



Federal ruling could give co-op new renewable options

By J.R. Logan

The Taos News, 7/16/2015

A recent federal decision may allow Kit Carson Electric Cooperative to get past a current cap on the amount of renewable energy it can generate on its own.

In June, the federal Energy Regulatory Commission ruled that Delta-Montrose Electric Association — an electric cooperative in Colorado — is compelled to buy energy from small energy facilities, including renewable plants. Both Kit Carson and Delta- Montrose currently buy wholesale electricity from Denver- based Tri-State Generation and Transmission. And both cooperatives have long-term contracts that require them to buy at least 95 percent of their energy from Tri-State.

That cap has long been a point of contention between Tri-State and Kit Carson co-op — which has aggressively added solar to its energy portfolio and is rubbing up against Tri-State's 5-percent ceiling.

In February 2015, the Delta- Montrose claimed a federal obligation to purchase energy from a local renewables facility. In an appeal to the Federal Energy Regulatory Commission, that co-op cited a 1978 act meant to promote energy conservation and greater use of local and renewable energy.

The commission came back June 18 and agreed with DMEA. The federal commission's order states that Delta-Montrose's obligation to purchase power from specified small energy facilities "... supersedes any conflicting provisions in Delta- Montrose's requirements contract with Tri-State."

Contacted immediately after the ruling, Kit Carson CEO Luis Reyes said co-op officials were "reviewing the order and our options."

Kit Carson and other New Mexico cooperatives are involved in ongoing negotiations with Tri-State to resolve several concerns, including the 5-percent cap on locally generated energy. The federal ruling could give the co-op some leverage in those discussions.

"This could mean big changes ahead in building local generation of renewables throughout the KCEC service area and North Central New Mexico," said William Brown, a member of Renewable Taos, Inc., in a press release. Renewable Taos was a formal supporter of the Delta-Montrose effort.

[The decision] could allow a rapid build-up of renewables in North Central New Mexico," Brown said in the release. "We are confident that major changes are in the offing to support our moves towards more and more renewable energy for our region."