

FEC® POWER

Source

Vol. 20 No. 11

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A Touchstone Energy® Cooperative



Ag Safety Day Camps Held In Clovis and Santa Rosa

Farmers' Electric Cooperative recently had the privilege of participating in Progressive Agriculture Foundation's Ag Safety Day Camps in Curry County (Clovis) and Guadalupe County (Santa Rosa). The Clovis day camp was a two-day event with 3rd graders from the surrounding area attending. Santa Rosa hosted a one-day event for theirs and neighboring 3rd grade students.



Farmers' Electric personnel gave electrical safety demonstrations to the students with emphasis on overhead power line contact and the associated dangers. Also covered in the demonstrations was indoor electrical safety, electric generation, transmission, and distribution. The kids also learned about professional linemen's personal protective equipment (PPE) and its uses.



Along with the electrical safety demonstrations, the children were treated to other safety stations throughout the day such as, water safety, ATV safety, tractor safety, 911 and first aid, lawnmower safety, firearm safety, grain elevator safety, fire safety, and snake awareness. These were all-day events with the children receiving a hot dog, chips, milk, apple, and ice cream sandwiches for lunch. Combined, the two events drew approximately 1,900 participants.

Farmers' Electric will make itself available for any organization, civic group, or school to present these demonstrations, free of charge. Call the cooperative today, (800) 445-8541, and ask to speak to someone in the Member Services Department.



The Clock Is Ticking On Federal Geothermal Tax

Credits – What is Geo anyway?

Time is drawing near to take advantage of the 30% federal tax credits associated with installing geothermal heating and air conditioning. Presently, these tax credits are set to expire at the end of this calendar year. To take full advantage of this incentive, your new geothermal system must be completed and billed out by December 31, 2016. It remains to be seen if the federal tax credit will be extended. Fortunately for New Mexico residents, the State Taxation and Revenue Department offer an additional 30% tax credit through 2020. Additionally, FEC offers a one-time, cash-back rebate (\$1,000/ton up to \$5,000 total) for any member choosing to install either through new construction or as a retro-fit, a qualifying geothermal system.

Heating and cooling accounts for approximately 50% of a home's energy consumption. So whether it is summer or winter or somewhere in between, it is important that a consumer be keenly aware of ways in which they can make their home more energy efficient.

Insulation is a good start. Insulating your attic to at least an R30 is wise given most heat loss or heat gain penetrates through the attic. R value is the capacity of an insulating mate-

See **TICKING** on **PAGE 3**

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

Update on the Status of the “Clean Power Plan”

It has been some time since I last reported on the status of the “Clean Power Plan” (CPP), the final rule issued by the Environmental Protection Agency (EPA), affecting both existing and future electric generation resources. Following several years of development and a few false starts, Section 111 (d) rule, as it is known in the utility industry, is designed to reduce carbon dioxide emissions (CO₂) from electric power generation plants. CO₂ released by human activity has been targeted as “public enemy number one” in the battle to reduce global warming. Readers may recall Farmers’ Electric urging members

to send in comments asking EPA and congress to make sure new regulations considered the impact on affordability and reliability in the decision making process.

Under the CPP the process moved to individual states, as they were tasked with developing, implementing, and monitoring plans to achieve EPA defined CO₂ reductions. Rural electric cooperatives in New Mexico met with the New Mexico Environment Department last year to discuss planning options. One of the concerns for the members of Farmers’ Electric (FEC), most of our wholesale power is generated outside the borders of New Mexico, including power plants in Texas and Oklahoma. Under the CPP, New Mexico is required to reduce CO₂ emissions, using 2012 emissions as a baseline, by 33.9%, Texas by 38.4%, and Oklahoma by 35.5% by 2030 with the most significant reductions required in states that have existing power plants that burn coal. FEC receives no energy from coal-fueled power plants based in New Mexico, but do receive roughly 45 percent of our energy from coal-fueled plants in Texas.

