

Mission Statement:

Improving the quality of life of our member-owners.

Mark A. Stallons
*Executive Vice President/
General Manager*

Board of Directors

Allen Haake, *President*
Gilbert Kroening, *Vice President*
Paul Pyatt, *Secretary-Treasurer*
W. Dean Bame
Larry Ebers
Paul Hicks
Kevin Liefer
Raymond Mulholland
John Steele

Office Closings

Martin Luther King Jr. Day
January 21

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.

Cooperative Receives Top Satisfaction Rating From Its Members!

One of the top priorities at Egyptian Electric Cooperative Association is to make sure we are constantly listening to you, our member-owners. We have one, simple, business rule – that our actions improve your quality of life. That one rule helps us be more responsive to your needs and more accountable to you, our owners.

While it is important to have a simple rule to help us stay focused on serving your needs, it is also important for us to measure how well we are doing. Recently, approximately 1,000 surveys were mailed out to you, our members, regarding your overall satisfaction with Egyptian Electric Cooperative Association and approximately 365 of you returned those surveys. The survey results are in and we are pleased to announce that we received an American Customer Satisfaction Index (ACSI) score of 85.

The American Customer Satisfaction Index (ACSI) is a uniform and independent measure of household consumption experience. As an economic indicator, the ACSI tracks trends in customer satisfaction and provides benchmarking insights of the consumer economy for companies, industry trade associations, and government agencies. The ACSI is produced by the Stephen M. Ross Business School at the University of Michigan, in partnership with the American Society for Quality (ASQ) and the international consulting firm, CFI Group.

To put our score in perspective, and as seen on the chart below, an

85 puts our cooperative in the upper echelons of Touchstone Energy Cooperatives. The average of Illinois electric cooperative's score was 80. For comparison purposes, the investor-owned energy utilities sector nationally received an average score of 72. In 2004, the first year the cooperative participated in the ANCI survey, we received a score of 81. In 2006 we conducted a phone survey of 400 members and received a score of 86. We were surprised last year with the large jump and were a bit concerned if we could stay at that high level of performance. This year's score of 85 validates our score of 86 one year ago and definitely says that we can continuously perform at a high level of customer satisfaction.

At Egyptian Electric Cooperative Association, we live by our core purpose - to improve the quality of life of our members at a reasonable cost. And we work hard to continuously act in a manner that projects our core values – integrity, accountability, commitment to community and teamwork. The new rating is appreciated by the employees, management and board of directors of your cooperative. However, it does not mean we can rest on our

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

laurels and celebrate. It does mean that our membership recognizes when service is improved and will also recognize when it doesn't. We have to continually listen to you

and challenge ourselves to find better ways to provide quality service at affordable prices while improving your quality of life.

To that end, the employees, man-

agement and board of directors say THANK YOU to our members for recognizing our efforts.

Green Tech

By Bryce Cramer

I recently picked up "Popular Science," a magazine I hadn't read since I was a teenager. This was their 100 Best Innovations Of The Year edition. As I leafed through the magazine one evening, I remembered those years from long ago when I gazed upon the pages of new contraptions and gadgets, thinking how neat this stuff was and how someday I would own one. I'm sure most of those visionary contraptions and gadgets never made it to the market place, but I can't help imagining that some did and that others were the inspiration behind someone else's successful product or idea.

The most interesting part of this edition was when I came to the Green Tech section. Once again, I can't help but wonder how many of these will actually make it to the market place or how many will be the inspiration for someone else to modify and improve the concept enough to make it successful. With today's concern for energy and climate change, I thought it worth sharing these gadgets with you.

PowerSheet Solar Cells

We know solar panels convert energy from the sun to electricity. The reason solar cells have not been deployed in larger numbers is the cost of production. Traditional solar cells use silicon, which is expensive and currently in a world-wide shortage. It has to be put on glass, making it even more expensive, heavy and breakable. Plus, 70 percent of the silicon is wasted in the manufacturing process.

Nanosolar, a Silicon-Valley company, has developed a process that uses no silicon and uses printing press style machines to place nano-ink on metal sheets to create what is called thin film solar cells.

The company claims that it will soon be producing solar cells that produce electricity at 30 cents per watt, compared to traditional cells that are \$3 per watt. www.nanosolar.com.

GE Evolution Hybrid

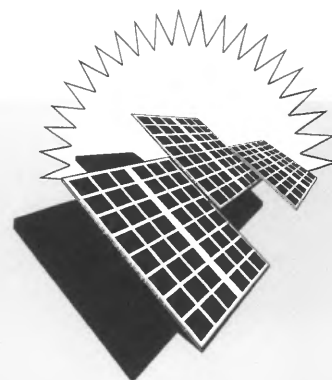
A lot of people don't realize that many of the locomotives pulling trains cross country are manufactured by GE. Past technology has used diesel engines to turn large generators that are attached to electric motors to drive the wheels.

To develop their new hybrid that captures the breaking energy used to slow the train, GE had to create a 1,000-pound molten-salt battery that combines sodium with metal chloride. This new technology allows more current to flow through the battery, allowing the system to power 2,000 horsepower in less than a second.

The Evolution made its debut in May and will carry its first commercial load in 2010. www.ge.ecomagination.com.

Guilt-Free Flushing

About 40 percent of the water use in an average home is used to flush toilets. The Aqus system sits under your bathroom sink, capturing drain water and filtering and disinfecting it before pumping it to the toilet. www.watersavertech.com



Ice Energy

Imagine using a big block of ice to cool your home all summer long. That's just what the Ice Bear from Ice Energy does. Connected to your air-conditioner, the Ice Bear freezes water at night when electricity is more plentiful. During the day, the Ice Bear circulates refrigerant through coils in the ice to reduce the electricity usage of the air-conditioner. www.ice-energy.com

LED Lights

Fluorescent lights are energy efficient, but the vapor inside them is harmful. The EverLED tubes contain no mercury or lead and last five times as long as fluorescent bulbs and use 25 percent less electricity. The downside though is price. At \$150 per tube, only those concerns that use lighting 24/7 can justify the additional expense. www.leddynamics.com.

Microwaved Oil

The GRC's Hawk 10 recycler uses microwaves to turn hydrocarbon-based waste into oil and gas. Each year, the U.S. buries about 5 million tons of hydrocarbon-based auto waste like foam, rubber and plastics in landfills. The Hawk 10 produces about 18 times the energy that is consumed in the process. www.globalresourcecorp.com.

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Teach, Learn, Care...

In Memory of CAITLYN

Twelve-year-old Caitlyn MacKenzie was killed in 2007 when she touched an ungrounded outdoor lamp while damp from swimming. Her family now wants to help others avoid tragedy and is urging everyone to teach those you love about electrical safety.

Scott and Jamie MacKenzie, Caitlyn's father and stepmother, along with Teresa and Bob Orasco, her mother and stepfather, graciously agreed to share their story for Safe Electricity's year long 2008 themed campaign centered on teaching electrical safety.

Their generosity of spirit resulted in the taping of television and radio public service announcements (PSAs) with the theme TLC: Teach what you know, Learn what you need to, and Care enough to share it with those you love.

The emotional and compelling PSAs were produced with the families' own words. They eloquently underscore the sense of loss when a loved one is taken from a family suddenly. Caitlyn's mother put it simply and best in one of the spots, "If you are not educated about electrical safety, become educated. It's important; you don't realize how important until tragedy strikes."

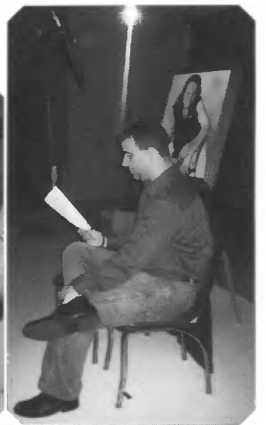
The Safe Electricity team is very grateful for the cooperation and participation of Caitlyn's family members, and her father urges all who can to spread the TLC message. "I

never knew that something like this could happen from ordinary household electric current," said Scott Mackenzie. "You just don't think something like this can happen to you, but it can."

Safe Electricity is a multi-media public awareness program designed to provide information to consumers and compliment the safety-education activities of utilities and educators. Safe Electricity provides life-saving information through many venues, including radio and television public services announcements, news releases and articles and its comprehensive Web site. Safe Electricity has received national recognition for the quality and scope of its programs and services.

