



Shane L. Larson,
Chief Executive Officer

More Power to You



COUNTRY'S ENERGY FUTURE FILLED WITH UNCERTAINTIES

Back in August 2011, I wrote in this column: "Until EPA's various power plant rules are finalized, the bottom line remains unknown." Well, the Environmental Protection Agency released the final Clean Power Plan on Aug. 3, and its impact on consumers still remains largely unknown.

The plan is designed to reduce carbon emissions and will change the manner in which electricity is produced in this country. Coal generation will be reduced as more emphasis is placed on renewable energy like solar and wind.

Specifically, the EPA wants to reduce carbon emissions nationwide to 32 percent of 2005 levels by 2030. To achieve that, the plan sets goals for individual states based on their current energy mix and their potential to reduce pollution.

States, such as Wisconsin and Illinois, that generate a significant portion of their power from coal have a much more stringent requirement. Wisconsin's goal is set at a 41 percent reduction, while Illinois' is 44 percent (using EPA's rate-based methodology).

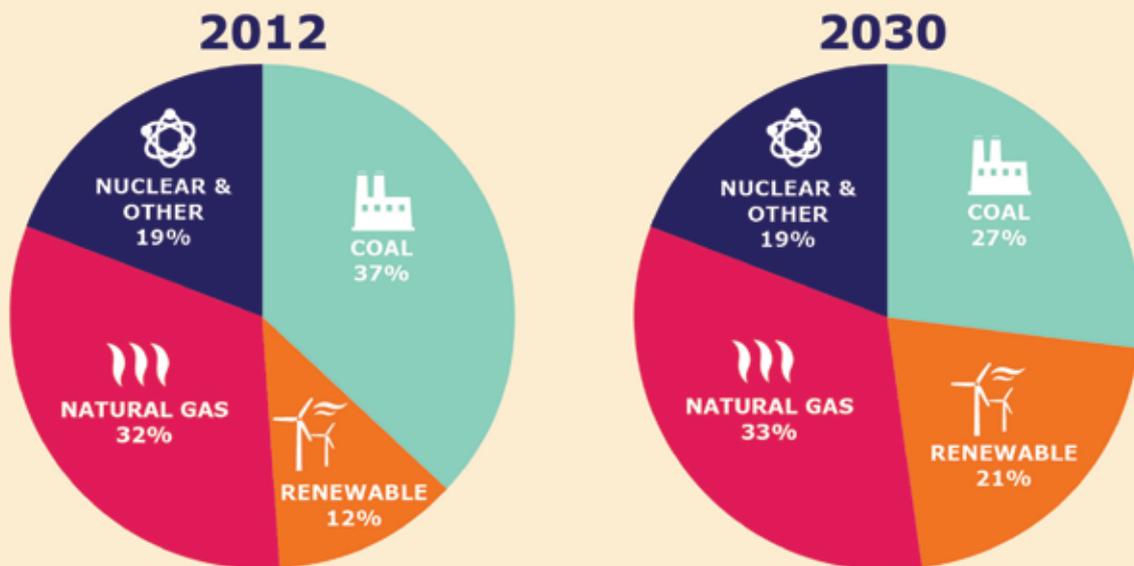
People naturally are concerned about the cost of the energy they use and want to know if these new requirements will result in a higher electric bill or a lower one. The truth is that nobody knows at this point.

The EPA estimates that the annual energy cost for an average American family will decrease about \$85 in 2030. The National Rural Electric Cooperative Association, of which Rock Energy is a member, isn't so sure and will conduct an independent economic analysis of the final regulation to determine its impact on consumers. The EPA had indicated that the

(Continued on page 16c)

The EPA's new plan would reduce coal and increase renewables to generate electricity

The charts below show the most recent figures for the fuels used to generate electricity in the U.S., compared with what the Environmental Protection Agency projects will be the mix under its Clean Power Plan. The plan calls for a 32 percent reduction in carbon dioxide emissions from all power plants by 2030. Renewables include hydroelectric power.



