NEW MEXICO RURAL ELECTRIC COOPERATIVES

Non-Profit Power

Understanding New Mexico's Rural Electric Cooperatives

What is an electric cooperative?

Empowering Communities

- Non-profit
- Member-owned and member-governed utility
- Elected board of directors
- Provides electricity to its members in rural and underserved areas where investor-owned utilities do not operate
- Each member has an equal say in the cooperative's decisions

Otero County Electric Cooperative Annual Member Meeting August 3, 2024

Seven Cooperative Principles

- Open & Voluntary Membership
- Democratic Member Control
- Members' Economic Participation
- Autonomy & Independence
- Education, Training, and Information
- Cooperation Amongst Cooperatives
- Concern for Community

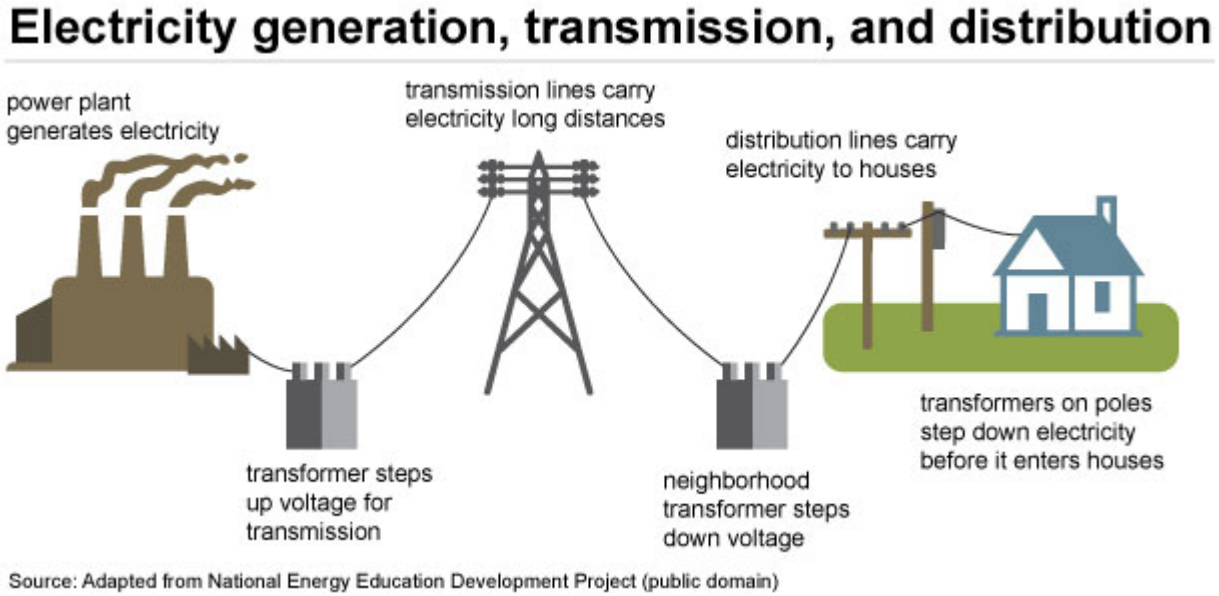
Power Delivery

G&T Cooperatives

- Generate and purchase energy for our Distribution Cooperatives
- Own the transmission lines delivering electricity to Distribution Cooperatives through long-term power contracts
- Work with Distribution Cooperatives to obtain local renewable energy mix, including behind-the-meter energy generated by cooperative members

Distribution Cooperatives

- Own the infrastructure that delivers power to their members



Electric Cooperative History

1844
Cooperative Principles Established in England.

1909
Country Life Commission recommends creation of electric co-ops to power rural areas.

1935
President Franklin D. Roosevelt creates federal Rural Electrification Administration (REA) by Executive Order 7037.

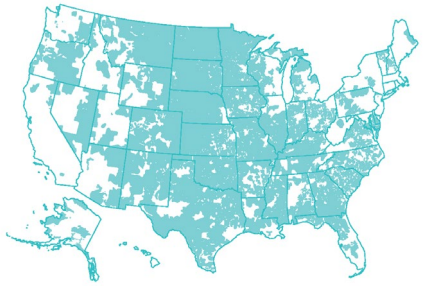
1936
2,000 miles of electric lines under construction by electric co-ops.