Safe Electricity was founded in 2001 by the Illinois Electric Council, a not-for-profit educational organization of electric utilities, the University of Illinois, and other organizations dedicated to promoting electrical safety and efficiency. Egyptian Electric Cooperative, through our statewide organization, the Association of Illinois Electric Cooperatives, is a member of Safe Electricity. You can find more in-

formation about Safe Electricity and electric safety on our Web site at www.eeca.coop on the Electric Safety page or by going directly to the Safe Electricity Web site at www.safeelectricity.org.



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Top 10 Resolutions



The New Year is traditionally the time we reflect on the past and vow to make changes in the coming year; eliminating our bad habits and lifestyles and adding positive habits and lifestyle changes. As you debate your resolutions for 2008, we have some we think you should consider.

1. Teach, Learn, Care....

Teach what you know about electric safety to someone else, Learn what you need to, Care enough to share it with those you love.

2. Change your furnace and air conditioner filters.

When you change your clock for daylight savings time, in addition to the batteries in your smoke detector,

change the filters in your furnace and air conditioner to keep them working at their peak efficiency.

3. Change a light bulb.

If every American home replaced just one light bulb with an ENERGY STAR qualified compact fluorescent light bulb, we would save enough energy to light more than 3 million homes for a year, more than \$600 million in annual energy costs, and prevent greenhouse gases equivalent to the emissions of more than 800,000 cars.

4. Turn off lights when leaving a room.

Contrary to popular myths, CFLs and older incandescent light bulbs

do not use more energy when you turn them on and off.

5. Buy a tube of caulk.

Buy at least one tube of caulk and seal leaks in your home.

6. Inflate your car tires.

Keeping tires properly inflated can save up to 3.3 percent on fuel usage, a savings of nearly 10 cents per gallon.

7. Turn down your water heater.

Water heaters should be set at 120 – 130 degrees F. Above this is not only energy wasteful, but presents a scalding hazard.

8. Turn down in winter, up in summer.

Turning your thermostat down a few degrees in winter and up a few in the summer are savings in your pocket and to the environment.

9. Drink more water from reusable glassware.

The average American consumed more than 400 beverage bottles and cans in 2006, leaving behind wasted plastic and aluminum containers.

10. Replace with the highest.

When replacing appliances, heating systems and air conditioners, replace with the highest efficient model you can afford. That higher efficient model may not appear to “pay for itself” on first glance, but remember, once you make the purchase, the price is locked in. As energy costs increase, your annual savings will increase too, shortening the time it takes the extra cost to pay for itself. Consider changing heating systems to geo-thermal or air-to-air heat pumps, the most efficient heating systems available.

Correction: Recently, we inadvertently printed the wrong phone number for one of the Co-op Connections card's merchants, National Carpet Clean. The correct phone number is 618-568-1032.

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Office Closing

Presidents' Day,
Monday, February 18

What to do if the power goes off

1. Check your main fuses or circuit breakers.
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Power Supply Odds-N-Ends

Have you ever wondered when you paid your monthly power bill what it actually went for? I'm sure many of you will be surprised when I tell you that over two-thirds of each dollar you send to Egyptian Electric Cooperative goes for purchased power from Southern Illinois Power Cooperative (SIPC).

Less than a third of it is actually used by the cooperative to build and maintain the distribution system we use to serve our members and for the services we provide you.

Our cost of purchased power has risen from \$13 million in 2002 to a 2008 budgeted amount of \$19.4 million. Even with a nearly 50 percent increase in our power costs, Egyptian Electric has the third lowest retail rate among the 25 electric cooperatives in Illinois.

You may be asking what is causing this rise in the cost of generating electricity. The first cause is the increased use of electricity. In 2002 we purchased slightly less than 280 million kWh. For 2008, projected sales are in excess of 310 million kWh. Similar growth is taking place at most of the 850 plus rural electric cooperatives across the United States.

The second cause is that over the same time frame (2002 - 2008) very few power plants have been built; those that are in planning stages are being significantly delayed by environmental lawsuits challenging the permitting process. As a consequence, we, as a nation, are using power plants that just a few years ago were too costly to run, to meet our increasing demand for electricity.

The next factor causing gen-

erating costs to rise is the dramatic increase in the price of fuels. Natural gas has increased from \$2.00/mccf in 2002 to over \$7.00/mccf this past December. Gas turbine power plants that produced electricity at a cost of 3.5 cents per kWh in 2002 now produce at a cost of over 8.5 cents per kWh. Instead of running as they did in 2002, most gas turbine power plants are idle unless they are just absolutely required to meet peak load on the coldest or hottest days of the year.

As a result of the price increase in natural gas, many power producers are running their coal and nuclear plants at a record pace in an attempt to squeeze every kWh of energy they can out of them. This has created an increase in the demand for coal and the price per ton has nearly doubled.

Many people advocate the use of wind and solar systems to replace our aging power plants. This sounds like a clean and easy solution. But with these systems only producing energy 20 to 40 percent of the time, as compared to coal, gas and nuclear power plants that produce energy nearly 24/7, they cannot be a complete replacement.

For every new wind or solar generating system, there also has to be traditional generation to supply power the 60 to 80 percent of the time that the wind isn't blowing or the sun

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isn't shining. Basin Electric Power Cooperative, a large power supply cooperative that stretches across several states in the upper Midwest, found that their wind turbines were only producing 6 percent of their total capacity on the hottest day of the year. Until there is a technological breakthrough on energy storage systems, both wind and solar systems will not be able to replace traditional generating systems.

The last cause of increased generating costs is that the cost to comply with environmental compliance legislation is increasing and even has the potential to dwarf other costs. With global warming a major legislative concern, future environmental legislation may double the cost of generating electricity.

SIPC, our generating cooperative at the Lake of Egypt, is doing

everything they can to hold down the cost of generating electricity now and in the future. They have studied the future needs of Egyptian Electric and our five other distribution cooperative members in southern Illinois (Southern Illinois Electric, South-Eastern Illinois Electric, Tri-County Electric, Clinton County Electric and Monroe County Electric).

Several months ago, SIPC decided to purchase a small portion of the planned Prairie State generating plant near Marissa. Studies showed this to be a less expensive option than building new generating facilities at the Lake of Egypt.

In addition, the decision was made to bring Clay Electric Cooperative into the SIPC system. Clay Electric is located in Flora, Illinois, and has slightly more than 3,000 members, compared to our 14,100.

The inclusion of Clay will allow SIPC to spread the cost of Prairie State over more users and help them reduce future increases in generating electricity.

At Egyptian Electric Cooperative, we look out for our members' best interests by offering you assistance in using energy wisely; investing in the cleanest and safest generating technology available; working hard to secure low cost and high quality fuel; and continually monitoring the global warming issue and educating our legislative officials about the cost impacts of their legislative solutions.

Our mission, improving your quality of life at a reasonable price, continues to guide us as we make long-term decisions for the future power supply needs of each and every one of our members.

Six Can Win Trip to Washington, D.C.

Arlington National Cemetery, the Gettysburg Battlefield, the Smithsonian Museums, the Sunset Parade at the Iwo Jima Marine Corp War Memorial, a cruise on the Potomac River, the White House and the Capitol. These historic sites are viewed by many each year. For six sophomores or juniors from the high schools in our service area, it could happen this summer.

It only takes a short essay. We furnish the topic and research material; they write the essay and submit it to us.

It's all a part of the national Youth to Washington program sponsored by Egyptian Electric Cooperative, our statewide association in Springfield and the National Rural Electric Cooperative Association. More than 60 students from Illinois will make the trek in early June and meet up with more than 1,000 fellow high school students from across the nation.

While in Washington D.C., they'll visit all of the sites mentioned above, plus more. They'll meet with Illinois Congressmen and Senators. They'll make friends they'll enjoy and keep forever. Most importantly, they'll have an experience that will influence and open doors for them for the rest of their life.

To find out more about the Youth to Washington essay contest, visit our Web site at www.eeca.coop. You'll find the contest topic, research material, entry form and complete details. Essays are due at either office of the cooperative by March 7.



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

Have you heard the latest?



Have you heard the latest? You can now save on prescription drug costs with the Co-op Connections Card®! And many of your Egyptian Electric Cooperative neighbors have already found that out.

We recently received information that Egyptian Electric Cooperative members filled 119 prescriptions at 19 different pharmacies in November and used their Co-op Connections Card to save more than \$2,000! That's a savings of 33.84 percent off the over the counter price for those prescriptions.

Through our participation as a Touchstone Energy Cooperative, our members receive discounted pricing through an arrangement between Touchstone Energy and New Benefits, the company supplying the discounted price.

