

The SOUTHEASTERN Light

SouthEastern Illinois Electric Cooperative Eldorado, Illinois

Your Touchstone Energy® Partner 

President's Comments



Dustin Tripp
President/CEO

An auction was conducted on April 14, 2015 to secure generation capacity for consumers in Illinois and fourteen surrounding states that are all part of the Midwest Independent System Operators (MISO). The results of this auction will cause electric rates in Illinois to increase significantly for customers of investor-owned utilities and other entities but not for electric cooperative members in Southern Illinois and other parts of Illinois as well.

In 2014 the generation capacity auction for Illinois cleared at a price of \$16.50 per MW-day. This was the price paid for generation capacity from June 2014 thru May 2015. On April 24, 2015, this same capacity auction for Illinois cleared at a price of \$150 per MW-day which represents an increase in capacity of almost 800% in one year. This new price has been set for generation capacity from June 2015 thru May 2016.

It is important to point out that the generation capacity cost is a smaller portion of a consumer's total electric bill, however the drastic increases in capacity prices will certainly create significant increases in the overall price paid by customers of investor owned utilities and other entities in the coming years. Your electric cooperative was not adversely affected by this auction and will not have to raise rates due to these capacity auction prices.

Many of you may wonder why your electric cooperative and your electric rates will not be impacted by the increases resulting from this most recent auction. The answer is that your electric cooperative, along with other electric cooperatives in Southern Illinois, owns a not-for-profit generation and transmission cooperative, namely Southern Illinois Power Cooperative (SIPC) located at the Lake of Egypt. SIPC operates and contracts a variety of generating

units including coal, natural gas, hydro and wind. This means that while other investor-owned utilities and other entities had to go to this auction and purchase their generation capacity for the coming year from other for profit companies at much higher prices, your electric cooperative already owns the generation capacity and was not required to pay these significantly higher prices.

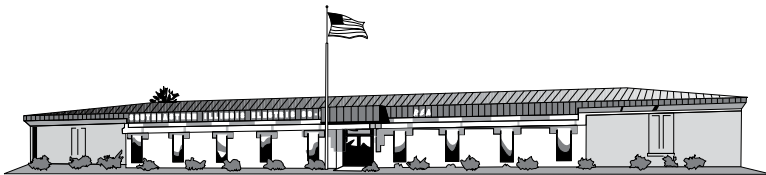
For over fifty years, your electric cooperative has experienced the strategic advantage of owning a not-for-profit, member-owned, member-controlled generation and transmission cooperative (SIPC). As you can see from the results of this auction where capacity prices increased over 800% in one year, the strategic advantage of owning generating units is very clear.

While this was one capacity auction with drastic increases for the coming year and next year's auction may not have the same results, it is important to review the state of the electric generation industry. The United States EPA has been and is continuing to publish new regulations at an alarming rate that increase the cost of coal-fired generation even to the point of closing numerous coal plants around the Midwest. As this continues, there will be less and less generation capacity available to serve the demand for electricity. Simple economics would certainly indicate that if there is less generation available to serve the demand for electricity, the cost of electricity will continue to increase.

In addition, the reliability of electricity may be threatened during times of high energy demand. In fact, a recent study by the North American Electric Reliability Corporation (NERC) indicated that the most recent United

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READERSHIP PRIZE WINNER:
Scott Kallem, Marion, IL





Keeping you safe during and after summer storms

No one knows electrical safety better than the experts who practice it every single day. SouthEastern Illinois Electric Cooperative, Inc. encourages you to practice safety with these reminders – for during and after a summer storm:

Avoid wires and water — When lightning strikes a home during a storm, the electrical charge can surge through pipes and utility wires. That means you can get zapped if you're touching water or any device that's plugged in, whether it's a land-line phone or toaster.

Skip the makeshift shelter — During a storm, it's tempting to take cover under a picnic gazebo or golf cart, but in open-sided structures with no conductors to channel strikes, a bolt's path of least resistance to the ground could be you. On top of that, these structures raise your risk of a lightning strike because of their height. Keep moving toward suitable shelter.

Portable generators — Take special care with portable generators, which can provide a good source of power, but if improperly installed or operated, can become deadly. Do not connect generators directly to household wiring. Power from generators can back-feed along power

lines and electrocute anyone coming in contact with them, including co-op line workers making repairs. It's best to hire a qualified, licensed electrician to install your generator and ensure that it meets local electrical codes.