1937
Central Valley Electric Cooperative (CVEC) is the first co-op in New Mexico. June 23, 1937 is the date of incorporation.

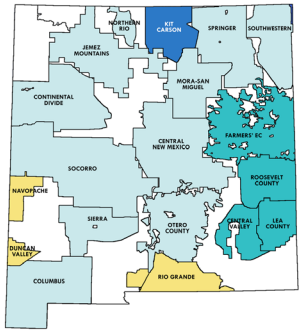
1941
One million farms have electricity.

1942
National Rural Electric Cooperative Association (NRECA) forms to represent co-op interests nationally.

1944
New Mexico Rural Electric Cooperative Association (NMREC) forms to represent co-op interests statewide.



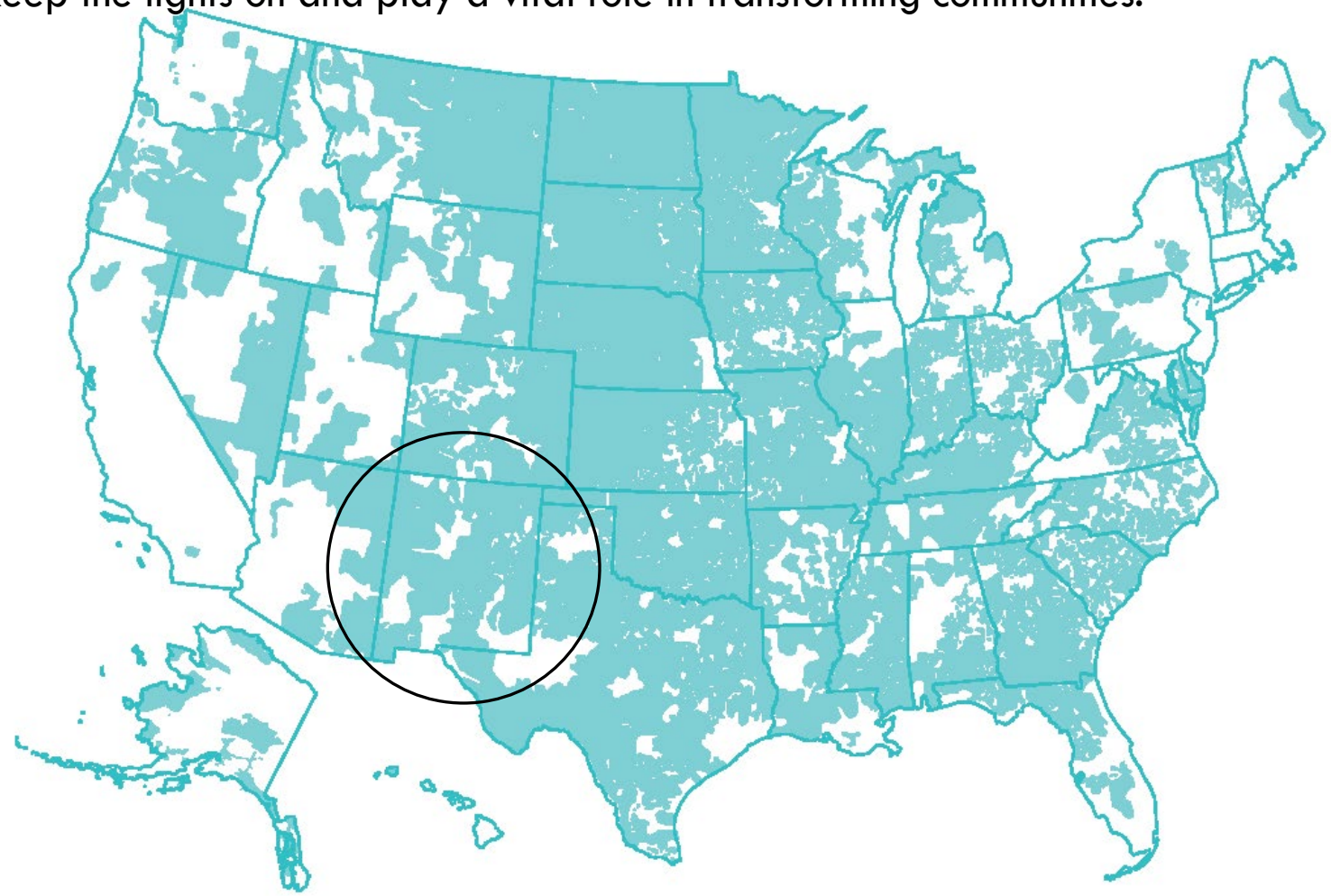
2024
89 years after the creation of REA, 896 NRECA co-op members in 48 states serve an estimated 42 million people.