It's as easy as flashing your Co-

op Connections Card to your local pharmacist. Your discount will vary by drug type and will range from 10-60 percent. To see if your local pharmacy participates in the program, just go to www.locateproviders.com and type 142407524 for the member number and 22203IL04 for the group number. If you don't have access to the Internet, feel free to contact one of our customer service representatives at 1-800-606-1505 and they will be happy to look the information up for you.

The group discount cannot be used with insurance benefits, so if you have medical insurance that pays for all or a portion of your prescriptions, you will most likely be better off using your insurance. But for many of our members who do not have insurance, the Co-op Connections Card can help reduce the

cost of staying well or getting better.

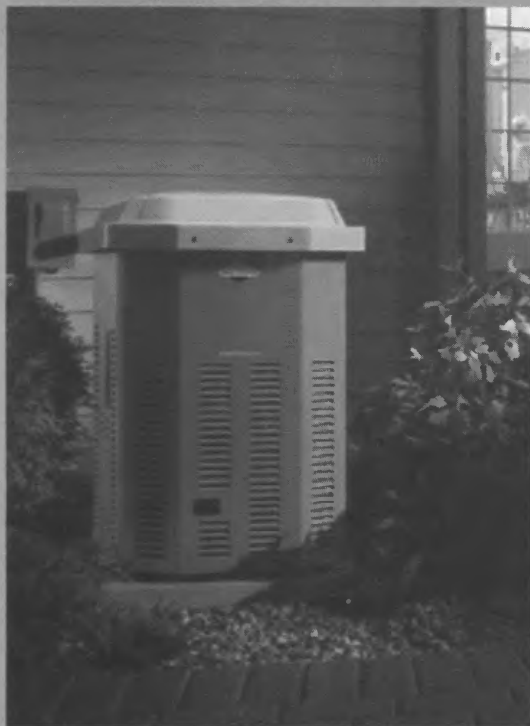
This is one of many advantages our members receive through our participation as a Touchstone Energy Cooperative. Remember to check out the other discounts you can receive at www.eeca.coop or <http://co-opconnections.com/>. If you have misplaced your Co-op Connections Card or have one of the older ones that does not have the New Benefits Group Information on the reverse side, contact one of our customer service representatives for a new one today.

Once again, your cooperative has found another way to improve the quality of life of our members by helping you save money on the prescription drugs you need to maintain your quality of life.

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

TAKE CHARGE BEFORE THE POWER GOES OUT

WITH A HOME GENERATOR SYSTEM



EmPower™ Series

- Permanent installation outside your home
- Continuous fuel supply (NG, LP) eliminates storing and pouring gasoline
- Fully automatic operation whether you are home or away
- Multiple options to fit your needs and budget



Home Generator Systems



Egyptian Electric
Cooperative Association

Your Touchstone Energy Cooperative 

1-800-606-1505

Call us today for a free in-home estimate and consultation or visit us on the Web at www.eeca.coop

Teamwork: We work together to provide excellent service.



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Office Closing

Good Friday
Friday, March 21

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Our New Technology Works for You

Integrity, Accountability, Commitment to Communities and Innovation. These core values of our national brand, Touchstone Energy, are the yardsticks that Egyptian Electric Cooperative uses daily as we go about the business of improving our members' quality of life. In August of 2004, we launched an aggressive project to change our old, manually read meters to a TWACS Automated Meter Reading system. We completed this project in the summer of 2006, freeing our members from having to read their meters and calculate their bills. As a result, we are now saving in excess of \$200,000 per year in reduced system energy losses.

We are still finding ways to innovatively use technology to improve your quality of life. The TWACS system retrieves a daily reading from each meter, which we use to help our members that have high usage concerns. We can graph their daily usage against daily temperatures as a tool to determine if their usage is temperature induced or if there is something else wrong at their residence.

In the fall of 2006 we installed new billing and accounting software. This software allows us to more efficiently complete our billing process each month. It also gives us the ability to provide Internet online billing for our members. Members can go online to retrieve exact copies of past or current billing statements, see historic usage, or make payments

with either credit cards or e-checks. If a member chooses, they can even select to stop their paper bill and receive an electronic bill, eliminating paper and postage costs for the cooperative.

In 2004, we were also in the process of installing outage management software. This has been completed and I'm happy to say is working extremely well. Last October, we had a very strong storm hit the Carbondale area in the early morning hours, knocking out service to more than 5,000 of our members, including eight separate feeder lines at substations. With the outage management software guiding them, two members of our staff were able to coordinate service restoration to nearly all of our members by late that same evening in a safe and organized fashion. In years past, staff would shuffle through pages and pages of lists of members without power, trying to sort them into some semblance of order. With the new software, employees were able to see at a glance which lines had the most members, allowing them to more effectively deploy our crews.

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In the near future, we will be using technology and innovation to once again improve our service to you. Our current system maps that drive our outage management system have been derived by converting our old paper maps into digital versions. As you can imagine, the process of converting the maps is labor intensive and they quickly become outdated. Throughout 2008, we plan to use Global Positioning Satellite (GPS) technology to track every pole, every transformer and many other pieces of equipment that make up our distribution system. This technology will not only locate where these items are, but also provide us with a detailed inventory of

size, age and other characteristics. As stewards of your electric system, this inventory will be invaluable to us. By interfacing the outage management system with our billing system, for instance, we will be able to conduct usage studies at the individual transformer level. If we see that a member's usage is beginning to overload the transformer, we will be able to proactively install a larger transformer before a failure, thus saving equipment and reducing outages.

The contractor retrieving this data for us, Davey Resource Group (DRG), is starting on our Lenzburg substation (south of New Athens) and will then be moving

into the Baldwin and Evansville areas. They will be driving vehicles with our name and logo on them, so our members will know they are there at our request. They will, of course, need to walk our lines that go through private rights-of-way. If you see someone on your property, please feel free to talk with them and ask who they are as they will be carrying IDs with them to show that they work for DRG and are representing Egyptian Electric.

We will always be on the lookout for innovative ideas and methods that we can incorporate into our system and procedures to reduce costs and improve your quality of life.

BRIGGS & STRATTON

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Planting Seeds of Caution

Tips to stay safe during planting season

The greatest hazard on today's farms is electrocution. Before you head back into the fields this spring, read this information on how to stay safe.

"Make sure everyone knows the location of overhead power lines and to keep farm equipment at least 10 feet away from them," says Molly Hall, Executive Director of Safe Electricity. "The minimum 10 foot distance is a 360-degree rule – below, to the side and above lines."

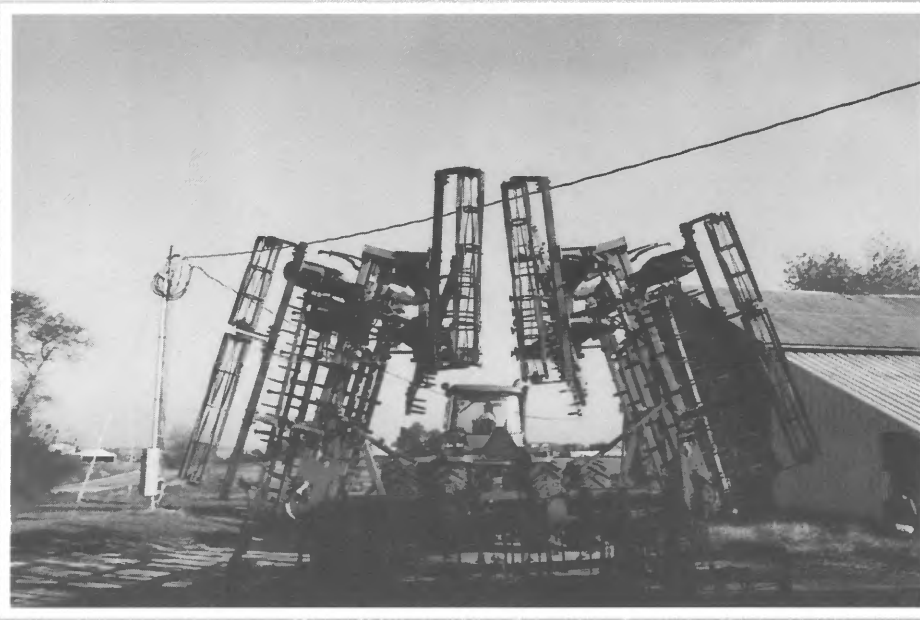
Simply coming too close to a power line while working is dangerous as electricity can arc or "jump" to conducting material or objects, such as a ladder, pole or truck.

