

Delta-Montrose Electric Association (DMEA) Nomination Summary

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Delta-Montrose Electric Association (DMEA) is a small rural electric cooperative serving approximately 27,500 consumer member-owners in Delta and Montrose counties in Colorado.

1) CFL campaign: In 2008, DMEA launched a campaign to give out 100,000 FREE compact fluorescent lamps (CFLs) to its consumers. DMEA mailed out coupons for 6 free CFLs to each of its residential members. DMEA also distributed free CFLs to businesses, non-profit organizations, government entities and institutions.

This program was based on sound economics and is a good model to showcase to the nation's other electric cooperatives and also the regulators of investor owned utilities. By reducing the amount of wholesale electricity DMEA has to buy during expensive "peak" periods, the CFLs could save DMEA more than the bulbs cost, paying for themselves in wholesale power savings in 1-2 years, according to DMEA's energy analysis.

DMEA expects that the CFLs' aggregate reduction on their system's energy demand could be as high as 6 megawatts—the output of a small power plant. For comparison, DMEA's peak system demand has been about 110 megawatts (MW) in winter, a time when efficient lighting should play an important role in clipping peak wholesale power costs. DMEA anticipates that its "first year" wholesale power cost savings could be \$322,371.00—more than the CFL program is costing DMEA.

It is also a strong financial stimulus to consumers. Assuming that the 100,000 CFL's were placed in sockets and replace incandescent bulbs that were normally on for the national average of 3.5 hours per day, DMEA estimates its membership will use 7.665 million kilowatt hours (kWhs) less than they would have with the inefficient lights. From the consumer standpoint, each CFL should save \$5-6 dollars a year. In aggregate, over the expected life of the long lasting CFLs, DMEA expects that its members could save over \$4,000,000 on lighting costs.

2) Geothermal Loop Tariff: On April 22, 2008, as the nation celebrated the 38th anniversary of the first "Earth Day" in the U.S., DMEA) launched a program to make renewable earth energy to heat and cool their members' homes much more affordable. Under the "ground breaking" provisions of DMEA's "Geothermal Loop Tariff," the cooperative will pay for the installation of a residential ground-source heat pump's loops—normally about half the system's cost.

DMEA owns and maintain the loop as utility plant, charging the residential co-op member signing up for the loop tariff a nominal monthly fee, analogous to the monthly base charge members pay for electric service. DMEA's geothermal loop tariff will run \$15-\$29 a month for most homes.

The loop tariff brings down the first cost of a geothermal heat pump close to that of a conventional system, enabling the homeowner to save 30-70% on their operating cost, compared to natural gas or propane, without spending much more of an initial investment in their home.

DMEA's geothermal division retrofitted 55 members' homes in 2008 with geothermal heat pumps. This model program should be recognized to showcase to investor-owned utilities and their regulaors an opportunity to help millions of consumers transition to a more energy efficient technology in an economically compelling way.