its November Council meeting, the Springfield Board of Trustees approved an electric utility rebate of \$50.00 for its residential consumers.

The rebate was made possible by a payment Springfield received from a lawsuit settlement between ARPA, the City of Trinidad, and Syncora Guarantee, the bond in-

surer for ARPA.

Dusty Turner, Springfield mayor said, "We have seen an increase in our electric rates over the past few years and the council is aware of the impact that has had on our citizens. We decided a rebate from this settlement payment was fitting and timely." Mayor Turner went on to say,

"despite the rising cost of operations, our electric department and council have worked hard to manage costs and keep rates competitive with neighboring utilities".



EPA's Clean Power Plan—Rule 111(d)

This past June, EPA released its proposed rule to regulate carbon dioxide (CO₂) from existing power plants. This follows on the heels of a previously submitted rule for carbon reduction on new facilities. The goal of this Clean Power Plan (CPP) is to reduce carbon emissions by 30%, nationwide, by 2030. These reductions are to be implemented on a state by state basis. There have been numerous legal challenges filed against the proposed rule by a variety of utility and state interests, but to date there have not been any rulings issued by the courts.

The strategy to achieve the CO₂ reductions are based on four elements:

1. Improve coal plants heat rate efficiency by 6%.

2. Change the method for dispatching power plants based on emissions rather than economics.

3. Increase nuclear and renewable generating capacity.

4. Increase energy efficiency by 1.5% annually.

ARPA submitted comments on December 1, 2014 that included:

- It is imperative that EPA conduct or participate with regional and multi-regional system evaluations in order to fully understand the reliability and economic ramifications that the CPP represents.

- In order to more effectively consider achieving the environmental goals that have been established, EPA should consider a more timely approach to the issues.

- A sudden and rapid curtailment of the nation's largest single source of electrical power, our coal generating fleet, will almost certainly result in steep increases in costs of purchased power and trigger unforeseen disruptions in reliability.

- Many small utilities who rely on purchased power are not only at extreme risk of being left in the dark due to unavailability of purchased power, but also risk extraordinary rate increases due to their limited resources and lack of economies of scale in developing their own generation projects.

Full comments are published on the ARPA web-site at:

<http://www.arpapower.org/docs/ARPACommentsOnEPACarbonPollutionEmissionGuidelines.pdf>

ARPA Operating Committee Hears Presentation on Solar Installations

During their recent quarterly meeting, ARPA staff and members of ARPA's Operating Committee heard a presentation provided by Kevin Pratt, Energy Services Manager at Black Hills Energy. The presentation centered on issues related to customer installations of distributed generation, particularly solar installations. Kevin also shared Black Hill's incentive program and the



changes it has undergone since initiation, and the various levels of success they've had with the program. The presentation also included a detailed review of the safety measures, metering installations, and general requirements that Black Hills has implemented. The requirements are to ensure a safe working environment for utility personnel, and an accurate accounting of the power generated. There was also discussion on Solar Gardens and how they differ from residential installations.

Black Hills is required to meet

certain Renewable Energy Standards by State statute. ARPA members are not required to comply with the Standard; however, because they fall into a certain size category, the Lamar Utilities Board, by statute, is required to offer a Net Metering Program for customer installations. Other ARPA members have voluntary Net Metering programs in place.

Representatives from the ARPA communities of La Junta, Las Animas, Lamar, Springfield, and Trinidad attended the meeting.

RESOLUTION No. 15-14

Designating Dates and Locations For Regular Meetings of the Board of Directors of the Arkansas River Power Authority During Calendar Year 2015 and January 2016

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE ARKANSAS RIVER POWER AUTHORITY:

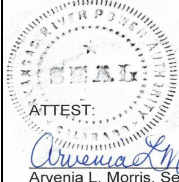
Subject to further notice, the regular meetings of the Board of Directors of the Arkansas River Power Authority will be held on the following dates in the designated member municipalities.

January 22, 2015 10:00 AM La Junta, CO	August 27, 2015 10:00 AM Lamar, CO
February 26, 2015 10:00 AM La Junta, CO	September 24, 2015 10:00 AM Trinidad, CO
March 26, 2015 10:00 AM La Junta, CO	October 29, 2015 10:00 AM Holly, CO
April 30, 2015 – Annual Meeting 10:00 AM (already reserved banquet-room at OJC) La Junta, CO	December 10, 2015 10:00 AM La Junta, CO
May 28, 2015 10:00 AM Springfield, CO	January 21, 2016 10:00 AM La Junta, CO
July 30, 2015 10:00 AM Las Animas, CO	

ADOPTED this 20th day of November, 2014.

ARKANSAS RIVER POWER AUTHORITY

David R. Willhite
David R. Willhite, President



ARPA Annual Meeting

April 30 at Otero Junior College
La Junta, CO
10:00 a.m.

RSVP by April 15th to the electric superintendent in your community or to Arvenia at the ARPA Office (336-3496).