"Many farm electrical accidents that involve power lines happen when loading or preparing to transport equipment to fields, or while working on farm machinery near power lines," notes General Manager Mark Stallons. "Sometimes a line is closer than it looks. When moving large equipment or high loads near a power line, always use a spotter to help ensure contact is not made with a line."

Be aware of increased height when loading and transporting tractors on trailer beds. Many tractors are now equipped with radios and communications systems that have very tall antennas extending from the cab that could make contact with power lines. Avoid raising the arms of planters, cultivators or truck beds near power lines.

"Never attempt to raise or move a power line to clear a path," warns Hall.

When performing other farm chores, as in any outdoor work, take



care not to raise equipment such as ladders, poles or rods into power lines. Remember, non-metallic materials such as lumber, tree limbs, tires, ropes and hay will conduct electricity depending on dampness, dust and dirt contamination. Do not try to clear storm-damage debris and limbs near or touching power lines or near fallen lines.

Overhead electric wires aren't the only electrical contact that can result in a serious incident. Pole guy wires are grounded to the neutral; but, when one of the guy wires is broken, it can cause an electric current disruption. This can make those neutral wires anything but harmless. If you hit a guy wire and break it, call the utility to fix it. Don't do it yourself. When dealing with electrical poles and wires, call the electric utility.

"Operators of farm machinery or moving equipment also should know what to do if the vehicle comes in contact with a power line," Hall says. "It's almost always best to stay in the cab and call for help. Warn others who may be nearby to

stay away and wait until the electric utility arrives to make sure power to the line is cut off."

"If the power line is energized and you step outside, your body becomes the path to the ground and electrocution is the result," Stallons says. "Even if a line has landed on the ground, there is still potential for the area to be energized. Stay in the vehicle unless there's fire or imminent risk of fire."

In that case, the proper action is to jump – not step – with both feet hitting the ground at the same time. Do not allow any part of your body to touch the equipment and the ground at the same time. Hop or shuffle to safety, keeping both feet together as you leave the area.

Once you get away from the equipment, never attempt to get back on or even touch the equipment. Many electrocutions occur when the operator dismounts and, realizing nothing has happened, tries to get back on the equipment.

For more electrical safety information, visit www.SafeElectricity.org.

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Two Schools Have Better Technology Thanks to Touchstone Energy

Coulterville and Elverado School Districts have been awarded Touchstone Energy Classroom Empowerment Grants. Coulterville received a grant for a fifth grade energy project and Elverado's grant will be used to purchase a SMART board for the American History class.

Touchstone Energy electric cooperatives across Illinois distributed a total of \$20,000 in Touchstone Energy Classroom Empowerment Grants to fund innovative, unfunded school projects or materials. The projects submitted to the grant program by Coulterville and Elverado were among 20 grant winners from a pool of 116 total grant applicants.

Mark Stallons, Egyptian Electric Cooperative's Executive Vice President/General Manager, told the students and faculty at both schools that, "These grants provide a real boost for smaller projects that would not otherwise be funded. As your local Touchstone Energy cooperative that is committed to the community, improving conditions for local students is a priority."

According to Dr. Louis Obernuefemann, Superintendent at Coulterville, "Coulterville's goal is to take the sciences beyond the classroom window. This grant will help provide hands on learning opportunities for these students."

Mr. Michael Tow, American History Instructor at Elverado, stated, "The SMART Board will allow the American History class to explore the agents of social change that transformed rural America during the 1880-1910 time frame. These agents include Rural Free Delivery, the Better Roads Movement, automobiles, electricity and the radio."

Touchstone Energy is an alliance of 630 electric cooperatives across the country, committed to serving members with integrity, accountability, innovation and commitment to community.



Top Photo: Elverado High School Instructor Michael Tow explains how the Touchstone Energy Classroom Empowerment Grant will allow Elverado to purchase a SMART board and what that means to his American History class.

Bottom Photo: Egyptian Electric Executive Vice President/General Manager Mark Stallons (bottom left) presents a check to Randolph-Monroe County Regional Superintendent of Schools Dr. Marc Kiehna (second from left) and the Coulterville instructors responsible for the grant application.

Teamwork: We work together to provide excellent service.



Mission Statement:

Improving the quality of life
of our member-owners.

Mark A. Stallons
Executive Vice President/
General Manager

Board of Directors

Allen Haake, *President*
Gilbert Kroening, *Vice President*
Paul Pyatt, *Secretary-Treasurer*
W. Dean Bame
Larry Ebers
Paul Hicks
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Raymond Mulholland
John Steele

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.

Energy Costs Rising - The Perfect Storm

According to Wikipedia, the popular Internet encyclopedia, the phrase *perfect storm* refers to the simultaneous occurrence of events which, taken individually, would be far less powerful or catastrophic than the result of their chance combination. In other words, a perfect storm is a combination of bad events that happen at the same time and really make a very big mess.

Such occurrences are normally rare. Unfortunately, there are some experts that believe we have the potential for several events in the electric industry to combine and lead to a perfect storm. These events are:

- increased electricity demand,
- a shortage of power plants,
- new climate change regulations and policies.

According to the Energy Information Administration (EIA), a division of the Department of Energy, U.S. electricity consumption is projected to grow 53 percent between now and 2030. Think about it. How many new items have you added to your home's electrical load? Do you have a new TV? A new computer? A new game console?

Let's just take one example—plasma televisions. The sale of these new large-screen TVs is projected to more than double between now and 2011 to over 7 million units per year. While I know some of these new sets may replace older televisions, we recently reported that plasma televisions use over twice the electricity that cur-

rent televisions do. I doubt if many older televisions will be replaced with the same size unit, it seems we all want bigger TVs.

Many of you probably have made strides in energy efficiency improvements by installing heat pumps or new refrigerators; it appears that many times we outgrow that efficiency through size upgrades with larger homes and bigger or more refrigerators.

While the growth in electricity consumption continues, we have not kept pace with the construction of new power plants. According to the National Energy Technology Laboratory (NETL), another division of the Department of Energy, the industry reported in 2002 that 36,000 megawatts (MW) of capacity would be brought online by 2007. In actuality, only 4,500 MW or 12 percent, of that announced new capacity was brought online. Delays and cancellations are typically attributed to a changing legislative environment caused by climate change concerns, permit challenges from environmental groups and increased costs for construction.

Continued on page 16b

Mark A. Stallons
Executive
Vice President/
General Manager



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

As I have mentioned several times in the past, increased growth in China and India has greatly affected the costs of raw material here in the U.S. That is making building a new power plant or even a new substation much more expensive than it was just a few years ago.

While not wishing to get into the fray over the politics or science of climate change, there is no doubt Congress will be adopting some type of climate change legislation in the near future. Not knowing how much this legislation will cost has contributed to the cancellation or postponement of the construction of power plants. With a huge price tag to meet current clean air regulation, the last thing any utility wants is to take on a construction project only to find the rules and standards change in mid-stream.

Climate change legislation is the final event adding up to a perfect storm. Some experts predict that a straight carbon tax could lead to nearly a doubling of electric rates. Others advocate a cap and trade system where emissions are capped at 1990 levels and credits from those utilities that meet these standards are "traded" or sold in a bidding system to those utilities that exceed their permitted levels. Those that dislike the cap and trade system generally point to the uncertainty of costs that can accompany a cap and trade system that is left to a war of bidders.

Others advocate the use of science, such as carbon capture and sequestration; however, that science has yet to be deployed in the utility industry beyond a pilot version. The FutureGen plant announced earlier this year for construction near Mattoon, Ill., would have helped advance this science. Unfortunately, in February, the Department of Energy cancelled FutureGen. Carbon capture could provide a clean coal answer; however it will have a price tag too. Not only will carbon cap-

ture increase costs for equipment, and operations and maintenance related to it, but it is also a parasitic load on the plant. Some predictions are from 30 percent for new plants designed to incorporate carbon capture to 50 percent for the retrofit of existing plants.

To satisfy our need for growth in demand by 2030, we would have to over-build the needed capacity by 30 percent if it were to all have carbon capture capabilities, increasing the cost of power plants accordingly. And that doesn't even take into account the generation lost to the retrofit of existing plants!

