

ELEC - O - NEWS

Our offices will be closed on Monday, May 29th in observance of Memorial Day.



Our ANNUAL MEETING Was A Huge Success!

The 80th Annual Meeting of the Members of Upshur Rural Electric Cooperative Corporation was held on Thursday, April 6, 2017. Three hundred and ninety-seven registered at the meeting.

The following statistics were reported for the fiscal year 2016:

*Constructed 38 miles of new line to serve 107 new members;

*At the end of 2016, there were 45,640 accounts billed;

*There are 290 miles of transmission line, 6,016 miles of overhead distribution line and 296 miles of underground distribution line in place;

*The total plant investment was \$221,529,215 and the total kilowatt-hours sold in 2016 was 838,124,723.

New business transacted at the meeting was the election of the following directors:

District #1-Frankie B. King; District #2-Joe Don Beard, and District #3-J. C. "Sonny" McKnight.



May is Electrical Safety Month

Electricity is something that we sometimes take for granted. We cannot see it or smell it. Electrical equipment is such an integral part of our everyday life that we tend to not notice it anymore. Our hope is that we do not become complacent with just how dangerous electricity can be.

May is Electrical Safety Month and we wanted to give you some reminders to help you stay safe when using and around electricity!

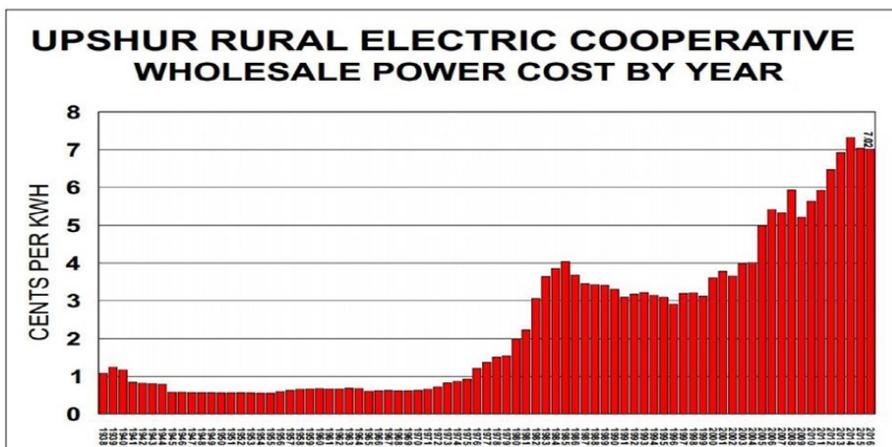
Ask the GM: What Is the Status of the Clean Power Plan?

In a recent Presidential Order signed by President Trump, there began an unwinding of EPA driven rules enacted to manage Carbon Dioxide or CO₂ directed primarily at one industry, the electric generation business. The EPA has worked over the last several years to control greenhouse gas emissions through a plan typically called the Clean Power Plan or CPP. The CPP targeted electric generation and tasked the industry to become the main vehicle to meet U.S. greenhouse gas reductions promised by then President Obama in the Paris Climate Talks. The CPP, while giving states some choices in how to achieve the standards, was likely going to increase the cost of electricity to consumers some estimated 20-30%. Compounding the cost effects on the electric generation market beyond the CPP, the EPA over the past eight years has promulgated numerous new rules that effected the business of electric generation including some major rules, among them—Mercury and Air Toxins Rule (Utility MACT), Coal Fly Ash Rule, Cross-State Pollution (CSAPR), Ozone NAAQS, and the Clean Power Plan.

Throughout the 2016 campaign, Donald Trump pledged to review burdensome federal regulations when he became president. On March 28, President Trump took an important step to follow through on that commitment. The order also calls for review of the Clean Power Plan.

While having the effect of reducing CO₂ output in the U.S. on a whole, the cost to meet the CPP and the other rules complicated one of Upshur Rural Electric Cooperative's Board stated Mission's—*affordable energy...consistent with sound economy*. With the significant increases in power supply cost over the last eight years, largely attributable to meeting federal environmental rules, the pressure increased at the Cooperative distribution level to squeeze out spending locally to cushion the rising cost effect in order to meet the Mission. This despite the Natural Gas Fracking Revolution that we have all witnessed which has brought down significantly the cost of natural gas as a fuel. Only in the last two years as the Cooperative has switched more supply fuel risk to the SPP markets where natural gas and wind driven generation are plentiful, have we seen some abatement in supply cost.

The percent of supply cost on an average Upshur Rural Electric bill hit as high as 76% and has stayed in the low to mid 70%'s range for several years now. That means that some 72-76 cents of every dollar on a bill goes simply to generate and transmit electricity to our region. Traditionally this percentage would be more in the 62-67% range. To help contain cost to the member, some of the increase was absorbed by less capital spending on wires, poles, trucks, substations, employee numbers, etc...



The cost increases in the graph to the left represent both the switch to natural gas and wind (think of buying a new, more efficient car and getting rid of the old gas guzzler but gaining a new car note as well) plus installing millions of dollars of equipment to meet the federal standards (some coal plants required \$15-25 million to meet many of the non-CPP rules). The CPP, if implemented, would have accelerated these cost increases going forward while reducing CO₂. The most likely outcome would have been curbing output or even shuttering some coal units and replacing them with new generation that met the rules.

Electric co-ops put the interests of their members first when deciding how to best generate electricity. That includes low carbon natural gas units, hydro, wind, solar along with more traditional power generation. The Trump executive order allows co-ops to continue reducing their carbon footprint while keeping traditional energy resources in the mix at least until they are no longer cost efficient. This is critical as co-ops work to preserve both the reliability and affordability of electricity.

It will take the Trump administration a long time to navigate the maze of administrative, regulatory and legal procedures necessary to review the Clean Power Plan. In the meantime, Upshur Rural Electric and the other electric co-ops will keep doing what they do best—delivering a consumer-focused energy future that empowers cooperative members and their communities.