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May 28, 2020 Letter to Chieftain

Dear Editor

Have you noticed, the sky is cleaner, clearer? Several people have mentioned it to me of late. It's due to a 10% reduction in the use of fossil fuel's due to the Coronavirus and the economic slowdown. Imagine a 100% switch to renewable energy. We would once again have skies cleaner than when Georgia O'keefe first observed and fell in love with our New Mexico skies back in the 1920s.

But that's not what I'm really writing about. I received my Socorro electric co-op bill two days ago. Since we have six solar panels on our roof, our bill was \$14.16. Enclosed with the bill was the SEC Co-op, Corner newsletter, basically complaining about the public regulation commission, the PRC denying our co-op boards request to raise the base rate on your bill from \$15 to \$22.50 every month. The increase in the base rate would disproportionately raise the cost of electricity on those that use the least amount electricity and least able to pay their current electric bill. The rate increase was not based on the cost of delivering electricity to a member, say a rancher west of Pie Town, versus a resident living in the City of Socorro. But I think basically the PRC knows that the cost to produce electricity with renewable wind solar and battery back up is now less than half the cost of dirty coal fired electrical production. So while yes, your local SEC costs are increasing, wholesale power cost, which is 60% of your bill, are or rather should be decreasing. So why would you expect the PRC to approve a rate increase?

The problem with the SEC high wholesale power cost is the fact that the SEC board in 2008 signed a contract with Tri-State generation & transmission to continue buying electricity from Tri-State until 2050. So while private investment electrical producers are taking advantage of low cost renewable energy with wholesale cost 10 to 30% below Tri-State's, we're stuck with Tri-State's expensive, dirty coal. But what's really sad is that Tri-State is not following the Co-op principles and your SEC board is not challenging, and demanding that Tri-State follow those basic co-op principles. The most fundamental principle, co-op's are autonomous, and any agreements must maintain their independence. So while our SEC board signed a contract with Tri-State until 2050, Tri-State won't and isn't open to our co-op board or co-op members on its financial situation. We do know, on average, every co-op member paid out \$300, as Tri-State tried to open a new coal fire generation plant in Kansas. Tri-state finally through that plan (plant proposal) in the trash bin this year.

The point is, that your SEC board is currently spending our money in legal fees, etc., for a rate increase that is not based on the cost of service, but impacts the most economically disadvantage in our neighborhoods. Instead of confronting the real issue, which is, why is Tri-State, a not-for-profit co-op electrical producer, wholesale cost so much higher than a for-profit, investor owned electrical utility? Why isn't your SEC board demanding a transparent Tri-State, when only two years ago we found out that Tri-State is not paying down it's \$1.3 billion debt. Just continuing to borrow our money when a balloon payment is due. In my opinion our SEC board is not holding Tri-State accountable, and is wasting our money pursuing and litigating a rate increase. Basically the Socorro Co-op board is barking up the wrong tree and unfortunately no one ran against the two incumbents that were up for election this year, both voted for the rate increase and on going litigation. If you want less expensive electricity, than take the responsibility to address the Socorro Co-op Board

and ask, why they continue to rubber stamp anything Tri-State ask. Why our board does not and has not questioned what Tri-State is doing to provide affordable electricity to the co-ops

Sincerely

Ward B. McCartney III

Belen, New Mexico