



“Lower Valley is **my** energy cooperative.”

Sherry West / Hoback Junction

energy **EDGE**

Hoback, Wyoming



your cooperative newsletter

annual report 2010

your annual report

What makes Lower Valley Energy the best electric and gas utility in the country? It is you, our members! You inspire us to be the best company possible. You expect us to have competitive energy rates — we have some of the lowest rates in the country. You expect us to use your dollars efficiently — we are one of the most efficient utilities of our size in the country. For example, we serve over 400 meters per employee, nearly twice the national average for utilities our size. You expect good service — we spend a significant amount of our time trying to prevent outages before they happen and every one of our employees is dedicated to providing the best service. You expect us to operate your utility in an environmentally respectful manner — we provide our customers with over 27 million kWhs of environmentally friendly, renewable “green” power, we are aggressively pursuing and promoting conservation as our least cost resource to meet our growing demand, we are in the process of constructing our fourth small hydroelectric project, and we have installed many bird deflectors and poles for Osprey nests throughout our service territory. Every aspect of our daily operations is clear evidence that

Lower Valley Energy is truly “your” energy cooperative.

Lower Valley Energy will experience a major paradigm shift at the end of 2010 that will change forever the way we do business. Starting in October, Bonneville Power Administration (BPA) will cease to meet all of our power requirements. We will be allocated our prorated share of the Federal Columbia River Power System which will be a great source of low cost power for us to use long into the future. However, Lower Valley Energy, along with the rest of the public power utilities in the Northwest, will be required to find new ways to meet our load growth power requirements. We plan to creatively meet our electric load growth through conservation, fuel switching from electricity to natural gas, developing our own resources and by teaming up with other organizations.

We believe that with your help, we can meet at least one third of our load growth through conservation and renewable sources of power such

as solar. In fact, we signed a three-way agreement in 2009 with the Town of Jackson and Teton County, Wyoming called the Jackson Hole Energy Sustainability Project (JHESP) with the goal of reducing Lower Valley Energy’s electric load growth over the next 20 years by 33% and developing at least 2 MW of renewable energy. Federal and BPA grants have been applied for and much planning between the three entities has been done to get this very progressive project up and running. As we have evaluated alternative power resources it has become clear that conservation, done right, is our least cost resource and that by working together our community can save a significant amount of money. We realize these are lofty goals and we also realize that our conservation goals are not achievable without your help.

We completed phase two of the Swift Creek Hydroelectric project in 2009. The Swift Creek Project is a joint

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commercial & industrial standard offer

Our commercial lighting retrofit program is an opportunity for our commercial members to conserve energy and save money. The program's immediate goal is to provide an incentive to upgrading old, less-efficient lighting fixtures, and provide rebates on a per-fixture basis. The long-term goal is energy conservation, with each fixture paying for itself in approximately 3 years time. Please call or stop by for more information.

refrigerator/freezer recycling

We will pay you to dispose of your old refrigerator or freezer. Just take your old refrigerator or freezer to your local refuse facility for proper disposal, provide us with a copy of a receipt from the refuse facility, and we will pay you \$100. It's that easy. (We must have a copy of the disposal receipt and old refrigerator must be in working condition).

marathon water heaters

We are no longer carrying Marathon water heaters. We still stand behind Marathon and offer our \$50 rebate. Contact your local plumbing contractor to buy a Marathon water heater.



what we've given away — and what you've saved

We really do pay you to use energy more efficiently. Our commercial lighting retrofit program is an opportunity for our commercial members to conserve energy and save money. Forty-seven businesses have taken action *after* our commercial lighting energy audit on their facility and received on average a check for \$4,965.97 each. We paid these businesses to help retrofit their lighting and use energy more efficiently. In terms of the environmental aspect, we estimate these 47 businesses save a collective of 1,258 tons of CO₂ emissions per year with their efficiencies.

bpa issues warning

Bonneville Power Administration (BPA) — Lower Valley Energy's electricity provider, issued a press release in May of this year describing how a "low snowpack" year in the Pacific Northwest could affect electricity rates. As our electricity provider, BPA serves parts of Washington, Idaho, Oregon, Montana and Wyoming primarily

through hydroelectric power. A high snowpack year allows BPA to sell the surplus power on the open market and in essence help subsidize Lower Valley Energy's wholesale rate. A low snowpack year has the opposite effect.

According to BPA's Administrator Steve Wright, "We are now looking at the fifth lowest runoff since the hydro system has been in existence." BPA goes on to say that they "... do not expect to make significant changes in the short term because [BPA] is dipping into its reserves to cover costs. This depletion of reserves, however, reduces BPA's ability in the future to handle additional financial risks such as another below-average water year."

The possibility of BPA raising wholesale power rates is not a new thing. Last year BPA raised rates to Lower Valley Energy 7.51% due to rising costs and decreasing surplus revenues. Lower Valley Energy's Board of Director's however, decided to absorb the rate increase and not pass it on to its members/customers.

what does a green home look like?