WHERE ARE ELECTRIC COOPS AT?

From booming suburbs to remote rural communities, America's electric cooperatives are energy providers and engines of economic development. Electric cooperatives keep the lights on and play a vital role in transforming communities.

Cooperatives Power 56% of the American landscape*. In New Mexico it is closer to 80%.



***Serve in 92% of persistent poverty counties nationwide**

WHERE ARE ELECTRIC COOPS IN NEW MEXICO?

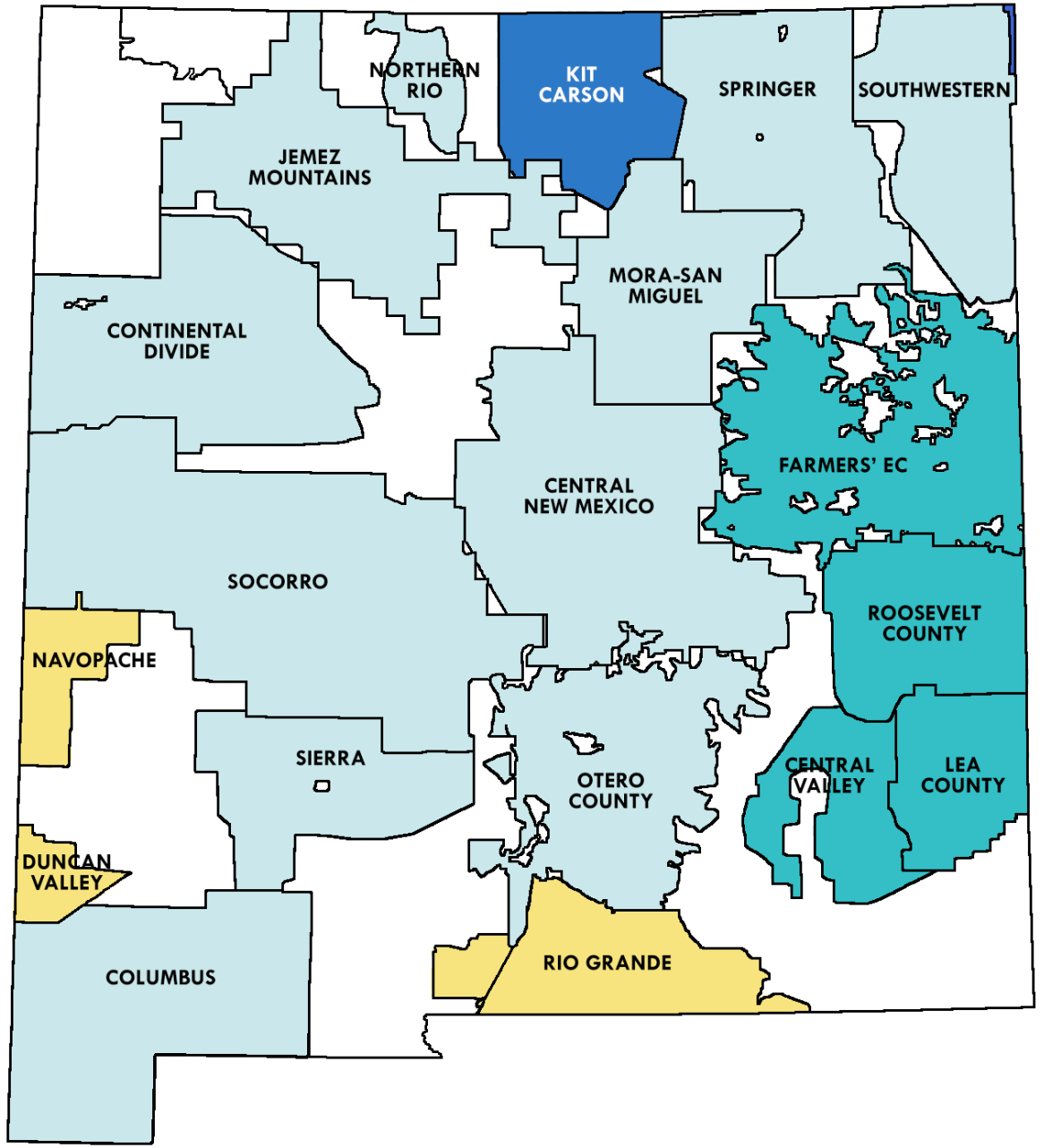
NMREC Member Cooperatives

NMREC Associate Member Cooperatives

Non-NMREC Member Cooperative

G&Ts Cooperatives Operating in NM

- Tri-State Generation & Transmission Association
- Western Farmers Electric Cooperative
- Arizona Generation & Transmission Cooperatives



Cooperative Statistics

