

## GOING ABOVE AND BEYOND

**M**ountain Parks Electric delivers electricity to more than 22,000 meters over Rocky Mountain terrain thanks to the cooperative, member-owned model. It also takes extra care and dedication from MPE's Operations Department and constant maintenance and service from our fearless group of linemen.

In the winter months, particularly, linemen are trained to be able to access and work in hard-to-reach areas and in hazardous conditions. One such area is atop Rabbit Ears Pass, where electrical connection is not only critical for regular residential and commercial distribution, but also to the communication towers that are utilized by the Federal Aviation Administration (FAA), the Colorado Department of Transportation (CDOT) and the U.S. Forest Service.

Linemen utilize snowmobiles and other all-terrain equipment to respond to power outages atop Rabbit Ears Pass, as well as to patrol for tree concerns and for fire mitigation efforts. Due to the extreme terrain, linemen must have extensive knowledge of the area so they can complete their work safely and promptly.

Therefore, the group also completes annual training so linemen can reach outages at night, during blizzards, and in any other emergency that may arise.

In outage, patrol, and training situations, MPE staff is required to go into areas in which public use of motorized vehicles is restricted. Recreational visitors may not immediately recognize some snowmobilers as MPE linemen working or training in these areas.

"Mountain Parks Electric wants to assure all those who travel or recreate in or around Rabbit Ears Pass and other mountainous and forest areas of our service territory of the importance for our linemen to be able to readily access the electric lines, poles, and towers for the safety of our residents and visitors," said MPE Operations Manager Adam Paulson. "We have received calls from concerned citizens about our staff crossing into restricted areas. When we access such areas, we do so with respect for the land and the safety of our linemen and the public."



# FOR MPE'S FUTURE YEARS IN THE MAKING



## GENERAL MANAGERS COLUMN

VIRGINIA HARMAN

For a small electric cooperative like Mountain Parks Electric to undergo a power supply transition is no small feat. It has required in-depth analysis, energy and financial forecasting, and a considerable time investment. In fact, the process was initiated as far back as 2019 when the MPE board at that time voted to request a “Make-Whole” or “Buyout” number from Tri-State Generation and Transmission. The board sent this request shortly after Tri-State suspended the issuance of Make-Whole Number and Shopping Letters, asking that Tri-State provide a Make-Whole number when the suspension would be lifted in 2020.

In May 2022, the MPE board voted to participate in the optional Partial Requirements Contract, a product Tri-State was offering in response to requests from Tri-State member co-ops for greater flexibility, lower cost of power, diversity of power supply, local renewables, and so on. Participating Tri-State members could achieve these goals through a buy-down payment (BDP), allowing those members to purchase a certain amount of power from a supplier other than Tri-State. MPE and six other co-ops attempted to take advantage of this option with the understanding that MPE would soon be able to self-supply or purchase from another energy provider up to 50% of MPE's power needs. The details of the BDP became contentious for Tri-State, ended up before the Federal Energy Regulatory Commission (FERC), and are still not settled to date. When the BDP process stalled out at FERC, MPE began to look at the option for a full exit. In

January 2023, the MPE board voted to provide notice of withdrawal to Tri-State.

Power supply transitions are rare, but before I started at MPE I was a part of two management teams that facilitated exits, under the direction of those co-op's boards, from Tri-State. Upon my arrival here, I was directed by the board to head up the exit process for our co-op. At the March 2023 board meeting, I presented a power supply transition timeline that included publishing a request for information (RFI). In April 2023, the board also set a power supply goal as a part of the organization's strategic planning process: “Negotiate a power supply contract that provides reliability, affordability, and flexibility for the (MPE) membership.” During the discussion, the board ranked the priorities of a new power supply contract: reliability, affordability, flexibility, organizational strength, and a term of 15-20 years.

MPE received four responses to the RFI. During the May 2023 board meeting, the board reviewed the responses and gave me direction to proceed with negotiating a wholesale power supply contract with Guzman Energy, as that organization's response best fit the priorities outlined by the board. Proceeding with Guzman Energy was also the staff recommendation.

Now that an agreement has been reached with Guzman Energy, our team will be working diligently to complete all the needed aspects of the transition. This move will also allow MPE to take advantage of possible New ERA federal

grant dollars, whereas remaining with Tri-State would have restricted the use of these funds. MPE submitted a letter of interest for the New ERA program and is waiting for a possible next step to officially apply. If awarded, our co-op could benefit from up to \$198 million for the power supply transition and possible projects to improve our grid's reliability and resiliency.

