



Annual Report FY 2022

It is with a great sense of pride and gratitude that we present this, our foundational Annual Report. Arkansas Valley Coalition for a Sustainable Energy Future was established as a Colorado nonprofit corporation on February 7, 2022. Later in the year the *dba* name was shortened to Ark Valley Energy Future (AVEF) for easier name recognition while keeping with our mission. That mission is to advocate for responsible, sustainable, clean energy policies on behalf of the Sangre de Cristo Electric Association (SDCEA or co-op) member-owners and citizens of the upper Arkansas River valley.

Why was AVEF Formed?

AVEF was formed in response to a proposed rate restructuring by SDCEA. On January 1, 2022, SDCEA announced several rate changes that were scheduled to be implemented on members' monthly electric bills beginning on February 1. The proposed rate changes were adopted by SDCEA's Board of Directors in October 2021 in Executive Session, which precluded input from co-op members. The proposed rates would have:

- Raised the fixed monthly service charge by 45%, so that members would have to pay over \$53 per month before they turned on their first light.
- Unbundled electricity charges and levied a separate distribution fee on rooftop solar (and other) net metered members, which would have adversely impacted the economic incentive for installing rooftop solar and other forms of self-generation. The proposed rates would have substantially increased the monthly bills of those members who choose to generate electricity for their own use and distribute excess energy to the grid. This separate distribution charge for net metered members was discriminatory and a clear violation of the Colorado Net Metering Law.

- Disincentivized energy conservation by decreasing the monthly bills of higher energy users (over 590 kWh/month), and would have penalized lower energy users (less than 590 kWh/month) with higher bills, adversely impacting those who strive to conserve energy, as well as many fixed and lower-income members.

As a group of concerned co-op members, we gathered to determine how to stop the proposed rate changes. After consulting with the Colorado Solar and Storage Association, we decided to start a grassroots campaign to raise member awareness about the proposed rate changes and try to stop SDCEA from implementing the new rates. If our grassroots effort failed to sway the SDCEA Board, we were prepared to seek relief from the Colorado Public Utilities Commission (PUC) based on two issues:

1. The discriminatory distribution fee on rooftop solar (and other forms of consumer generation) that violates the Colorado Net Metering Law; and
2. The unreasonable increase in the monthly service charge that is unfair and unjust for low-use members and would adversely impact working, fixed and low-income residents in SDCEA's service territory.

As concerned co-op members, seven of us volunteered to serve as the initial directors of the newly formed nonprofit corporation. AVEF would be the entity representing SDCEA members that would file a formal complaint with the Colorado PUC, if necessary. Legal counsel was retained and the preliminary work for the complaint began.

Groundswell of Support

The seven of us were not alone; SDCEA members rallied to contact their Board representatives and the CEO to express their concerns about the proposed rate changes. This grassroots effort included:

- Letters to the Editor in the three Chaffee County newspapers;
- Letters and emails to the Governor of Colorado;
- Letters and emails to Colorado State Senators and Representatives;
- Articles in the three Chaffee County newspapers;
- Email outreach;
- An on-line petition in opposition to the rate changes;
- Facebook outreach;
- A CBS Denver news report; and
- Articles in the Colorado Sun digital newspaper.

The proposed rate restructuring caused so much concern that:

- 175 co-op members attended the January 26, 2022 SDCEA Board meeting, where nearly 40 people spoke, and the public comment period went on for 2-½ hours.
- 275 people joined our email list as SDCEA advocates.
- 780 people signed the online petition.
- A large number of spontaneous Letters to the Editor were written by concerned co-op members.
- An overwhelming number of phone calls, letters and emails were sent to the SDCEA Board members and CEO.
- A group of members formed to analyze costs and advocate for release of the full Cost of Service Study on which the rate changes were based.

At the February 23rd SDCEA Board meeting, the Board of Directors voted to cancel the proposed rate changes in light of the overwhelming outcry of members.

A Busy and Productive First Year!

Since the rate change cancellation in February, and with the financial and volunteer support of our advocates, we have:

- **Achieved 501c3 nonprofit status** with the IRS retroactively effective February 2022. As such, we have been able to accept donations from members across the SDCEA service area and others to support our work. We met our initial fundraising goals for 2022 and look forward to your continued participation and support as we address the challenges ahead.
- **Cost of Service Study:** A group of our advocates crafted careful questions about the rate study that SDCEA's consultant used to design the proposed rate restructuring. We wanted to share information with co-op members and understand assumptions upon which the rate study was based. Our questions have largely remained unanswered, making it difficult to help members understand both the previously proposed rate restructuring and any rate changes that SDCEA might propose in the future.
- **Member Advisory Panel:** We developed and advocated for adoption of a Member Advisory Panel (MAP) by the SDCEA board to increase transparency and member involvement; however, SDCEA has not yet taken action.