As expected, the CPP met significant opposition from many special interest groups including the utility industry, fossil-fuel industry, environmental advocacy, and consumer advocacy groups to name a few. Some believe the CPP goes too far, with the EPA exceeding their legal authority; others believe the CPP does not do enough to reduce CO₂ emissions. Five separate applications for a “Stay” were filed with the Supreme Court of the United States, with the Court issuing a Stay on a split vote, five to four. With the Stay, all efforts to implement the CPP by the EPA and in the State of New Mexico, came to a halt.

Everyone’s attention now turns to the District of Columbia Court of Appeals, tasked with reviewing the challenges to the CPP. There was a great deal of speculation as to the timing of a decision by the DC Court, some expecting a ruling before the November elections, but that didn’t happen. One wonders what impact the election of Donald Trump may have on a ruling, as the decision by the DC Court will likely be appealed to the Supreme Court. It is more likely the fate of the CPP will be indirectly decided by his election, as one of the five Supreme Court Justices in favor of the original Stay was Justice Antonin Scalia, who passed away unexpectedly in February. Trump will likely fill his vacancy with a conservative leaning individual who might be inclined to join his/her like-minded colleagues.

Interestingly, the graph below on the left depicts the 2014 EPA forecast in the CPP as to how the Plan would shift electric generation away from coal by 2030. More interesting, the graph on the right, from the US Energy Information Administration (EIA), depicts how far the industry has moved, largely reaching the EPA 15+ year forecast in just two

See CPP on PAGE 4

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rial to resist heat flow. The higher the R-value, the greater the insulating power. To reach R30, one would need to lay approximately 10" of fiberglass batting, blow-in approximately 12" of loose-fill fiber, blow-in 8" of cellulose, or apply 4" of expanding polyurethane foam to your roof rafters. Farmers' Electric offers a \$500 cash-back rebate for members who add insulation to their attics.

If you are considering a new HVAC system for your home, you have a lot from which to choose. One significant opportunity for reducing the cost of operating your HVAC system is to install a geothermal or ground-source heat pump. Geothermal heat pumps take advantage of the constant, year-round temperature of about 58-60 degrees that is just a few feet below the ground's using either horizontal or vertical loops. These loops are designed to work through thermodynamics with and exchange of heat or cool depending on the season. Because the temperature of the ground is cooler in the summer than the air, the system doesn't have to work as hard to cool your home and saves you energy and most importantly, money. The same system can also reduce your heating costs. Even when the air temperature is below freezing, the ground is much warmer. Most geothermal systems can also pre-heat water!



Geothermal systems are more expensive to install than their air-source counterparts and should only be installed by trained, skilled technicians. As mentioned at the beginning of this article, there is currently a 30% state tax credit and a 30% federal tax credit available to those that choose to install a geo system. This combined 60% tax credit makes this type of application very attractive – not to mention that it will consume 40-70% less energy to cool and heat your home! Additionally, Farmers' Electric has a very appealing cash-back rebate, offering our members \$1,000/ton up to \$5,000.

Again, time is running out on the federal portion of the tax credit, so if you have or are considering this type of HVAC update, please call FEC today and ask to speak to one of the Energy Guys!

ATTENTION: IRRIGATION CONSUMERS
SUBJECT: IRRIGATION ANNUAL
MINIMUM CHARGES

In accordance with Farmers' Electric Cooperative's irrigation rate schedule, certain annual minimum charges apply to all irrigation accounts. Your original minimum charges were calculated through a contract with the Cooperative based on the cost of line extension to the irrigation load. Upon expiration of the contract, the horsepower on that account determines the annual minimum at the rate of \$20.00 per horsepower, but not less than \$110.00 for single-phase service, and not less than \$165.00 for three-phase service.

Under the irrigation rate schedule, consumers have one calendar year, (approximately December 20 through December 20 of the following year), in which to use the annual minimum charges. The December billing will reflect the remaining charges, if any.

