



Cooperative Education

Understanding New Mexico's Rural
Electric Cooperatives



New Mexico Rural Electric Cooperatives (NMREC)



- To protect member interests through advocacy and outreach
- Administer Self-Insurer's Fund
- Manage statewide communications
- Assist in providing or coordinating training and shared initiatives if applicable
- Headquartered in Santa Fe two blocks from the Roundhouse
- Established in 1944

What is an electric cooperative?

Empowering Communities

- Non-profit
- Member-owned and member-governed utility
- Elected board of directors
- Provides electricity to its members in rural and underserved areas where investor-owned utilities do not operate
- Each member has an equal say in the cooperative's decisions



Otero County Electric Cooperative Annual Member Meeting August 3, 2024

Seven Cooperative Principles

Open &
Voluntary
Membership

Democratic
Member
Control

Members'
Economic
Participation

Autonomy &
Independence

Education,
Training, and
Information

Cooperation
Amongst
Cooperatives

Concern for
Community

Power Delivery

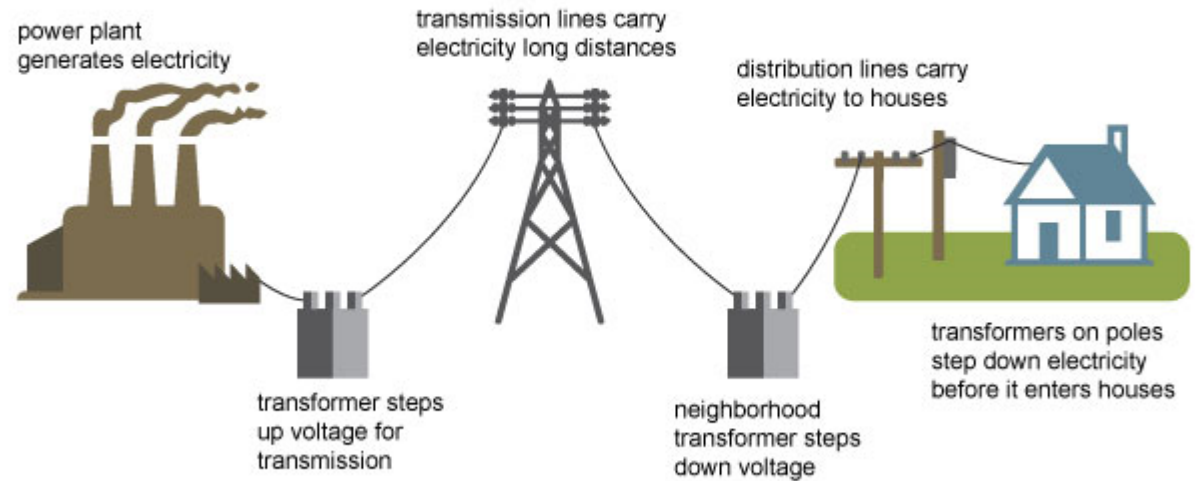
G&T Cooperatives

- Generate and purchase energy for our Distribution Cooperatives
- Own the transmission lines delivering electricity to Distribution Cooperatives through long-term power contracts
- Work with Distribution Cooperatives to obtain local renewable energy mix, including behind-the-meter energy generated by cooperative members

Distribution Cooperatives

- Own the infrastructure that delivers power to their members

Electricity generation, transmission, and distribution



Source: Adapted from National Energy Education Development Project (public domain)

Electric Cooperative History

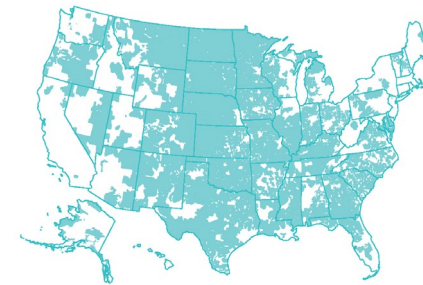
1844
Cooperative Principles Established in England.

1935
President Franklin D. Roosevelt creates federal Rural Electrification Administration (REA) by Executive Order 7037.

1937
Central Valley Electric Cooperative (CVEC) is the first co-op in New Mexico. June 23, 1937 is the date of incorporation.



1942
 **NRECA**
America's Electric Cooperatives
National Rural Electric Cooperative Association (NRECA) forms to represent co-op interests nationally.