Source: Environmental Protection Agency

MY CO-OP



MEMBERSHIP MATTERS

October is National Cooperative Month, and for the many different types of co-ops in the United States, it's the time of year to celebrate what membership truly means.

Rock Energy and co-ops across the country are celebrating the benefits and values that cooperatives bring to their members and communities.

When it comes to “buying local,” cooperative businesses stand out. That’s because cooperatives are locally grown by everyday people who join together to solve a problem or meet a need. Did you know the co-ops in your community are democratically controlled by people just like you?

While many businesses are strictly motivated by profit, cooperatives exist first and foremost to deliver quality goods and services to their members. Any excess revenue is returned to the co-op’s members in the form of improvements or capital credits.

Adaptable and time tested, cooperatives are everywhere and operate in every industry including agriculture, energy, financial services, food retail and distribution, health care, child care, insurance, housing, purchasing and shared services, and telecommunications.

These seven cooperative principles set co-ops apart from other businesses:

- Voluntary and open membership.
- Democratic member control.
- Member’s economic participation.
- Autonomy and independence.
- Education, training, and information.
- Cooperation among cooperatives.
- Concern for community.

The co-op business model is unique and rooted in our local communities. Co-ops help build a more participatory, sustainable, and resilient economy.

Rock Energy is proud to be part of America’s cooperative network, which includes more than 47,000 cooperative businesses and 900 electric co-ops serving 42 million people in 47 states.

CO-OPS BY THE NUMBERS

42 MILLION



The National Rural Electric Cooperative Association represents 905 co-ops serving an estimated 42 million people in 47 states.

More than 12 percent of the nation’s meters belong to rural electric co-ops. Distribution co-ops range in size from fewer than a thousand electric meters to more than 200,000. The average is 22,800 meters.



Co-ops own and maintain 2.5 million miles, or 42 percent, of the nation’s electric distribution lines, covering three-quarters of the nation’s landmass.

2.5 MILLION



Co-ops serve an average of 7.4 consumers per mile of line. Investor-owned utilities average 34 consumers per mile of line, and publicly owned utilities average 48 consumers per mile of line.

MORE POWER TO YOU

(Continued from page 16a)

proposed rule, which was released in June 2014, would have saved consumers money, but NRECA analysis indicated the proposal would have resulted in an average bill increase of 10 percent in 2025.

The cost of electricity, however, shouldn't be the only consideration. Price becomes irrelevant if consumers don't have access to reliable electricity, which is essential to the nation's economy and almost all aspects of a person's daily life.

Energy produced at coal-fired power plants is extremely dependable and easily controlled. If more electricity is needed, the plant increases production and burns more coal. Renewable energy, however, has a variability problem. The sun doesn't always shine, and the wind doesn't always blow. Technology is evolving to make battery storage more feasible and affordable, but it's not there yet.

A lot of smart people work in our industry, and I'm confident that eventually they'll figure out how to deal with the intermittency of wind and solar power in a way that isn't prohibitive. Until that happens, I hope the nation's new energy plan won't compromise our extremely reliable grid.

What does all this mean to our co-op members? As you probably know, Rock Energy does not own or operate any power plants. Instead, we buy 100 percent of our power from Alliant Energy. The mix of Alliant's generation, which includes renewables, as well as the price on the energy market will dictate the co-op's cost.

There's no doubt that the Clean Power Plan will require a significant shift in the energy industry and will have ramifications lasting far into the future. There's also no doubt that the legal system will be involved. As I'm writing this, at least 16 states including Wisconsin have requested that the U.S. Court of Appeals

prohibit the EPA from enforcing deadlines for state submission of compliance plans. Also expected is a lawsuit that challenges the EPA's authority under the Clean Air Act to issue carbon regulations.

With so many uncertainties, it's easy

to be informed and is committed to providing energy that is reliable and affordable while protecting the environment.

