



Beyond the Wire

Central Valley Electric Cooperative, Inc.



Understanding Future Fuel Costs

It is important that Central Valley Electric Cooperative continues to keep our membership informed about purchasing wholesale power to pass on to members. Natural gas is forecasted to stay high through the first quarter of next year which will no doubt drive wholesale power prices higher. We expect that coal and natural gas pricing will impact our wholesale power costs. Extreme summer heat on both coasts have created significant demand on natural gas resulting in higher gas prices and limited storage. With that said, let us explain a few things.

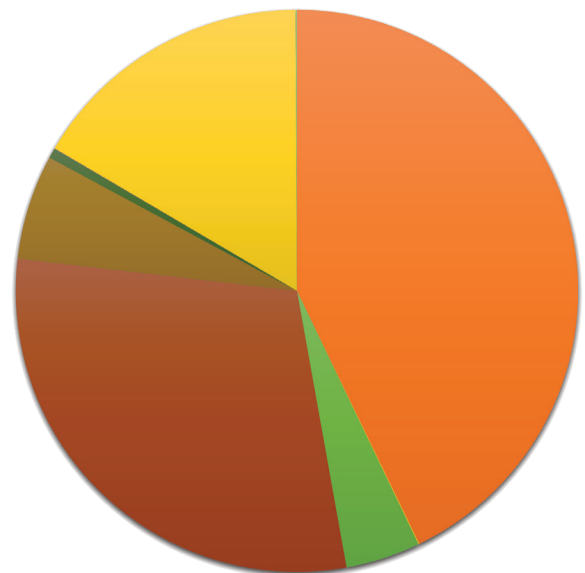
CVE is a member of Western Farmers Electric Cooperative (WFEC) in Oklahoma. We purchase power from them, to deliver to you. WFEC has a well-balanced generation portfolio by contracting power purchases as well as utilizing their own coal-based power plant, natural gas facilities, wind resources, solar energy and hydropower allocations that are added to the energy mix.

WFEC is also part of the Southwest Power Pool (SPP). SPP is a regional transmission organization and a non-profit corporation mandated by the Federal Energy Regulatory Commission (FERC) to ensure reliable power supplies, adequate transmission infrastructure and competitive wholesale electricity prices on behalf of its members. WFEC participates in the SPP Day Ahead Marketplace where WFEC projects its load on a day ahead basis. SPP then selects the least cost generation resource available to cover the load profile. SPP utilizes coal, natural gas, nuclear, diesel, fuel oil, solar, wind and other resources as well. SPP provides reliability coordination for 14-states: Arkansas, Iowa, Kansas, Louisiana, Minnesota, Missouri, Montana, Nebraska, Southeastern New Mexico, North Dakota, Oklahoma, South Dakota,

West Texas, and Wyoming. Being part of SPP really helped CVE last winter during storm Uri, which we are still trying to recover from.

We are hopeful and encouraged that generation and transmission efforts from WFEC and SPP will take care of our distribution needs throughout the winter, but it might result in higher prices for the cooperative and for our members. CVE will keep you informed as often as possible. We encourage you to read your newsletter regularly, read your Enchantment magazine regularly, sign up for our e-mail communications and follow our Facebook page to stay in the know. We value your membership and will make every effort to continue offering safe, reliable, affordable power.

SPP Generation Mix (10/06/2021)



- Coal: 42.8%
- Natural Gas: 29.7%
- Nuclear: 6.04%
- Wind: 16.4%
- Hydro: 4.3%
- Solar: 0.60%
- Other: 0.16%

Happy Thanksgiving!

We will be closed Thursday, Nov. 25 & Friday, Nov. 26 to spend Thanksgiving with our families.



SOLAR: Is it Right for You?

Recently, Central Valley Electric Cooperative has seen an increase in member engagement with third-party solar contractors. Many times the co-op is brought into the conversation late in the process. In some cases, the member is led to believe that by installing solar at their home they will eliminate their electric bill, which is not the case.

While we want to support renewables in our area, it is our duty to look out for the best interests of our members. If you are considering the installation of any type of renewable energy, there are timelines and processes we have to follow, so please contact CVE before you enter into any kind of agreement. We are here for you, and we want you to have all of the information you need to make an informed decision.

Here are frequently asked questions from members evaluating the installation of renewable energy. The information provided is intended to be a guide and is not all inclusive. Consumers bear the responsibility to do their own due diligence in asking questions, conducting their own review of the costs and estimated generation, and checking the financial projections offered by renewable energy vendors before signing any agreements. Please note that CVE's residential electric rate ranks in the lowest 3 percent among co-ops in the U.S., so the price of power from CVE is already low.



Does CVE sell and install renewable generation?

No, CVE does not sell or install any renewable generation systems. We can, however, help you with the process and offer information that may help you choose the right installer for you.

Does CVE contract with solar companies to sell small generation systems?

CVE does not hire or contract with any solar companies. CVE works with the co-op member to connect to the grid, but we are not involved with the sale or installation of the system.

Will renewable generation at my home lower my electric bill?

Installing renewable generation may lower your power bill, however, there are other factors you need to consider. Installing renewable generation is a large investment, and it may take years, or you may never see a return on that investment. Payment methods can also greatly affect your return. Are you paying cash up front? Are you financing? How much will interest be? Another factor that can change your length of return is the net metering tariff.

If I install solar or wind, do I still need power from the utility?

The reason to continue your service with CVE after installing renewable generation is reliability. The sun doesn't always shine, and the wind doesn't always blow. The renewable generation system may not produce enough electricity for your needs. Also, larger motors in your house draw a large in-rush when turned on and your average residential renewable generation system doesn't have the juice to support it.

What size system should I get?

That depends on the available space you have and how much energy you use. But know that New Mexico Statute states a renewable energy distributed generation facility can be sized to supply no more than 120 percent of the average annual consumption of electricity by the host at the site of the facility. You can access your electric use history by logging into or creating an account on CVE's SmartHub account management portal in order to calculate your average annual electricity consumption. NOTE: CVE will not release your account information to a solar company without your permission.

Does CVE offer any incentives or rebates for installing renewable energy systems?

No. There are federal and state tax

incentives and loan programs that can help with financing renewable generation.

How does net metering work?

Generation systems that are connected to the grid will transfer energy between your house and the electric grid. At times, your system may produce more energy than you need, so the excess power will flow back onto the grid. At other times, you may need more than your system generates, so you will use what your system generates plus whatever you need from the grid.

CVE strictly follows their Interconnection policies and the New Mexico Interconnection Manual (NMPRC Rule 17.9.568 NMAC & Rule 17.9.569).

If you have any questions or want to start a renewable energy project, please give us a call at 575-746-3571.

