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## **Feds Rule in Favor of Rural Co-ops Against Tri-State Contracts**

### *Rural Electric Co-ops Gain More Control*

**Taos, NM** – A recent federal decision may open the door for Kit Carson Electric Cooperative, Inc. (KCEC) and other Tri-State member co-ops to purchase more renewable energy.

In February 2015, the Delta-Montrose Electric Association (DMEA), a Tri-State co-op in Colorado, claimed a federal obligation to purchase energy from a local renewables facility.

DMEA made its appeal to the Federal Energy Regulatory Commission (FERC) on the basis of the Public Utility Regulatory Policies Act of 1978 (PURPA). PURPA was meant to promote energy conservation and greater use of local and renewable energy.

The Federal Energy Regulatory Commission (FERC) in a June 18, 2015 decision, agreed with DMEA. FERC's order states that Delta-Montrose's obligation to purchase power from specified small energy facilities "...supersedes any conflicting provisions in Delta-Montrose's requirements contract with Tri-State."

Renewable Taos, Inc., a local non-profit, joined KCEC and a long list of formal supporters of DMEA's appeal. Bill Brown, a Renewable Taos spokesperson, says, "The FERC decision specifies local facilities that can generate as much as 80 megawatts. KCEC now buys a year-around average of about 30 megawatts of coal-fired power from Tri-State. This could mean big changes ahead in building local generation of renewables throughout the KCEC service area and North Central New Mexico."

All 44 Tri-State member cooperatives could have greater leeway in purchasing locally generated power under the FERC decision. Currently, KCEC and other co-ops are obligated to purchase 95 percent of their power from Tri-State.

KCEC has been promoting more opportunities for generating power from local renewable sources, especially solar power. Since 2009 when the UNM-Taos solar array went online, KCEC has added

about 4.5 megawatts of solar generating capacity within its service area. KCEC says it is responding to demands from its members to generate more and more renewable energy.

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The FERC Order carries with it a number of legal issues that still need to be resolved. Both DMEA and Tri-State have an opportunity to appeal the decision. Nonetheless, the decision will certainly impact relations between Tri-State and its 44 member cooperatives.

According to Brown, “KCEC’s and our attorneys, together with those of many other Tri-State co-ops, are studying and tracking the implications of the FERC decision. It could pave the way to renegotiating the existing contracts that extend restrictions on most of Tri-State’s member co-ops to 2040. It could allow a rapid build-up of renewables in North Central New Mexico. The FERC Order and PURPA language are very clear on this matter. We are confident that major changes are in the offing to support our moves towards more and more renewable energy for our region.”

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