The reality is that costs for energy have been increasing and will continue to increase in the future. Southern Illinois Power Cooperative (SIPC), our generation and transmission power plant at the Lake of Egypt, tries to minimize the impact of generating electricity for its member co-ops. One strategy they use is to keep the plant at an optimal (cost efficient) size. They do not want the plant to be so large that it can meet our demands 100 percent of the time or they would be investing in capacity that is being used only sparingly. So, at times, they purchase power from the grid to meet our needs. As you can imagine, the things I've mentioned that are positioning the industry for a perfect storm, are having an affect on the grid price of electricity. Last year, we saw our fuel adder charge from SIPC double in price. The fuel adder recovers the price increases seen in generating fuel and grid power in the last 12 months. As we look to the future we'll continue to see similar cost increases as long as our energy use continues to increase.

Future Rate Increase

While the fuel and purchased power amount is only a portion of our energy costs, a doubling in this amount is still a substantial cost to Egyptian Electric.

As much as I dislike having to announce this, Egyptian Electric will be seeing a 5 percent average increase in our rates beginning with electricity used this month and paid with May bills.

A rate increase is never good news and is not news that I like to deliver. I have a firm belief though, that by giving you the straight facts about our industry, our environment and the truth about what is going on, you will understand the situation. I'm sure you are like me and you don't like to hear it. This is your cooperative and we are doing all that we can to ensure you have a source of reliable and dependable electricity, and we will continue to keep costs as low as possible.

Unfortunately, there is no silver bullet to fix the future. But there are steps we can take as a nation to minimize the impact of this perfect storm. Next month I will be discussing that plan as recommended by our national association, the National Rural Electric Cooperative Association (NRECA).

On following pages, you will find suggestions on how you can lessen this rate increase to you. By following these steps you will not only be lessening the impacts on your pocketbook, you will be helping to lessen the impact on the environment by lowering your energy usage. As you will see next month, this is something we can all do to make sure a perfect storm does not occur.

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

Board Adopts Interconnection Policy for Renewable Energy

The board of directors of Egyptian Electric Cooperative recently adopted interconnection policies designed to assist members who wish to install alternative energy generating systems, such as wind or solar powered systems, interconnected to the cooperative's electric grid. This policy addresses residential systems up to 50 kW (kilowatts) or less, and commercial systems under 200 kW. For residential systems 10 kW or smaller, the policies provide for net metering.

In setting this policy, the board of directors enacted a fair and equitable policy that would:

- encourage the use of clean, renewable energy; and
- protect the interest and safety of all co-op members.

Net metering pays the member a retail price for what is essentially the wholesale power the member's wind or solar system is delivering back to the co-op. While it is the intent of the policy to encourage member-owned renewable energy, the board does not want to unfairly subsidize large wind or solar installations by paying retail rates for wholesale power from these larger generators.

This policy only applies to member-owned renewable energy projects, and not to gas or diesel generators.

Safety, reliability and power quality issues must be addressed if any type of generator is interconnected to the co-op's lines. Safety is the main concern. For the protection of linemen or contractors working on the lines during an outage, for public safety and the protection of the member's equipment, an automatic disconnect system must be installed. Power quality issues must be addressed so that the member's generator does not cause problems for other members on the same line.

The co-op's interconnection policy and agreement addresses these issues.

Because there are many financial, engineering, safety and sometimes even legal and zoning issues to consider, we would encourage you to contact us if you have any questions about renewable energy or net metering. We have a free worksheet brochure that can help answer some of the financial questions you might have. And we can explain the interconnection and net metering issues in more detail. You may also want to visit our Web site at www.eeca.coop

to download policies and applications.

Your board of directors has also decided to participate in the renewable energy resources program administered by the Illinois Department of Commerce and Economic Opportunity (DCEO), and you are now eligible to apply for assistance from that program. Go to the DCEO Web site www.commerce.state.il.us/dceo/ for more information. We also expect to see continuing support from the state and federal government to help individuals use small renewable energy systems.

Thank You

A big thank you to our members for their patience and understanding during the recent severe winter storms we have experienced. We also want to thank the many people involved in the service restoration, including our own employees and those from Oilfield Electric and Southern Illinois Electric Cooperative in Dongola that assisted our crews. They all pulled together and restored service to you in a safe and professional manner.

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

Using Energy Wisely

Developing a plan to improve your energy usage

Our Using Energy Wisely program provides a way for members to take control of the effect increasing energy prices have on them. By following these simple steps, homes become more energy efficient and in the process, more comfortable to live in.

Most will not be able to do everything at once; the most important thing is to develop a plan. First, determine what needs to be done to make your home more energy efficient. Next, estimate the cost to complete each of these items. The final step is to rank the order in which to complete them. Everybody's priorities will differ; for some it will be those that save the most energy first, for others it will be by cost. What is important is to develop a plan and then do it.

The Using Energy Wisely process has three main categories. We've ranked them here for you with the easiest and usually least expensive first.

- Seal your home from air leaks.
- Insulate your home properly.
- Choose energy efficient appliances.

Sealing Leaks

Sealing your home and stopping air leaks may seem elementary, but you would be surprised how many leaks can be found in the average home. Some leaks are created by intended perforations of the homes' exterior envelope while many are inadvertent. They really aren't that hard to find. Look for any place there is a hole in an outside building surface. Here are a few:

- plumbing perforations (hot and cold water lines, drain lines),
- lighting and communication cable perforations (can and other recessed ceiling lights, CATV, phone lines, computer cables),
- heating and air-conditioning ductwork,
- fireplace,

- ductwork itself, especially ductwork that leaves the building envelope (the area intended to be conditioned). Leaky ductwork can create undesired air pressure imbalances between the living area and the outdoors. This imbalance can cause homes to use more energy than needed.

Insulation

You may believe your home has adequate insulation levels already, but unless your home was built in the last few years, it is doubtful. Just 15 years ago the recommended level was R30. Today it is R49, which is more than 18 inches of fiberglass insulation.

Even if you believe your attic insulation is adequate, you may want to look at the quality of the installation. If fiberglass batts do not fit tightly together or if they are raised up for electric wires to run under, cold air can get to the ceiling below. The fix depends on the situation. If you need more insulation anyway, the easiest way might be to add cellulose insulation on top of the fiberglass. Spray cellulose insulation has been found to be a very good product. It fills cracks and voids and best of all, it doesn't allow air to leak through it.

Basements and crawl spaces need to be insulated in many homes. Most understand the need to insulate a crawl space, but don't see why an unheated basement should be insulated. Just think of the basement as an 8' crawlspace and you can imagine how much heat is lost through the basement walls.

Selecting Appliances

The final step in Using Energy Wisely is the selection of energy-efficient appliances, including heating and cooling equipment. When purchasing new appliances, always look for models that have met the Energy Star standards of the U.S. Depart-

ment of Energy. You can find a list of these at www.energystar.gov.

When replacing heating and cooling systems, always consider the highest efficiency models available. Geothermal heat pumps are the most efficient heating and cooling systems available. They may seem more expensive, but once you've purchased them, their cost is fixed. Energy prices will continue to rise and will shorten the amount of time it takes to recoup the investment in high efficient equipment.

Be Prepared

By developing an energy plan built around these three areas, you make it easier to make decisions when things happen unexpectedly. If your air conditioner goes out this summer and you had already decided to replace it in the future with a geothermal heat pump or an air-to-air heat pump, you can follow your plan towards energy efficiency. But what a shame it would be to replace it with another air conditioner in the heat of the moment to discover later that for a little more you could have had an air-conditioning system that would also save you money in the winter.

We Can Help

Egyptian Electric can assist you in developing your energy plan. We have materials available in our offices and on our Web site (www.eeca.coop) that will help you insulate and seal your home properly. For a small investment of \$50, we can even provide an energy audit that includes a blower door test to find air leaks and an infra-red camera scan to find insulation gaps. We won't write your energy plan for you, but we'll give you the information you need to do what is best for you and to make good decisions in that process.

Teamwork: We work together to provide excellent service.

Mission Statement:

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Mark A. Stallons
Executive Vice President/
General Manager

Board of Directors

Allen Haake, *President*
Gilbert Kroening, *Vice President*
Paul Pyatt, *Secretary-Treasurer*
W. Dean Bame
Larry Ebers
Paul Hicks
Kevin Liefer
Raymond Mulholland
John Steele

Office Closings

Memorial Day,
Monday, May 26

What to do if the power goes off

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A Smart Way to Keep the Lights On



Demand for electricity nationally will increase by 40 percent during the next 22 years, according to the U.S. Department of Energy (DOE). Yet even with an optimistic projection of a nine percent reduction in electricity consumption due to increased efficiency and an increase in renewable power sources, our nation will soon run out of excess generating capacity and needs to build more power plants and transmission lines to keep the lights on.

