



# POWER

## Source

February 2018 Vol. 22 No. 2

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## Farmers' Electric Board of Trustees Appoints Nominating Committees

The Board of Trustees in their January 23, 2018 meeting appointed the 2018 Trustee Candidate Nominating Committees as follows:

**District No. 1** (Clovis), will meet at the FEC Headquarters, Clovis, NM, on March 6, 2018, beginning at 11:30 a.m.

Committee Members:

**KC Schooley**

**Danny Fish**

**Gary Lockmiller**

**District No. 4** (Santa Rosa), will meet at FEC's Santa Rosa office, Santa Rosa, NM, on March 9, 2018, beginning at 11:30 a.m.

Committee Members:

**Andy Mardrid**

**David Sanchez**

**Alfredo Flores**

**District No. 6** (Broadview/Grady), will meet at the FEC Headquarters, Clovis, NM, on March 7, 2018, beginning at 11:30 a.m.

Committee Members:

**Jay Lynn Blackburn**

**Jim Ware**

**Jerry Sours**

The Cooperative's Bylaws state, "A nominating committee consisting of three members from each district from which a trustee is to be elected shall be appointed by the Board of Trustees not less than 60 days (March 6, 2018) or more than 120 days (January 5, 2018) before the Annual Meeting. Each committee shall meet no less than 45 days (March 21, 2018) before the annual meeting and select one nominee for trustee from their district. The nomination shall be posted at the principal office of the Cooperative immediately following the committee meeting."

In order to be eligible to become or remain a trustee, a person must:

- (a) Be a member of the Cooperative.
- (b) Be a bona fide resident of his trustee district and a permanent occupant receiving electrical service from the Cooperative at his primary residential abode.
- (c) Not be in any way employed by a major supplier of electric energy or merchandise to the Cooperative.
- (d) Not be employed by or have a close relative employed by the Cooperative in any position.

### These Positions Are For Three-Year Terms

Furthermore, in accordance with the Bylaws of the Cooperative, any qualified member of the Cooperative residing in Districts 1, 4, or 6 wishing to be on the Annual Meeting ballot as a candidate, may do so by petition. Article IV, Section 3(d) reads: "Any fifty (50) members, in good standing with the Cooperative, residing in a district from which a trustee is to be elected, may make nominations by petition for a trustee from that district, providing such nominating petition is filed in the principal office of the Cooperative not less than 20 days prior to the annual meeting."

The filing deadline this year is April 13, 2018. If you have any questions, call Lance R. Adkins at (800) 445-8541 or (575) 762-4466 in Clovis.

*Manager's Message...***Lance Adkins, GM**

## Winds of Change

**W**ith the development of a new wind farm along the New Mexico/Texas border, just east of the communities of Grady and Broadview, many people have asked about how much electricity Farmers' Electric Cooperative (FEC) is receiving from the new wind farm. The short answer is zero, as the new wind farm developed by Pattern Energy is electrically interconnected with the western US power grid, with the output sold to utilities out west. FEC is electrically interconnected with the eastern US power grid

and transfer of electric energy between the two grids must currently be transacted through a direct-current (DC) Tie. As I speak with folks about this in answer to their original question, their eyes usually glaze over at this point, clearly more information than they were looking for. Still, I find the process of interconnecting a wide array of electric generation resources to a transmission network (grid), along with hundreds of other generating resources, economically and reliably, fascinating.

Today, FEC is a member/owner of Western Farmers Electric Cooperative (WFEC), along with 21 other distribution cooperatives in New Mexico and Oklahoma. Under the terms of our wholesale power supply agreement, a portion of our supply comes from our previous supplier, Southwestern Public Service Company (SPS), on a declining basis through the middle of year 2026. Combined, WFEC and SPS must have sufficient generation capacity, that they own or control, to meet the instant-demand of FEC and the other wholesale and retail customers they are contractually bound to supply. One component of FEC's wholesale power bill is a "demand charge" which recovers for the supplier the capital cost of building and owning generation resources. Historically, the electric energy that flowed to area homes and businesses was directly linked to these generation resources and it was reasonably accurate to point to a specific generator in our area and state "that is where our power comes from." From an engineering perspective, that is still reasonably accurate, since electricity travels at the speed of light; however, the "paper trail" is infinitely more complicated today.

