



POWER-GRAM

October
2019

Cloudcroft
575-682-2521
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Carrizozo
575-648-2352

www.ocec-inc.com

LOBBY HOURS
8 AM - 4 PM
Monday - Friday

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A Monthly Newsletter for Members of

**OTERO COUNTY ELECTRIC
COOPERATIVE, INC.**

LEFT: OCEC's most recent addition to the automobile fleet is a Tesla Model 3 delivered in September.

Electric Vehicles—An Addition to OCEC's Fleet of Automobiles

Over the past two years, Otero County Electric Cooperative (OCEC) has been leading the way in New Mexico when it comes to Electric Vehicles (EVs). When we purchased the Chevy Bolt in 2017, we were the first co-op in the state to have an all-electric vehicle as part of our fleet. The charging station at our headquarters was the first in Otero and Lincoln Counties. We have showcased our vehicles at various events, including local parades, county fairs, an EV ride drive at the NM Public Regulation Commission, and many other community events. Recently, we added two more EVs to our fleet, one white and one grey Tesla Model 3. In addition to replacing outgoing vehicles in our fleet, one of the primary purposes of these vehicles is to gain experience, educate our members, and expose the public to this growing technology. As we announced at our Annual Meeting in August, one EV is available at each of our offices in Alto, Carrizozo and Cloudcroft for our members to either ride or drive. As a member-owner of OCEC, you may wonder why OCEC is leading this charge. The simple answer is EV adoption is truly a win-win for both OCEC as a company and for our members as individuals.

Electric Vehicles are the first opportunity in decades for co-ops to build new residential electric load. In the era of renewable energy, energy efficiency, and conservation, many co-ops, including OCEC, have experienced flat or declining energy sales. Without growth and corresponding revenues to help offset increased expenses for system improvements & regular maintenance, stagnant energy sales have caused significant rate pressure for OCEC and many other utilities. With the growing EV industry, development of cost-effective heating and cooling via high efficiency heat pump technology, and electrification of previously gas-powered tools such as forklifts and lawnmowers, "beneficial electrification" is becoming a

common term in the utility world. Of these, EVs have the greatest potential to substantially benefit co-ops, and ultimately co-op members.

Since the vast majority of charging will be done at home during the night time, EV charging adds usage to off-peak periods when electric facilities are generally under-utilized. This means little to no infrastructure will need to be added to accommodate this new load. And since someone who drives 15,000 miles per year will use around 360 kWh more energy each month, each EV could result in a 70% increase in energy usage above OCEC's residential monthly average. Members who don't own an EV benefit, because EV owners are providing downward rate pressure since they provide additional revenue to the co-op without additional stress to the grid. For the members who do own an EV, they benefit because they will pay about half of what they were paying at the pump. In addition, electricity rates have been extremely stable throughout the years, while gasoline has historically fluctuated much more.

Until recently, electric vehicles were somewhat of a novelty and weren't practical for almost anyone. With dropping prices, expanding charging networks, and single-charge ranges over 300 miles, this is rapidly changing. While EVs still cost more than traditional internal combustion engine (ICE) vehicles, when you factor in fuel savings and substantially lower operating costs, some EVs already provide a lower total cost of ownership. For example, when comparing either a Chevy Bolt or a Tesla Model 3 to a gasoline-powered vehicle getting 30 mpg, you can expect to save approximately 50% on fuel when driving either of the EVs. This is conservatively assuming gasoline costs \$2.40 per gallon and electricity costs \$0.14 per kWh. If gas prices are higher (as they currently are) or if you take advantage of OCEC's available time-of-

Electric Vehicles—An Addition to OCEC's Fleet of Automobiles (continued)

use rates, and charge outside the hours of 3 PM—9 PM, the savings can be even greater. Not only do you save on fuel, you save on maintenance... no more oil changes, no more transmission fluid, no more timing belts... simply rotate the tires and change coolant and brake fluid every couple of years. In case you are wondering about battery life, Tesla batteries are warranted for 8 years or 120,000 miles, at which time they are guaranteed to have 80% of their original capacity.

When OCEC decided to start adding EVs to our fleet, we considered several pros and cons. First of all, the up front cost of an EV is higher than traditional vehicles. However, with the reduced maintenance and OCEC's ability to fuel them with electric energy at wholesale costs, the total cost of ownership is as good or better than other comparable fleet vehicles. This is true even for the \$48,000 all-wheel drive Tesla Model 3, which we expect to save \$20,000 in fuel over the life of the vehicle. Another consideration was range and lack of charging infrastructure. With a 238 and 310 mile range respectively, the Bolt and Model 3 can easily travel to any part of our service territory and back on one charge. For business trips to Santa Fe or Albuquerque, the Model 3's 310-mile range easily makes the trip. With Tesla Superchargers in both cities, a quick charge while having lunch makes a day-trip quite convenient. Charging infrastructure is already becoming more and more common. Several co-ops around the state will soon submit a joint application for grant money funded by the Volkswagen Settlement to build a statewide charging network across rural New Mexico. For home charging, through our Energy Efficiency Program, with the purchase of any plugin electric vehicle, OCEC currently covers the cost of a level 2 charger for your home, which will allow you to fully charge a depleted battery overnight. In addition, Tri-State has a \$500 rebate, which can help cover installation costs.

Perhaps the best and most rewarding benefit has been sharing the EV experience with our members, as well as other co-ops. Southwestern Electric Cooperative and Mora-San Miguel Electric Cooperative borrowed our Model 3 for their annual meetings. We have given dozens of rides throughout the state. Seeing the reaction of a passenger as they experience the acceleration of an EV for the first time has yet to get old. Particularly with the Tesla Model 3, the public interest and response has been great. We regularly see people stopping in front of our office to peak inside the windows to get a closer look. Many times, they snap a picture with their smartphone. We commonly get random "thumbs up" at stop lights or people pointing and smiling as we drive by. After hearing about our experiences, one other NM Co-op has purchased a Bolt. Two others are moving forward on the purchase of a Tesla Model 3. Several others are considering it. More will be interested in the next couple of years when the first all-electric trucks will be released by start-up Rivian and one of it's major investors, Ford Motor Company.

If you still don't believe EVs are coming, consider the following. We were completely surprised by the crowd's reaction to

the Model 3 at a recent small-town parade. The group that was most engaged and most familiar with the car...school age kids, many who were pointing while saying "Oh cool. Look, it's a Tesla!" When it comes to the widespread adoption of EVs, as we have said in the past, it's not a matter of if, it's a matter of when. OCEC is doing what we can, right now, to make sure we are in a position to lead when that time comes.



October is
National Co-op Month.

Help us celebrate by stopping by your local OCEC Office
Friday, October 18
for cookies, coffee & giveaways!

Vegetation Management Update

Crews working to trim trees and vegetation in rights-of-way are currently in the following areas and are expected to remain there for the next few weeks

- James Canyon
- Sunspot Highway
- Glencoe
- Ruidoso Downs

OCEC reminds members that you may see vehicles, ATVs and crew members from Rogers Tree Service trimming and cutting trees near existing power lines. Vehicles will be marked with their company name, as well as on OCEC contractor placard.

October Employment Anniversary

Andy Carrell—Safety Officer—21 years
Matt Chavez—Journeyman Lineman—8 years
Janscen Davis—Equipment Operator—4 years
Kathy Davis—Billing Supervisor—22 years
Wesley Green—Apprentice Lineman—4 years
John Martin—Meter Reader—21 years
Valerie McCullough—Member Service Rep.—8 years
Sam Sanchez—Apprentice Lineman—2 years
Ron Schultz—Computer Operator—22 years