

# HIGHLINE ELECTRIC ASSOCIATION

*The Beacon*

JUNE 2023



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facebook.com/HighlineElectric

**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.



HIGHLINE ELECTRIC ASSOCIATION  
IS AN EQUAL OPPORTUNITY  
PROVIDER AND EMPLOYER



Touchstone Energy®

## SUMMER HOURS

HEA's Sterling and Holyoke offices will be open Monday–Thursday, 7 a.m.–5:30 p.m. through September 29.

# DOES NET METERING = SUBSIDIZATION?

BY DENNIS HERMAN GENERAL MANAGER



DENNIS HERMAN

Few topics are as hotly debated in legislatures across the country as net metering, a billing mechanism that credits solar or wind energy system owners for the electricity they add to the grid. I just left a meeting with several other utility managers where this was the topic of discussion. I can't even begin to describe the varying opinions on the topic that were represented in the room. Imagine how much more complicated the discussion becomes when you include participants with different backgrounds and varying goals, ranging from equity among rate payers to the elimination of greenhouse gases.

Highline Electric Association follows the Colorado net metering statute for all of our members with distributed generation. This statute requires that a member receive a credit for the energy they generate at HEA's retail energy rate. While it's possible to minimize subsidization across members under this law, it is difficult given the rate structures that most utilities have in place today. Understanding that difficulty requires a little explanation of a utility's cost structure and the history of utility billing.

A utility's cost structure, like almost all businesses, is made up of both fixed and variable costs. Fixed costs remain the same regardless of the amount of energy sold. Most of the internal costs to run HEA are fixed. Variable costs, on the other hand, are completely dependent upon the volume of energy sold. Our purchased power cost represents most of our variable costs. Utilities have historically utilized two charges for the majority of their billing: a service charge and an energy charge that is billed on a per kilowatt-hour basis. This rate structure, while it does not align well with the cost structure of a utility, has worked well for several decades. It is easy to determine usage, easy to bill and easy to

understand. There is a direct correlation between the amount of energy used and the amount of the bill. The problem with this rate structure, when you consider a world with net metering, is that it overstates the energy charge because both fixed and variable costs are recovered in the energy charge.

It is the overstatement of the energy charge that creates cross-subsidization between members when net metered accounts receive credit for the energy they generate at this overstated energy rate. They are getting credit for their generation at a rate that includes both fixed and variable costs. The net metered generation offsets only variable costs for the utility. The result of this scenario is that members who do not participate in net metering are required to pay a larger share of the fixed costs of the utility.

The solution to this dilemma is relatively easy conceptually. In fact, several electric co-ops across Colorado have taken steps to more closely align their rate structure with their cost structure. Unfortunately, these proposed rate changes have been met with strong opposition from those parties, mainly net metered customers and solar system installers, that will be harmed financially by these rate changes. The debate over the proper compensation of net metered energy has gone on in this country for several years, and there is no indication that it will be resolved soon.



# June Anniversaries

Congratulations to the following employees who observe an HEA employment anniversary in June:

**Rance Ferguson, 30 years**

**Joni Kinney, 11 years**

**Alex Astley, 9 years**

**Carl Haughn, 1 year**



## TEST DRIVE HIGHLINE'S FORD F-150 LIGHTNING

Highline Electric Association's new Ford F-150 Lightning is available for test drives. Call 970-854-2236 or email [info@hea.coop](mailto:info@hea.coop) to schedule a drive.

## PESTICIDE SAFETY

Please protect our employees from the dangers of chemicals



Highline Electric employees face serious health risks when they unknowingly enter a field that was sprayed with any chemical. Just as you would not subject your family or employees to risk, we do not want to subject our employees to risk.

Please consider the following:

If you used any chemicals on a field, please notify Highline Electric Association. You may call the office or you can place a flag at the entrance to the field. Please note the day when it is safe to enter the field and what chemical was used. If calling in during an outage, please notify HEA if the field was sprayed

Notification signs or flags are available free of charge at any HEA office. The initial and long-term effects of absorbing chemicals in the body are extremely hazardous to one's health. Please don't subject our employees to these dangers.