One way to think about the wholesale electric market FEC is tied to, the Southwest Power Pool (SPP), is to think of all the electric generation owners in the SPP as "pumping" electricity into a vast reservoir and wholesale customers pulling electricity out of that reservoir to serve retail consumers. SPP's Integrated Wholesale Market became operational in 2014. As market participants, WFEC and SPS, along with all other generation owners, bid their generation resources into the SPP Market on a



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### **POWER SOURCE**

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### **To Report An Outage**

We are on-call 24 hours each day, 365 days each year, to serve **your** electric power needs.

**Clovis**  
 762-4466  
**Fort Sumner**  
 355-2291  
**Santa Rosa**  
 472-3971  
**Toll Free**  
 1-800-445-8541

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day-ahead basis, as available to serve load. A generation owner's bid includes the price they will accept for running their generation and the operating conditions they are willing to run under. For example, a thirty-year-old coal-fired power plant can bid into the market at a very low cost; however, a coal plant has very limiting operating characteristics in that it takes a long time to start and is limited in how much flexibility it has to increase output or decrease output. A simple gas turbine may be more expensive to run, but has much greater flexibility, capable of starting and serving full load in a matter of minutes and can ramp down just as quickly. Both provide value in the market, but for different reasons. As the market operator, SPP decides which generation will run to supply load based on reliability and lowest cost to serve load.

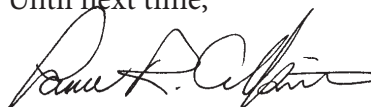
In addition to bidding their generation units as available to serve load, WFE and SPS must also provide a schedule to SPP about how much energy they will require from the market to serve wholesale and retail consumers. Today, the SPP Integrated Market is an energy only market, meaning those desiring to purchase energy from the market must also have capacity (generating plants) available to support the market. The generation resources may not be called on to run, due the bid pricing being too high, but they must be available in order to purchase energy from the market. Historically, the SPP served as a reliability coordinator and their role in wholesale electric supply has expanded over

time. SPP is now responsible for transmission planning, continually analyzing new load growth, new generation resources, including wind and solar, and what new transmission needs to be built to provide reliable transmission paths to move the power to consumers.

Since the SPP Integrated Wholesale began operations in 2014, the SPP estimates their market has saved consumers, including FEC, some \$1.25 Billion. SPP set a few records last year, with renewable energy resources supplying just under 60 percent of load on December 4. SPP provides direct oversight over 65,622 miles of transmission line and had a peak load of 50,622 megawatts in July 2016. In comparison, the FEC peak load last year was just over 60 megawatts, also in July.

For those who are curious, the SPP website SPP.org, has additional information on the current price of wholesale energy in the market footprint (really cool map), with the price expressed in dollars per megawatt-hour (MWH) at various locations. As an example, a price of \$22/MWH is 2.2 cents per kilowatt-hour. In addition, the website has a graph depicting the current generation resource mix running. At the time of this writing the market was operating at 40 percent coal, 39 percent wind, 10 percent natural gas and lesser amounts of nuclear, hydro, solar and a few other odds and ends.

Until next time,


**Attention**

Protection from winter shut-off begins November 15, 2017. To avoid potential disconnection of services, please contact the Human Services Department for eligibility information for the Low Income Heating Energy Assistance Program (LIHEAP) at 800-283-4465. Your service will not be disconnected from November 15, 2017 through March 15, 2018, if you qualify for LIHEAP and have no past due amount or are making the agreed upon payments.