- Serve close to 450,000 New Mexico residents
- Operate over 61,000 miles of power line
- Distribute over five million megawatt hours of electricity
- every year
- Service areas are in 32 out of 33 New Mexico Counties
- Average four meters per mile
- Provide over 1,100 quality jobs
- 22% population in poverty compared to 17% for NM and 13% for the US

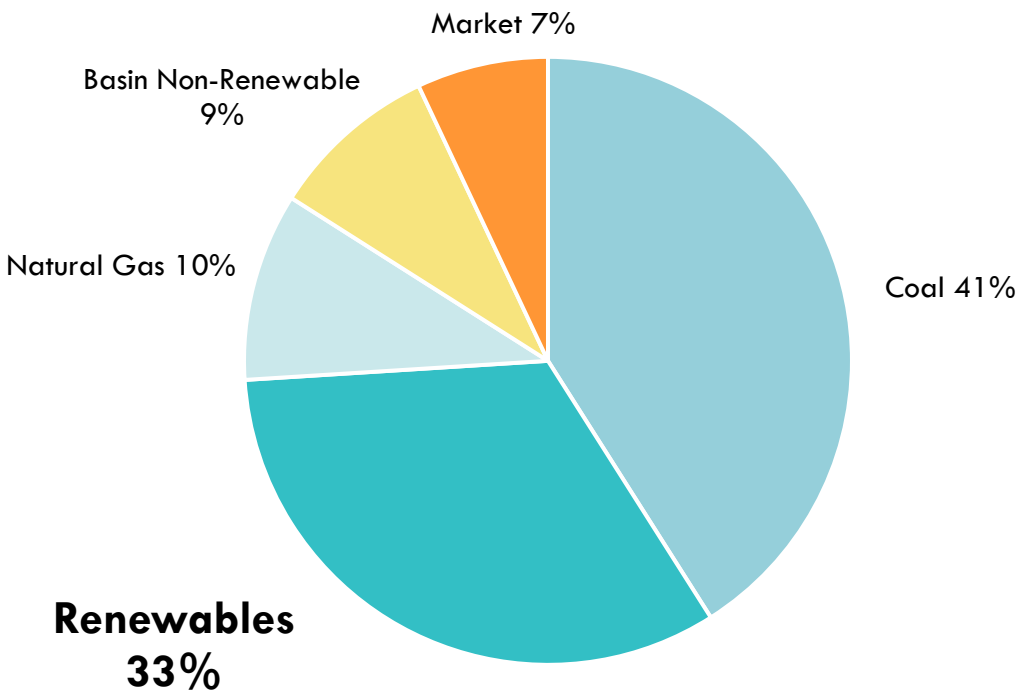
Long Term Electrification Planning

- Four-year and long-range work plans
  - System Improvements
  - New Construction
- Partnerships
  - DOT, Forestry, Energy, Environmental, Broadband, Rural Telecommunications, Other Utilities (Federal & State)
  - Ensure alignment with state initiatives and collaborate to secure funding
- Plan Acceleration
  - Federal & State Grant Applications

