



BUSINESS OPERATIONS - November 2024

Modernizing Substations and Distribution System- Replacing Old Infrastructure: Approximately one year ago, the ARPA Board of Directors hired the engineering firm of CLP Engineering to perform a comprehensive evaluation of the ARPA Member's distribution systems. This was viewed as the first step towards a longer-range project to modernize the ARPA Member's substations and distribution systems to improve resiliency and efficiencies and reduce power outages.

The second step of the process has now begun with ARPA contracting with The Ferguson Group to provide grant writing services for the Department of Energy's GRIP program. The GRIP (Grid Resilience and Innovation Partnerships) program provides funding to enhance grid flexibility and improve the resilience of the power system against extreme weather. The funding can be used to modernize substations and distribution systems by replacing antiquated infrastructure and upgrading systems to improve reliability.

The grant application period is anticipated to open after the first of the year.

Notice of Proposed Budget – 2025 Budget Available for Public Inspection: The 2025 Budget is currently available for public inspection in the city clerk's office in each of the member communities. The hearing on the 2025 proposed budget is scheduled for December 5, 2024, at 10:15 AM at the Otero College Student Center, 2001 San Juan, La Junta, CO. Any interested elector in an ARPA member community may register objections to the proposed budget prior to its final adoption. Any public comments on the proposed budget should be directed to ARPA's General Manager at (719) 336-3496 or to arpa@arpapower.org. The 2025 Proposed Budget is available on the ARPA website.

[2025 Proposed Budget](#)

The budget includes a base rate *decrease* of approximately 8% and a decrease in supplemental purchase power costs of approximately 20%. ARPA is budgeting for an increase in its federal hydro power supply of 8.1% and an increase in transmission costs of approximately 11.5%. Total revenues are budgeted at \$28.5 million and Total Operating Expenses at \$17.4 million.

Summary of September 2024 Financial and Operating Statements: During the month of September, revenue from power sales were 0.6% under budget and total cost of goods sold were under budget (3%). Net Revenue for the month was \$415,143. Year to Date revenues from power sales are better than budget by 1.5% and cost of goods sold are 0.8% under budget. Net revenues Year to Date are \$3.69 million. Member Energy sales were 2.6% less than budget and 0.7% less than September 2023. Wind generation was 7% of the power supply resources in September.

Next ARPA Meeting: The next regularly scheduled meeting of the ARPA Board of Directors is Thursday, December 5, 2024. The meeting will be held in La Junta at the Otero College Student Center, 2001 San Juan. The meeting notice and agenda will be posted on ARPA's website (arpapower.org) under [Board Meetings](#) 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.**