



Rio Grande Electric Cooperative, Inc.

UPDATE



A Message From The CEO Roger Andrade

“Ensuring Reliability as Power Supply Tightens”

You expect reliable and affordable electricity from your electric cooperative, so how does your co-op deliver on that promise?

A complex network of electricity generators and tens of thousands of miles of electrical lines work together to ensure that enough electricity is available on the coldest winter morning and during the dog days of summer. What happens when the demand for power overwhelms the ability to provide it? That's a particularly vexing question given the transition taking place in how electricity is produced and shared across this network. We, Texans, came close to personally experiencing that very specific scenario within minutes according to the Electric Reliability Council of Texas (ER-

COT), during Winter Storm Uri.

The key to meeting the energy needs so essential to your quality of life is balancing electricity supply with demand. While that may sound simple, there is a complex web of facilities and organizations that work together to make it happen each day. You, as our member, rely on us to provide you the substations, poles, transformers and all related equipment to deliver electricity; conversely, we rely on power generators and the regional system operator to generate and deliver the energy to our substation to make that happen.

Regional transmission organizations coordinate, control and monitor the electric grid across several states in a region. In our case, ERCOT takes on the role to provide those services for over 26 million Texas customers as the independent system operator for the region. Think of them as energy traffic managers on an interstate highway system, regulating the number of cars – in this case, electricity – and their destination.

Even so, on some days there is an imbalance in that system that leads to rolling power interruptions or blackouts—so-called “max-gen” events. In those cases, supply simply can't keep up. In the Midcontinent region comprised of 15 states, there were six max-gen events from 2006-2016. Since 2016, there have been 15, including three last July and August alone. In the ERCOT region, we recently experienced such event during the winter storm, and have had supply issues during the last two summers. There is an element compounding the effects of supply, and that relates to the fact that power plants that generate electricity are being closed faster than new producers come online. In most cases, traditional large-scale power suppliers such as coal and nuclear plants are being closed and replaced by alternatives on a much smaller scale. And this gap is closing more quickly despite the development of new natural gas-fueled power plants.

As more electric utilities pursue zero- or low-carbon initiatives by 2035 and beyond, this challenge will grow more complex. So, what's the answer?

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By member request:

Protected From Price Spikes



You've no doubt seen varying accounts of who price gouged whom in the great Snowvid, Snowpocalypse, or whatever you choose to call it. We still don't have all the cold hard facts on why the price of electric energy went sky high during the weather event, and probably never will. It is still the subject of debate among several agencies, the state legislators up in Austin, and good ole guys and gals at every coffee shop, feed store, and burger joint throughout the state. So, we can't yet tell you with certainty exactly what caused the extreme pricing, but we can tell you how Rio Grande Electric Co-op was able to shield its members from the vast majority of price spikes, as requested by several members, including a member from the Terlingua area, who we'll call "Ms. T". She messaged us via Facebook to say, *"As a senior citizen living on Social Security, I was concerned when seeing astronomical power bills on the media. I called RGEC this morning and was told that they didn't need additional power and that our bill would be nearly the same per Kwh. It would be great if in one of the newsletters (magazine) we receive monthly, if you explained how you obtain electricity and it is insulated from market fluctuations. Thanks for all you do for us!"*

If you've ever shopped at Costco or Sam's Club, you have a clue how buying in bulk can save you big money on the household items you use the most. That's a little bit how buying wholesale energy works. The trick, whether you're buying toilet paper at Costco or energy on the wholesale market, is to figure out how much you're going to need for a given period of time -- without getting stuck with massive quantities -- and without running out at a critical time. You need to buy it when the price is low, so you'll have enough to last through the times when supplies are low and prices are high.

Remember when toilet paper was so hard to find, and was being sold at a premium -- **IF** you could find it? That's what happened to the price of electric energy during Winter Storm Uri.

The Electric Utility Council of Texas (ERCOT) put a cap on the per megawatt price of wholesale electric power, which was \$9,000 per megawatt. The normal price of a megawatt is usually somewhere around \$40. The price is purposely allowed to climb, in order to encourage generators to produce in certain critical situations. They have to make it worth their while to bring certain unused generation plants back online at breakneck speed to contribute power in a crisis. The question seems to be how long the maximum price was allowed to be in place.

When an electric utility's rate is "variable", its consumers may pay less than some other consumers on "fixed rate" plans at times, but when the variable rate climbs -- such as during Winter Storm Uri, they will pay premium rates. This is what happened to many in the deregulated areas, including those who had "astronomical bills", to quote Ms. T. Rio Grande's rates are fixed, and are reviewed, studied and have to be approved by the elected board of directors before any rate changes are made. It's a process

Protected from price spikes, continued from pg. 3

that usually takes several years.

