



Your Touchstone Energy® Cooperative



**December 2010**

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Office Hours: 8 a.m. - 4 p.m.  
Monday - Friday

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### **Mission Statement:**

Improving the quality of life  
of our member-owners.

**James B. Riddle**

*Executive Vice President/  
General Manager*

### **Board of Directors**

*Paul Pyatt, President*

*Raymond Mulholland, Vice President*

*Kevin Liefer, Secretary-Treasurer*

*Randall Campbell*

*Larry Ebers*

*Allen Haake*

*Paul Hicks*

*Ken Jarrett*

*Gilbert Kroening*

### **Office Closings**

Christmas Eve 12/24

New Years Eve 12/31

### **What to do if the power goes off**

1. Check your main fuses or circuit breakers.
2. Check your meter pole or pedestal. If you have breakers, make sure they are "on" by first pushing to the "off" position and then pushing them to the "on" position. If you live in a mobile home, codes require a main disconnect near the meter. If you have a dusk-dawn light and it is working, you have a breaker or fuse out.
3. Check with your neighbors. If they are out of power also, the main line is most likely out.
4. During office hours: Steeleville 965-3434 or Murphysboro 684-2143 or (800) 606-1505 for either office. After office hours call (800) 606-1505.
5. Make sure you have the name on the account and if possible, the account number.

## **Government regulation threatens costs - jobs in the power industry**

Starting in 2008, the Environmental Protection Agency (EPA) began accelerating changes to existing rules and proposing new rules for air emissions, ash disposal and water-cooling. These new rules will affect automobiles, power plants, and other industrial facilities over the next several years. At a time when the U.S. economy is in the doldrums, the EPA unfortunately is more focused on these changes than the impact they will have. The agency tends to be very reactionary and seldom shows true concern for the effects its changes will have on the economy and job market in the U.S.

Power plants that have been proactive in adding emission control equipment in recent years will be penalized right along with those plants that chose not to. The EPA's newly proposed Clean Air Transport Rule (CATR) will have two substantial effects on Illinois and other mid-western states. First, those plants that have been environmentally responsible by installing emission controls for sulfur dioxide (SO<sub>2</sub>), nitrogen oxides (NO<sub>x</sub>), particulates and mercury will find the EPA intends to enforce new rules that are beyond the ability of the installed equipment. Secondly, those plants that have not installed emission controls will now be forced to either shut down or install all controls by 2013-2015, depending on the final EPA rules.

Those utility generators that have installed emission control equipment,

such as SIPC, will be forced to buy expensive emission allowances on the market, if those allowances can even be found at all. As SIPC is a cooperative (not for profit), this additional compliance cost will be passed on to every member of the Cooperative. This additional cost will do nothing to clean the environment or reduce emissions at SIPC or the new Prairie State Energy Campus in Washington County, Ill., which is being built with state-of-the-art controls already.

Utility generators who have chosen not to install emission controls equipment in the past and face billions of dollars in potential costs for controls will find it more economical to shut down the older coal-fired units and purchase power from the grid until it becomes scarce or unavailable.

Illinois ranks number one in coal-fired generation plants that do not have SO<sub>2</sub> nor NO<sub>x</sub> controls installed and Missouri is number three. Both states will see significant increases in power costs in the future as older plants either spend billions in new emission controls or close down and build gas-fired generation

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### **W. Scott Ramsey**

President & General  
Manager of Southern  
Illinois Power  
Cooperative



**Integrity : We are credible, trustworthy, honest and believable.**

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plants. Another possibility is that those companies that own these older plants may go out of business. This would leave the electric grid in Illinois and Missouri subject to market price volatility and reliability, potentially leading to brownouts and outages.

If a transition from coal to gas fired power plants occurs, many jobs will be lost. A typical medium sized 500 mega-watt coal-fired power plant employs 125-150 workers. In contrast, a 500 mega-watt natural gas combined cycle (NGCC) plant will only employ approximately 25 workers. These lost jobs are quality positions. The loss of these jobs will be detrimental to the tax base and housing values in the communities they reside in. This does not even address the jobs that would be lost in mining and transportation if a transition to NGCC plants occurs.

While many believe renewable energy will save us, the fact is there are not enough wind farms, solar plants, biomass, and hydro-electric generation to replace coal-fired power plants. Being proactive several

years ago, SIPC has access to some hydro-electric power. In addition, we continue to evaluate renewable energy opportunities through our membership in the National Renewables Cooperative ([www.NRCC.coop](http://www.NRCC.coop)). While we realize renewable energy is valuable and responsible, it will only be a portion of the generation supply needed to meet the energy needs of our nation.

If a transition to NCCG and other generation does begin, many base-load coal plants, the workhorses of the U.S. generation system, will be retired sooner than anticipated. If there is a rush of retirements before those new NGCC plants are constructed, there is a reasonable chance the grid will see capacity challenges in many portions of the mid-west. As more wind farms come on-line, grid operators are raising red flags. As electricity from wind production is dependent on weather conditions that can change rapidly, the ability to reliably schedule and predict capacity has many challenges.

