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My Turn

Renewable energy and electricity rate increases

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Recent articles in *The Taos News* suggest that rooftop solar, renewable energy, and debt are the causes of Kit Carson's proposed rate increase. While it is true that rooftop solar co-op members produce most of their own energy, we still pay monthly service charges. Our clean energy actually contributes to grid stability, reduces transmission charges, and decreases line losses.

There are only a few hundred rooftop installations out of the 28,000 plus KCEC members, and the loss of revenue from the energy we produce is miniscule. LED light bulbs contribute more to the decline in KCEC revenues than rooftop solar.

Most of the causes for the gradual decline in co-op electricity revenues are positive – improvements in the efficiency of home appliances, better home heating and lighting, and hopefully less wasted energy. The long steady decline in energy use from these sources may be offset by increased use of electric vehicles and using electricity for home heating. But, for now we have to face up to the fact that, while revenues gradually decline, maintenance of our capital intensive grid keeps going at roughly the same or even increased levels.

KCEC's current service charge is in the bottom third of service charges among the 44 Tri-State rural electric co-ops. Delta-Montrose Electric Association, a well-managed utility in West Central Colorado, has a service charge of \$25 per month, \$5 per month greater than the new rate proposed by the Kit Carson Board. Of the remaining co-ops served by Tri-State many are located on the plains of Colorado, Wyoming and Nebraska. They simply do not face the same maintenance and construction overhead of co-ops serving mountain areas.

KCEC has protested every Tri-State rate increase, roughly one per year since 2001. Its toughness in the face Tri-State's insistence on driving up our cost of energy has saved members millions of dollars. The bottom line is that we have relatively low rates for a community of our size, population, and mountainous terrain.

One legitimate question about the rate increases is why the impact seems to fall most heavily on homeowners who use small amounts of energy? Kit Carson should explain the reasoning behind the structure of the rate increases.

Stable energy prices are definitely something we should expect along with a well-maintained, reliable service. That's what the modest increases from KCEC actually represent. Going forward the best way to guarantee against rising fuel costs is to increase the amount of renewable energy produced in the service area. That's where the divorce from Tri-State comes in.

Coal prices are certain to rise over the coming years for the simple reason that generating electricity with coal is one of the main causes of climate change; 2014 was the hottest year on record and 2015 will certainly surpass it. If we don't reverse the emissions of greenhouse gases,

the costs to all will be much more than the few dollars per month necessary to finance the transition to renewable energy.

The price of coal will be affected by the Clean Power Plan, and a tax on emissions is certainly in our future. Meanwhile, we are already crossing the point where solar and wind are as cheap as coal and natural gas in our region. Once the solar and wind farms are in place, energy prices plateau and we will have a stable energy future, a clean energy electricity system with zero fuel costs and no damaging emissions.

Breaking from Tri-State allows us to begin an aggressive transition to renewable energy. That should be the focus of Kit Carson for the next five to 10 years. By that time we should produce all our own energy and export more to surrounding urban centers. Our energy dollars will stay at home and invigorate our local economy.

Finally, a word on mistaken concerns about debt. KCEC's debt is in line with other communities. If you look at the debt to asset ratio, KCEC looks even better. When you look at the potential for increasing revenues with a worldclass communications infrastructure, we are in even better shape.

We should all support KCEC with constructive questions about the rate increases. We should keep our sense of perspective and compare our rates with those of similar communities. If we do that, we can continue to lead Rural America to a clean energy future.

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