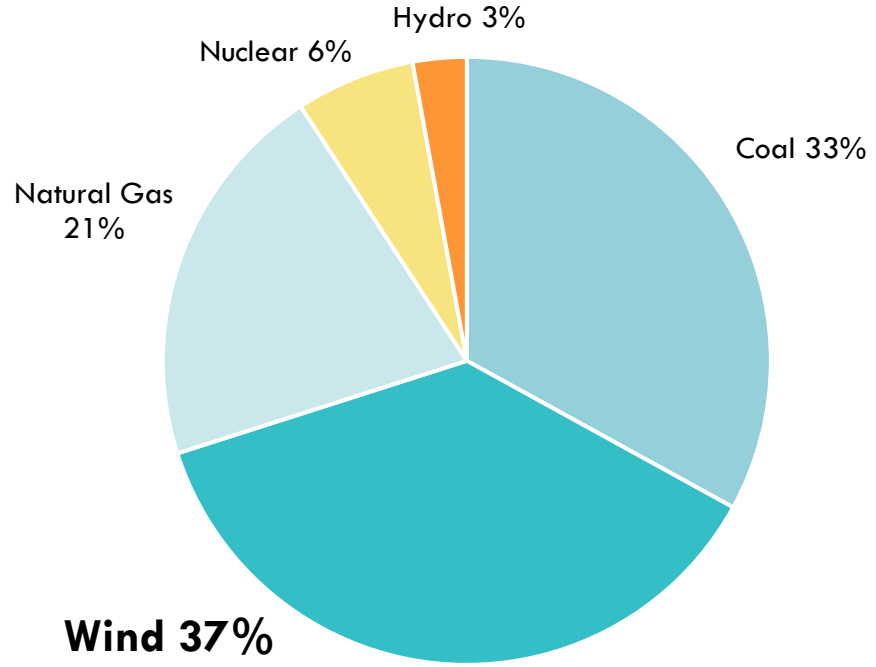
- Current Initiatives
  - Expanding current solar generation and adding battery storage
  - Rebuilding transmission lines to a higher voltage
  - Adding transmission lines to tie in substations
  - Deploying new technology
  - Replacing wood poles with steel poles
  - Adding poles to reduce span to increase reliability
  - Adding and upgrading substations

What is the Coop Status for the NM Energy TransitionAct (ETA)?

