Rural Life

INSIDE ...

MAILING ADDRESS
P.O. Box 521
La Junta, CO 81050-0521

LA JUNTA STREET ADDRESS
901 West Third Street
La Junta, CO 81050

LAMAR STREET ADDRESS
3601 S. Main
Lamar, CO 81052

SPRINGFIELD STREET ADDRESS
25107 Highway 160
Springfield, CO 81073

EADS STREET ADDRESS
303 East 14th
Eads, CO 81036

PHONE
719-384-2551 **La Junta**
719-336-3236 **Lamar**
719-523-4566 **Springfield**
719-438-5591 **Eads**
800-332-8634 **Toll free**
719-384-7320 **fax**

www.secpa.com

SUMMER HOURS
7 a.m. — 5:30 p.m.
Monday — Thursday

MONTHLY BOARD MEETINGS
Third Wednesday of each month, 10 a.m.
801 West Third Street
La Junta, CO

Touchstone Energy®

I think the following information regarding legislation on proposed carbon dioxide cap-and-trade taxes is extremely accurate and informative, so I wanted to pass the information on. This article is reprinted from the June 2009 newsletter published by IREA, another Colorado electric co-op. — Rich Wilson, general manager

PROPOSED CO_2 CAP-AND-TRADE BILL DEVASTATING TO THE ECONOMY AND TO OUR QUALITY OF LIFE

The Heritage Foundation recently published a white paper reviewing the revised Waxman-Markey bill. Excerpts follow:

Reps. Henry Waxman (D-Calif.) and Ed Markey (D-Mass.) modified their global warming proposal from the draft version published on March 31. For the most part, the changes focused on the distribution of the allowance revenue — the equivalent of tax revenue.

There was also a slight easing of targeted emissions reductions for 2020, which resulted in a marginally lower economic impact. However, the new distribution of allowances created a less efficient pattern of government expenditures and more than offset the gain from the lower cap for 2020.

The economic impact of the new draft varies from that of the original draft in several major ways:

• Compared to no cap-and-trade, real gross domestic product losses increase an additional $2 trillion, from $7.4 trillion under the original draft to $9.6 trillion under the new draft.

• Compared to no cap-and-trade, average unemployment increases an additional 261,000 jobs, from 844,000 lost jobs under the original draft to 1,105,000 lost jobs under the new draft.

• Peak-year unemployment losses rise by 500,000 jobs, from 2 million under the original draft to 2.5 million under the new draft.

Though the proposed legislation would have little impact on world temperatures, it is a massive energy tax in disguise that promises job losses, income cuts and a sharp left turn toward big government.

Ultimately, this bill would result in government-set caps on energy use that damage the economy and hobble growth — the same growth that supports investment and innovation.

Waxman-Markey basics

The bill discloses a basic two-pronged approach to cutting greenhouse gas emissions. The first prong is a set of mandates forcing efficiencies independent of any cost-benefit calculations on the part of industry or consumers. These mandates include a requirement for low-carbon motor fuels and a tenfold increase in the production of electricity from renewable sources.

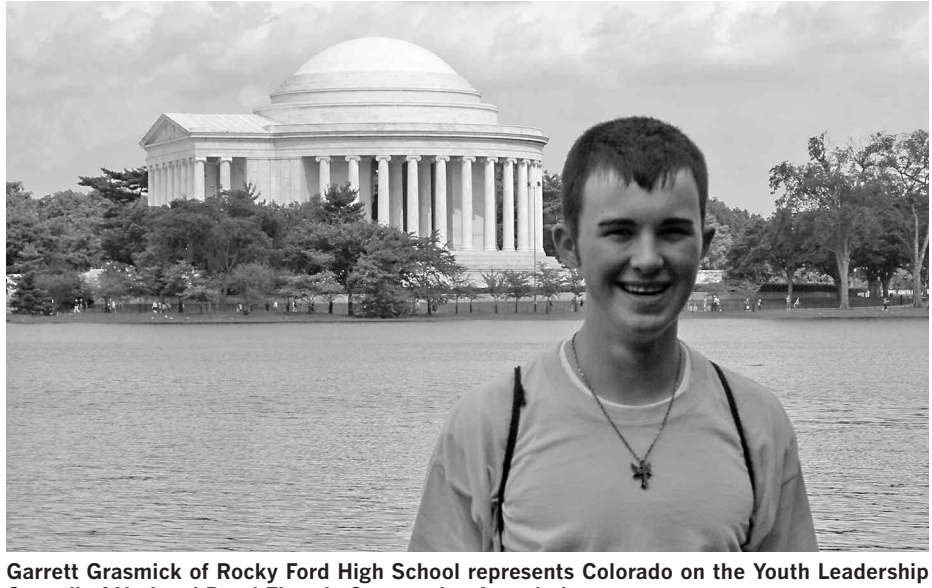
The second prong is cap-and-trade. With cap-and-trade, absolute limits on total emissions of greenhouse gases are established. Before those in a covered sector can emit a greenhouse gas, they need to have the ration coupons (also known as pollution permits or allowances) for each ton emitted. Because the ration coupons will have a value, and therefore a cost, cap-and-trade becomes a tax on fossil fuels and the energy they generate.

