

Rising Energy Prices, Weather Forecasts, Power Grid Reliability—What Do These Issues Mean for ECI REC Members?



CEO Teresa Floyd

Like our membership, ECI REC has been impacted by inflation. We are also navigating increasing costs and supply chain issues. High, volatile natural gas prices caused our wholesale power supplier, Central Iowa Power Cooperative (CIPCO), to increase our cost of purchased power by \$0.0025/kWh as of May 1

(though we are still purchasing power more cheaply than we did four years ago).

What does this increase mean for ECI REC members?

The estimated increase of \$350,000 in wholesale power costs will be passed to the membership via the energy cost adjustment (ECA). For over four years, members have received an energy cost adjustment credit monthly on their energy bills. Following this cost of power increase, members can expect a smaller credit. For example, in the past a member who used 1,000 kWh had an ECA credit of \$7.00 on their energy bill; that credit would now be reduced by \$2.50. If costs continue to increase, ECI REC would be forced to pass on those costs in the energy cost adjustment.

I am sure you have heard predictions in the media of rolling blackouts this summer. Rolling blackouts are actual *planned* events that affect a small amount of load; they usually last less than an hour, and they can come with short notice. The likelihood of this type of “planned” power disruption in our area is *very rare*.

Nevertheless, ECI REC was recently notified by CIPCO about the potential risk for rolling blackouts with Midcontinent Independent System Operator (MISO). MISO is the regional authority in a multi-state area that sets the rules and markets for large transmission lines and power generation for CIPCO.

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How Will ECI REC Alert Members to MISO Events?

1. ENERGY CONSERVATION EVENT:

ECI REC will post the below notice to our website home page and Facebook page.

“An all-member peak alert event has been issued for our area (per MISO) for [date]. ECI REC is asking all members to voluntarily conserve energy from [time to time].”

2. POSSIBLE POWER INTERRUPTION EVENT: ECI

REC will post the below notice to our website home page and Facebook page. If time permits, ECI REC will do its best to send out a pre-recorded message to members who may experience a power interruption. Please note that these load sheds may come with little notice, and it is possible there may not be time to generate phone notifications to our members.

“A controlled short-term power interruption/outage may occur. Due to extreme events, electric grid operators (MISO) have called for short-term power outages to protect the grid. ECI REC member-consumers may experience short-term power disruptions today.”

HAVE YOU DISCONNECTED YOUR LANDLINE OR CHANGED YOUR CELL PHONE # OR PROVIDER?

Consider updating the primary phone number linked to your account.

Name on account(s) below:

Member account #: _____

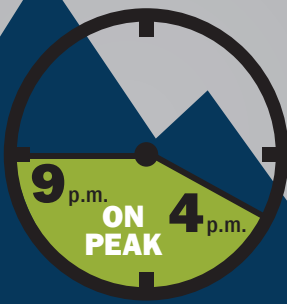
Current phone #: _____

Submit your information 1 of 3 ways:

- » Email csr@ecirec.coop
- » Go to ecirec.coop and choose **Member Information Update Request** under the Account Services menu (or scan QR code below)
- » Mail form to: **ECI REC, Info Update, PO Box 248, Urbana, IA 52345-0248**

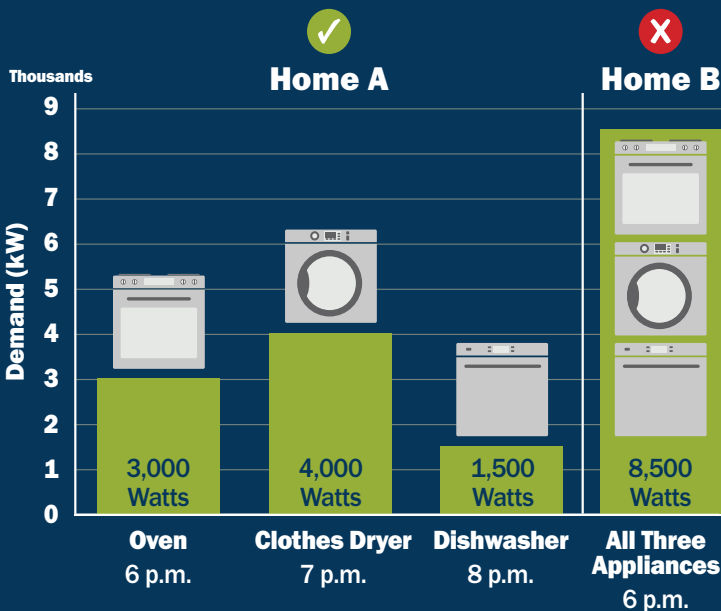


Switch your thinking and TAKE A LOAD OFF THE PEAK



Extreme summer weather increases electricity usage for everyone. However, there are ways you can help ECI REC (and your fellow members) save money!

- 1. Keep electricity usage to a minimum between 4:00 p.m. and 9:00 p.m.** ECI REC pays the most for electricity used in these peak hours. If you cut back during this window, everyone saves.
- 2. Coordinate the number of appliances you operate at once.** Staggering the use of appliances reduces the demand on our system, which means lower costs.



Results

Home A staggered the use of their appliances during peak hours, creating less of a demand on the Cooperative's system.

Home B used all three appliances at once during peak hours, creating higher demand, which could increase costs.

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MISO serves portions of the southern and upper Midwest, and it acts like an air traffic controller of the electric grid to manage real-time generation within its footprint. Their goal is to ensure electric supply and demand are balanced, and CIPCO participates in MISO to buy and sell generation as needed.

ECI REC takes great pride in the investments we have made in our distribution system to reliably serve our members. As you know, service is always subject to potential outages due to extreme weather or other events beyond our control. The same can be said for CIPCO, which provides its member distribution cooperatives with adequate generation and transmission resources so we can meet the energy demands of our members. CIPCO is not aware of any imminent physical fuel supply problems that would threaten the availability of power.

So, if CIPCO has adequate generation and contracted supplies of energy, why the concern for rolling blackouts? Here are the two driving factors:

- » Forecasts of above-normal temperatures and drought conditions are the main source of concern.
- » The country is transitioning from dispatchable, baseload generation sources like coal-fired and nuclear power plants—cornerstones of reliability—to intermittent, non-dispatchable resources like wind and solar. While ECIREC is not opposed to wind and solar, they are not the same type of power generation; the sun doesn't shine and the wind doesn't blow all the time. This transition will continue to result in reliability and availability concerns.

Like our members, ECI REC cannot predict the weather. However, what we can try to do is keep our members informed and stand ready to respond. ECI REC will increase our messaging to help educate members on energy-saving measures for their daily routines (see infographic to the left).

Regardless of the potential challenges we face, electricity remains a good value. ECI REC members can rest assured that your Cooperative's Board of Directors and employees remain steadfast in serving our membership with safe, reliable, and environmentally friendly electricity.

MEMBERSHIP BENEFITS



Your Co-op Connections® Card offers you Healthy Savings and local and national deals. Use your card to start saving today! Questions? Email coopconnections@ecirec.coop.



Use SmartHub to pay for FREE online! Visa, Discover, American Express, and MasterCard accepted. While you're there, view your monthly usage data in helpful chart formats.