ARPA Secures Hydro-Power Through 2054

The Arkansas River Power Authority recently executed a new contract with the Western Area Power Administration (Western) that will provide a federal hydro-power allocation through the year 2054. Currently, ARPA has a contract with Western for Firm Electric Service that began in late 1989 and runs through September 30, 2024. Hydro-power provided through Western makes up approximately 28% of ARPA's power supply portfolio. ARPA's Western hydro-power is generated at federal dams in the Pick-Sloan Missouri Basin Pro-

gram-Western Division and the Fryingpan-Arkansas Project collectively, Loveland Area Projects.

The Western contract for Firm power is capacity and energy that Western guarantees to be available 24 hours a day. By contract, Western guarantees to provide a certain amount of power to its firm power customers, such as ARPA. In the event of shortfalls such as drought, operational constraints, curtailed water releases for environmental reasons, Western will purchase replacement power to meet its

load obligations.

The current all-in rate (capacity and energy) is \$0.041/kWh. The new contract begins October 1, 2024, and extends until September 30, 2054. Western has the right to review its "Resource Pool" three times during the term of the contract, in years 2024, 2034, and 2044. Allocations may be reduced by up to 1% during each review. A Resource Pool review was completed in 2014 and allocations were reduced by 0.3% due to allocations for new customers.



ARPA

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OFFICERS:

David Willhite, *Pres.*

Holly

Richard Stwalley, *V.P.*

Las Animas

Dusty Turner, *Treas.*

Springfield

Bradley Simon, **Holly**

A.W. Hill, **La Junta**

Lorenz Sutherland, **La Junta**

Houssin Hourieh, **Lamar**

John Sutherland, **Lamar**

Ron Clodfelter, **Las Animas**

Darwin Hansen, **Springfield**

Pat Fletcher, **Trinidad**

Michelle Miles, **Trinidad**

ARPA Staff:

Rick Rigel
General Manager

Arvenia Morris
*Office Manager and Sec.
to Board*

Aarin Ritter
Finance Manager

ARPA'S YEAR IN REVIEW—2014

Long-Term Power Supply Contract

- The Board of Directors approved an Amendment to its power supply contract with Twin Eagle Resource Management, LLC that extends the term of the agreement through January 31, 2025. Twin Eagle began providing power supply, scheduling, and transmission services to the Authority on February 1, 2015. The pricing in this agreement will support ARPA's efforts to stabilize rates over the next 10 years. ARPA has not increased its base electric rates since 2011.

LRP - The ARPA Board continues to evaluate its long-term options for the Lamar Repowering Project (LRP). In mid-2014, the Board commissioned studies regarding the future of the plant. The studies projected that ARPA's electric rates would be approximately 9% higher if the plant remains in cold standby as opposed to decommissioning or disposing of it. The Board determined

that it was economically beneficial to decommission and/or dispose of the plant and authorized further studies that will provide additional information related to an equipment salvage and decommissioning effort.

In 2014 all respective lawsuits between ARPA, the City of Trinidad and ARPA's bond insurer, Syncora Guarantee were settled. However, certain Rate-Payers and the City of Lamar filed suit against ARPA in July and the Lamar Utilities Board and the City of Lamar also filed suit against ARPA and Syncora in October; both suits related to the LRP. Even though mediation efforts are ongoing, the filing of these lawsuits do little to advance discussions that could settle differences between the parties. They do however, result in additional cost to ARPA and all its member's rate payers.

Board of Directors - There were many changes within the Board of Directors in 2014. Garth Nieschburg sub-

mitted his resignation on the ARPA Board in July. The Lamar City Council appointed its administrator, John Sutherland, to fill the unexpired term.

Bob Freidenberger, ARPA Board President and longest serving member of the current Board, submitted his resignation in August 2014. Bob served as President for the last 7 years. The City of La Junta appointed Lorenz Sutherland to fill the unexpired term of Freidenberger and David Willhite, from the Town of Holly, was elected to fill the President's term.

Marsha Willhite resigned her position with the Town of Holly and her appointment to the ARPA Board in November. Marsha served as Treasurer from April 2011 until her resignation. The Town of Holly appointed its Mayor, Brad Simon, to serve the unexpired term on the ARPA Board. Dusty Turner, Mayor of Springfield was elected Treasurer of the Board.

2015 Budget - The 2015 Budget includes **no rate increase** which will mark the fourth consecutive year that the ARPA member's power supply cost have not increased.

The budget includes:

- Revenues of \$31.1 million
- Power supply costs of \$13.7 million
- Transmission costs of \$2.7 million
- A&G costs of \$1.35 million
- Debt service payments of \$10.2 million

2015 Wholesale Rate

- The Board of Directors made no changes to the existing ARPA Rate Tariff. This is the fourth consecutive year that the base rate has remained unchanged. ARPA has not increased power supply costs since 2011.