



BUSINESS OPERATIONS – December 2021

Integrated Resource Plan (IRP): The Arkansas River Power Authority is in the process of preparing an IRP, as required by the Western Area Power Administration (WAPA) under its Energy Planning and Management Program (EPAMP). The IRP will consider all practicable energy efficiency and energy supply resource options to meet future needs. The IRP must adhere to several criteria, which are listed on the [WAPA website](#) under the IRP section. The IRP must be submitted to WAPA by July 1, 2022.

One of the requirements of EPAMP is to provide opportunity for public participation. ARPA will accept written and verbal comments from affected retail customers of the six ARPA communities at its February 24, 2022 meeting and for a thirty working day period following the February meeting. At the end of the comment period, all comments received from the public will be reviewed and, if necessary, changes will be incorporated into the IRP. The final IRP will be approved at a public meeting of the ARPA Board of Directors on May 26, 2022.

Interested parties may provide written comments directly to ARPA outside of the listed public meeting by sending them electronically or via US Mail to the following address: Rick Rigel, General Manager, Arkansas River Power Authority, P O Box 70, Lamar, CO 81052, rrigel@arpapower.org

ARPA Board Approves Power Sales Agreement with Guzman Energy, LLC: The Board of Directors of the Arkansas River Power Authority approved a resolution to enter into a Power Sales Agreement with Guzman Energy, LLC, headquartered in Denver, CO. The Agreement which is for the purchase and sale of electricity and related support functions begins February 1, 2025 and extends through 2043. Guzman Energy will provide power supply, scheduling, and transmission services to the Authority. With this Agreement comes predictable, fixed wholesale power pricing that ARPA believes will result in lower wholesale power rates for its member communities.

ARPA Board Adopts 2022 Budget: At its December meeting the ARPA Board of Directors approved its operating budget for 2022 in the amount of \$24,858,361. Rates will remain unchanged and stable for the 2022 budget which includes:

- Revenues of approximately \$30.46 million
- Power supply expense of approximately \$14 million
- Transmission expense of approximately \$3.5 million
- A&G expense of approximately \$1.3 million
- Debt Service expense of \$8.3 million

Summary of October 2021 Financial and Operating Statements: During the month of October, revenue from power sales were 4.7% less than budget and total cost of goods sold were under budget by 10%. Net Operating revenue for the month was \$440,512. Year to Date revenues from power sales are just under budget (0.4%) and cost of goods sold are 3.1% under budget. Net Operating revenues YTD are \$5 million. Member Energy sales were 5.3% less than budget in October and 4.5% less when compared to October 2020.

Operating Committee Reviews Distributed Generation (DG) Policy: The ARPA Operating Committee reviewed ARPA's DG Policy at its meeting in November. The focus of the meeting dealt with the reporting requirements and compensation method related to residential and commercial solar installations in the member's communities. The Committee will discuss the policy in further detail at its February meeting.

Next ARPA Meeting: The next regularly scheduled meeting of the ARPA Board of Directors is Thursday, February 24, 2022. The meeting will be held in La Junta at the Otero Junior College Student Center, 2001 San Juan. The meeting notice and agenda will be posted on ARPA's website (arpapower.org) under [Public Notices](#) and will also be posted in a designated location in each of the member cities at least 24 hours in advance of the meeting. ARPA board meetings are open to the public.