



# Rural HIGHLIGHTS

Local News from Rural Electric Convenience Cooperative

RURAL Highlights

## Co-op equity for 1982 was retired in December 1,066 members saw a capital credits equity refund on their January billing statements

RECC's Board of Directors, at their November 2015 meeting, approved the retirement of \$268,957 in capital credit equity to members for their purchases of electricity in 1982. All current and former member-owners who received electric service from Rural Electric Convenience Cooperative during that time period are eligible for the refund.

Members who still receive electric service from the co-op had a "Capital Credit Refund" shown on their billing statement in January (for December energy use) for their share of the equity retirement. Those who no longer have a service on RECC's lines received a refund check, if the amount was at least \$5.00.

Capital credit equity comes from the cooperative's margins, which amounts to the difference between the money we collect during the year, minus our operating expenses. Until it's refunded to members, the

*RECC allocates 100 percent of our margins to the members who purchased electricity during the year*

equity is used to finance new construction and system improvements.

The financial participation of the members is one of the basic cooperative principles. This means our members have a stake in the long-term health of the cooperative.

### Co-ops are not-for-profit

Capital credits are also a key difference between electric cooperatives and investor-owned utilities. While an investor-owned company returns a portion of their profits to shareholders who may not even use their products, RECC allocates 100 percent of our margins to the members who purchased electricity during the year.

RECC has paid over \$3.4 million in capital credit equity retirements to our members - another advantage of being a co-op member!



*RECC Director Cassie Eigenmann presented a certificate explaining the capital credit refund to Otter Lake Water Commission manager Dennis Ross, adding her appreciation for the long-time membership of the water system.*

Members who purchased electricity after 1982 from RECC should keep an updated address on file with the cooperative, even if they closed their connected account. Any future retirements of capital credits will be paid by check to those members if we have a valid mailing address.

Estates of deceased members can also receive capital credit retirements when they are paid, or a prorated amount can be paid to close out an estate.

# Will EPA's Clean Power Plan threaten electric reliability?

*Effects on transmission grid being studied*

*By Paul Wesslund*

Since the Environmental Protection Agency (EPA) released its Clean Power Plan for reducing greenhouse gas emissions last August, several objections have been raised – from its effect on the economy to whether it actually has the authority to regulate carbon dioxide emissions.

An especially significant concern came from the organization responsible for making sure our electricity stays on. The North American Electric Reliability Corporation (NERC), reacting to a 2014 draft of the EPA plan, said in April 2015 that the electric utility industry “needs more time to develop coordinated plans to address shifts in generation and corresponding transmission.”

NERC cited concern about the electric transmission grid, noting that some of the emission reductions would begin in the year 2020, even though, NERC said, “transmission projects require between six and 15 years to engineer, site, permit and

*“If the legal challenge is successful, then perhaps we can get [the] EPA to write regulations that address more than just environmental concerns – but also consider economic impacts to consumers...”*



construct.”

EPA's final rule released in August responded to that concern by extending the deadline two years, setting a 2022 start date and phasing-in the limits through 2030. Is that enough time? NERC responded in a statement that acknowledged the EPA had changed its deadlines and that NERC will analyze the EPA's final rule and issue a report in mid-2016.

Among those challenging the EPA rules in court is the National Rural Electric Cooperative Association (NRECA), concerned that the Clean Power Plan would hurt electric reliability and raise costs for electric co-op members. “We believe the EPA has overstepped its legal authority

with the Clean Power Plan, and, along with many other interveners, have challenged [the] EPA's rules in the courts,” says Paul McCurley, NRECA chief engineer and acting executive director of Energy and Power. “If the legal challenge is successful, then perhaps we can get [the] EPA to write regulations that address more than just environmental concerns – but also consider economic impacts to consumers and do not threaten the reliability of the electric grid.”

*Paul Wesslund writes on cooperative issues for the National Rural Electric Cooperative Association, the Arlington, Va.-based service arm of the nation's 900-plus consumer-owned, not-for-profit electric cooperatives.*

## High school juniors invited

*Get on board for Youth Day and Youth Tour contest!*



Two local teenagers will experience firsthand the epic sights of our nation's capital during the Youth to Washington trip set for June 10-17. RECC will select two winners of this trip through our annual Youth Day/ Youth Tour Contest.

Juniors at area high schools can enter the contest by attending the Illinois Rural Electric Youth Day program in Springfield on Wednesday, April 13. Up to 10 students will be sponsored at Youth Day by RECC, touring the Capitol and other historic sites, and meeting with their state legislators. Two of those students will be selected to attend the Youth to Washington trip with over 1,000 young people from around the country.

RECC sponsors these trips to encourage students to learn more about our government's operation and about electric cooperatives.

Any junior attending a high school in RECC's service area is eligible for these expense-paid programs. Application request forms have been sent to our local schools, or students can contact our office. **We will mail an application kit and background information directly to the student.** The application form includes a summary of the student's school and civic activities and accomplishments, and a brief essay question pertaining to the rural electric program.

### Interviews during Youth Day

After the Youth Day activities in Springfield, the students will have individual interviews to select two winners for the trip to Washington, D.C. They will be judged on their written application, personal poise and confidence, and demonstrated understanding of the rural electric program. The two winners will travel

by bus from Springfield to Washington this summer, in one of the best-recognized youth programs in the nation's capital.

Applications must be returned to RECC by March 18, and the students selected for the Illinois Youth Day program will be notified by March 22 so that they can arrange their school schedules around the trip. Transportation will be provided from Auburn to Springfield and back.

About 60 Illinois students will travel with chaperones to Washington in June. Here are some of the great activities they'll enjoy:

- Tour the monuments: Washington Monument, Lincoln Memorial, Jefferson Memorial, Franklin Delano Roosevelt Memorial, Vietnam Veterans Memorial, Korean Veterans Memorial, Iwo Jima Statue, World War II Memorial, Martin Luther King, Jr., Memorial and Arlington Cemetery
- Tour historic sights: Smithsonian Museums, Holocaust Memorial Museum, Newseum, 9/11 Memorial and Mount Vernon.
- Attend special events: theater performance and all-states dinner & dance.
- Interact with: Teenagers from across the U.S. sponsored by rural electric co-ops; meet with your members of Congress and make new friends.

### Dates To Remember

*Application deadline - March 18*  
*Illinois Youth Day - April 13*  
*Youth Tour trip - June 10-17*



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## Rural Electric employees donate to Waverly Food Pantry



Employees of RECC donated \$300 to the Waverly Food Pantry in December, as a show of support for the communities served by the co-op. Rural Electric matched the employee donations, for a total of \$600 to assist residents who may be struggling to maintain well-rounded meals in their households. The funds were presented to Ron Lyons (left) for the food pantry by RECC employees Dave McCarty and Becky Grossner.

In addition, employees raised \$675 to assist a family in the co-op's service area during the Christmas season.

The co-op and employees have donated in recent years to food pantries in Auburn and Girard, and RECC has given extra food from its Annual Meetings to the Inner City Mission in Springfield. President/CEO David Stuva says it's just part of the cooperative principle of "commitment to community."



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