What Rio Grande did to protect members from most of the increased cost of power, was to adequately foresee the potential need for power, and contract for it, locking in the rate when it was at normal pricing levels. In fact, RGEC usually purchases wholesale power in 5-year increments, with occasional amendments, such as one in early 2020. This prevented RGEC from having to purchase power on the open market, when energy was in short supply and the price per megawatt hour was \$9,000. The Co-op did incur substantial emergency “ancillary and uplift” charges due to the storm, but made the decision not to pass this amount along to our member-consumers at once, as it would have been an “extreme” amount added to each member’s bill. At some point, after legislative and other wrangling have determined what the actual charges are, there will be a need to cover the final bill. Your elected board of directors will make the final determination on how best accomplish this without creating a hardship for members.

Some of you may recall that we mentioned at the time of the winter storm that the Power Cost Adjustment portion of your bill would increase in time. The Power Cost Adjustment is one way of recovering costs over time. Last month, for the first time in well over a year, that amount was a positive number. All of last year, the PCA had been a negative amount -- a credit (CR) on your bill. If you noticed it at all last month, the PCA charge on the bills which were due April 21 was \$0.0050 per kWh. For a 1,000 kWh bill, this amounts to about \$5.00. It’s certainly a far cry from the \$19,000 electric bills some consumers received for power during the winter storm from some variable rate providers.

RGEC Director Election Process Begins:

Nominating Committees Selected

Member Advisory Committees have made their selection of Director District Nominating Committees for the 2021 election cycle. Nominating Committees are charged with selecting a slate of qualified candidates for each director seat in which there will be an election this year.

Director District 2

(Seat held by Priscilla Parsons)

1. Abisai Fuentes, Chairman
2. Steven Garza
3. Bay Laxon

Director District 4

(Seat held by Cody Whitehead-Burns)

1. Howard Wakefield, Jr., Chairman
2. Linda Sharlow
3. Lance Saathoff, Dos Alemanes Farm, LLC
4. Patricia Hope

Director District 3A

(Seat held by Jan Metcalf)

1. Cindy Whitehead, Chairman
2. Constance Kilgore
3. Donieta O’Keeffe
4. Amelia Wysocki

Director District 7

(Seat currently vacant)

1. Debbie Aufdengarten, Chairman
2. Scott Wash
3. Chris Spencer

Director District 9

(Seat held by Keith Richardson)

1. Brian Archuleta, Chairman
2. Bennie L. Richardson
3. William Riley



2021 Sharing Success Grant Nominations

Nominate a worthy non-profit organization to be a recipient of Rio Grande's 2021 Sharing Success Grant program. Winners will be announced at the Co-op's 76th Annual Meeting this October.

Each year, Rio Grande and our energy partners team up to provide grants to deserving organizations in Co-op Country. We need your help in searching out those potential recipients which, if awarded a grant, would ultimately benefit member-consumers and their communities in RGEC's service territory.

The organization does not need to be served by Rio Grande, but must be located in one of the counties in which the Co-op provides service. These include:

Brewster, Crockett, Culberson, Dimmit, Edwards, El Paso, Hudspeth, Jeff Davis, Kinney, Maverick, Pecos, Presidio, Reeves, Terrell, Uvalde, Val Verde, Webb and Zavala in Texas, and Eddy and Otero counties in New Mexico.

Complete the nomination form on the following page and return to your local RGEC area office, enclose with your electric payment, or mail to P.O. Box 1509, Brackettville, TX 78832. This form is available electronically in a fillable format at www.riogrande.coop/forms/sharingsuccess.

TIME--USE RATES BEGIN MAY 1



**PEAK HOURS
WEEKDAYS
3 PM-7 PM (C)**

**SHIFT ENERGY USAGE &
\$SAVE**

PEAK
\$0.1956 / kWh
Weekdays 3-7 PM



OFF-PEAK
\$0.1203 / kWh
All other hours, including
weekends and holidays.

RGEC's Time-Of-Use rates are in effect May 1 - Sept. 30. Peak rates apply 4 hours per day on weekdays, from 3 P.M.-7 P.M. (Central). The remaining 20 hours/day are Off-Peak. Holidays & weekends are Off-Peak.