The intent of cap-and-trade is to impose a cost on CO_2 and allow businesses and consumers to adapt as well as they can to this new cost. The mandates of the first parts of Waxman-Markey are counterproductive because they force choices on the economy that might not be the most efficient and inexpensive ways to cut CO_2. That said, the paper's analysis looks at only the cost of a simple cap-and-trade

[continued on page 6]

Student Represents SECPA and Colorado Well

Garrett Grasmick of Rocky Ford High School was selected to represent Colorado on the Youth Leadership Council of the National Rural Electric Cooperative Association. Garrett attended the YLC conference July 18-22 in Washington, D.C. The conference agenda included leadership- and team-building exercises, meeting with Capitol Hill staff members who are alumni of NRECA's Electric Cooperative Youth Tour and a competition to select NRECA's national youth spokesperson.



Garrett Grasmick of Rocky Ford High School represents Colorado on the Youth Leadership Council of National Rural Electric Cooperative Association.

While in Washington, D.C., YLC members gained a broader understanding of cooperatives through their discussions with Glenn English, chief executive officer of NRECA; Sheldon Peterson, governor of the National Rural Cooperative Finance Corporation; and Bob Phillips, chief executive officer of the National Rural Telecommunications Cooperative.

"This is what it's all about," said Garrett. "We are preparing ourselves for the future with peers from across the country, thanks to Southeast Colorado Power Association and NRECA. We will expand our knowledge of the American political system, broaden our understanding of cooperatives and develop our leadership skills."

Garrett's electric co-op experience began in June when he attended the Electric Cooperative Youth Tour in Washington, D.C., with more than 1,500 high school students sponsored by their local electric cooperatives. The students on the Youth Tour selected Garrett to serve on the YLC for Colorado and attend the leadership conference.

All 44 members of the YLC, including Garrett, will participate in the 2010 NRECA Annual Meeting in Atlanta, Georgia. They will provide assistance to the NRECA staff and co-op delegates, participate in the parade of states at the opening general session and take part in a variety of educational activities.

NRECA is the national service organization representing the nation's more than 900 private, consumer-owned electric cooperatives, which provide electric service to 42 million people in 47 states.

Southeast Colorado Power is proud to have sponsored Garrett and thrilled that he represented its organization and state so well.

Cap-and-Trade Tax Legislation Devastating to Economy

[continued from page 5] approach. Consequently, the economic impact estimates reported here will likely be lower than the economic cost of cap-and-trade hobbled further by mandates.

Is it worth it?

Is all of this economic pain justified by gains against global warming? Waxman-Markey raises energy prices by 55 to 90 percent. These higher energy prices push unemployment up by 1,105,000 jobs on average, with peaks over 2,479,000. In aggregate, GDP drops by over $9.6 trillion. The next generation will inherit a federal debt pumped up by $29,150 per person. All of these costs accrue in the first 25 years of a 90-year program that, as calculated by climatologists, will lower temperatures by only hundredths of a degree in 2050 and no more than two-tenths of a degree by the end of the century.

The impact of Waxman-Markey on the next generation of families is $1,500 per year in higher energy costs, over $100,000 of additional federal debt (above and beyond the unconscionable increases already scheduled), a weaker economy and more unemployment. Furthermore, the recently proposed modifications to Waxman-Markey only make these problems worse. By devising a less-efficient pattern of government expenditures, this new draft would more than offset the gains from the proposed slight easing of targeted emissions reductions for 2020.