Flooded areas — Stay away from downed power lines and avoid walking through flooded areas. Power lines could be submerged and still live with electricity. Report any downed lines you see to SouthEastern Illinois Electric Cooperative by calling 618-273-2611 immediately.

Electrical equipment — Never use electrical equipment that is wet – especially outdoor electrical equipment, which could be a potential danger after a summer storm. Water can damage electrical equipment and parts, posing a shock or fire hazard. SouthEastern Illinois Electric Cooperative is a proud member of Touchstone Energy Cooperatives. Along with 750 electric cooperatives nationwide, we have partnered with Touchstone Energy to put safety as our number one concern. For a checklist to assess safety hazards around your home or to take a quick safety quiz, go to <http://www.togetherwesave.com/power-of-community/safety>.

Call **JULIE** before you dig

If you are planning a project call 811 or 800-892-0123 a few days prior to digging and your call will



be routed to your local One Call Center. Tell the operator where you're planning to dig, what type of work you will be doing and your affected local utilities companies will be notified about your intent to dig. In a few days, they'll send a locator to mark the approximate location of your underground lines, pipes and cables, so you'll know what's below – and be able to dig safely.

Remember, always call 811 before you start any digging project! You'll avoid injury, expense, embarrassment – and a very inconvenient day in the dark.

Presidents Comments

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States EPA Clean Power Plan does not provide sufficient time for the construction of new gas-fired generating plants to provide the needed generation lost from coal-fired generating plants. In addition, the NERC report revealed that the Clean Power Plan's conversion from coal-fired generation to natural gas fired generation and the necessary transmission construction will significantly increase overall costs.

While the most recent auction can be considered a “shock to the system” which will lead to higher energy prices for investor-owned customers and other entities, the result of this auction should have greater strategic, economic and legislative implications as all leaders look to the future and attempt to address the needs of our nation's energy supply.

See you next month and as always, “We'll keep the lights on for you.”

Before You Buy A Water Heater Of Another Brand... Save your energy!



Plastic Tank

- Can't rust or corrode
- No smelly anode rod
- Stronger than steel

Lifetime Tank Warranty

- Warranted not to leak "for as long as you own your home."

Envirofoam Insulation

- The most energy efficient & environmentally friendly

Plastic Jacket

- No nicks, dents or scratches


Reliability

- Six years Parts & Labor

Marathon[®]



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Your Touchstone Energy[®] Partner 



We will be closed on July 3rd in observance of Independence Day.

Providing
**CLEAN
AFFORDABLE
ENERGY**
South Eastern Illinois Electric Coop

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POWER OUTAGE

If your power goes off, we offer these suggestions

1. Check the fuses or circuit breakers in your service panels. If you have breakers, make sure they are in the "ON" position.
2. If you have a meter pole, check the main breaker panel just below the meter socket. If the breaker is in the "OFF" position, check all of your wiring from the meter pole to your various buildings. If the wiring appears to be okay, reset the breaker to the "ON" position.
3. If you still do not have power, check with neighbors to see if they have power.
4. To report a power failure or other emergency, please phone 1-877-399-8405. This phone number is monitored around the clock, 365 days per year to accept your outage and emergency calls.
5. Your phone call will be handled by SouthEastern's automated outage reporting system and will be identified automatically through ANI (Automatic Number Identification). An outage record will then be generated for your location. Please note that the phone number from which you place the call will be the number used to generate the record. If the system fails to recognize your phone number, members having touch-tone phones may simply enter their seven-digit phone number (without area code) in order to report the outage. Members not having touch-tone phones will be asked to leave a message. It is important you leave your name, phone number and location of the outage. Retrieving messages and entering them into the system is time consuming; therefore, please leave only a message that will help in restoration of electric service. Do not remain on the line for an operator because a live operator is not there to respond. In order to keep a current listing of all numbers, it is important that you notify the Cooperative of any changes in your telephone number.
6. Handling outage calls electronically allows you to report power failures very quickly. Once your outage has been reported, it will be dispatched to repair personnel who will restore your outage as soon as possible. Calling back repeatedly will not shorten the length of the outage, but may hinder the efforts of other members who are trying to report outages.

OUTAGE CALLS ONLY 1-877-399-8405

SouthEastern Illinois Electric Cooperative, Inc.

585 Highway 142 South • P.O. Box 251 • Eldorado, Illinois 62930
618-273-2611 or 800-833-2611 • Office hours: 8 a.m. - 4 p.m. M-F