Other benefits of our agreement with Guzman Energy include a larger carve-out than Tri-State's 5% for flexibility to generate or purchase non-Guzman electricity. We were able to get a fixed price for the life of the 20-year contract, which is contrasted to the rate uncertainty under Tri-State, and we will no longer have a demand charge. Guzman Energy is also committed to partnering with MPE to invest in our community each year.


We will continue to share with you all, our members, more information about this important transition. Along with our usual methods of communication, such as this newsletter, [www.mpei.com](http://www.mpei.com), and our social media outlets, this year's annual meeting will be a great event for our staff and those at Guzman Energy to share what this all means for our members. Please join us for MPE's 74th Annual Meeting on Saturday, April 27, 2024, at Middle Park High School, 795 North 2nd Street in Granby, Colorado. Registration and breakfast will begin at 8 a.m. The business session will begin at 9:15 a.m.

# MPE & GUZMAN ENERGY ENTER INTO A 20-YEAR POWER SUPPLY PARTNERSHIP

**M**ountain Mountain Parks Electric (MPE) has entered into a power sales agreement (PSA) with Guzman Energy to provide wholesale power and energy management services to the northern Colorado based electric cooperative.

The total requirements contract includes the total energy and capacity needed to meet MPE's power needs. The 20-year agreement is expected to stabilize wholesale power costs for the non-profit member-owned cooperative by providing contracted prices for the duration of the PSA. Power services from Guzman Energy commence on Feb. 1, 2025.

Key aspects of the PSA include:

 **Contracted wholesale power rates.** The agreement with Guzman Energy will stabilize energy costs through contracted wholesale power rates over the contract term. Historically, the cost of wholesale power has been MPE's single biggest line-item expense, accounting for approximately 60% of its nearly \$40 million annual operating budget.



**Flexibility to develop local community renewable power generation assets.** The PSA with Guzman Energy includes flexibility for MPE to add new local renewable energy generation projects that were previously limited to 5% of generation needs.



**Maintaining Reliability.** Delivery of power to member owners and other MPE-provided services will not change.

*“ Mountain Parks Electric is excited to announce this new partnership with Guzman Energy, which will deliver on the priorities set forth by the MPE board when they began exploration of power supply options a few years ago – rate stability, increased flexibility for local renewable power generation, and reliability. ”*

Virginia Harman  
MPE General Manager

“Providing local communities with the ability to stabilize their cost of power is an important aspect of managing the broader energy transition that’s underway,” said Robin Lunt, Chief Commercial Officer of Guzman Energy. “Working with MPE, we saw

an opportunity to create wholesale price certainty for the cooperative while offering the community greater decision-making control over their electricity portfolio. Guzman Energy is proud to be MPE’s comprehensive energy partner.”



Guzman  
Energy



## ABOUT GUZMAN ENERGY

Guzman Energy is a wholesale power provider dedicated to communities in search of affordable and reliable energy. Guzman Energy partners with cooperatives, municipalities, companies and tribes across North America to customize energy portfolios that make economic and environmental sense for today and tomorrow. To learn more, visit [www.GuzmanEnergy.com](http://www.GuzmanEnergy.com).

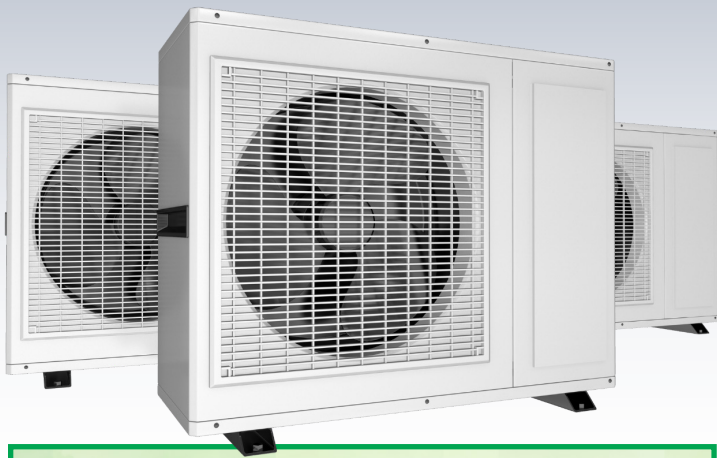
# \$AVINGS FOR OUR MEMBERS

Mountain Parks Electric's rebate program offers members an opportunity to save money and participate in beneficial electrification (see video link below).

In 2023, MPE members utilized the rebates after purchasing heat pumps, electric vehicle charging equipment, LED lighting, smart thermostats, induction cooktops, outdoor electric equipment, and EnergyStar appliances. These electric upgrades equate to a total kWh reduction of 557,727. Taken out over the lifespan of the respective devices, the energy savings is more than 7.3 million kWh.