Tri-State Generation Mix 2023



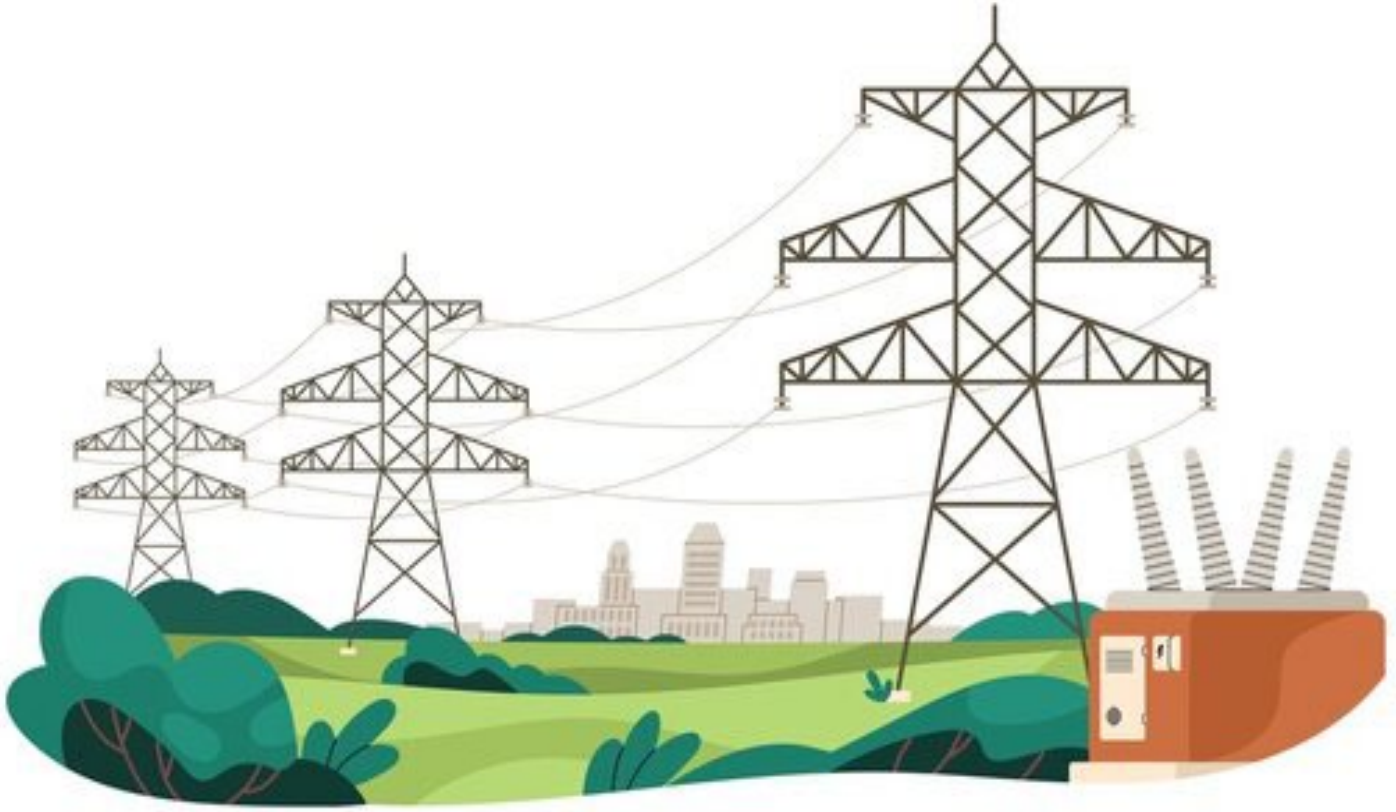
WFEC/SPP Generation Mix 2023



Coops have exceeded the current ETA requirement of 25% by 2024 with power provided by the G&Ts that include local utility solar and behind the meter generation

Challenges Confronting Cooperatives

- Geographic
- Limited Resources
- Regulatory



GEOGRAPHIC

Serving Vast Regions

Weather Hazards

Rights-of-Way Access

Limited Resources

Staffing

Financial

Supplies

Technology

PUBLIC UTILITIES

CUSTOMERS/MILE OF DISTRIBUTION LINE

Central New Mexico	3.10
Central Valley	1.00
Columbus	1.57
Continental Divide	4.38
Farmers'	1.66
Jemez Mountains	5.41
Lea County	1.68
Mora San Miguel	3.97
NORA	4.95
Otero County	5.24
Roosevelt County	0.98
Sierra	3.58
Socorro	2.59
Southwestern	0.38
Springer	0.96
Kit Carson	7.92
PNM	46.61*
SPS	18.00*
EPE	48.92*

* Approximations From Website

Regulatory

Rate Regulation

Compliance Issues

Power Supply Contracts

Upcoming Renewable Projects

- Tri-State, Western Farmers and Arizona G&Ts have numerous wind, solar and storage projects planned and funded that will be coming online in the next few years keeping well ahead of the NM ETA
- Locally
  - Roosevelt County Electric has a 9-megawatt solar project in the works (PPA signed)
  - Southwestern electric is looking at 8-megawatt solar project and studying how to be able utilize power locally from the windfarm that will be constructed in NE NM
  - As more funding becomes available coops are preparing for expanding solar and storage statewide


Questions?