



BUSINESS OPERATIONS – December 2022

ARPA Board Adopts 2023 Budget: At its December meeting the ARPA Board of Directors approved its operating budget for 2023 in the amount of \$25,487,853. Rates will remain unchanged and stable for the 2023 budget which includes:

- Revenues of approximately \$31 million
- Power supply expense of approximately \$15 million
- Transmission expense of approximately \$3.5 million
- A&G expense of approximately \$1.2 million
- Debt Service expense of \$8.3 million

ARPA Board Adopts a Resolution to Change How Renewable Generation (Rooftop Solar) is Handled: The ARPA Board, at its December 1 meeting, adopted a resolution to change its Wholesale Rate that deals with its Avoided Cost Rate. ARPA's Avoided Cost Rate is the rate that is used to reimburse members and their customers for the excess output that comes from renewable resources such as rooftop solar units. ARPA's Distributed Generation Policy allows its member city utilities to offer "Net Metering" whereby the city utility customers with roof top solar (or other renewable generation types) can generate a portion of their own power use. If any of the power generated is in excess of what the customer can use, it is generated back to the grid. With this change, ARPA will now reimburse the customers for that excess energy at the same average rate it pays for its other power supply. Rick Rigel, ARPA's General Manager stated that "this change provides for a more fair and equitable reimbursement for those kWhs that are generated back to our member utilities". The change is effective January 1, 2023.

Summary of October 2022 Financial and Operating Statements: During the month of October, revenue from power sales were under budget by 5.3% and total cost of goods sold were under budget by 7.8%. Net Revenue for the month was \$219,801. Year to Date revenues from power sales are only slightly less than budget and cost of goods sold are 4.4% under budget. Net Revenues YTD are \$5.84 million. Member Energy sales were 5% less than budget in October and were nearly the same as October 2021. Member Sales YTD are slightly less than budget and slightly less than 2021 sales.

ARPA Board Adopts Resolution in Response to the CEO Application for Grid Resilience Funding: The Department of Energy (DOE) has allocated Colorado funds to improve grid resiliency through the Infrastructure Investment and Jobs Act (IIJA) that will be administered through the Colorado Energy Office (CEO). A portion of the funds are reserved for municipal utilities that serve rural areas. The ARPA Board adopted a Resolution urging the CEO to prioritize funding for rural municipal systems that will help harden and modernize their systems. Uses such as the replacement of aged utilities infrastructure, relocation of power lines, power pole management, and the undergrounding of electrical equipment.

Next ARPA Meeting: The next regularly scheduled meeting of the ARPA Board of Directors is Thursday, February 23, 2023. The meeting will be held at the Otero Junior College Student Center, 2001 San Juan in La Junta, CO. 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.*