

HIGHLINE ELECTRIC ASSOCIATION

The Beacon

JANUARY 2024



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Our mission is to provide our members with reliable, high-quality electricity and other needed services, which will improve their economic and social well-being and provide significant long-range benefits for our communities, our state and our nation.

NEW OVID OFFICE HOURS:

HEA's Ovid office is open Monday, Tuesday, and Thursday from 9 a.m. to 3 p.m. and on bill due dates.



HIGHLINE ELECTRIC ASSOCIATION
IS AN EQUAL OPPORTUNITY
PROVIDER AND EMPLOYER



Touchstone Energy®

2024 RATE ADJUSTMENT

BY DENNIS HERMAN GENERAL MANAGER



DENNIS HERMAN

In my August 2023, column I informed you that Highline Electric Association would receive a rate increase in 2024 from our wholesale power provider, Tri-State Generation and Transmission. As I mentioned then, Tri-State has filed a rate with the Federal Energy Regulatory Commission that represents a rate increase and a cost realignment. The realignment reallocates Tri-State's cost recovery in a way that recovers more revenue from low load factor systems like Highline. My explanation of load factor appeared in my August 2023 column, which can be found on our website at www.hea.coop by navigating to *Colorado Country Life* under the Community tab.

As a result of the cost realignment from Tri-State, it is necessary for Highline to complete a cost of service study before implementing a rate change. At the time of this writing, the COS study is nearing completion, and we will have the results by the time you read this. While it is necessary to wait for the results of the COS study before applying a rate change, the board has approved the 2024 budget that includes an overall rate increase of 3.5%. This is half of the rate increase necessary to account for the wholesale rate increase from Tri-State. Highline will use monies that were set aside in prior years to cover the shortfall in our 2024 budget. We anticipate a similar rate adjustment in 2025 to fully implement the wholesale rate increase from Tri-State.

This rate increase will be seen sometime in the first or second quarter of this year. Please note that the effective rate increase will vary between rate classes and member usage patterns. For instance, residential and

commercial loads with a lower monthly load factor will see a higher increase than those with higher load factors. This is a result of the fixed cost recovery component of the rates increasing more than the variable cost recovery components. This realignment will have a larger impact on the irrigation rate class due to the seasonality of the load. Adjustments to the irrigation rate will also result in higher increases to bills in wet years and relatively lower increases in drier years.

For irrigators who participate in our voluntary load control program there is a bit of a silver lining to the rate change. The discount for participation in the load control program will be increasing across the board. Information regarding these changes was mailed in December.

Tri-State has not raised its wholesale rate since 2016. Power suppliers across the Rocky Mountain West have increased their rates over the past few years, so it's not surprising that Tri-State needs a rate adjustment. Tri-State and Highline both have been subject to the same effects of inflation that have been felt by all consumers over the last few years.

Highline's staff works diligently to provide you, our members, with safe, affordable, and reliable energy. As a nonprofit electric cooperative, we don't have the same profit motives that drive investor-owned utilities. We will continue to work with Tri-State to provide you with the best value possible in your electric service.

YOU'RE INVITED!

YOU ARE INVITED TO HIGHLINE ELECTRIC'S ANNUAL MEETING

Highline Electric Association's 2024 Annual Meeting is fast approaching. This will be Highline Electric's 86th anniversary.

The meeting will be Tuesday, March 26, 2024, in the Phillips County Event Center at the fairgrounds in Holyoke. Members will receive a direct mailing notice in March with the most up-to-date information regarding the meeting. This meeting will also be livestreamed; details can be found on our website at www.hea.coop.

President Mike Bennett and General Manager Dennis Herman will give their reports on the condition of the association.

An election will be held for four director positions. These positions require the nominee to be a member of Highline Electric and comply with Article III, Section 3 of the association's bylaws.

There will be one director position from District 1 and the nominees must reside in Logan, Weld, Washington or Morgan County, Colorado. The incumbent director for this district is Jim Lueck.

There will be one director position from District 2 and the nominee must reside in Phillips or Yuma County, Colorado. The incumbent director for this district is Mike Bennett.

There will be one director position from District 3 and the nominee must reside in Sedgwick County, Colorado or Deuel County, Nebraska. The incumbent director

for this district is David Carlson.

There will be one director position from District 4 and the nominee must reside in Chase, Perkins or Dundy County, Nebraska. The incumbent director for this district is Merlin Prior.

Petitions to nominate a director are available at all Highline Electric offices. Anyone nominated for a board director position must comply with the following rules:

The person nominated must comply with Article III, Section 3 of the bylaws, a copy of which may be obtained from any Highline Electric office.

A minimum of 15 signatures is required for nomination. Each member signing the petition must reside in the same district as the person being nominated.

Only members of Highline may sign said petition. If the membership is in joint tenancy, only one tenant may sign.

Circulators of said petition should attempt to verify the correctness of the name and address of each signer and must require that the signature take place in the presence of the circulator. The circulator should sign the affidavit at the end of said petition and have the affidavit notarized before submitting it to Highline Electric.