If you have any questions regarding the annual minimum charges for your irrigation account(s), please contact the Cooperative's Billing Department at 575-762-4466 or 800-445-8541.

Scholarship Applications
Available Now

Farmers' Electric Cooperative will be awarding scholarships again this year through the Farmers' Electric Education Foundation. Scholarship applications may be obtained from area high school guidance counselors or from cooperative office locations in Clovis, Ft. Sumner, and Santa Rosa. Scholarship applications can also be requested by calling the Clovis office at 575-762-4466 or 800-445-8541 or by going online to www.fecnm.org. All cooperative members and their dependents are eligible to apply for these scholarships.

Don't Delay! Deadline For
Applications Is February 1, 2017!



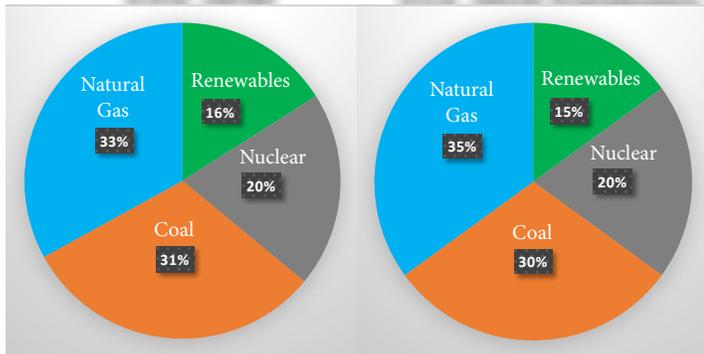
This year there are two different scholarship forms. Be sure when requesting a form that you specify either the "Graduating High School Student Application" or the "Returning College Application." Both forms are available from any FEC office or are available to download from www.fecnm.org.

CPP from PAGE 2

years, without enforcement of the CPP.

EPA 2030

EIA 2016 Estimates



No doubt the CPP, even with the Stay, has had an impact on utility decisions to move towards closing coal-fueled generation plants at an accelerated pace. However, the real game changer has been the development in natural gas extraction technology, currently producing natural gas at a very low cost, in turn driving the expansion of new natural gas-fueled generation. Natural gas generation also produces CO₂, but at roughly half the rate of similar size coal units. Existing technologies for natural gas generation are able to meet the CO₂ limitations established in the CPP. In addition, there has been significant reductions in the cost of utility-scale renewable energy, both solar and wind. Just three years ago, utility-scale solar generation was priced above 10 cents per kilowatt hour (kWh) wholesale, and is now less than half that amount when including the various financial incentives and subsidies for renewable generation at both the state and federal level.

Until Next Time,

Youth Tour 2017



In 2017, FEC will again sponsor two area high school Juniors (summer after Junior year) on the week-long, Government in Action Youth Tour in Washington, D. C. Please call 800-445-8541 for more details on this exciting opportunity! We promise this will be a trip of a lifetime!

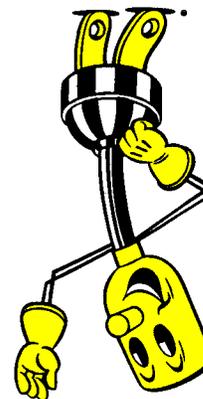
Attention

Protection from winter shut-off begins November 15, 2016. 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, 2016 through March 15, 2017, if you qualify for LIHEAP and have no past due amount or are making the agreed upon payments.

Atención

Proteccion contra la interrupcion de servicio de invierno comienza el 15 de Noviembre del 2016. Para evitar la posibilidad de desconexion, por favor de ponerse en contacto con el Departamento de Servicio Humanos al 1-800-283-4465, para obtener informacion acerca del Programa de Asistencia de Energia (LIHEAP) para las personas con bajos recursos. Si usted califica para el Programa de Asistencia de Energia y no tiene su cuenta con saldo vencido ni tiene un acuerdo de pagos fijos, su servicio no sera desconectado.

“Owned By Those We Serve”



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