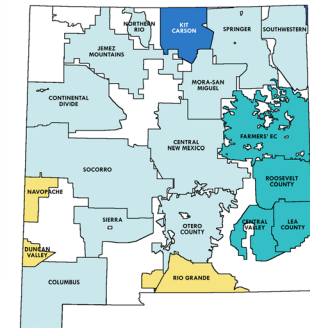
2024
89 years after the creation of REA, 896 NRECA co-op members in 48 states serve an estimated 42 million people.

1909
Country Life Commission recommends creation of electric co-ops to power rural areas.

1936
2,000 miles of electric lines under construction by electric co-ops.

1941
One million farms have electricity.

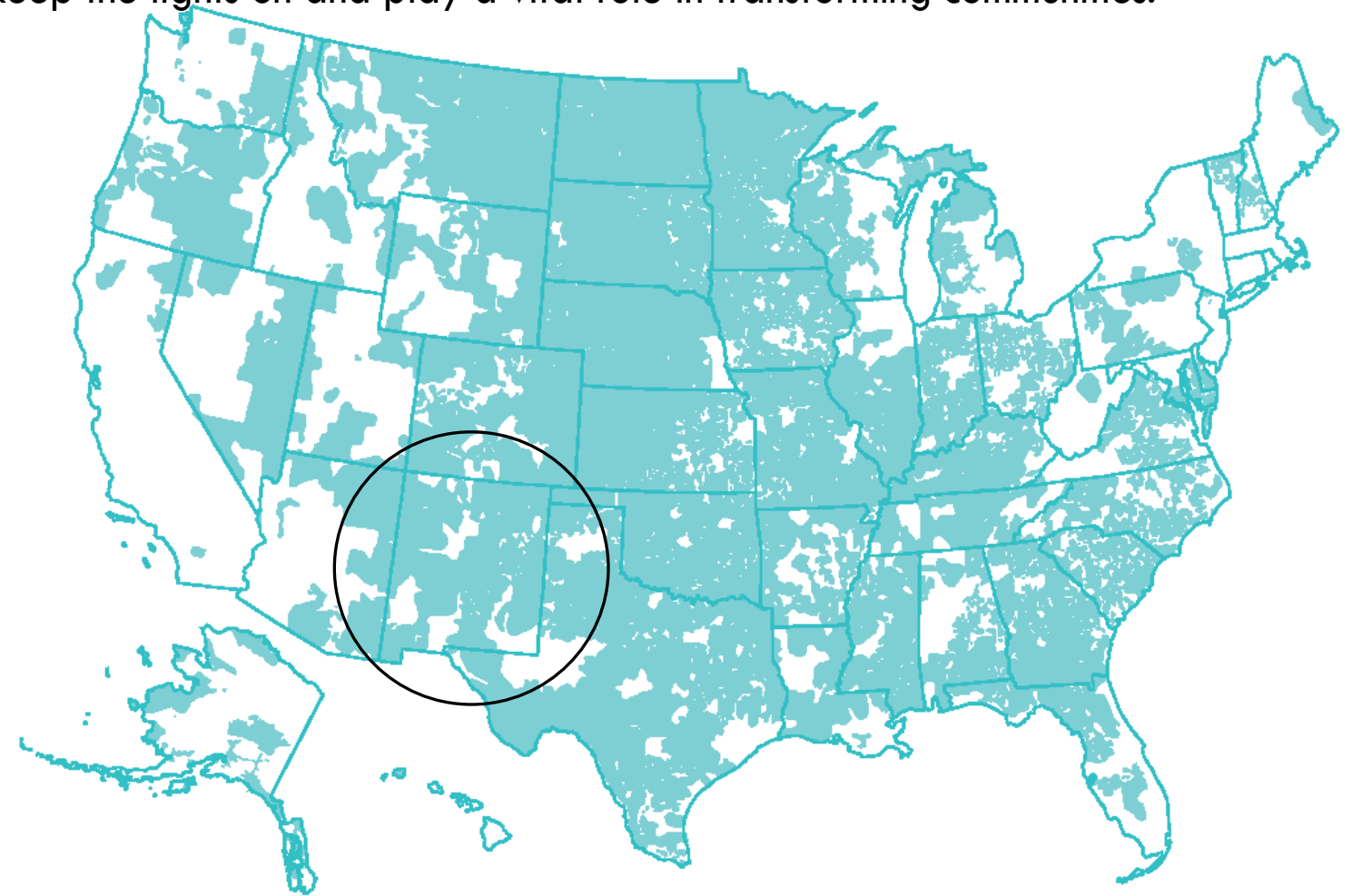
1944
 **NEW MEXICO RURAL ELECTRIC COOPERATIVES**
New Mexico Rural Electric Cooperative Association (NMREC) forms to represent co-op interests statewide.



