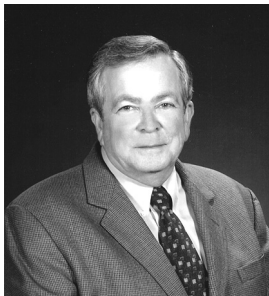


Why Co-ops Should Remain Autonomous



John Villyard, CEO

San Luis Valley Rural Electric Cooperative

Ideas that work well in urban areas don't always work in rural areas and vice versa. That comes as no surprise to anyone who lives in the Valley. Unfortunately, it often surprises many urbanites. People with no exposure to rural lifestyles are often shocked to find out the services and options we **don't** have. They wonder how we live without.

They can be equally surprised to find out how valuable some of the things we do have are to us—community for example. One aspect of community especially important here in the Valley—cooperatives.

Co-ops make decisions for members based upon member input. Local decisions for local needs.

Right now, that's possible because electric co-op members have successfully convinced state legislators and the Public Utilities Commission (PUC) that we do a good job of taking care of ourselves.

As recently as last year, we faced scrutiny by the PUC. Many of you joined us in convincing the three appointed PUC commissioners that local decisions made by locally-elected directors are more beneficial to the communities co-ops serve than state-wide one-size-fits-all decisions.

We held PUC regulation at bay because of two key points. First, cooperatives are democratically controlled. Second, co-ops are not profit motivated. Together, these two facts eliminate many of the concerns associated with for-profit interests. Consequently, we have

enjoyed the right to shape our future.

Unfortunately, that right may be taken away. At last count, there were six draft referendums that could affect co-op members, some adversely.

Several of the referendums are focused on changing the way current law affects co-op compliance with the state's renewable portfolio standard (RPS) mandates. One proposes allowing cities and counties to overrule the right of electric co-op members to opt out of RPS and place co-op members under PUC jurisdiction. At this time, all proposals are in their infancy. None may make it to ballot.

However, I want you to be educated if you hear about these ideas. Remember that most electric co-ops in Colorado don't generate power. Most buy power from Tri-State Generation & Transmission Association, a cooperative that is already governed

by the state's RPS guidelines. Co-ops are actively working with Tri-State to help meet RPS guidelines by developing local renewable generation sources.

Don't misinterpret our opposition to co-op level RPS as a stance against renewable energy. To the contrary, we embrace the development of clean energy. But what good would it do to tell us how much power to generate through renewable methods when we don't generate any power! Mandates like these just create administrative red-tape.

The truth is, decisions made at the local level by local people are better. Referendums aren't the answer. We've already got the answer: democratic decisions made without a profit motive! It's the co-op way and it works.

**SAN LUIS VALLEY
RURAL ELECTRIC CO-OP**

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