This creates a perfect storm situation as we discussed last month. Unless significantly more power plants are placed into service soon, there's a good chance consumers could experience brownouts and even rolling blackouts in the not-too-distant future. But this generation will be the most expensive in history, coming at a time when prices for fuels to

produce electricity and construction materials like steel, copper and concrete are skyrocketing.

On top of it all, local, state and federal lawmakers are considering additional costs on power plants to reduce greenhouse gas emissions, notably carbon dioxide, blamed for contributing to global climate change.

For electric co-ops nationwide, experiencing 2.6 percent overall growth (twice the national average), we take our responsibility of maintaining a safe, reliable and affordable supply of power seriously.

Continued on page 16b

Mark A. Stallons
Executive
Vice President/
General Manager



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

We also have an obligation to serve, and a special responsibility to protect you, our consumer-members, against dramatic and potentially crippling increases in electricity costs.

When it comes to meeting our nation's energy challenges, including climate change, electric co-ops believe answers can be found in a diversified mix of advancements in energy efficiency and technology; renewable, nuclear and natural gas generation; and advanced coal generation. Unfortunately, no magic "silver bullet" exists, but rather a combination of all of these will be needed to meet the challenges ahead. On the climate change front, electric co-ops believe recommendations developed by the Electric Power Research Institute (EPRI), a non-profit utility-sponsored consortium based in Palo Alto, Calif., whose members include electric co-ops, offer a workable framework for starting debate on solutions. EPRI has spelled out how U.S. electric utilities can slash carbon dioxide emissions below 1990 levels by the year 2030 (roughly 45 percent)—even as loads grow more than 40 percent, through aggressive steps in seven principal areas:

- boosting energy efficiency ★
- investing in renewable energy
- expanding nuclear power capacity
- capturing carbon produced by coal-fired power plants and storing it deep underground
- improving the operating efficiency of coal-fired power plants
- adding distributed generation resources, ★
- and putting plug-in hybrid electric vehicles on the road

Consumer-owned electric co-ops have a great story to tell in how we're already tackling each of these

ambitious goals, which provide the additional bonus of helping reduce the need to build as much new generation.

Electric co-ops are also recognized industry leaders in promoting energy efficiency and wise energy use. At Egyptian Electric Cooperative, we have a program for helping members build new, energy efficient homes, the Certified Comfort Home program, plus our Using Energy Wisely program for existing homes. We offer many other tools too:

- on-line access to the Home Energy Saver Website, a self-conducted energy auditing tool
- blower door tests to check air-infiltration ★
- infrared camera scans to check insulation quality
- kill a watt meters to check appliance energy consumption
- and home load studies to evaluate heating and cooling equipment options and sizing

Of course, implementing many of EPRI's ideas on a large scale will require a massive investment of government resources—similar to putting a man on the moon—and mobilization of every sector of the economy. But as consumer advocates and industry leaders, electric co-ops know what works. Tapping our varied resources, we can provide elected officials with expertise on what programs are feasible technologically and can be sustained economically—and politically.

We are all in this together and we each have a role to play. As a member of Egyptian Electric Co-op, you can help by using energy wisely and efficiently. You can also help us with elected officials. First, join Co-op Owners for Political Action -ACRE (Action Committee for Rural Electrification). Co-op Owners for Political

Action ensures we have access to political leaders who are making the decisions that will affect our energy future. We will even add your \$2.08 monthly membership fee to your bill each month if you wish. Just complete the form on page 16c and return it to us with your next bill.

Secondly, talk with your elected officials about our nation's energy future. www.ourenergy.coop provides you with the tools and questions we believe should be asked of our elected officials. The questions are:

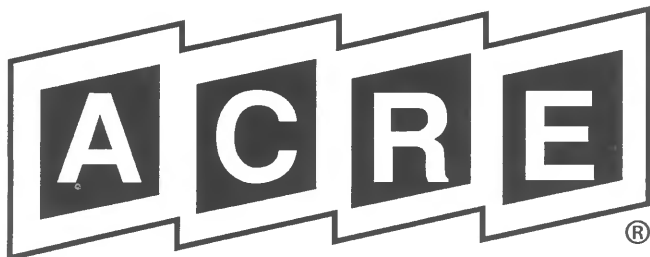
1. **What is your plan to make sure we have the electricity we'll need in the future?** ★
2. **What are you doing to fully fund the research required to make emissions free electric plants an affordable reality?**
3. **How much is all this going to increase my electric bill and what will you do to make it affordable?** ★

You can even complete a form on the Web site that will automatically start a dialogue with your Senators and Congressman about these questions.

When it comes to energy, we recognize that our members ultimately pay the freight for whatever decisions are made. As our commitment to you, we will work to ensure that folks in positions of power understand this fact as well and seek out practical, long-term remedies based on new technology that will allow us to continue providing safe, reliable and affordable power in an environmentally responsible fashion. Through it all, the co-op drumbeat will be loud and clear: "we're putting consumers first."

Mark Stallons

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



ACRE Co-op Owners for Political Action

The ACRE Co-op Owners for Political Action program is an exciting new opportunity for residential consumer-owners to strengthen their voice in the political process.

For more than 30 years, the Action Committee for Rural Electrification® (ACRE®) has been working to support candidates for the U.S. Senate and House of

Representatives who understand and support electric cooperatives and their consumer-owners. Now through the special new program, ACRE Co-op Owners for Political Action, you, as a consumer-owner, have the ability to strengthen this support and join the more than 25,000 members of ACRE.

We hope that you will consider this program. Together we will con-

tinue to fight for a viable environment for electric cooperatives and the quality of life of the people and communities cooperatives serve.

It is easy to participate in ACRE through the ACRE Co-op Owners for Political Action program. You may contribute through an addition to your monthly electric bill by completing the authorization form below.

 *Cut here and return with your electric payment*

YES! I want to help keep the voice of rural electric cooperatives heard in the political process by participating in ACRE Co-op Owners for Political Action®.

Please add the following amount to my monthly electric bill:

- Regular ACRE Member: \$2.08 per month (\$25 per year)
 Century Club Member: \$8.03 per month (\$100 per year)
 President's Club Member: \$41.60 per month (\$500 per year) *
 Other \$ _____

I affirm that my contribution has been made with Non-corporate funds:

Name: _____

Address: _____

Account #: _____

Signature: _____

*Federal Election Law requires the following information for contributions equal to or exceeding \$200:

Employer: _____ Occupation: _____

Nominating Committee Appointed

To: Members of Egyptian Electric Cooperative Association

Pursuant to the By-Laws of the Cooperative and in compliance with the United States Department of Agriculture Rural Utilities Service Revised Bulletin 20-19, notice is hereby given to the members of the Egyptian Electric Cooperative Association that the Cooperative will hold its 70th annual meeting of its members on Tuesday evening July 29, 2008, at 7:30 p.m., in the Steeleville American Legion meeting room located on the west side of town and a block south of Broadway on Chester Street.

Notice is further given that the terms of office of directors Larry G. Ebers, Steeleville, Gilbert Kroening, Carbondale, and Raymond Mulholland, Marissa, will expire at said annual meeting.

Notice is further given that the board of directors of the Cooperative has appointed the following named persons as a nominating committee:

- Robert Arthur, Carbondale
- John C. Edgar, Ava

- Richard Fager, Murphysboro
- John Helmers, Steeleville
- Tom Horn, Carbondale
- Stuart Langrehr, Evansville
- Roger Morganstern, Pinckneyville
- Loren Prest, Sparta
- Dennis Rickenberg, Campbell Hill

Notice is further given that the above nominating committee will meet at the Steeleville office of the Cooperative, located at the west edge of Steeleville, Illinois, on Wednesday, May 21, 2008, at 8 p.m., for the purpose of nominating candidates for election to the board of directors, and that all members interested may attend said meeting and participate.

The by-laws also provide that the nominating committee, upon making their nominations, shall prepare and post at the office of the Cooperative, at least 30 days before the annual meeting, a list of nominations for directors.

The by-laws further provide that any 15 or more members may

make other nominations in writing over their signature not less than 25 days prior to the meeting. Additional nominations may be made from members at the meeting.

The by-laws provide that each active member shall be entitled to one vote upon each matter submitted to a vote at the meeting of the members and that proxy voting is prohibited.

A member having questions regarding the above proceedings may contact any officer or member of the board of directors for clarification or further information.

Copies of the by-laws of the Cooperative are available and can be obtained at the Cooperative offices located at Steeleville and Murphysboro, or mailed to you upon your request.