## HEA Awarded in Statewide Communications Contest

Highline Electric Association's Manager of Member Services Tad Huser attended the Colorado Rural Electric Member Services conference in April. This conference brings together member services personnel and communications professionals from electric co-ops across the state. At the conference, awards from the statewide Excellence in Communications contest were announced; HEA was pleased to bring home four awards.

Jessie Heath, Tad Huser and Dennis Herman won awards in the categories of Best Photo, Best Safety Article and Best Industry-Related Article.

The contest recognizes individual electric co-op communicators from across the state who demonstrate knowledge, industry expertise and skill in their external communications efforts. This contest allows for co-op communicators to showcase their abilities among a highly respected group of cooperative peers.

Congratulations to Jessie, Tad and Dennis on the recognition of their hard work and dedication to sharing cooperative and industry news with their members.



Dennis Herman



Jessie Heath



Tad Huser



# Before You Say Yes to Solar

If you are considering a photovoltaic solar system for your home, there is more to look at than promised monthly savings. Here are some of the many aspects to keep in mind.

- Know all the costs, not just those for equipment and installation.
- Understand any “soft” costs, which may include permit acquisition, financing charges and “pass-along” marketing, advertising and research costs.
- Does my utility charge a monthly facilities charge?
- Thoroughly investigate the company: Is it backed by the Better Business Bureau? How long has it been in business? Is it licensed to do business in Colorado?
- Collect objective opinions about the pros and cons of installing a solar system.
- What happens when it’s cloudy? How does that impact energy supply?
- Are installers specially trained and certified to install solar?
- Is the work supervised by a master electrician?
- Who maintains the equipment and how much does that cost?
- Does the company carry major insurance for individuals working on my property?
- How does the system interface with my electric utility and its requirements?
- Should I buy or lease the system and what happens if I move?
- What are the safety issues surrounding solar?
- How is the power safely disconnected if needed?
- Does my utility require me to carry special insurance?

Please contact us with any questions about installing a new solar system. We are happy to walk you through the process to interconnect with Highline and provide you with a detailed payback analysis.



**HIGHLINE**  
**ELECTRIC ASSOCIATION**

Your Touchstone Energy® Partner 

Contact Tad at 970-854-2236  
for more information

# The Ovid Days Color Run/Walk is scheduled for

## JUNE 10

All proceeds go to The Children's Hospital Heart Institute in Denver.

For more information, visit <https://fb.me/e/17sicbE9G>



### Keep HEA Updated with Your Current Contact Information

Did you switch cellphone providers and get a new phone number? Or did you decide to disconnect your landline?

Maybe your mail isn't delivered to your house anymore and you pick it up at the post office.

Whatever it may be, make sure HEA has your most up-to-date phone numbers, mailing addresses and anything else that can help us reach you if we need to contact you.

## ATTENTION LOAD CONTROL PARTICIPANTS

Irrigators: If you signed up for load control for 2023, please be aware of which option you signed up for. The remaining control dates for options 1, 1A, 2 and 2A include are June 21–30 and September 1–10. If you chose either the 1A or 2A options, you could also be controlled one day per week in July and August. If you chose option 3, you may only be controlled one day per week in July and August.

### LOVE THE OUTDOORS? BE SAFE OUT THERE

**2/3** of lightning fatalities are associated with outdoor **recreational activities**.

Do not use generators in enclosed areas. The same goes for grills, camping stoves or other small appliances that produce carbon monoxide.

Pay attention to weather forecasts **before you go canoeing or boating**. Get off the open water as soon as you **hear thunder**.

Look up for power lines while fishing or sailing.  
**FACT: Fishing is the most common outdoor activity associated with lightning-related deaths.**

Going for a hike? If you hear thunder or see lightning, **do not seek shelter under a tree.**

**Tent camping?** Plan ahead, seek shelter in a hard-top vehicle or four-sided building during a storm or at the first sight of lightning.

For more information, visit: [SafeElectricity.org](https://www.SafeElectricity.org)