



Jemez Mountains Electric Cooperative, Inc.

Your Touchstone Energy® Cooperative 

For Immediate Release

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JMEC Introduces a Rate Change Proposal

The change would keep JMEC rates lowest among the 11 New Mexico cooperatives served by Tri-State G&T

ESPANOLA, N.M., November 29, 2021 – Members of and consumers served by Jemez Mountains Electric Cooperative, Inc., (JMEC) this week are receiving in the mail a Notice to Ratepayers introducing the cooperative's proposal for a 9 percent overall rate change. After it goes into effect, JMEC's rates for the average (770 kWh) residential user will still be the lowest among all 11 New Mexico electric cooperatives served by Tri-State Generation and Transmission Association, Inc.

"JMEC's current rates do not cover the cost required to maintain our system in good working order and to comply with regulations mandating minimum financial metrics," said Michael Hastings, JMEC CEO and general manager. "The revenue shortfall is due primarily to a nearly 14 percent increase in overall U.S. prices, as reported by the Consumer Price Index, since the JMEC last changed its rates in 2013."

With the proposed 9 percent rate change, the average (770 kWh) residential member's bill will increase \$5.82 per month when it goes into effect in February 2022. That increase will lower to \$3.30 per month just one month later, in March 2022, when Phase 2 of Tri-State's wholesale power cost reduction goes into effect.

As part of the proposal, JMEC's Board of Trustees made a strategic decision to place the majority of the rate change in the Facility Charge so that the fixed costs of operating the utility are better covered each month no matter how many members the cooperative has or how much energy they use.

"These reoccurring expenses – like a portion of the trucks, poles, wires, transformers and the labor needed to maintain and build the electric system serving our members – must be covered each month by revenue generated from rates no matter how much electricity is sold," said Hastings. "The importance of this grows as our members' desire for community and rooftop solar projects grows and we adapt to the state of New Mexico's policies on solar. The grid has to be there for everyone, including members adopting renewable solutions who still rely on our electric system when needed for backup power."

Hastings added that the JMEC professional staff know the work ahead that will be supported by the proposed rate change. The team completed this year a thorough review of all departments to document a state of the cooperative, examining deficiencies to be addressed from HR to engineering on the operational side. The Board of Trustees has reviewed this and has done its own review of governance and policy issues to be addressed, starting with updating policies and retaining a third-party to complete a forensic audit of particular Jemez Mountains Electric Foundation and other transactional matters to make certain JMEC is performing to the expected best practices.

"We will be reporting our progress on these findings in each of the coming months and will be out in the community talking to members about our proposed rate change," said Hastings. "Everyone at JMEC is working hard to be good stewards, doing the right things right in how we operate the utility and conduct our business."



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An important part that stewardship is effective communications and with the proposed rate change, members and consumers served by JMEC have multiple options to stay informed:

- **Community presentations:** Those who would like to invite a member of the JMEC team to visit with their group about the proposed rate change, may schedule by calling Tina Trujillo at 505.367.1151 or emailing ttrujillo@jemezcoop.org.
- **JMEC website:** Web pages dedicated to information on the proposed rate change will go live the week of November 29th and can be found by navigating from the JMEC home page at www.jemezcoop.org.

Information includes:

- The official Notice of Filing, which includes all the rate schedules
 - A copy of the letter to members sent with the Notice of Filing, mailed the week of November 29th
 - An extensive Q&A about JMEC and the rate change proposal
 - A tri-fold pamphlet presenting an overview of the proposed rate change
 - The schedule of actions related to the proposed rate change
 - A portal to copies of news releases
 - A portal to all the documents filed with the New Mexico PRC
- **Questions:** Carmen Campbell, district manager and tribal liaison for JMEC, is facilitating answers for questions from members and consumers served by JMEC. She can be reached at 505.367.1194 or ccampbell@jemezcoop.org.
 - **Pamphlet:** JMEC has produced a tri-fold pamphlet giving an overview of the proposed rate change.
 - **La Luz Newsletter:** JMEC will include updates to the proposed rate change as they are available in the cooperative's monthly newsletter.
 - **JMEC Facebook, LinkedIn and Twitter profiles:** JMEC will include updates as appropriate for these channels.

Hastings pointed out that as a not-for-profit, cost-of-service electrical service provider, JMEC charges its members only what it costs to serve them, safely and reliably, while meeting the regulated minimum financial metrics. "It is the cooperative way," he added. "JMEC has kept its rates among the lowest among our peers for the last 20 years and that will continue with the proposed rate change."

About Jemez Mountains Electric Cooperative, Inc.

Incorporated in 1948, Jemez Mountains Electric Cooperative, Inc. (JMEC) serves more than 27,500 members and consumers in five northern New Mexico counties – McKinley, Rio Arriba, San Juan, Sandoval, Santa Fe – in three service districts – Espanola, Jemez Springs, Cuba – spread out over 7,000 square miles and 4,142 miles of transmission and distribution lines. It is the largest electric cooperative in the state of New Mexico and includes in its territory Native American lands including those of the Jicarilla Apache Nation, The Navajo Nation as well as the pueblos of Jemez, Nambe, Ohkay Owingeh, Pojoaque, San Ildefonso, Santa Ana, Santa Clara and Zia.

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