Rio Grande Electric Cooperative & Partners
SHARING SUCCESS GRANT NOMINATION FORM

For Non-Profit Organizations In Counties Served by RGEC

NAME OF ORGANIZATION: _____

ADDRESS: _____ CITY: _____

STATE: TX NM ZIP CODE: _____

CONTACT NAME/TITLE: _____

PHONE #(S): _____ EMAIL: _____

PURPOSE OF ORGANIZATION:

PLEASE TELL US WHY THIS ORGANIZATION IS DESERVING OF A GRANT/HOW FUNDS WOULD BENEFIT CO-OP MEMBERS

NAME OF PERSON NOMINATING THIS ORGANIZATION, (IF A MEMBER, PLEASE ALSO PROVIDE ACCT. #):

DAYTIME PHONE #, IN THE EVENT WE HAVE QUESTIONS: _____

Please submit electronically, return to any RGEC area office, or mail with payment by (due date).

Thank you for assisting in the selection of a worthy organization!

Return to your local RGEC area office, enclose with your electric payment, or mail to P.O. Box 1509, Brackettville, TX 78832. This form is available electronically in a fillable format at www.riogrande.coop/forms/sharingsuccess.



May is National Electrical Safety Month, a time designated to raise awareness about potential electrical hazards and how best to avoid them at work and home. What follows are some recommendations to ensure your safety:

DO's:

- Unplug it. Appliances, tools, and other devices are still connected to electricity when they are plugged in, even if they are turned off. Turn off and unplug all electric devices when you're done using them.
- Inspect it. Examine electrical cords often for broken connectors or fraying, and throw away any worn cords. Buy only cords that have been approved by an independent testing laboratory. Also watch your wattage and only use light bulbs that don't exceed the maximum wattage listed on your lamp or fixture.
- Check it. Ground Fault Circuit Interrupter outlets should be used in any area where water and electricity could mix—including kitchens, bathrooms, garages and outdoors—and should be tested monthly. You should also check your smoke alarms and carbon monoxide detectors once a month to ensure they are working properly.

DON'Ts:

- Overload it. Overloaded electrical circuits can cause residential fires. Never use extension cords or multi-outlet converters for appliances. All major appliances should be plugged directly into a wall outlet, and you should only plug one heat-producing appliance into an outlet at a time.
- Extend it. Extension cords are not a permanent solution. If you're using extension cords regularly, you may need extra outlets and should contact a licensed electrician.
- Touch it. Never go near or drive over a power line. If you encounter a downed line, leave the area immediately and notify law enforcement if not sure of the utility. Never place ladders, poles, or other items near power lines, do not fly kites or drones near lines or substations. Teach children not to put their fingers in electrical outlets, use child-proof outlet covers and keep appliances and cords away from children. Also, never touch electrical appliances with wet hands or use them near sinks, tubs, toilets, or showers.

Taking a few extra moments to unplug, inspect or check a few of these things can help you avoid the likelihood of electricity related fires, injuries, fatalities and property loss.

Sources: NFPA, NSC

Co-op Culture

MISSION

Rio Grande Electric Cooperative is committed to providing safe and reliable energy services through the efficient use of resources, highly skilled employees, and technology.

VALUES & VISION

RGEC proudly serves members based on a foundation of integrity and excellence, while striving for the betterment of communities and quality of life for those in the region it is privileged to serve.

MOTTO

EMPOWERING
COMMUNITIES

ENHANCING
LIVES

CEO, continued from pg. 1

Electric cooperatives and others in the energy sector will continue to develop renewable options and pursue new technologies. But absent new large-scale alternatives and advances in energy storage, the stalwarts of today's energy fleet—coal and nuclear energy facilities—must continue to operate in many regions. In some, they remain the most cost-effective options for producing electricity.



Phone: 800-749-1509 (24/7)

Secure Pay System:

888-259-9084

- #1 Check account/make payment
- #2 Update your phone number
- #3 Create/Update your PIN
- #4 Update bank draft/Credit Card info.
- #8 Repeat Menu

Email Customer Service Reps.

Alpine: Area3CSRs@rgec.coop
Brackettville: Area1CSRs@rgec.coop
Carrizo Springs: Area2CSRs@rgec.coop
Dell City: Area5CSRs@rgec.coop
Ft. Stockton: Area4CSRs@rgec.coop

SmartHub App, Pay Now, Text "OUT" & SmartHub Voice Assistant

For instructions, go to
www.riogrande.coop/smarthub

Webmaster@rgec.coop
(Not for outage reporting)

Social Media

Facebook:

www.facebook.com/rgec.coop
(Outages may be reported via
Facebook Messenger)

Instagram - [@riograndecoop](https://www.instagram.com/riograndecoop)
Twitter - [@riograndecoop](https://twitter.com/riograndecoop)

Business Hrs.

