



Empire Electric Association, Inc.

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The Journal
8 W. Main Street
Cortez, CO 81321

Letter to the Editor of The Journal:

I am writing in response to Emily Hayes's article published on August 21, 2020 titled "Cortez clashes with Empire Electric over hydro plant." The title and the information presented are only half the facts and paint a picture that may get "clicks" and sell papers but does nothing to inform the public of the full story. It is regrettable that the only attempt by the Journal to contact EEA prior to publishing was to a Board member the evening it was published. The reporter was directed to me by our Board member, but I was never contacted.

When the City of Cortez installed its hydro plant, EEA and the City signed an agreement in which EEA agreed to purchase power from the plant for ten years. That agreement expires at the end of this month. EEA has been working with the City since late April to negotiate a new agreement. The "hitch in the process" has been the City's inaction. EEA alerted the City on April 23, 2020 of the coming end of the agreement and the need to move quickly in order to meet regulatory filing deadlines. Follow-up communication efforts clearly noted that if there was no regulatory-approved agreement in place by September 1 the plant would be disconnected. Had the City been responsive to our communication efforts, we would have everything in place to continue uninterrupted operations by now. But, despite our frequent urgings, the City delayed the process and now finds itself in a predicament.

As for the pricing, EEA is offering a competitive price based on current market conditions for electricity. The existing agreement reflects renewable electricity prices from ten years ago and the market price for renewable power has dropped significantly. Simply extending the existing agreement as requested by the City would result in EEA's entire membership subsidizing the power purchased from the plant. It should also be made clear the City did not offer to provide the power to EEA for free and that EEA stands ready to continue to purchase the power from the plant after a new agreement is established.

As a member-owned cooperative, EEA strives to live up to the seven cooperative principles. Concern for community is the seventh principle, and EEA has worked hard to partner with the City in many ways. EEA negotiated an agreement with the City that allowed them to move to a more economic rate schedule that made the expansion of the solar array at the new City Hall possible. EEA and Tri-State provided a \$3,000 rebate for the electric vehicle charger installed at the Welcome Center. EEA partnered with the City and donated significant money and labor to replace streetlights on Broadway. Since 1998, EEA has returned over \$120,000 to the City in capital credits, and in 2019 alone EEA collected over \$790,000 in franchise fees and sales tax on behalf of the City.

EEA has responded to the most recent City need in the same cooperative way. We reached out, offered fair solutions, including exploring net metering, and worked to balance the need of the City with our other members' needs. The position the City now finds itself is one of its own making, and it is now dealing with the

consequences of its own inaction. We regret that it has come to this and are frustrated in the manner with which the Journal and the City have treated us. The trust and relationships that have been damaged will take time to rebuild and we hope that both the City and the Journal will reflect on their actions and strive toward more fair dealings in the future.



Josh Dellinger
General Manager
Empire Electric Association, Inc.