

FOR IMMEDIATE RELEASE October 7, 2025

Kit Carson Electric Cooperative Reaffirms Commitment to Federal Grid Resilience and Innovation Partnerships (GRIP) Wildfire Mitigation, Microgrid and Public Safety Project

Taos, NM – **October 7, 2025** – Kit Carson Electric Cooperative (KCEC) today reaffirmed its commitment to advancing its federally supported microgrid initiative under the Grid Resilience and Innovation Partnerships (GRIP) program. Despite recent uncertainty regarding federal funding, KCEC continues to move forward with preparations that will strengthen northern New Mexico's grid resilience, wildfire protection, and long-term energy security. Wildfires continue to represent the most significant risk to KCEC's infrastructure and the communities it serves.

KCEC has already invested financially in the procurement of batteries and microgrid equipment (weather stations, AI Smart Edge devices and grid monitoring software) and secured land in Penasco, Taos Ski Valley and El Rito West for the installation of Battery Energy Storage Systems (BESS). KCEC has hired tax consultants to identify and secure tax credits applicable to the GRIP project. These commitments reflect the cooperative's determination to ensure that critical infrastructure is in place to protect its service area against the growing risks of extreme weather events and wildfires.

"This project is about more than energy; it is about protecting lives, safeguarding our communities, and ensuring the future of northern New Mexico. Reliable electricity is essential for public safety, for families who rely on medical equipment, for those who work and study from home, and for every member who depends on us. The Department of Energy's investment validates our microgrid vision and initiative. Kit Carson Electric Cooperative will move forward, and we will deliver a resilient, modern grid that our members deserve," stated Luis A. Reyes Jr, CEO of KCEC.

To date, KCEC has not received any official notice of cancellation from the federal government. The cooperative plans to move forward with the project and explore all options to keep funding secure now and in the future.

The microgrid initiative represents far more than a technical improvement to the electric system. In northern New Mexico, extreme weather conditions have intensified the threat of catastrophic wildfires. When transmission and distribution lines must be de-energized to prevent ignition, entire communities can lose power for extended periods. By integrating microgrids with advanced storage, KCEC will be able to maintain local energy supply, reduce fire ignition risks, and keep essential facilities, including fire stations, first responder bases, and community shelters, operational during emergencies. This proactive approach not only mitigates wildfire danger but also ensures continuity of critical services, which is central to protecting both lives and property.

The project also addresses urgent public health and quality-of-life concerns. Many KCEC members rely on uninterrupted power for medical devices, oxygen equipment, dialysis systems, refrigerated medication, and other life-saving services. Sustained outages caused by wildfires or grid instability place these individuals at significant risk. The deployment of localized energy storage through BESS will directly safeguard vulnerable populations, ensuring that the cooperative's most at-risk members have access to the electricity required for their health and safety.

This microgrid project is also essential for families who work from home, operate small businesses, or rely on digital tools for education and communication. In today's interconnected world, power outages not only disrupt comfort but also cut off access to essential services that residents depend on every day, including employment and schooling. By ensuring steady and resilient power, the project safeguards medical needs while also supporting economic opportunity, remote work, and modern living standards for all members of the cooperative.

The project is scheduled to commence construction in June 2026, with completion anticipated by January 2027. Engineering is already 60% complete, and procurement of batteries and essential microgrid equipment represents an investment of approximately \$4.6 million. This initiative reflects KCEC's long-term commitment to grid modernization, renewable energy integration, and enhanced resilience against natural disasters, positioning the cooperative to deliver value and reliability to its members.

On October 18, 2023, the U.S. Department of Energy (DOE) selected KCEC to receive \$23 million (\$15.4 million in Federal funding and \$7.7 million in Recipient cost share) to enhance the U.S. power grid's ability to deliver affordable energy to American communities across northern New Mexico.

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About Kit Carson Electric Cooperative

Formed in 1944, Kit Carson is a member owned electric distribution cooperative in northern New Mexico and is the second largest cooperative in the state. Kit Carson is one of 16 electric cooperatives that serve rural New Mexico communities, serving nearly 30,000 members in Taos, Colfax and Rio Arriba counties. To learn more about Kit Carson, visit www.kitcarson.com.