Respectfully submitted,

Paul Pyatt
Secretary

Energy Fair at Coulterville

With arms spinning and the words "blowing in the wind" echoing in the air, students at Coulterville spent a day recently learning about energy. With displays, games and prizes awaiting them later, eighth grade students warmed up the crowd in the morning, leading them through discussions, chants and learning activities.

The Energy Fair was made possible by a Classroom Empowerment Grant through the Touchstone Energy Cooperatives of Illinois. This was the second year for the grant program and the second year teachers from Coulterville submitted a winning grant application. Last year's grant helped Coulterville develop a robotics program.



Egyptian Electric Cooperative is a member of Touchstone Energy® — an alliance of more than 625 local, consumer-owned electric utilities around the country. Egyptian Electric Cooperative is committed to improving the quality of life of our member-owners based on four core principles: integrity, accountability, innovation and commitment to community. Touchstone Energy recently celebrated its tenth anniversary.

 Egyptian Electric
Cooperative Association

 10 Touchstone Energy®
YEARS Cooperatives

Teamwork: We work together to provide excellent service.



Egyptian Electric

Your Touchstone Energy® Cooperative



June 2008

P.O. Box 38
Steeleville, IL 62288
618-965-3434
618-965-3111 fax

10169 Old Highway 13
Murphysboro, IL 62966
618-684-2143

800-606-1505 after hours
www.eeca.coop

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

Mission Statement:

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Executive Vice President/
General Manager

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Paul Pyatt, *Secretary-Treasurer*
W. Dean Bame
Larry Ebers
Paul Hicks
Kevin Liefer
Raymond Mulholland
John Steele

★ Annual Meeting ★

July 29

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-down 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.

Technology is Key in Keeping the Lights On

Right now, there are a lot of "what-ifs" surrounding electric power. Many experts in the electric industry are concerned these "what-ifs" may be heading us into a perfect storm where the simultaneous occurrence of events which, taken individually, would be far less catastrophic than the result of their chance combination. One of these events is that as a nation, we need to add more generating resources to meet growing electric consumption.

As your provider of safe, affordable, and reliable power, it's our job to make prudent, long-term

energy decisions that will benefit you and the communities we serve for decades to come. Last year, the board of directors at Southern Illinois Power Cooperative made the decision to purchase a portion of the new Prairie State Energy Campus power plant being built northeast of Marissa. This capacity, scheduled to come on-line in five years, will ensure the members of Egyptian Electric Cooperative have a reliable source of power for years to come.

For many regions of the nation though, the options for additional generating capacity are not as easy. Today, those decisions are mixed

up with politics like never before. Every question of supplying power is being impacted by the debate surrounding how best to meet climate change goals. Policy limiting carbon dioxide emissions is becoming more likely, although specifics are still up in the air.

Massive investments in new technology will be required—and soon—to find a balance in meeting both our energy and climate change

goals. The Electric Power Research Institute estimates it will take a research investment of \$1.4 billion a year from now until



Our Energy, Our Future A Dialogue With America

2030 to develop new technology such as carbon capture and storage for our power plants.

Once we add this advanced technology to the equation, we can develop power plants that burn coal and isolate carbon dioxide emissions. The gas can then be compressed and

Continued on page 16b

Mark A. Stallons
Executive
Vice President/
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Integrity : We are credible, trustworthy, honest and believable.

pumped for permanent storage deep underground. Many experts believe that with the right financial commitment from the federal government, cost-effective carbon capture and storage technology could become commercially available around 2020.

But this is just one potential piece of the puzzle, and until our elected officials agree to increase the necessary funding, uncertainty remains. You may recall that the federal government just recently withdrew its support of the planned FutureGen power plant, a public-private partnership to design, build and operate the world's first coal-fueled, near-zero emissions power plant.

Forty-five years ago, this nation made the decision to put a man on the moon, a feat many deemed impossible. But we did it. We did it because our government made it a priority. Today, the need for clean, near zero emission coal fueled power plants must become our government's priority if we are to retain our

position as a world leader. Without a reliable source of energy, our nation could become crippled economically by a perfect storm, where our need for power out grows our ability to produce it.

At Egyptian Electric Cooperative, we are dedicated to keeping you supplied with reliable and affordable electricity. We are, with electric cooperatives across the country, engaged in a grassroots campaign called "Our Energy, Our Future" to start a dialogue with lawmakers about critical questions such as technology's role in our energy future. Please visit www.ourenergy.coop to contact your elected officials and add your voice to the campaign. If you do not have access to the Internet, please contact one of our member service representatives and they will be happy to send a form for you to complete so that a letter can be sent to your Legislators.

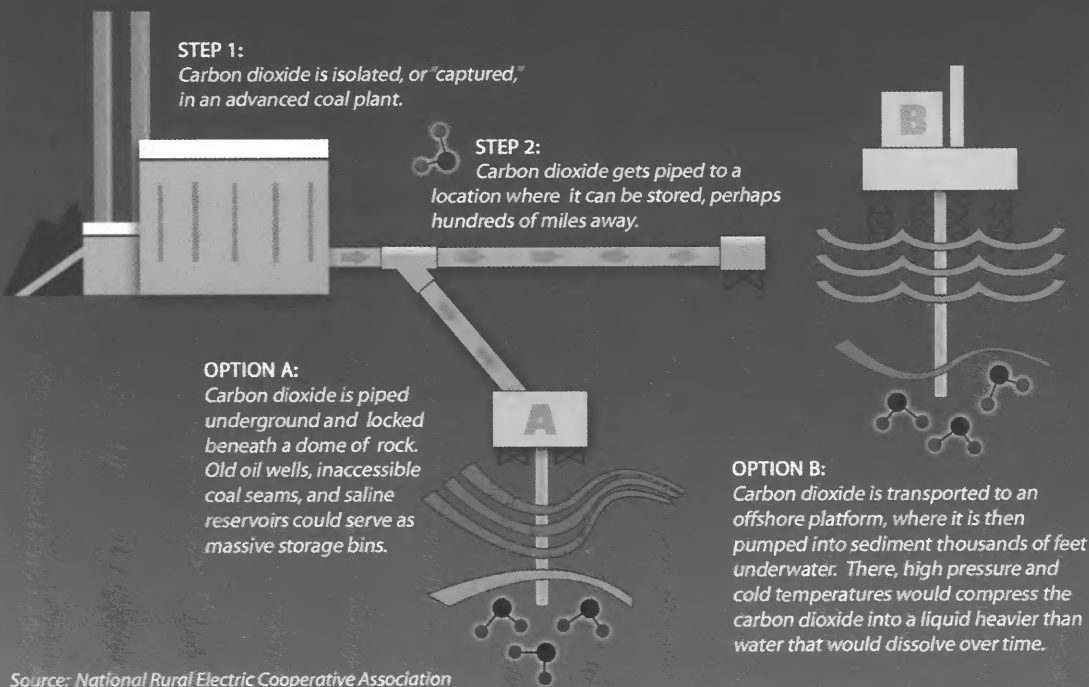
Your support is needed as our legislators listen to you, their voting

constituents. You can also help by joining Co-op Owners for Political Action -ACRE (Action Committee for Rural Electrification). Co-op Owners for Political Action ensures we have access to political leaders that are making the decisions that will affect our energy future. We will even add your \$2.08 monthly membership fee to your bill each month if you wish. Just complete the form on page 16c and return it to us with your next bill.

A storm may be heading our way unless we step forward, public and private sectors together, and find technological solutions to our energy future. It can be done, but we must take action sooner than later. They said we couldn't walk on the moon, but we did. And, together, we will find a way to make sure this nation continues to enjoy the high quality of life that we all enjoy, and you, our members, deserve.

Capturing and Storing Carbon

In a process called *carbon capture and sequestration*, carbon dioxide can be separated from coal power plant emissions and stored underground. When the technology becomes available on a commercial scale, the result could be huge reductions in the amount of carbon dioxide that is released into the atmosphere.



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

Carbon: The Basics

By Scott Gates

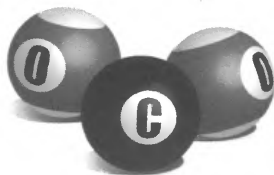
Carbon, the basic building block of life on Earth, has recently become a celebrity of sorts. While most students receive a formal introduction to carbon in science class, those of us who missed out on (or have forgotten) the lessons can find a quick summary in the following few sentences:

Car · bon (noun): A naturally abundant, non-metallic element that occurs in all organic compounds and can be found in all known forms of life. Diamonds and graphite are pure forms.

