



Message From the CEO

Cooperatives—Vital and Viable for the Future

NEARLY 80 YEARS AGO, electric cooperatives helped light up rural areas with reliable and affordable power. The long-awaited delivery of centralized power generation dramatically improved the quality of life for farm families and businesses. Today, ECI REC's vision is to make a positive difference in the lives of those we serve.

Like many industries today, we are facing a time of great change. We know the landscape of member preferences, technology, innovations, governmental regulations, and environmental policies are constantly evolving. We've been able to adapt programs and services to meet these changing needs. We know what has worked in the past may not always be the best solution for the future, which is why we're constantly looking ahead.

When electric cooperatives were established, one of the key benefits was the affordable power we could provide to members through the economies of scale

with central station generation. Because cooperatives are not-for-profit entities, providing affordable electricity remains a cornerstone of our business model. We regularly assess our rate structures to ensure we're operating a financially sound business and our members are all being treated fairly when it comes to what they pay for electricity.

As we look ahead at what's driving change in the energy industry, one area is distributed generation, which is typically solar or wind generation that is located at or near the point of consumption. How distributed generation will impact electricity rate structures is being discussed by all types of utilities across the country.

Here's why: When a member invests in their own generation, they still need continuous access to the power grid. That's because they use the grid both to receive power and to export power. Recent data provided to the Iowa Utilities Board shows that a typical residential consumer with solar panels needs the grid 23.99 hours of the day. The graphic [right] demonstrates how this works in a 24-hour period. Some hours, grid power is needed to supplement electric needs because the solar array is not generating enough. Other times, the solar panels are generating more than the consumer is using and the grid is needed to export this excess. Grid costs—such as the poles and wires necessary to deliver excess power or to receive power from central station generation—are allocated to all members through our rate design structure. To keep power affordable, everyone must pay

their fair share to operate and maintain a safe and reliable grid.

Policy changes at the state and federal level, including environmental regulations, will also require us to assess if our rates are adequate to cover the costs of compliance.

Going forward, you're likely to hear more about rate design options; it goes hand in hand with an evolving energy future. As we evaluate our rates, you benefit because when and if a rate change is made, it's made by locally elected directors who are your friends, colleagues, neighbors, and fellow owners of your cooperative. It's just one of the reasons why the cooperative business model continues to work so well today and will serve us well into the future. 🌱

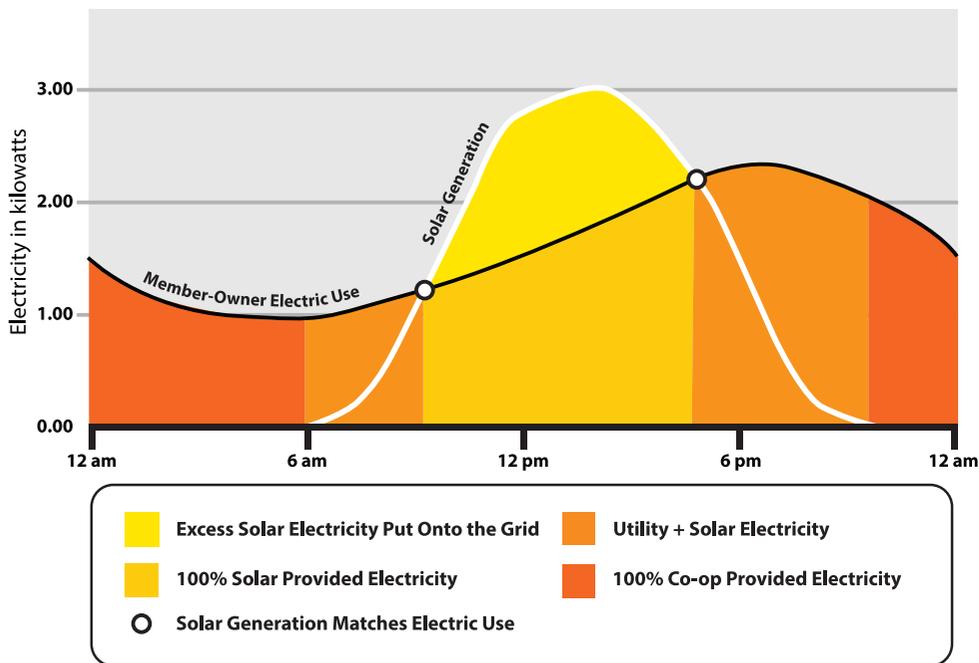
For Sale: L.L. Bean Men's cross-country skis, complete with 11D boots, poles, and carrying bag, very nice condition, \$150. Ph: 319-448-4414

Free: 1979 Encyclopedia Britannica, black leather-bound with gold edging, excellent condition, complete 32-volume set and 1980-94 annual supplement. Ph: 319-448-4414

Please email your ad to classifieds@ecirc.org. Ads for the Jan./Feb. Heartland Living must be received by Dec. 1, 2015.

East-Central Iowa REC will publish non-commercial advertisements as a service to our members. All ads are free. They may be submitted by any member or employee of East-Central Iowa REC. Ads should contain a phone number, name (if desired), a brief description of items with price if applicable. Each ad is limited to maximum of 100 words; please type or print clearly. Editor reserves the right to edit or reject any ad. No ads will be taken over the telephone—please email, mail, or bring your ad to the office.

Residential solar needs grid 23.99 hrs/day



Typical Iowa residential customer with 5 kW_{DC} onsite solar system (summer).

Source: June 2015 filing in Iowa Utilities Board Case NOI-2014-0001