We can end up with a severely impacted economy and significantly reduced quality of life. At present, each citizen emits an average of 20 tons of CO_2 annually. With a population increase and 80-percent reduction of CO_2, the average output now reduces to two tons. The effect on quality of life would be staggering.

We will oppose any cap-and-trade tax legislation or any other scheme that drastically increases rates and destroys quality of life. Common sense must prevail.

JACK'S CONSERVATION CORNER

Storm Windows Improve a Home's Energy Efficiency

If you have old windows in your home, the best way to improve your home's energy efficiency is to replace them with new, energy-efficient windows. However, if you're on a tight budget, a less expensive option is to use storm windows. Some types of storm windows are also a good option for those living in apartments.

Even though storm windows add little to the insulating performance of single-glazed windows (that are in good condition), field studies have found that they can help to reduce air movement into and out of existing windows. Therefore, they help reduce heating and cooling costs.

Types of storm windows

Storm windows are available for most types of windows. They can be installed on the interior or exterior of the primary window. They range from the inexpensive plastic sheets or films designed for one heating season to triple-track glass units with low-emissivity coatings that offer many years of use. Mid-priced storm windows may use glass, plastic panels or special plastic sheets that have specific optical qualities. Those made of polycarbonate plastic or laminated glass also offer a high degree of resistance to breaking during storms and/or from intruders.

For the most part, interior storm windows offer greater convenience than exterior storm windows. They're easier to install and remove; they require less maintenance because they're not exposed to the elements; and, because they seal tightly to the primary window, they're more effective at reducing air infiltration. Interior storm windows also are often the best choice for apartments and houses with more than one floor. If you can afford exterior storm windows, you can probably afford some newer, more energy-efficient windows, which will be a better investment. (WIN *Jenny Guerrero, La Junta, account #1921680108)

Glass pane types offer better visibility and longer life than plastic pane types, but glass is heavy and fragile. In general, plastics are most economical for people with small budgets or who live in apartments. However, while inexpensive and relatively easy to install, they are easy to damage. Plastic panels, such as Plexiglas and acrylics, are tougher and lighter than glass but may scratch easily. Some may turn yellow over time as well. Some plastic films may significantly reduce visibility and degrade over time when exposed to sunlight.

Types of storm window frames

Wood, aluminum and vinyl are the most common storm window frame materials. There are advantages and disadvantages to all types of frame materials. Although strong, light and almost maintenance free, aluminum frames conduct heat rapidly. Because of this, aluminum makes a poor insulating material.

Wood frames insulate well, but they weather with age. They also expand and contract according to weather conditions. Wood-frame storm windows installed during the winter may not close easily during the summer, and those installed during the summer may fit loosely in the winter. They can also be quite heavy and thicker than metal frames. This can make storage difficult, reduce the view out the window and reduce the amount of natural light in the room. Wood frames also require the most maintenance. There are, however, aluminum- or vinyl-clad wood frames that reduce maintenance requirements.

Vinyl frames are usually made of polyvinyl chloride with ultraviolet light stabilizers to keep sunlight from breaking down the material. They, however, may expand and warp at high temperatures and crack in extremely low temperatures. Also, if sunlight hits the material for many hours a day, colors other than white will tend to fade over time.

Installation

No matter what type you choose, the storm window frame must be hung square with the primary window and sealed to the opening. You should also consider the fact that they should be easy to move to allow for cleaning and ventilation.

Exterior-mounted storm windows must have "weep holes" at the bottom of the frame to allow any moisture that collects between the primary window and the storm window to drain out. Even though these drainage holes subtract from energy savings, not having them will eventually cause the primary window frame to rot and possibly make them impossible to operate.

YOU COULD BE A WINNER

If you find your name in this issue as follows (Win* your name, account number), please contact Paige Horn at Southeast Colorado Power, 719-384-2551 or 800-332-8634, to receive a credit on your next power bill. Last month's winner was Elizabeth O'Neill, #1502270000.

Use Tax Credits to Fund Efficiency Upgrades

BY MEGAN MCKOY

The idea of living in a more efficient home — and paying lower utility bills — has widespread appeal. But finding ways to fund improvements can be difficult during hard economic times.

Fortunately, the federal government offers two ways to recover some of your expenses when planning upgrades: energy efficiency tax credits and renewable energy tax credits.

