



# POWER-GRAM

A Monthly Newsletter for Members of

**OTERO COUNTY ELECTRIC  
COOPERATIVE, INC.**

LEFT: Lineman, Wes Gaskill, climbs a pole to make repairs.

**July  
2019**



**Cloudcroft**  
575-682-2521  
**Alto**  
575-336-4550  
**Carrizozo**  
575-648-2352

[www.ocec-inc.com](http://www.ocec-inc.com)

**LOBBY HOURS**  
8 AM - 4 PM  
Monday - Friday

**TO REPORT AN  
OUTAGE, CALL**  
1-800-548-4660

**FOR BALANCE  
INFORMATION  
OR TO PAY YOUR  
BILL, CALL**  
1-844-846-2695

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You are invited to help us celebrate

**80 years**

of service to Co-op Members!

## Saturday, August 3, 2019

Cloudcroft High School Gymnasium  
Cloudcroft, NM

Registration — 8:30 AM | Business Meeting — 10:00 AM  
Lunch — Immediately Following Meeting



Attending your co-op annual meeting is a fabulous opportunity to learn about the issues OCEC is dealing with, what effects current legislation may have for you and the co-op, vote for and elect trustees and meet the employees who work to keep your lights on each and every day. Members who attend will eat a great tasting barbeque lunch served after the business meeting, as well as receive some nice giveaways just for registering. Not only will members receive a packet of goodies, but will also have a chance at winning some great door prizes. This year some of the many door prizes include electronics, gift cards, appliances and a chance to win this 2010 Polaris Ranger XP 800.

**Don't miss out on your chance to win.  
Make plans to attend  
YOUR CO-OP ANNUAL MEETING!**

## General Manager, Mario Romero, Explains Impact of NM Energy Transition Act on Co-ops



As General Manager of Otero County Electric Cooperative, I am often asked questions about complicated issues. I take great pride in trying to respond with a thoughtful, objective, and honest response. Recently, I answered a question about the legislation signed into law known as the "New Mexico Energy Transition Act". Upon reading my response, the

member who asked the question suggested I consider sharing it publicly. In this month's Power-Gram, I have taken him up on his suggestion and would like to share our correspondence on this very important topic. I hope you find this interesting and the response gives you some insight as to what you can expect if you have questions or concerns:

### Question:

*"I would like to know our % of power produced with renewables. What is the expected rate increases from the NM mandate of 100% renewables? Was the Coop consulted on the proposed mandates?"*

### Response:

"Your email regarding the new renewable requirements in New Mexico was forwarded to me so I will do my best to answer. I can talk about this for hours, but I will be as brief as possible and am more than happy to follow up with a phone call if you'd like.

We are members of the New Mexico Rural Electric Cooperative Association (NMRECA), which in addition to other things, lobbies on behalf of electric cooperatives in New Mexico. They are very involved with the legislature, NM Public Regulation Commission, and the Governor's Office. Through NMRECA, member cooperatives were engaged and involved, giving input and opinions about draft legislation and how it would affect our members. With the makeup of the legislature and governor's office in this session, we knew environmental regulation would be a priority and very difficult to stop. With that said, Otero County Electric Cooperative (OCEC), and most other co-ops have supported renewable energy as long as it is reliable and affordable. A great example of this is a large solar array installed for OCEC east of Carrizozo, which has reduced the cost of power of OCEC's members. These savings are a direct pass through to the members on their monthly bill.

The following is a summary of the portions of the bill that apply to electric cooperatives:

- New Mexico rural electric co-ops must now meet an Renewable Portfolio Standard (RPS) requirement of 40% by 2025, and 50% by 2030.
- The new RPS levels not only include solar, wind, and geothermal generation, but for the first time, electric cooperatives' hydro power.

The law also sets targets of 100% carbon free by 2050 made up of at least 80% RPS. Part of the concessions that were negotiated on behalf of the co-ops were three off ramps to the 2050 targets. Energy must be reliable, affordable, and technologically feasible.

For a little background, Tri-State Generation & Transmission Association (Tri-State) is a generation and transmission cooperative, which OCEC is a member of and buys nearly all of our power from. They are member-owned and operate on a not-for-profit basis just like OCEC. With the solar, wind, and hydro power already being produced by Tri-State, New Mexico cooperatives are already over 30% renewable. Getting the hydro power included was very important since this makes up more than half of the renewable energy from Tri-State. With the hydro included, **Tri-State believes the new requirements are achievable with minimal to no impact on rates.**

Early versions of the bill required 80% renewable requirements by 2045 or 2050. As detailed above, this is now a target, not a requirement, and must be reliable, affordable, and technologically feasible. From presentations I have seen, the cost of adding renewable energy has become competitive with traditional generation when you are trying to get to 50%. Going to 80% would likely cause noticeably higher rates. Going to 100% renewable energy would likely cause dramatically higher rates. This is primarily due to the additional transmission facilities required and the redundancy of generation and some type of energy storage that would be required to maintain reliability due to the intermittent nature of wind and solar. The fact that this is a goal with several off-ramps gives us the ability to protect our members from the potential cost burdens of going above what is believed to be an achievable 50% renewable requirement.

Please let me know if you have any questions or want to discuss with me further. Thanks again for reaching out to us to ask this very important question."

## July Employment Anniversary

Randy Worley—Staking Technician—4 years