WHERE ARE ELECTRIC COOPS AT?

From booming suburbs to remote rural communities, America's electric cooperatives are energy providers and engines of economic development. Electric cooperatives keep the lights on and play a vital role in transforming communities.

**Cooperatives Power
56% of the
American
landscape*. In New
Mexico it is closer to
80%.**



*Serve in 92% of persistent poverty counties nationwide

WHERE ARE ELECTRIC COOPS IN NEW MEXICO?

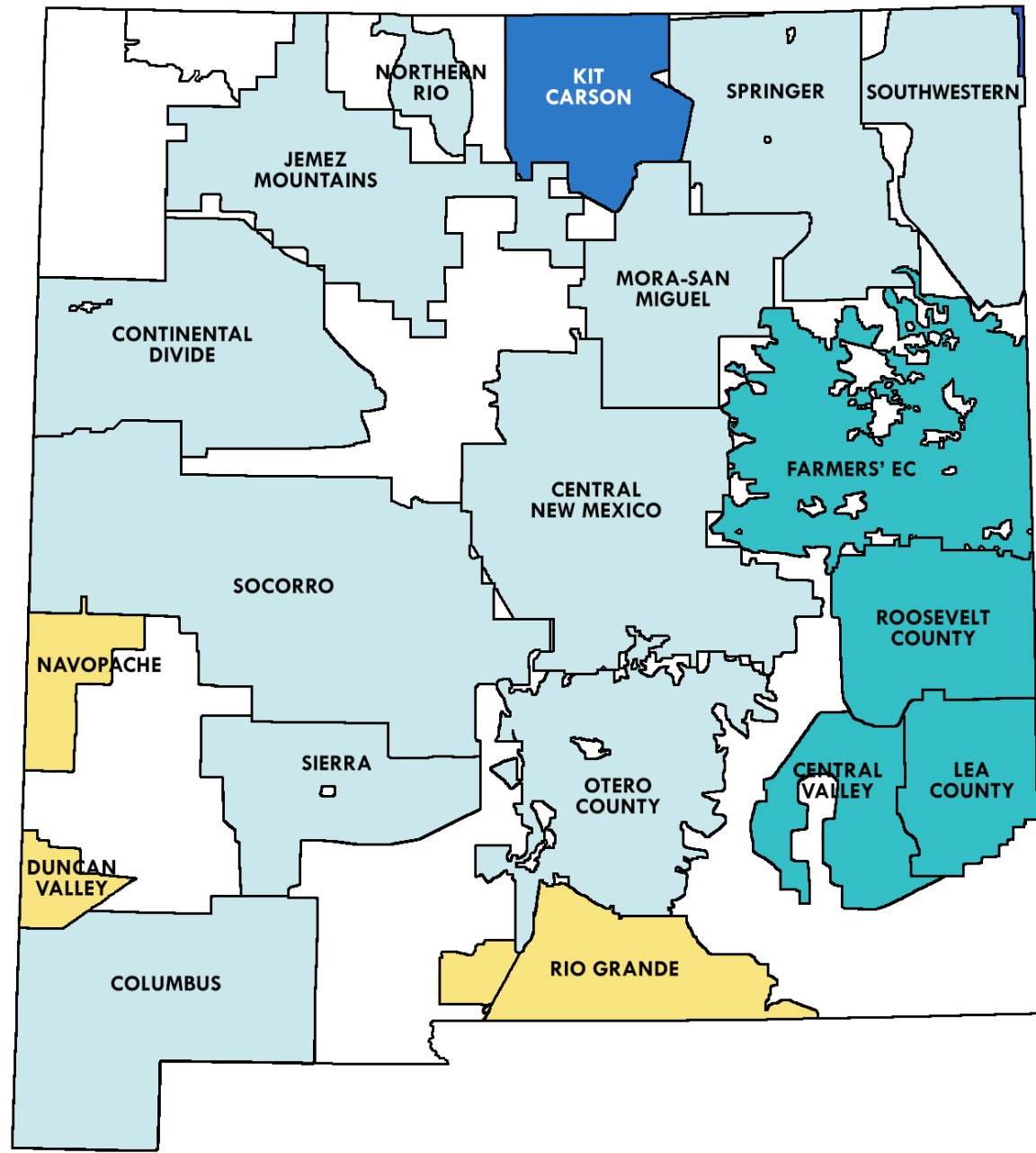
NMREC Member Cooperatives  

NMREC Associate Member Cooperatives 

Non-NMREC Member Cooperative 

G&Ts Cooperatives Operating in NM

- Tri-State Generation & Transmission Association
- Western Farmers Electric Cooperative
- Arizona Generation & Transmission Cooperatives