All petitions must be received at Highline Electric Association, 1300 S. Intercean, Holyoke, CO 80734 or P.O. Box 57, Holyoke, CO 80734, on or prior to Friday, January 26, 2024.



Scholarship Applications Now Available

Highline Electric, Tri-State Generation and Transmission, and Basin Electric Power Cooperative work together to provide 13 scholarships to graduating high school seniors in our service area.

Scholarship amounts range from \$500 to \$1,000. In 2018, Highline's Board of Directors voted to convert two of Highline's \$1,000 scholarships into renewable scholarships that can be redeemed by the recipient for up to four years if they maintain eligibility criteria.

For applications, instructions, and more information, please visit us online at www.hea.coop.

DEADLINE: Applications are due by noon on Wednesday, February 14, 2024.

CONGRATS!

THE FOLLOWING EMPLOYEES OBSERVE AN EMPLOYMENT ANNIVERSARY IN JANUARY:

Jeff Pocock	32 years
JT Baker	27 years
Kris Camblin	26 years
Melissa Nelson	21 years
Jessie Heath	9 years
Elise Pocock	9 years
Mendi Lutze	8 years

2024 IRRIGATION INFORMATION

Deposits

Irrigators are reminded that if you are late paying an irrigation account two times during the irrigation season, a deposit will be required before the well will be energized the next season. If a deposit is required and you are late paying one time in the current year, a deposit will be required the following year.

2024 Load Control

Letters should have arrived in landowners' mailboxes late December and early January about the 2024 load control program. All irrigation wells that were in the 2023 load control will be in the 2024 program and on the same option unless we are notified.

If you want to have well(s) in the 2024 load control program that were not in the 2023 load control program, please call our office and contract(s) will be sent to you. Please visit our website and/or check your mailer — the discounts per option have increased. The deadline for all additions, changes, or removals is February 28.



STATEMENT OF NONDISCRIMINATION

Highline Electric Association is the recipient of federal financial assistance from the Rural Utilities Service, an agency of the U.S. Department of Agriculture. In accordance with federal law and USDA policy, this institution is prohibited from discriminating on the basis of race, color, national origin, sex, age, or disability. (Not all prohibited bases apply to all programs.) The person responsible for coordinating this organization's nondiscrimination compliance efforts is Dennis Herman, Manager of Highline Electric Association. To file a complaint of discrimination, write to:

U.S. Department of Agriculture
Director, Office of Adjudication and
Compliance, 1400 Independence Ave.,
S.W., Washington, D.C. 20250-9410 or
call 202-260-1026 or 800-795-3272.

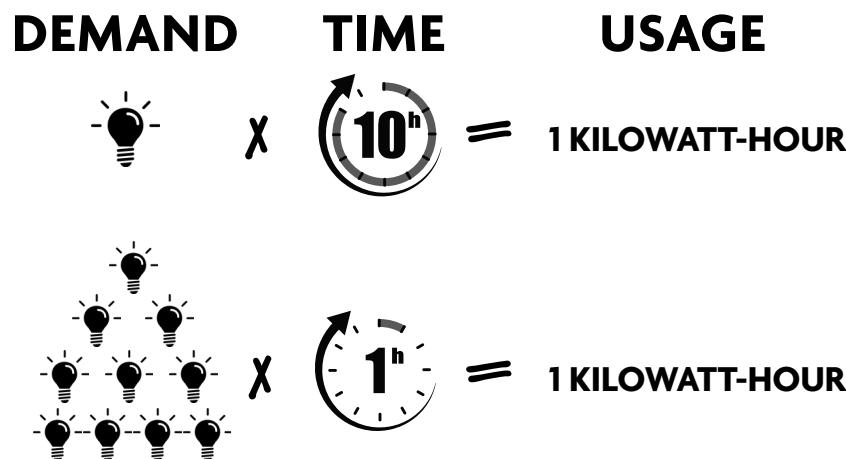
The USDA is an Equal Opportunity provider, employer, and lender.

UNDERSTANDING DEMAND CHARGES

At Highline Electric Association, a large component of our power bill has always been demand. Demand billing is based on the highest kilowatt reading in that billing month. Highline serves members with large load requirements such as industrial, commercial, oil and gas, and irrigation whose rates are designed to recover costs through a demand component because those members contribute largely to our monthly system demand. Tri-State Generation and Transmission, our wholesale power supplier, like many other wholesale power providers are proposing significant demand charge increases this year.

Our current residential and small commercial rates bundle demand (kilowatt) and usage (kilowatt-hour) into a single, bundled rate where we bill on member usage — kilowatt-hour — plus a flat monthly service fee; this is considered a two-part rate. As we continue to design rates to recover costs, our residential and small commercial rate classes that are currently bundled may un-bundle into a three-part rate sometime in early 2024. In the event this rate restructuring happens, we want to introduce the concept of demand to members who have not seen a demand cost component on their Highline Electric bill.

To further help members understand demand charges, you will see new monthly billing statements, perhaps as soon as February 2024, which will show members additional billing information including your monthly demand reading.