Bruce Hawtin, longtime valley resident and local architect, has been building energy efficient structures his whole career. The newest iteration of "green" building is the LEED designation, a rigorous certification that stands for the Leadership in Energy and Environmental Design, a point-based certification system. According to the U.S. Green Building Council (USGBC), who devel-

oped the system, "LEED promotes a whole-building approach to sustainability by recognizing performance in five key areas of human and environmental health: sustainable site development, water savings, energy efficiency, materials selection, and indoor environmental quality." Even before LEED existed in the early 1990's, Bruce and his practice designed with core principles of green building. In fact, in the 1980's, he designed Lower Valley Energy's current Jackson office which utilizes, among other things, passive solar benefits. The pictures are of Bruce's current house which exemplify LEED principles: sustainable siting, solar electricity, solar water heating and

geothermal heating. As a side note, Bruce received rebates from Lower Valley Energy, the State of Wyoming, and tax incentives for the technology he incorporated into his house.

solar rebate



Lower Valley Energy introduced a new rebate as part of its growing conservation and energy efficiency offerings. Lower Valley Energy will provide a \$400+ rebate to our customers who install photo-

voltaic and/or solar water heater collectors in our service territory. The incentive is \$400 per KW for a photovoltaic system and \$400 for a solar water heater. For a list of qualifying guidelines, go to: www.



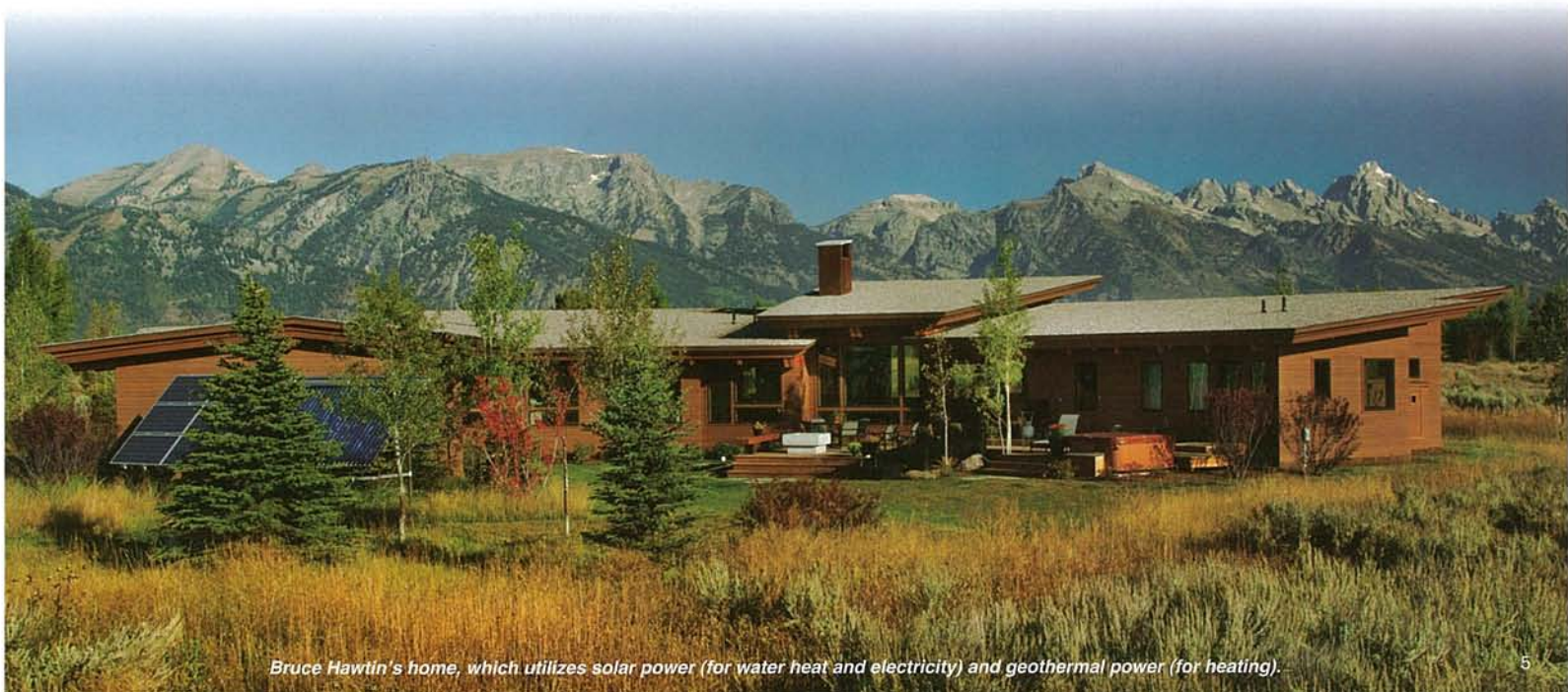
The "brains" of Bruce Hawtin's home.

LVEnergy.com/Documents/SolarRebateWEBSITE.htm

As an example, the estimated price of a 2 KW photovoltaic system is \$17,000 — the Lower Valley Energy rebate would be \$800. The estimated production of a 2 KW photovoltaic system is 300 kWhs a month on average.

natural gas

Lower Valley Energy has teamed up with Rinnai to give you an exceptional deal that will keep you warm in the winter. We offer Rinnai space heaters at a special discounted price (from \$1,330 to \$2,060) that includes full installation. We stand by our natural gas Rinnai heaters that lead the industry in comfort, safety, and energy-saving features. This offer only good in those areas where we provide natural gas or propane service.



Bruce Hawtin's home, which utilizes solar power (for water heat and electricity) and geothermal power (for heating).