The energy industry has spent billions of dollars on pollution control in the past decades, and that has resulted in cleaner

air and water. I believe it is possible to find solutions that balance the nation's economic and environmental goals. But for now we'll need

**With so many uncertainties,
it's easy to see why there are
no clear-cut answers...**

to see why there are no clear-cut answers to the many questions about how the nation's new energy policy will affect individual consumers. But some things are certain: Rock Energy will keep members

to wait and see what happens.

If there is anything we can do to improve our service to you, please let us know. It is our privilege to serve your energy needs.

MEMBERS CAN LOCK IN NATURAL GAS RATES

Rock Energy Cooperative is offering a pilot program for residential members who want to lock in their natural gas rates for the winter to avoid the risk of price increases.

Rock Lock is a fixed-rate plan that ensures members will always pay the same price per therm for their natural gas. Even if demand increases and supplies decrease, members on a fixed-rate plan would continue to pay the same rate throughout the winter. There is no guarantee of savings from participating in the Rock Lock program. It only guarantees that the price you pay per therm of natural gas will not change during the contract period. Because this is a pilot program, the number of participants will be limited.

If you're interested in learning more about Rock Lock, contact Mike Salmons, energy services manager, at (866) 752-4550.





Get Connected

Check out these great deals offered with your Co-op Connections Card.



Schultz Power Equipment, 1223 Madison Road, Beloit – (608) 364-4848 – www.schultz-power.com

Beloit's professional service center provides quality products at competitive prices and service by factory-trained technicians. Knowledgeable employees, convenient hours, and a commitment to customer satisfaction. Featuring more than 18 years of experience, we perform minor repairs to complete overhaul and full service on products we sell as well as other major engine brands, including Simplicity, Lawn Boy, Snapper, Stihl, Toro, Ferris, Briggs & Stratton, Honda, Tecumseh, Kohler, and Kawasaki.



January/February Special - \$10 Off Walk Mower Seasonal Service or \$15 Off Lawn Tractor Seasonal Service plus 10% Off Labor on Tractors (must bring in unit to receive savings)

ZaZu Gift Co., 5494 Elevator Road, Roscoe – (815) 623-9298 – www.zazugifts.com



A unique store that offers big-shop options with small-store atmosphere. Our special store has something for everybody. Offering gifts, home decor, and apparel, along with baby gifts and clothes, bath and body products, holiday merchandise, jewelry and accessories, and so much more. Free gift wrapping is always available.

\$5 Off (any purchase of \$25 or more); \$15 Off (any purchase of \$75 or more)

For a complete listing of current deals, visit www.rock.coop and click on the Co-op Connections Card. You also can use the card for discounts on prescriptions as well as dental, vision, hearing, chiropractic, lab, and imaging services. To locate providers, call (800) 800-7616.

Energy Efficiency Tip of the Month



Don't let vampires suck the life out of your energy efficiency efforts! Unplugging unused electronics—otherwise known as “energy vampires”—can save you as much as 10 percent on your electric bill.

Source: energy.gov

DIRECTOR NOMINATIONS OPEN

The Rock Energy Cooperative Nominating Committee will be selecting candidates to run for board of director positions that will be up for election at the March 28, 2016, annual meeting. Districts up for election are:

- District 2: Lima and Milton townships in Wisconsin
- District 4: city of Janesville, Harmony, and LaPrairie townships in Wisconsin
- District 9: Center, Janesville, and Magnolia townships in Wisconsin

Active members who are interested in running for a position on the REC Board of Directors must permanently reside in one of the areas up for election and meet all other qualifications. Please contact REC headquarters at (608) 752-4550 or (866) 752-4550 or send an e-mail to questions@rock.coop by Dec. 1.

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Shane Larson, CEO

P.O. Box 1758, 2815 Kennedy Rd., Janesville, WI 53547
P.O. Box 126, 15229 Willowbrook Rd., South Beloit, IL 61080
608-752-4550 • 866-752-4550

Barbara Uebelacker, Editor