8 a.m. - 5 p.m. (Central)
Monday-Friday



**Summary of Special Board Meeting Minutes
March 17, 2021**

Board President William Foster called to order a regular meeting of the Board of Directors of Rio Grande Electric Cooperative, Inc., at 8:04 a.m., March 17, 2021, at the Fort Stockton office in Fort Stockton, Pecos County, Texas, and through video conferencing pursuant to RGEC Bylaws Article V, Section 4, the Board President having determined that emergency circumstances exist as provided by the Proclamation of March 6, 2021, by the Governor of the State of Texas Greg Abbott renewing the disaster proclamation of March 13, 2020, thereby permitting telephonic or electronic attendance at a regular meeting. The following directors were present for the meeting: Jamie Ballew, Tim Edwards, William Foster, Bryon Garrison, Rowdy Holmsley, Jan Metcalf, Margarita Nelson, Priscilla Parsons, Keith Richardson, Johny Sheets, Edward Walker, and Cody Whitehead-Burns. Also present for the meeting were Chief Executive Officer Rogelio Andrade, Chief Operating Officer Theresa Quiroz, Chief Financial Officer Shawn Stanley, and Department Specialist Brandi Riojas. Presentation attendee included Dean Rohne, CPA, CIA Principal of the Audit Firm of CliftonLarsonAllen, LLP.

Approved	February 24, 2021 Board Minutes, As Presented
Heard	Financial Reports
Accepted	2020 Independent Auditor's Report By CliftonLarsonAllen, LLP
Reviewed	2021 Member Involvement Survey Results
Reviewed	District Nominating Committees For Director Districts 2, 3A, 4, 7 And 9
Approved	Review of Board Policy 1.1.2 Code of Ethics, As Amended
Approved	Contract Award To Solar Electric Company, Inc. For Fort Bliss McGregor Base Camp Phase II Renewals & Replacement Project, In The Amount Of \$136,729.00
Approved	Contract Award To Quality Powerline, LLC For Presidio County 403-02 Fort Ranches Re-Route Project, In The Amount Of \$272,005.48
Reviewed	Safety & Health Program And Safety Trends
Heard	Executive Report
Heard	Audit Committee Report
Approved	CEO and Director Expenses
Approved	February New/Revoked Memberships
Reviewed	Check Register And Arrears Report
Adjourned	1:22 PM

Note: The summary above is provided so that members can follow the activities of the board, and is not intended to be exhaustive. Should you wish to know more detail on a particular item or items, please contact the director for your district or the CEO's office.

*Rio Grande Electric Cooperative, Inc. is an equal opportunity provider and employer.
Rio Grande Electric Cooperative, Inc. es un proveedor y empleador que ofrece igualdad de oportunidades.*

*Billy Foster, President P.O. Box 163 Langtry, TX 78871	District 5 432-291-3232
*Priscilla Parsons, Vice President P.O. Box 517 Crystal City, TX 78839	District 2 830-591-9554
*Tim Edwards, Secretary P.O. Box 3012 Kent, TX 79855	District 7 432-259-3301
*Jamie Ballew, Treasurer P.O. Box 559 Brackettville, TX 78832	District 3 830-563-2869
Bryon Garrison P.O. Box 1765 Ft. Stockton, TX 79735	District 8 217-820-7943
*Rowdy Holmsley P.O. Box 221 Sheffield, TX 79781	District 6 432-836-4350
*Janice "Jan" Metcalf P.O. Box 366 Brackettville, TX 78832	District 3A 830-563-9047
*Margarita Nelson 205 Lake Drive Del Rio, TX 78840	District 4A 830-255-0318
*M. Keith Richardson 10571 US Hwy. 62/180 Salt Flat, TX 79847	District 9 915-964-2838
Johny Sheets 19224 Kimberly Ave El Paso, TX 79837	District 9 915-250-9925
Ed Walker P.O. Box 417 Carrizo Springs, TX 79938-8207	District 1 830-317-8700
Cody Whitehead-Burns 10 Larkwood Lane Del Rio, TX 78840	District 4 830-719-5630
Vacancy	District 7
Roger Andrade, CEO P.O. Box 1509, Brackettville, TX 78832 ceo@rgec.coop 830-563-2444 (W)	
* Credentialed Cooperative Director	