

HIGHLINE ELECTRIC ASSOCIATION

The Beacon

FEBRUARY 2023



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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.

HEA OFFICE HOURS

Holyoke: M-F | 7:30 a.m.- 4:30 p.m.

Sterling: M-F | 8 a.m.-4:30 p.m.

Ovid: M-Th | 9 a.m.-1 p.m.

HIGHLINE ELECTRIC ASSOCIATION
IS AN EQUAL OPPORTUNITY
PROVIDER AND EMPLOYER



Touchstone Energy®

A LOOK BACK AT 2022

BY DENNIS HERMAN GENERAL MANAGER



DENNIS HERMAN

As we continue to ring in 2023 with cold temperatures and snow covering everything, a look back at 2022 shows that your association had a good year and remains financially stable while continuing to provide affordable and reliable energy.

I mentioned in November there would not be a rate increase in 2023 since we had deferred revenue that could be used to offset anticipated losses in 2023. You'll remember that deferred revenue is an accounting procedure, authorized by our lenders, that allows us to set aside part of our revenue in years with strong margins and carry the revenue forward to be recognized in subsequent years when our margins aren't as strong. While we have not closed the books on 2022, we now have a better idea of where we will end the year, as well as some additional clarity on what lies ahead.

Preliminary financial results indicate that Highline Electric Association will end 2022 with strong margins. With these margins, we will meet our financial covenants and be able to increase the reserves in our deferred revenue account. We entered 2022 with \$2.4 million in our deferred revenue account. Contingent on RUS approval, we will be able to carry the \$2.4 million balance forward and add to the deferred balance for recognition in future years.

The ability to carry this deferred revenue forward does a lot to ease the upward rate pressure we are likely to see over the next few years. Tri-State G&T's 2023 budget indicates it will need to increase the wholesale rate that HEA pays early in 2024. A rate increase from Tri-state should not be too surprising. Tri-State is subject to the same

inflationary pressures we all have dealt with recently. Increases in natural gas prices, in particular, have caused upward rate pressure at Tri-State. A Tri-State rate increase could be amplified by a rate redesign that may increase the average rate HEA pays for wholesale power. Tri-State accounts for anywhere between 72% and 75% of our total expenses, so a rate increase from Tri-State usually requires HEA to pass the increase through to its members.

While it's impossible to predict the future, our deferred revenue will allow us to keep rates stable for 2023 and will help to dampen any rate increase that is necessary in 2024.

For a complete update on 2022 and a look forward into 2023, plan on attending the Highline Electric Annual Meeting, which is scheduled for March 28 at the Phillips County Events Center in Holyoke. A free meal will be served at 5:30 p.m. and the meeting starts at 6:30. The annual meeting will include the election of directors in four districts. Incumbent directors with terms expiring in 2023 include:

- Brad Stromberger and Pam Stieb in District #1 (representing members in Logan, Washington, Weld and Morgan counties)
- Aaron Sprague in District #2 (representing members in Phillips and Yuma counties)

I hope you have had a great start to 2023 and I look forward to sharing with you the successes and challenges your cooperative faced in 2022. I hope to see you at the annual meeting. Feel free to call or contact me anytime you have questions about your cooperative.



You Are Invited to Highline Electric's Annual Meeting

Highline Electric Association's 2023 annual meeting is fast approaching. This will be Highline Electric's 85th anniversary.

The meeting will be Tuesday, March 28, 2023 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 three

director positions. These positions require the nominee to be a member of HEA and comply with Article III, Section 3 of the association's bylaws.

There will be two director positions from District 1; the nominees must reside in Logan, Weld, Washington or Morgan county, Colorado. The incumbent directors for this district are Pam Stieb and Brad Stromberger.

There will be one director position from District 2; the nominee must reside in Phillips or Yuma county, Colorado. The incumbent director for this district is Aaron Sprague.

Heat Pump Water Heaters Save Real Money, Real Fast

Are you looking to replace your water heater? Are you interested in saving real money on your electricity bill? The newest heat pump hybrid water heaters use as little as 25% of the energy than a standard electric water heater uses. PLUS Highline Electric members receive a \$375 rebate (restrictions apply; see rebate details on our website at www.hea.coop/energy-rebate-information). Here is what they look like:



Scan this QR code with your smartphone to watch a video comparison of traditional electric water heaters versus heat pump hybrid water heaters. Or visit youtube.com/watch?v=omivdhdGv0.

SCAN ME



February Employee Anniversaries

Congratulations to the following HEA employees who observe an employment anniversaries this month:



- Bob Bradley, 26 years**
- Dan Kafka, 24 years**
- Deanna Deselms, 20 years**
- Joanie Groshans, 15 years**
- Derek Roberts, 14 years**
- Seth Baker, 7 years**
- Karson Harryman, 6 years**
- Morgan Eurich, 6 years**

Safety Tip

Heating equipment accounts for 13% of home fires. Place a space heater on a hard surface and make sure clothing, papers and other combustible items are at least 3 feet away from the heater.