The EPA is not the only government agency accelerating changes

to rules and regulations. The Federal Energy Regulatory Agency (FERC) is requiring new regulations on standards for electric utilities, some that are reasonable and some that are quite burdensome. In 2009, SIPC spent the equivalent of 2.5 full-time positions assembling new reliability standards and procedures. As a small to midsize generation and transmission utility, SIPC's work on other necessary projects suffered as we spent significant time developing these new standards. We are told that in 2011 we can expect even more new standards, this time on Critical Infrastructure Protection (CIP). These new CIP rules may require up to two additional employees to maintain. All of these new regulations will require more personnel, a cost born by the members of the cooperatives on their electric bill.

America has had the most reliable grid in the world for decades and while we believe in reasonable regulation and standards, we are being required to make additional

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## It's Growing Fast!

**O**n Nov.1, 2010, the Southern reported in its headline article, "The need is ever growing, but for some area food pantries, keeping up with the demand is a struggle". With the Lite for a Bite program at your cooperative, you can help area food pantries while saving energy. Bring non-perishable food items to either cooperative office in Steelville or Murphysboro and we'll swap you a compact fluorescent light (CFL) bulb for each item you bring in (sorry, due to demand, there is a limit of four per household).

All food will be donated to local food pantries to help them feed those less fortunate during the holidays.

These energy saving light bulbs put out the same amount of light as a 100 watt incandescent light bulb but only use 23 watts of electricity. And they'll last nearly ten times as long.

Lite for a Bite is a win-win-win program. You win by saving energy; the food pantries win by being able to assist more people; and the environment wins because you use less energy. A win-win-win.

And we're helping the environment even more. If you have a CFL bulb that has quit working (even bulbs you've purchased elsewhere), instead of tossing it in the trash bring it by our office and we'll dispose of it properly with a recycling center (unbroken bulbs only).

Lite for a Bite. Saving energy while brightening someone's day.



*Carla McNeely, CSR in the Murphysboro office stacks food.*



**Accountability : We act in accordance with our core purpose and values.**

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expenditures for a very small improvement in reliability. The irony of the smart grid is that it has the potential to leave us more vulnerable to hackers and foreign countries that wish to do America harm. Some utilities are actually contemplating returning to more reliable older technology that worked well and is not burdened by these new CIP standards. This will lower future cost increases and reduce terrorism potential.

I see a perfect storm developing at a time when America can least afford it. Financial experts say it will be years before we lower the unemployment rate. Regulations that go too far will make our recovery that much further away. America has great industrial strength and this has been due in part to having a reliable and economically priced electric grid. With China quickly growing and out building America, we need to think in terms of not just economic well being, but also a national security aspect. To ensure national security, we must make use of our domestic resources. This will help secure American jobs and provide reliable, economic, and environmentally responsible power.

In America, we have always overcome adversities through our freedom to innovate, cooperate, and build a better tomorrow for our children. It has taken generations to build the electric grid we enjoy today. We must hold our leaders not only accountable, but also help them understand the importance of tending to our electric grid. I encourage every reader to contact Senators Durbin and Kirk, and Representative Costello to voice their concern about the cost excessive regulation will put on them and their children. SIPC will continue to be a model for reliable, economical and environmentally responsible power, but we cannot continue to do so if regulations become too excessive and too unrealistic.

## 2011 Thomas H. Moore IEC Memorial Scholarship Program



**T**he AIEC Board of Directors in 1994 voted to establish an Illinois Electric Cooperatives (IEC) Memorial Scholarship Fund. The Fund is designed to financially assist deserving students in the “electric cooperative family,” while also providing a means for co-ops and individuals to honor deceased members of the co-op family through memorial gifts. The “driving force” behind the fund’s creation was Thomas H. Moore, Executive Vice President and General Manager of the AIEC from 1961 to 1994. The AIEC Board voted to rename the scholarship program to honor Mr. Moore following his passing in 2008.

The scholarship program prospered under the leadership of Earl W. Struck, who succeeded Mr. Moore and served as President/CEO of the AIEC from 1994 to 2006. Mr. Struck passed away in August 2007. The AIEC Board of Directors that month voted to honor Mr. Struck’s memory by naming the annual scholarship awarded to the son or daughter of an electric cooperative employee or director the “Earl W. Struck Memorial Scholarship.” Mr. Struck was born and raised in Murphysboro and was active in the 4H program during his youth. His parents were long time members of Egyptian Electric Cooperative.

The Illinois Community College System Foundation (ICCSF) administers the Thomas H. Moore IEC Memorial Scholarship Fund. Eight scholarships a year are awarded.

Four scholarships a year are awarded to students who are the sons or daughters of an Illinois electric cooperative member. An additional scholarship (the Earl W. Struck Memorial Scholarship) is awarded to a student

who is the son or daughter of an Illinois electric cooperative employee or director. These five scholarships can be used at any two-year or four-year accredited college or university in the United States, including vocational/technical schools. The sixth and seventh scholarships are awarded for use at an Illinois community college, and sons and daughters of Illinois electric cooperative members, employees and directors are all eligible.