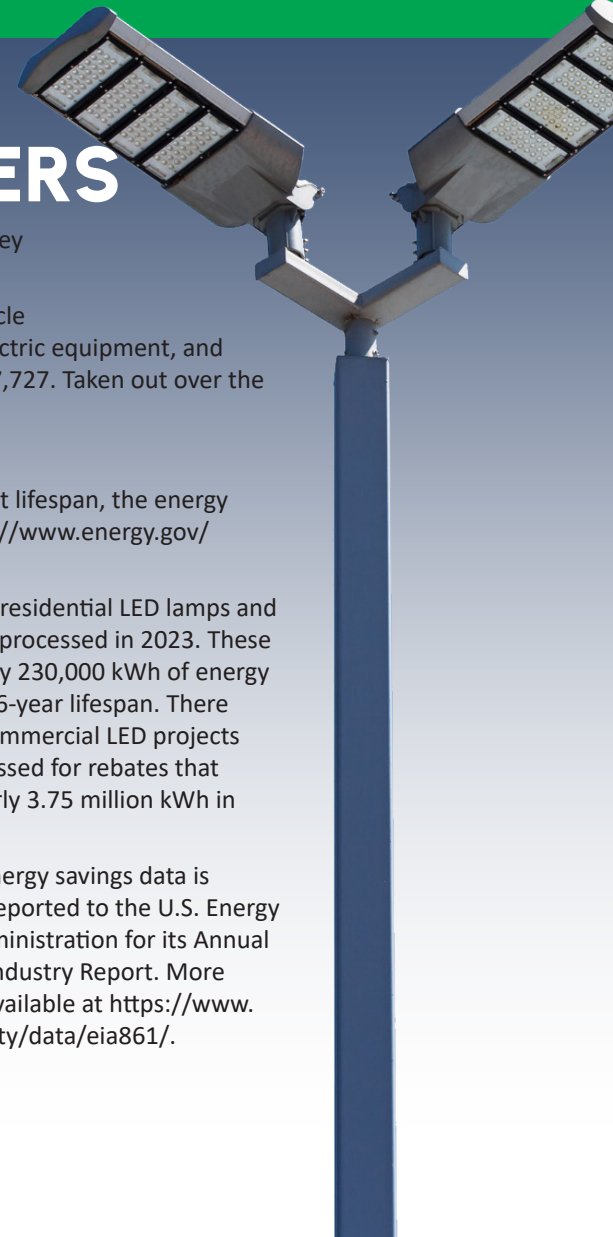
Heat pumps and LED lighting provided the greatest energy savings in 2023.

MPE reported 64 air-source heat pump installation rebates. Using a 15-year equipment lifespan, the energy savings is estimated at nearly 2.9 million kWh. Learn more about heat pumps at <https://www.energy.gov/energysaver/heat-pump-systems>.



There were 395 residential LED lamps and fixtures rebates processed in 2023. These amount to nearly 230,000 kWh of energy savings over a 16-year lifespan. There were 11 total commercial LED projects that were processed for rebates that account for nearly 3.75 million kWh in energy savings.

MPE's annual energy savings data is required to be reported to the U.S. Energy Information Administration for its Annual Electric Power Industry Report. More information is available at <https://www.eia.gov/electricity/data/eia861/>.



• February 8, 2024 •

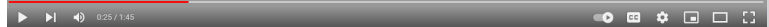
## GENERAL MANAGER'S BOARD MEETING BULLETIN

- The Board approved three resolutions to amend the MPE bylaws, two of which will require a vote by the members at the annual meeting on April 27, 2024. One of the resolutions requiring member approval involves Board of Director elections. In Article IV, Section 4 (d) of the bylaws...“plurality” replaces “majority,” eliminating the need for a runoff election.
- The Board gave authority to the General Manager to reinstate the Electrify Everything program, as modified in October 2023, subject to the final execution of the loan documents with the U.S. Department of Agriculture's Rural Energy Savings Program (RESP), fund availability, and MPE personnel capacity to administer the program.

Read the full report at [www.mpei.com/BOARDBULLETIN](http://www.mpei.com/BOARDBULLETIN)



## What is Beneficial Electrification?



Learn about beneficial electrification in this award-winning “Power Minute” video produced by Raymond Gabriel, who won the Digital Media – Division 2 category for of the *Colorado Country Life Excellence in Communication 2023* competition.

<https://bit.ly/ben-elect>