- **Communication Channels:** We established communication channels with a website, Facebook page, and a dedicated email address from which to send updates to our advocates and receive feedback. We have been communicating with advocates steadily throughout 2022 using all of these communication channels.
- **Social Gatherings:** We held in-person social events to continue building our advocacy base, share ideas, provide updates, distribute information and have some fun!
- **Campaign for New SDCEA Board Members:** We executed a successful campaign to recruit, support and assist in the campaigns for the Fremont and Custer County SDCEA Board seats. We encouraged a record turn-out for the election in June 2022, which established better engagement in co-op governance among many members.
- **SDCEA Board Meetings:** We and our advocates have attended monthly SDCEA Board meetings (virtually) to monitor, learn and work to foster change. We provided public comment on a range of topics and used our website to share up-to-date notes from those meetings for members who are unable to attend the meetings.
- **Relationship Building:** Our directors and advocates held informal meetings with SDCEA Board members and management to share ideas, learn mutual interests, discuss concerns, build trust, and encourage continued dialogue.
- **Fundraising:** We continue to raise funds to further advocate for positive change at the co-op, support potential Board candidates, offer various educational opportunities to members and build a coalition of groups interested in the changing energy landscape.
- **Educational Articles and Presentations:** We have provided educational opportunities to co-op members about clean and sustainable energy using resources on our website, Facebook posts, and webinars. Two web-based seminars were held in conjunction with the Chaffee County Citizens' Climate Lobby on electric vehicles and heat pumps. Tom Plant, AVEF Chair, also gave a talk on Earth Day in conjunction with GARNA, New Energy Colorado and Xcel about tax credits and direct payments available through the Inflation Reduction Act.
- **Green Homes Tour:** We assisted the Greater Arkansas River Nature Associations (GARNA) and New Energy Colorado in promoting and participating in the Chaffee County Green Homes Tour in September.

- **Energy Planning Groups:** We have been invited to the discussion table for the Chaffee County Sustainability Plan, specifically the Energy Focus Group; meetings about geothermal energy potential in the upper Arkansas valley; and the City of Salida's Partners in Energy Workshops that are sponsored by Xcel's community collaboration program.
- **Town of Buena Vista Presentation:** We presented to the Town of Buena Vista Mayor, Trustees and Administrator to promote the possibility of local micro-grids and other clean energy projects in the area that can help make workforce housing and electricity more affordable and cleaner, as well as increase grid resiliency. Ideas were also presented on how the Town could take advantage of current State funding programs and provisions of the Inflation Reduction Act.

Rounding Out the Year and Looking Ahead

The natural outcome of our activities in 2022 was the interest in and need for an engagement process to listen and learn from the member-owners of the co-op. The SDCEA Board was asked to consider conducting a broad community engagement process with their membership, but, so far, there has been no commitment. As a result, we embarked on a community engagement project of our own from late October 2022 to January 2023.

In November, with the assistance of Kim Smoyer of Smoyer & Associates, professional facilitators, we surveyed members about their concerns, priorities and hopes for their electric co-op, as well as suggestions for AVEF's efforts in the future. A total of 214 co-op members participated in that survey and the results were used to inform and plan three separate community engagement meetings within SDCEA's service territory. Those meetings were held in Howard, Poncha Springs and Buena Vista on January 7th, 10th and 12th, 2023, respectively.

As 2023 begins, we have been working to finalize the report from our November survey and the January community engagement sessions. The final report was released on February 9th and a link has been posted on our website. A wealth of information and great ideas were collected during this process, along with the names of volunteers who are excited to support our efforts. This information and the sharing of ideas by interested and engaged co-op members will serve as our road map to navigate the coming year and beyond.

We are excited about the future and potential for more sustainable and resilient energy solutions that are cleaner and support our local economies, while achieving a more collaborative process with SDCEA. We thank you and respectfully ask for your support as we continue with our important work in 2023!

Respectfully submitted,

Arkansas Valley Coalition for a Sustainable Energy Future (AVEF)

2022 Board of Directors:

Tom Plant, Chair
Rich Shoemaker, Vice-Chair
Deb Hannigan, Secretary
Sue Greiner, Treasurer
Mike Wrigley, Campaign Director
Iris Herder, Fundraising Director
Sandy Long, Climate Director

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