The above seven scholarships are for \$1,250 each and are not renewable. Applicants must be high school seniors and apply through their local electric cooperative. The deadline for submitting completed applications to the local electric cooperative is January 1 of each year.

A new eighth annual scholarship, the “LaVern and Nola McEntire Lineworker’s Scholarship,” will be awarded for the first time in 2011. This \$1,250 scholarship will help pay for costs to attend the lineworker’s school conducted by the AIEC in conjunction with Lincoln Land Community College in Springfield, Ill. LaVern McEntire served as a lineman for McDonough Power Electric Cooperative from 1949 until 1991. He and his wife, Nola, helped to endow and establish the new scholarship to financially assist deserving individuals in becoming trained lineworkers.

Relatives of co-op employees or directors are eligible for the lineworker’s scholarship, as are individuals who have served or are serving in the armed forces or National Guard.

For more information and scholarship forms, please visit our Web site, [www.eeca.coop](http://www.eeca.coop).

**Commitment to Community: We show compassion, care and courtesy to our members and the communities we serve.**

# Looking For A Silver Bullet?

**W**ith winter on its way and increased energy usage, some folks are busy looking for a silver bullet to lower their heating costs. Like most things in life, however, there is not a magical cure to what ails our energy use.

Several months ago, I wrote an article about a gentleman from DeSoto that had installed a geo-thermal heat pump in his 1890s Victorian home and had reduced his energy costs by \$2,630 per year. Most people would be happy with that savings and stop at there, but not this homeowner. When the home was moved and remodeled, meticulous steps were taken to ensure the exterior building envelope (the portion we want to heat/cool) was properly insulated and sealed.

As funds and timing allowed, a heat pump water heater was installed, a monster of a deep freeze was replaced with a smaller, more efficient model, a more efficient refrigerator replaced the old one (and the old one did not become a second unit in the basement or garage), a front load washing machine now uses less water and spins more water out of the clothes so less energy is used for drying and finally, a more efficient dishwasher was installed.

This didn't happen all at once, but rather as each item came into disrepair, a plan was in place to replace them with more efficient models. This sometimes means more is spent up front, but in the long run, less energy is used and bills are lower. This homeowner has not had a utility bill over \$100 in over a year, even as hot as it was in July and August – under \$100.

How do you reach this same point? Develop a plan. Do the research before appliances fail and a hasty decision is made. Know that if the refrigerator fails, you have an energy efficient model picked out ahead of time and then it's a matter of shopping for the lowest price for that model.

Same thing with your heating and cooling system and your home. Do

the research into heating and cooling systems. Know which is right for you and who the best installer for you is. That way if the unit fails in the middle of January, you've already made the tough decision; now all you have to do is make a call.

The most important thing is having a plan, then sticking to it as the time, funds and opportunities arise. You might call it your silver buckshot of energy reduction. As your electric co-operative, we can assist you with your list by performing an energy audit. An energy audit will help you identify and prioritize your list of energy improvements.

## Energy Checklist Building Envelope

- Basement and crawlspace walls are insulated properly (no fiberglass, please). Crawlspace have a sealed vapour barrier.
- All perforations to the exterior are sealed. If you can see daylight, caulk it.
- All intended openings, doors, windows, attic access hatches are insulated and have good weather seals.
- Attics should have eight-ten inches of insulation. If there is less than six inches, add more. (DOE recommends R-38 for our region). Make sure you cannot see any gaps in batt insulation or the ceiling below. Knee walls or ends of cathedral ceilings should be insulated the same as the rest of the attic, R-38. If you need more, consider using cellulose insulation.
- Attic is air-sealed. (Pull insulation back and caulk around plumbing, electrical and other openings, install insulated boxes over recessed can lights.)
- Hot water pipes are insulated with pipe insulation.

## Heating – Cooling System

- Filters are changed on a regular basis.
- The heating and cooling system is checked annually by a qualified technician.
- Heat pumps and air-conditioner coils outside are washed down on a regular basis (shut off electricity to the unit first).
- Duct work outside the building envelope (attics, crawlspaces) is sealed with duct mastic and insulated.
- Inefficient equipment is replaced with Energy Star rated systems as funds allow.
- Registers are not covered by furniture or drapes.
- Thermostats are not located near drafts or heat sources.

## Appliances

- Get rid of the second refrigerator in the basement or garage. Most of these units use over 20 dollars of electricity a month, some nearly a dollar a day. Clean refrigerator coils on a regular basis.
- Replace monster deep freezers with smaller units as children grow up and the family size reduces.
- Purchase well insulated water heaters (Marathon for example) and make sure they heat the water no higher than 120 degrees.
- Purchase Energy Star appliances and compare the yellow consumer energy guide when buying new appliances.
- Turn computers off when not in use or force them into sleep mode.
- Look for front load washing machines. These units use less water, spin faster for shorter drying cycles and are easier on your clothes.
- Use the pre-heat option on dishwashers and turn the water heater back to 120 degrees.

**Teamwork: We work together to provide excellent service.**