

2008 "Earth Day" at DMEA: Innovative Utility "Geothermal Loop Tariff" Announced

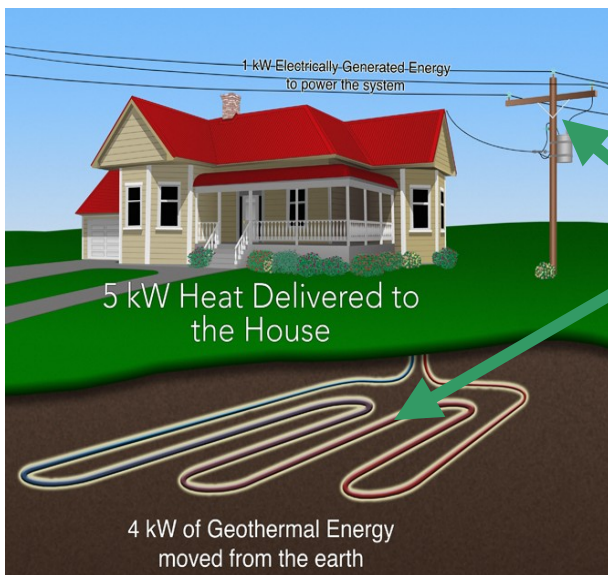
*Colorado Co-op Will Install and Own Geothermal Heat Pump Loops
to Help Customers Heat and Cool Their Homes with Renewable Earth Energy*

(Montrose, CO) On April 22, 2008, as the nation celebrated the 38th anniversary of the first "Earth Day" in the U.S., the board of directors of Delta-Montrose Electric Association (DMEA) launched a program to make renewable earth energy to heat and cool their members' homes much more affordable.

Under the "ground breaking" provisions of DMEA's "Co-Z Loop Tariff," the cooperative will pay for the installation of a residential ground-source heat pump's loops—normally about half the system's cost. DMEA will own and maintain the loop as utility plant, charging the residential co-op member signing up for the loop tariff an affordable monthly fee, analogous to the monthly base charge members pay for electric service. DMEA's geothermal loop tariff will run \$15-\$29 a month for most homes.

"A geothermal heat pump is the most energy efficient heating and cooling option for most homes, but it has a higher up front cost," explained Dan McClendon, DMEA's general manager. "Our new loop tariff brings down the initial cost of a geothermal heat pump close to that of a conventional system, enabling

the homeowner to save 30-70 percent on their operating cost, compared to natural gas or propane.



"Utility owned plant" under the geothermal loop tariff concept includes both "poles and wires" bringing electricity to a home and geothermal loops bringing heating and cooling to the home, depending on the season.

"Heating and cooling are by far the largest components of most homeowners' energy use and

expenditures,” noted Paul Bony, DMEA’s manager of member services and marketing. “The geothermal loop tariff is an exciting advance to our ongoing efforts to help our 27,000 member-owners manage rising energy costs.”

The anniversary of Earth Day was an appropriate time to announce the DMEA board’s new program:

- According to a US Environmental Protection Agency (EPA) study, GeoExchange is the most energy-efficient, environmentally clean, and cost-effective space conditioning system available.
- Today, more than half a million geothermal heat pump units are installed in the U.S., resulting in an annual savings of 4 billion kWh of electricity, eliminating the need for 20 trillion BTUs of fossil fuels, cutting peak electrical demand by 1.3 million kW and slashing greenhouse gas emissions by 3 million tons of CO₂.
- Those 500,000 installations are equivalent to:
 - Converting 650,000 cars to zero-emission vehicles,
 - Planting 190 million trees,
 - Reducing US reliance on imported fuels by 11 million barrels of crude oil per year or,
 - Eliminating the need for one 1,300 MW power plant.
- If every school district that needed to replace heating and cooling systems over the next 10 years decided to install GeoExchange systems, the total energy savings over that time would exceed \$11 billion.
- The electricity required to power one million homes for one year would be saved, if every school that could use GeoExchange did so.

“We’re concerned about the impact of rising energy prices in general in addition to upward pressure on our own rates,” said McClendon. “The price of propane is directly correlated with the price of petroleum which is breaking historic highs. The price of natural gas is rising on the futures market. GeoExchange is an excellent way for homeowners to insulate themselves from rising fossil fuel costs and this new program should enable many more homeowners to ‘fuel with Mother Nature.’”

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Graphics and sources for more information (below):

- 1) How GeoExchange works:
<http://geoexchange.us/about/how.htm>
- 2) US Dept of Energy, "Geothermal Heat Pumps Make Sense for Homeowners":
<http://www1.eere.energy.gov/geothermal/pdfs/26161b.pdf>
- 3) Environmental Benefits from GeoExchange (US Dept of Energy):
<http://www.nd.gov/dcs/energy/pubs/renewable/geoben.pdf>
- 4) General features/benefits (long load time)
<http://geoexchange.us/pdf/GB-029.pdf>
- 5) Graphic used in illustration of concept and other schematics of geo loops:
http://climatemaster.com/share/large_jpg/Red-Roofed-Geo-House-Master.jpg
- 6) Other geo graphics: <http://geoexchange.us/illustrations/graphics.htm>
- 5) Other graphics and sources available on request.