Through the 2009 American Recovery and Reinvestment Act — known as the federal stimulus bill — Uncle Sam offers a personal tax credit of up to $1,500 for energy efficiency measures made at existing homes in 2009 and 2010. You can recover 30 percent of the cost of adding insulation materials and exterior doors, windows and roofs designed to help reduce your home's heat loss or gain. The credit also covers efficient central air conditioners, air-source heat pumps, hot water boilers and biomass stoves.

With a maximum value of $1,500 for all improvements made in 2009 and 2010, the credit may be applied toward project material costs. You may also use it for installation of heating, ventilation and air-conditioning systems and biomass stoves.

If you want to start generating your own power, consider taking a renewable energy tax credit covering 30 percent of the cost of materials and installation for solar panels, solar water heaters and geothermal heat pumps. This credit applies to both existing homes and new construction. Projects must be placed into service between January 1, 2009, and December 31, 2016.

Energy Star, a joint program of the U.S. Department of Energy and the U.S. Environmental Protection Agency, provides guidelines on what qualifies for both tax credits at www.energystar.gov, keyword "Tax credits."

You can file for energy tax credits using Internal Revenue Service Form 5695. Remember to get a Manufacturer Certification Statement (a signed statement from the manufacturer certifying that the product or component qualifies for the tax credit) for your records. Both of the energy tax credits are nonrefundable — they can increase your refund by reducing the taxes you owe, dollar for dollar, and can be carried forward to reduce your taxes in following years. But you don't get a separate check for the credit amount.

Some electric cooperatives and state government offices offer further subsidies or rebates to consumers who want to make their homes more efficient. For a listing of state and local energy efficiency assistance available, visit the Database for State Incentives for Renewables & Efficiency, a project funded by the U.S. Department of Energy, at www.dsireusa.org.

Megan McKoy writes on consumer and cooperative affairs for the National Rural Electric Cooperative Association, the Arlington, Virginia-based service arm of the nation's 900-plus consumer-owned, not-for-profit electric cooperatives.

MAKING SENSE OUT OF FEDERAL STIMULUS ENERGY EFFICIENCY TAX CREDITS

The 2009 American Recovery and Reinvestment Act provides incentives for you to make energy efficiency improvements to your existing home in 2009 and 2010. Receive a tax credit for 30 percent of the cost of materials for qualifying improvements — up to $1,500 over both years. The cost of installation is not covered for windows, doors, roofing and insulation. A list of qualified improvements is at www.energystar.gov/taxcredits. Examples include:

Windows and Doors

Exterior Windows, Doors and Skylights	**Must have Solar Heat Gain Coefficient (SHGC) and U-factor less than or equal to 0.30.**
Storm Windows and Doors	When combined with the window/door over which it's installed, it must meet the International Energy Conservation Code (IECC) in your climate zone.

Roofing

Metal, Asphalt Roofs	All Energy Star metal and asphalt roofs qualify. Must be expected to last 5 years or have a 2-year warranty.

Insulation

Insulation	Primary purpose must be to insulate. For example, vapor retarders are covered, but insulated siding does not qualify. Also must meet 2009 IECC and be expected to last 5 years or have a 2-year warranty.

NOTE: Select non-solar water heaters and biomass stoves also qualify for energy efficiency tax credits. Tax credits are also available for renewable energy, including geothermal heat pumps. For tax purposes, the Manufacturer's Certification Statement and receipt are generally required.

Heating, Ventilating and Air Conditioning (HVAC)

Central Air Conditioning	**For split systems, must have an energy efficiency ratio (EER) greater than or equal to 13 and a seasonal EER greater than or equal to 16. For package systems, must have an EER greater than or equal to 12 and a SEER greater than or equal to 14.**
Air-Source Heat Pumps	For split systems, must have a Heating Seasonal Performance Factor (HSPF) greater than or equal to 8.5, an EER greater than or equal to 12.5 and a SEER greater than or equal to 15. For package systems, must have an HSPF greater than or equal to 8, an EER greater than or equal to 12 and a SEER greater than or equal to 14.
Natural Gas or Propane Furnace	**Must have an Annual Fuel Utilization Efficiency (AFUE) greater than or equal to 95.**
Gas, Propane or Oil Hot Water Boiler and Oil Furnace	Must have an AFUE greater than or equal to 90.
Advanced Main Air Circulating Fan	No more than 2 percent of furnace total energy use.

Source: Energy Star. For details, visit www.energystar.gov