▀ The energy used by one 100-watt lightbulb for 10 hours is the same as the energy used by 10 bulbs lit for 1 hour. Demand is the amount of power needed to supply everything running off of electricity in your home at a specific point in time. Demand is expressed in kilowatts — not kilowatt-hours. The unit cost of demand — kW — is typically much higher than the unit cost of consumption — kWh. For instance, energy is charged in cents per kWh, where demand is charged in dollars per kW.

2024 Rebate Product Guide

- Eligible rebates must be submitted within 90 days of purchase.
- Rebate amounts under \$50 will be issued as a credit on the Highline Electric account. All rebate requests must include itemized payment receipts (including product model number) and ENERGY STAR® verification documentation where stated.

Product	Eligible Rebate	*updated 1.1.24
Electric Outdoor Power Equipment	25% of cost up to: \$150 for walk-behind lawnmower, electric bicycle, or electric snowblower; up to \$250 for two-stage electric snowblower;; up to \$50 for electric leaf blower, pruner, trimmer, and power washer; up to \$100 for electric chainsaws; and up to \$1,000 for electric riding lawn mowers. 50% of cost up to \$25 for additional batteries purchased with or for qualifying equipment – must be included with original purchase rebate application. Maximum yearly outdoor equipment rebate of \$300 per account, except riding lawnmowers (stand-alone \$1,000 cap per member account). One rebate per product type per year, excluding electric bicycles.	
ENERGY STAR® LED Bulbs (500 lumens or greater)	50% of lamp/bulb cost up to \$8 per lamp/bulb. Yearly cap of 50 lamps/bulbs per account.	
Refrigerator/Freezer Recycling Only (7.75 cu ft. or greater)	\$120 if old unit is recycled. Proof of retailer haul away and/or itemized invoice is required to receive recycling credit. Freezer/refrigerator rebates are limited to a max of two recycles per member, per year.	
Induction Cooktops/Ranges (measuring 30" or larger)	\$100 per unit for electric-to-induction. \$350 per unit for gas-to-induction or new construction. Replacement of gas units with induction require verification of gas cooktop/range.	
ENERGY STAR® Dryer	\$60 per unit. \$180 heat pump unit.	
Ground Source Heat Pump System	\$850 per ton for new installation. \$425 per ton for existing unit replacements. ENERGY STAR® rated. \$100 per unit for ground source heat pump powered water heaters (a.k.a. desuperheater).	
Evaporative Cooler	\$200 per unit. Minimum 2500 CFM, no window or portable units.	
Air Conditioners - Split System	\$100 per unit. Minimum 16 SEER or 15.2 SEER2. ENERGY STAR® rated. 1 ton minimum. No window units.	
Air Source Heat Pump System (AHRI Certificates required.)	Ductless – Base Tier: 7.8 HSPF2 min. rating \$250/ton, up to 5 tons + 125/ton over 5 tons. Cold Climate Tier: 8.5 HSPF2 \$500/ton, up to 5 tons + \$250/ton over 5 tons Ducted – Base Tier: 7.8 HSPF2 min. rating \$250/ton, up to 5 tons + 125/ton over 5 tons. \$500 bonus for dual-fuel propane. Cold Climate Tier: 8.1 HSPF2 \$500/ton, up to 5 tons + \$250/ton over 5 tons. \$500 bonus for dual-fuel propane.	
Air-to-Water Heat Pump	\$500/ton, up to 5 tons + \$250/ton over 5 tons.	
Whole House Fans	\$100 per unit. Replacement or new installations qualify.	
Smart Thermostats	\$50 per unit. Must be WiFi and have learning capabilities. Limit 2 smart thermostats per member account.	
Electric Water Heater	\$50 per unit for new construction. \$100 per unit for gas conversion. \$375 per unit for ENERGY STAR® heat pump water heater. 30 gallon minimum.	
Electric Commercial, Industrial and Irrigation Motors (10-1500 hp)	\$10/HP up to 500HP and \$8/HP for motors above 500HP. \$1.50/HP wiring assistance if motor replaces fossil fuel or is a new install. Contact HEA for form or go online.	
Variable Speed Drive (VSD)	Contact HEA for details. Soft start kits added to existing motors are not eligible.	
Irrigation & Industrial/Agricultural Auditing	Irrigation: 75%-100% up to \$1,500. Industrial/Agricultural: Contact HEA for details.	
Energy Assessments	Commercial and Industrial building Energy Assessments – 75%-100% of assessment cost up to \$25,000 Oil and Gas Assessments – Free to member, overall program cap of \$500,000	
EV Level 2 Charging Station	50% up to \$250 non-managed or \$1,000 for member system managed chargers	
DC Fast Charger	50% up to \$3,000 for 50-75kW peak output or \$5,000 for 763-149kW & \$7,500 for 150kW+.	
Commercial Lighting (all commercial fixtures must be DLC listed)		
Pole Mounted LED Lighting	25% of total LED head cost. Project cap of \$20,000.	
Commercial Lighting New / Retrofit	Contact HEA for details. One project per member account per year. Project cap of \$20,000.	