Cooperative Statistics

- Serve close to 450,000 New Mexico residents
- Operate over 61,000 miles of power line
- Distribute over five million megawatt hours of electricity every year
- Service areas are in 32 out of 33 New Mexico counties
- Average four meters per mile
- Provide over 1,100 quality jobs
- 22% population in poverty compared to 17% for NM and 13% for the US



Long Term Electrification Planning

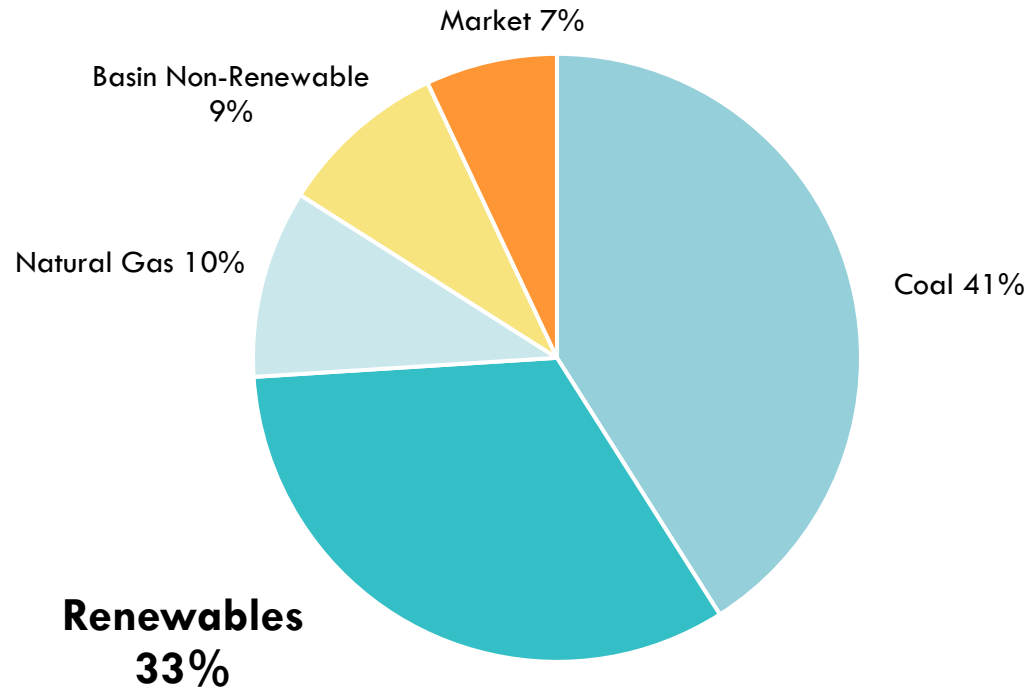
- Four-year and long-range work plans
 - System Improvements
 - New Construction
- Partnerships
 - DOT, Forestry, Energy, Environmental, Broadband, Rural Telecommunications, Other Utilities (Federal & State)
 - Ensure alignment with state initiatives and collaborate to secure funding
- Plan Acceleration
 - Federal & State Grant Applications
- Current Initiatives
 - Expanding current solar generation and adding battery storage
 - Rebuilding transmission lines to a higher voltage
 - Adding transmission lines to tie in substations
 - Deploying new technology
 - Replacing wood poles with steel poles
 - Adding poles to reduce span to increase reliability
 - Adding and upgrading substations

