

# PARTNERS IN POWER

MARCH 2012



It is our pleasure to once again bring you the Arkansas River Power Authority's quarterly newsletter, *Partners in Power*. ARPA is a wholesale electric service provider in southeastern Colorado that supplies reliable power and energy to the communities of Holly, La Junta, Lamar, Las Animas, Springfield and Trinidad. Unlike larger, investor-owned utilities, ARPA was formed and is owned by the communities it serves. Each of ARPA's municipal members owns and operates an electric system that distributes electricity to residential, commercial and industrial customers.

The electric utility industry is in a time of extraordinary challenge that is exerting pressure on electric rates and the manner in how power is delivered to homes and businesses. We believe our newsletter will provide the opportunity to update you on the issues and to bring you news from our members and the happenings in their communities. We appreciate your comments on our newsletter and encourage you to visit our web site at [arpapower.org](http://arpapower.org).

## ARPA's Wholesale Rates to Stay Steady for 2012

The budget adopted by the ARPA Board of Directors for 2012 included *no increase in wholesale electric rates to its members*. The 2012 budget includes total expenses of \$33.6 million which is \$2.8 million less than 2011. This reflects lower anticipated costs for power supply and a reduction in administrative costs. The 2012 budget also includes:

\$17 million in power supply costs.

\$2.6 million in transmission costs.

\$930,000 in administrative and general costs.

\$10.2 million in bond principle and interest payments.

## Utility MACT Rule

The EPA recently issued notice of new regulatory requirements that will have a tremendous impact on coal fired power plants. The **MACT** rule requires a significant amount of additional emissions control equipment be placed on existing plants and increases the permitting requirements for new plants. The utility MACT rule

***"is expected to be the most expensive rule the agency has ever imposed on our nation's power sector"***

according to the Energy and Commerce Committee. In addition the time frame for meeting the requirements is extremely short and may adversely affect the reliability of power delivery. The American Public Power Association estimates that the public power communities will need at least two years longer than EPA is allowing for all publicly owned plants to come into compliance.

The MACT Rule initially had a small plant exception (less than 100 megawatts), however the exemption was removed and ARPA's plant in Lamar will probably be required to add mercury controls to its emissions equipment and perform additional monitoring.

## IRP Plan

ARPA must submit an Integrated Resource Plan to Western Area Power Administration as a requirement of its federal hydropower contracts. An IRP evaluates a full range of power supply alternatives, including new generating capacity, power purchases, energy conservation and efficiency, and renewable energy resources.

A critical component to the IRP process is input from the public. As such, public comments on the IRP were accepted at the February and March ARPA board meetings. A public presentation will be provided to the Board of Directors at their April 26<sup>th</sup> meeting and public comments will be accepted at that meeting and for a period of ten days following the presentation. The final IRP is scheduled for Board approval at its May meeting.

## MORE IMPROVEMENTS—HOLLY THEATRE GOING DIGITAL

The Holly Theatre was built in the early 1920s and remained in use as a movie theatre until 1980 when the theatre was given to the Town of Holly by Mr. and Mrs. Marvin Ellis and their son, Trent. Expenses of operating the theatre proved to be more than the town could bear and the theatre was eventually closed. In 1990 the Holly Pride Committee, a group of volunteers, proposed a rejuvenation of the historic building to the local governing body. The proposal included remodeling the lobby and restrooms, major cleaning, painting, and repairs. The town's Board

of Trustees leased the facility to the group for \$1 per year, the renovations were completed, and the arrangement became a successful business model which has been the envy of other communities in the surrounding area.

In the early 2000s, the facility went through another major renovation. These improvements included a new sound system, cosmetic repairs and making the facility A.D.A. compliant.

Now a decade later, new technologies have rendered the old system of showing reels of 35MM films a

thing of the past. The Holly Pride Committee is faced with converting the present system to digital by year's end. Although the \$100,000 price tag for a new projection system would seem out of grasp for the small group, it has once again 'rolled up the sleeves' of ingenuity and begun a fund raising campaign that can only lead to a successful conclusion. Currently, donations are at about half the amount needed. The Pride Committee continues to accept donations and hopes to place the order for the new equipment by June 1, 2012.



Those who wish to make a donation may contact Kammie Cathcart at 719-537-6800.

## OTERO JUNIOR COLLEGE COMPLETES FITNESS CENTER

Otero Junior College on January 31 held its ribbon cutting ceremony for its newly completed **fitness center**. Construction of the facility began in April 2011 and was completed in December. The OJC Fitness Center is a 10,700 square foot addition to the existing McDivitt Center Gymnasium, located in the middle of the OJC campus. The Center includes areas for free weights, treadmills, elliptical

trainer, nautilus equipment, an aerobics room, two racquetball courts, men's and women's dressing rooms and shower facilities. Originally considered as Phase 2 of the project was the addition of offices for athletic coaching staff and a conference room. OJC was able to take advantage of a decline in building costs and proceed with both phases of the project resulting in the 10,700 square foot addition.

With the addition of a woman's soccer team next school year, OJC will be adding a **16-room dormitory**. This unit will accommodate 32 students and will be part of the Conley Complex housing

facilities, which currently house a total of 76 students. Otero is hoping to break ground on the new housing unit in mid-April and have it completed before the start of the 2012 fall semester.



## ENERGY UPGRADES INSTALLED AT LAMAR COMMUNITY COLLEGE

Lamar Community College is nearing the completion of its energy performance upgrades with Honeywell Building Solutions. The college now has new heating, ventilation, and air conditioning (HVAC) equipment, better energy efficiency, improved ventilation and lighting, and major upgrades to its electrical systems. Every

building on campus received benefit from the project.