**Atención**

Protección contra la interrupción de servicio de invierno comienza el 15 de Noviembre del 2017. Para evitar la posibilidad de desconexión. Favor de ponerse en contacto con el Departamento de Servicios Humanos para informarse acerca de los requisitos de elegibilidad para el Programa de Asistencia Energética de Bajos Ingresos (LIHEAP) al 1-800-283-4465, Su servicio no será desconectado de Noviembre 15 a Marzo 15, 2018 si califica para el Programa de Asistencia Energética de Bajos Ingresos y no tiene saldo atrasado ni a fallado con su acuerdo de pagos fijos.

**Energy Efficiency Radio Program!**

Listen to the "Morning Buzz with the Energy Guys" every Saturday morning at 7:00 on KCLV 99.1 FM and again Sunday morning at 10:00 on KCLV "Talk" 1240 AM. We also have a Facebook page called "Morning Buzz with the energy Guys" where you can catch up on previous shows and find info on energy efficiency.



**Jason and Thom**

- Tips on Saving Energy and Money
- Electric Safety
- Mail Bag Section

## Extremes in Temperatures Lead to Higher Usage – Higher Bills

With the fluctuating temperatures of late 2017 and into January and February of 2018, some members, especially those that heat with electricity, saw their electric bills rise, in some cases, even double between December and January.

These higher than normal electric bills have several contributing factors; First: lows at night were very low, even if the high during the day was relatively mild. Couple that with high north winds and the short winter days – heating systems are going to operate harder and longer all causing more electricity consumption.

It is “usage” that has increased. No one has been arbitrarily charged extra. This is a trend that all of the regions of eastern New Mexico and west Texas have experienced. Whether investor-owned, municipal, or cooperative, electric utilities all had consumers wondering why their bills were higher.

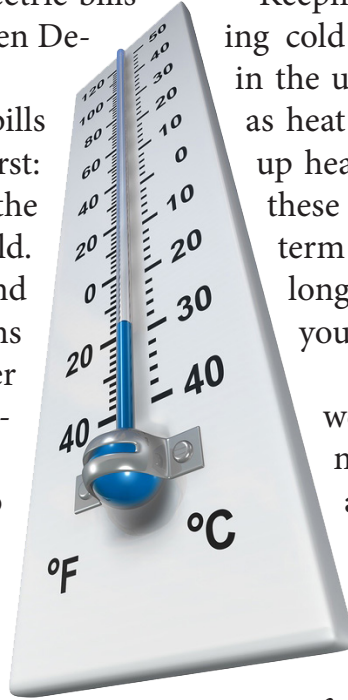
All FEC members are encouraged to look closely at their bill particularly the graph on usage located in the left bottom third of your bill (13 months of usage history). It should indicate that

your consumption/usage went up during December and January (invoice billing with multiple accounts will not have this history).

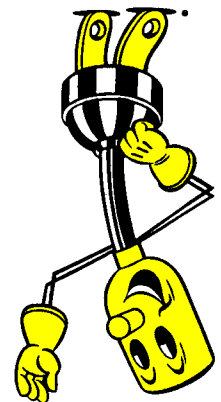
Keeping a home warm and comfortable during cold winter days and nights often results in the use of additional heating methods such as heat lamps, space heaters, resistance back-up heat and other high-usage devices. While these options may be effective during short-term cold spells, they should be limited for long periods of time as they directly impact your overall usage.

We know this can be frustrating and we want to work with our members as much as we can. If you are lower income and/or elderly, you may qualify for help with your winter utilities through LIHEAP and the Department of Human Services. Go to [www.hsd.state.nm.us](http://www.hsd.state.nm.us) click the “Looking for Assistance” tab, after that, click on the “Low Income Home Energy Assistance Program (LIHEAP)” tab, then simply follow the instructions.

To further help combat rising electric usage, FEC offers a pamphlet titled, “101 Easy Ways to Save Energy and Money.” Call us today at (800) 445-8541 and we can put one in the mail to you.



**“Owned By Those We Serve”**



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