Challenges

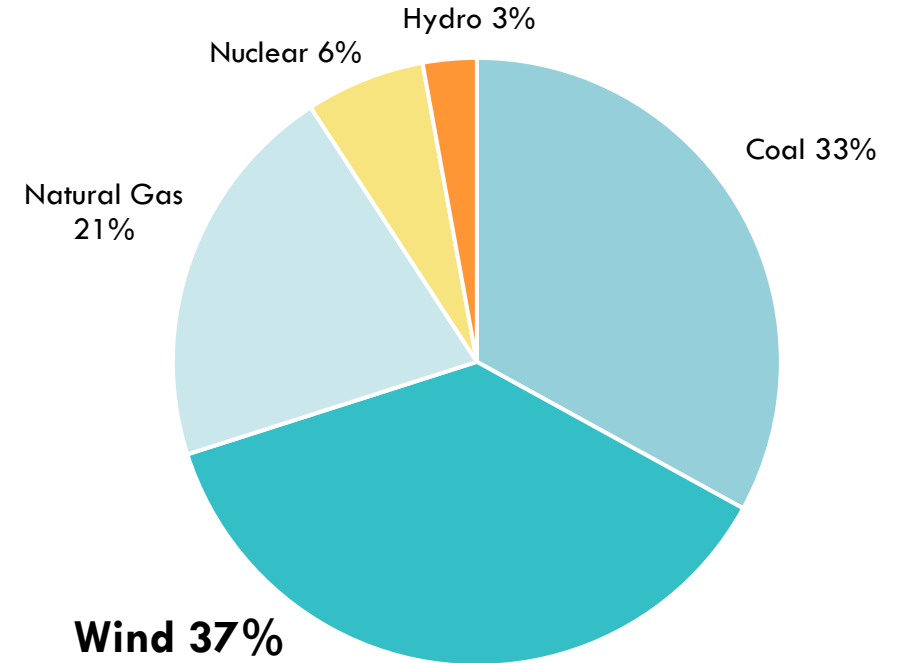
- Grant complexities
 - Complicated application processes
 - Strict eligibility requirements
 - Slow turnaround, up to one year for some
 - Reporting and compliance above and beyond what is currently required for regular business requiring contractors and/or more staff
- Other pressures
 - Regulatory constraints
 - Permitting delays and snowballing requirements
 - Supply chain issues
 - Increasing liability, especially with wildfires
 - Workforce uncertainties
 - Aging employees
 - Higher wages offered from contractors and IOUs
 - Slow economic growth in rural communities
 - Electric transportation requirements
 - Adding fiber to powerlines from broadband expansion

What is the Coop Status for the NM Energy Transaction Act (ETA)?

Tri-State Generation Mix 2023



WFEC/SPP Generation Mix 2023



Coops have exceeded the current ETA requirement of 25% by 2024 with power provided by the G&Ts that include local utility solar and behind the meter generation

Upcoming Renewable Projects

- Tri-State, Western Farmers and Arizona G&Ts have numerous wind, solar and storage projects planned and funded that will be coming online in the next few years keeping well ahead of the NM ETA
- Locally
 - Roosevelt County Electric has a 9-megawatt solar project in the works
 - Southwestern electric is looking at 8-megawatt solar project and studying how to be able utilize power locally from the windfarm that will be constructed in NE NM
 - As more funding becomes available coops are preparing for expanding solar and storage statewide



We would love to continue the conversation!

Charise Swanson, Chief Executive
Officer

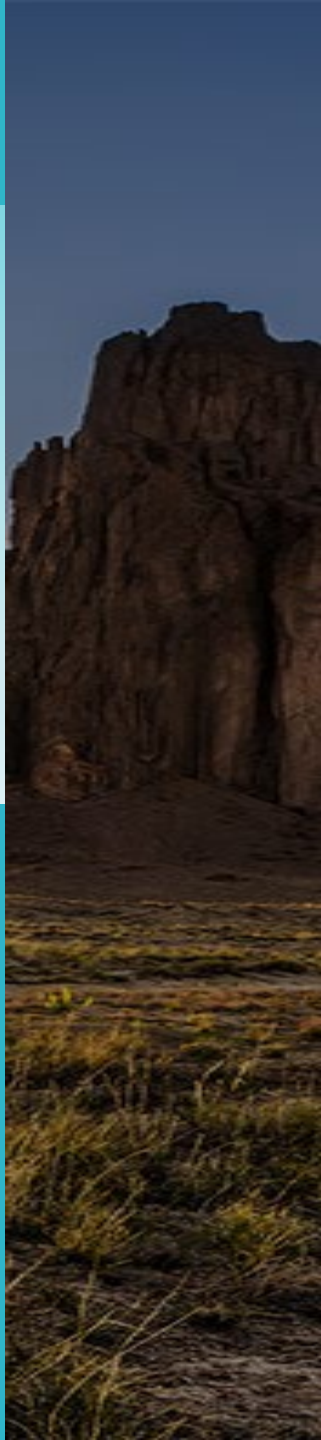
cswanson@nmelectric.coop

505-660-5122

Carmen Campbell, Grant Program
Manager

ccampbell@nmelectric.coop

505-670-8220



THANK YOU

UNDERSTANDING NEW MEXICO'S RURAL ELECTRIC COOPERATIVES