The upgrades were made possible with assistance from the Colorado Governor's Energy Office (GEO), through an energy performance contract (EPC). EPCs utilize a turnkey design-build process through which a GEO qualified energy services company (ESCO)

takes responsibility and accountability for addressing facility, energy & infrastructure needs. EPCs use annual guaranteed savings and decreased costs (est. \$153,000 @ LCC) to cover the finance payments in a cash or revenue-neutral arrangement. The savings will be used for lease payments.



Upgrades installed at LCC to heating, ventilation and air conditioning equipment.

**\$ 5 MILLION EARMARKED TO RE-PURPOSE FORT LYON FACILITY IN LAS ANIMAS**

In mid-March the Governor’s office reported that \$5 million in settlement funds from mortgage lenders will be spent on housing at the Fort Lyon Correctional Facility in Las Animas. The facility will be developed into a housing and treatment center for homeless military veterans.

The former prison was closed several months ago. Only a few people were retained to maintain the prison facilities

on a short term basis. As many as 250 employees were either laid off or relocated to other state prison systems. The economic impact was staggering to the immediate Las Animas-Bent County community as well as impacting prison employees commuting from Prowers and Otero Counties.

In addition, the Fort Lyons facility represented the single largest customer for Las Ani-

mas Municipal Light & Power and was one of the largest customers in all of ARPA’s system. The Governor’s efforts to re-purpose the facility is good news for the entire Southeast Colorado region.

*The Governor’s efforts to re-purpose the facility is good news for the community of Las Animas and the entire Southeast Colorado region.*

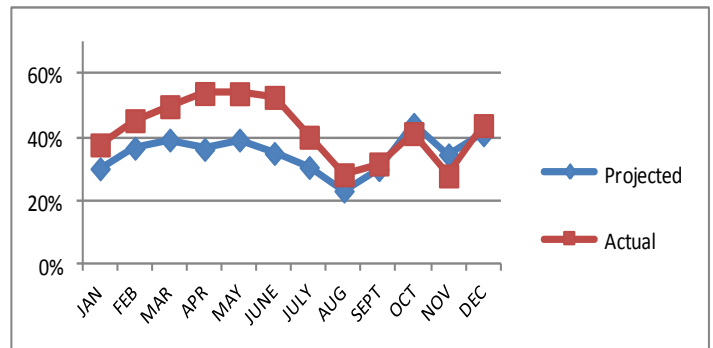
**ARPA WIND TURBINE IN BACA COUNTY CONTINUES TO EXCEED EXPECTATIONS**

In early 2003, the ARPA Board of Directors entered into an agreement with SeaWest Consulting, a division of SeaWest WindPower, to develop a 1.5 MW wind energy project in Baca County. Prior to the decision to proceed with the construction of the wind turbine, wind activity was monitored by the National Renewable Energy Laboratory (NREL). In addi-

tion to collecting wind data, topography of the proposed site was taken into consideration.

It was projected the capacity factor would be between 33.99% and 50.25% from January through December. *In 2011 the Springfield turbine exceeded the projected capacity factor 58% of the time.*

For the months of January and February 2012 the actual wind production has continually exceeded projections.



**CONGRATULATIONS TRINIDAD. CITY RECEIVES EMERGING CREATIVE DISTRICT DESIGNATION**

The City of Trinidad recently received from the State of Colorado’s Office of Economic Development, the designation of **Emerging Creative District** and will receive \$2,000 and technical assistance to further their district planning. Trinidad was one of forty-four districts who applied for the designation of Creative District and received, with 7 other dis-

tricts, the designation of Emerging Creative District. Creative Districts were conceived through legislation signed by Gov. Hickenlooper in 2011 that encourages the formation of Creative Districts in communities for the purposes of attracting creative entrepreneurs and artists to a community, as well as create new economic activity; attracting visitors; revitalizing

and beautifying communities; providing a focal point for celebrating and strengthening a community’s unique identity; and showcasing cultural and artistic organizations, events, and amenities. If you have never strolled through Trinidad’s historic district, make plans to do so; you will not be disappointed.



**Trinidad City Hall  
Built in 1909**

**Congratulations!**



Bringing the Power to You

Arkansas River Power Authority

P O Box 70  
3409 South Main  
Lamar, Colorado 81052-0070



### College Scholarship Applications Available.

ARPA has partnered with its member cities to offer scholarships to deserving high school seniors. The \$1,000 scholarships are awarded to students who reside in the member's electric service territory. For scholarship information contact your local utility office or the counselor at your high school.

### Employment Opportunity.

The Town of Springfield is seeking a motivated person to fill the position of Journey Lineworker/Apprentice. This individual will perform tasks associated with the construction and maintenance of overhead and underground distribution lines. Applications will be accepted at the City Hall, 748 Main Street, Springfield, CO 81073. For more information, please call 719-523-4528. The Town of Springfield is an EOE employer.

*ARPA welcomes  
new interim City  
Administrator  
Steven Rabe to the  
City of Lamar*

**SAVE THE DATE**

*ARPA Annual Meeting  
Thursday, April 26  
Beginning at 10:30  
In La Junta*

### ARPA Board of Directors Officers:

President: *Robert Freidenberger - La Junta*  
Vice President: *Richard Stwalley - Las Animas*  
Treasurer: *Marsha Willhite - Holly*

### ARPA Staff:

General Manager: *Rick Rigel*  
Manager of Finance and Accounting: *Aarin Ritter*  
Office Manager and Board Secretary: *Arvenia Morris*