Safe Electricity.org®

HAPPY RETIREMENT!

Billing Supervisor Jill Baumgartner retired from Highline Electric Association on December 30, 2022, after 33 years of service.



Tom Kropp, journeyman lineman, retired from HEA on January 6, 2023, after 33 years of service.



We thank Jill and Tom for their years of service and dedication to HEA. We wish them well in this next chapter and look forward to them stopping back in to say “Hi” and to update us all on their retirement adventures.



Final Call for Scholarship Applications

ATTENTION HIGH SCHOOL SENIORS: Have you finished your scholarship applications? The deadline to submit applications for the Basin Electric Power and Tri-State G&T and Highline Electric combined scholarship is February 14. The link to apply can be found online at www.hea.coop/scholarships.



Thinking About Energy-Efficiency Improvements?

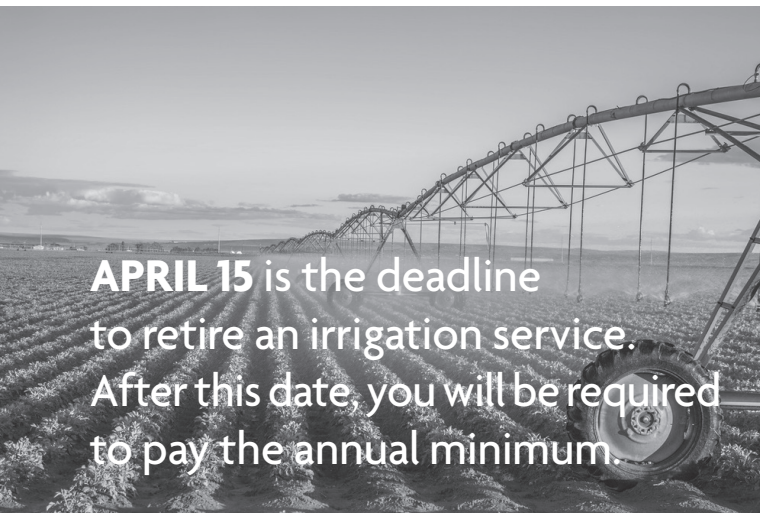
Save energy. Save dollars.

Investing in energy-efficiency improvements in your home or office can save energy and thus lower your utility bills. It's a win-win.

To help you invest in energy-efficiency projects, Highline Electric Association offers on-bill financing. Apply for a low-interest loan to finance your energy-efficiency projects. Repay that loan monthly over time on your HEA electric bill.

Visit hea.coop or call 800-816-2236 to learn more.

IRRIGATION NOTICES



APRIL 15 is the deadline to retire an irrigation service. After this date, you will be required to pay the annual minimum.

2023 Irrigation Load Control

Letters were mailed in December about the 2023 Load Control Program. All irrigation wells that were in the 2022 load control last year will be in the 2023 program and on the same option unless we are notified. If you want to have one or more wells in the 2023 load control program that were not in the 2022 load control program, please call our office and a contract will be sent to you. The deadline for all changes is February 28.

2023 Rebate Product Guide

- Eligible rebates must be submitted within **90 days** of purchase.
- Rebate amounts under \$25 will be issued as a credit on the Highline account. All rebate requests must include itemized payment receipts (including product model number) and ENERGY STAR® verification documentation where stated.

Product	Eligible Rebate
Electric Outdoor Power Equipment	25% of cost up to \$150 for electric snow blower, walk-behind mower or bicycles. 25% of cost up to \$50 for electric leaf blower, pruner, trimmer and power washer. 25% of the cost up to \$100 for electric chainsaws. \$25% of cost up to \$1,000 for electric riding mowers. 50% of cost up to \$25 for additional batteries purchased with or for qualifying equipment can be included with original purchase rebate application. Maximum yearly outdoor equipment rebate of \$300 per account, except riding lawn mowers (stand-alone \$1,000 cap per member account).
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 (min 7.75 cu ft.)	\$120 if old unit is recycled. Proof is required to receive recycling credit. A form can be downloaded at hea.coop or available upon request. 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	\$100 per unit. Minimum 16 SEER or 15.2 SEER2. 1 ton minimum. No window units.
Air Source Heat Pump System (AHRI Certificates required.)	Tier 1 , >=15 SEER and >=9.0 HSPF or, >=14.3 SEER2 and >=7.6 HSPF2. Less than or equal to 2 tons \$675, greater than 2 tons \$1800. Tier 2 (cold climate) , >=16 SEER and >=10.00 HSPF or, >= 15.2 SEER2 and >=8.5 HSPF2. Variable speed compressor or 3 stage minimum. Less than or equal to 2 tons \$1000, greater than 2 tons \$2400.
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.
Variable Speed Drive (VSD)	Contact HEA for details. Soft start kits added to existing motors are not eligible.
Irrigation & Industrial/Agricultural Auditing	Contact HEA for details.
EV Level 2 Charging Station	50% up to \$500 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.