Concentrated carbon also makes up the fossil fuels we use to produce approximately 70 percent of our nation's electricity (primarily coal and natural gas). When those products are burned, carbon combines with oxygen and gets released into the atmosphere as carbon dioxide.

For better or worse, carbon dioxide molecules can last for a century or more in the atmosphere, where they soak up heat. Prior to the Industrial Revolution, the atmo-

sphere contained 280 parts per million. Atmospheric levels of carbon dioxide are currently at 390 parts per million and climbing, with some projections estimating 450 parts per million by 2040. As result, carbon dioxide is considered a "greenhouse gas" blamed for contributing to climate change.



In the United States, power plants that burn fossil fuels produce about 2.4 billion tons of carbon dioxide every year, which is about 39 percent of the nation's man-made output (the largest single source). Since one pound of the gas would fill a beach ball a few feet across, imagine almost 5 trillion beach balls being made every year—enough to fill more than 600,000 football stadiums!

There are several ways to reduce the amount carbon dioxide in the air, some of which take place naturally. Forests, for example, act as a sponge for 15 percent of all carbon emissions in North America. Researchers are even working to develop "synthetic trees" that use


absorbent filters to capture carbon dioxide from free-flowing air and prepare it for commercial use or permanent storage deep underground.

Another process is called "carbon capture and sequestration," through which carbon dioxide can be isolated, or captured, in an advanced coal power plant and stored underground. When the technology becomes available on a commercial scale, the result could be huge reductions in the amount of carbon dioxide that is released into the atmosphere.

Technology holds the key to tackling challenges connected to climate change. Egyptian Electric Cooperative will play an active role in this effort.

Sources: *American Heritage Science Dictionary, U.S. Energy Information Administration, National Rural Electric Cooperative Association*

Scott Gates writes on technology and energy efficiency 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.

 Cut here and return with your electric payment

YES! I want to help keep the voice of rural electric cooperatives heard in the political process by participating in ACRE Co-op Owners for Political Action®.

Please add the following amount to my monthly electric bill:

- Regular ACRE Member: \$2.08 per month (\$25 per year)
- Century Club Member: \$8.03 per month (\$100 per year)
- President's Club Member: \$41.60 per month (\$500 per year) *
- Other \$ _____

I affirm that my contribution has been made with Non-corporate funds:

Name: _____

Address: _____

Account #: _____ Signature: _____

*Federal Election Law requires the following information for contributions equal to or exceeding \$200:

Employer: _____ Occupation: _____

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

What Are Greenhouse Gases?

Many chemical compounds found in the Earth's atmosphere act as "greenhouse gases." These gases allow sunlight to enter the atmosphere freely. When sunlight strikes the Earth's surface, some of it is reflected back towards space as infrared radiation (heat). Greenhouse gases absorb this infrared radiation and trap the heat in the atmosphere. Over time, the amount of energy sent from the sun to the Earth's surface should be about the same as the amount of energy radiated back into space, leaving the temperature of the Earth's surface roughly constant.

Many gases exhibit these "greenhouse" properties. Some of them occur in nature (water vapor, carbon dioxide, methane, and nitrous oxide), while others are exclusively human-made (like gases used for aerosols).

Why Are Atmospheric Levels Increasing?

Levels of several important greenhouse gases have increased by about 25 percent since large-scale industrialization began around 150 years ago. During the past 20 years, about three-quarters of human-made carbon dioxide emissions were from burning fossil fuels.

Concentrations of carbon dioxide in the atmosphere are naturally regulated by numerous processes collectively known as the "carbon cycle." The movement ("flux") of carbon between the atmosphere and the land and oceans is dominated by natural processes, such as plant photosynthesis. While these natural processes can absorb some of the net 6.1 billion metric tons of anthropogenic carbon dioxide emissions produced each year (measured in carbon equivalent terms), an estimated 3.2 billion metric tons is added to the atmosphere annually. The Earth's positive imbalance between emissions and absorption results in the continuing growth in greenhouse gases in the atmosphere.

What Effect Do Greenhouse Gases Have on Climate Change?

Given the natural variability of the Earth's climate, it is difficult to determine the extent of change that humans cause. In computer-based models, rising concentrations of greenhouse gases generally produce an increase in the average temperature of the Earth. Rising temperatures may, in turn, produce changes in weather, sea levels, and land use patterns, commonly referred to as "climate change."

Assessments generally suggest that the Earth's climate has warmed over the past century and that human activity affecting the atmosphere is likely an important driving factor. A National Research Council study dated May 2001 stated, "Greenhouse gases are accumulating in Earth's atmosphere as a result of human activities, causing surface air temperatures and subsurface ocean temperatures to rise. Temperatures are, in fact, rising. The changes observed over the last several decades are likely mostly due to human activities, but we cannot rule out that some significant part of these changes is also a reflection of natural variability."

However, there is uncertainty in how the climate system varies naturally and reacts to emissions of greenhouse gases. Making progress in reducing uncertainties in projections of future climate will require better awareness and understanding of the buildup of greenhouse gases in the atmosphere and the behavior of the climate system.

What Are the Sources of Greenhouse Gases?

In the U.S., our greenhouse gas emissions come mostly from energy use. These are driven largely by economic growth, fuel used for electricity generation, and weather patterns affecting heating and cooling needs. Energy-related carbon dioxide emissions, resulting from petroleum and

natural gas, represent 82 percent of total U.S. human-made greenhouse gas emissions. The connection between energy use and carbon dioxide emissions is explored in the box on the reverse side.

Another greenhouse gas, methane, comes from landfills, coal mines, oil and gas operations, and agriculture; it represents 9 percent of total emissions. Nitrous oxide (5 percent of total emissions), meanwhile, is emitted from burning fossil fuels and through the use of certain fertilizers and industrial processes. Human-made gases (2 percent of total emissions) are released as by-products of industrial processes and through leakage.

What Is the Prospect for Future Emissions?

World carbon dioxide emissions are expected to increase by 1.9 percent annually between 2001 and 2025. Much of the increase in these emissions is expected to occur in the developing world where emerging economies, such as China and India, fuel economic development with fossil energy. Developing countries' emissions are expected to grow above the world average at 2.7 percent annually between 2001 and 2025; and surpass emissions of industrialized countries near 2018.

The U.S. produces about 25 percent of global carbon dioxide emissions from burning fossil fuels; primarily because our economy is the largest in the world and we meet 85 percent of our energy needs through burning fossil fuels. The U.S. is projected to lower its carbon intensity by 25 percent from 2001 to 2025, and remain below the world average.

<http://www.eia.doe.gov/oiaf/1605/gccebri/chapter1.html>

Teamwork: We work together to provide excellent service.

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COUNTRY LIVING

July 2008



**Egyptian
Electric**

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618-965-3111 fax

800-606-1505 after hours
www.eeca.coop

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

10169 Old Highway 13
Murphysboro, IL 62966
618-684-2143

Your Touchstone Energy[®] Cooperative 

Notice of the 2008 Annual Meeting



**Egyptian Electric
Cooperative Association**

Your Touchstone Energy[®] Cooperative 

The 2008 Annual Meeting of Members will be held Tuesday, July 29, 2008, at 7:30 p.m. at the American Legion Hall in Steeleville, Ill. Registration will begin at 5:30 p.m. and each registered member will receive a free gift.

Before the meeting, food and refreshments will be served in the park next to the American Legion beginning at 5 p.m. During the meeting, members will hear reports on the condition of the cooperative and elect three directors. During

the business session, a children's program will be offered in the small hall next door.

We look forward to seeing you on July 29.

Official Registration

Cut out and bring to the meeting for registration and drawing of prizes.

**2008
Annual Meeting**

July 29, 2008 at 7:30 p.m.

**American
Legion Hall
Steeleville, IL**

Minutes of the Nominating Committee

May 21, 2008

The Nominating Committee, in Compliance with the by-laws of Egyptian Electric Cooperative Association, met in Steeleville, Illinois, in the office of the Cooperative, on May 21, 2008, at 8:00 p.m., to nominate candidates for the office of Director of the Cooperative to serve for a three-year term and to be voted upon by the membership of the Cooperative in its Annual Meeting to be held on July 29, 2008, in the Steeleville American Legion Hall.

Attorney William Broom opened the meeting by stating that the purpose of the Nominating committee is to nominate candidates for the office of Director of the Cooperative, and that the terms of Mr. Larry Ebers, Mr. Gilbert Kroening, and Mr. Raymond Mulholland were expiring

this year.

A roll call of the members of the Nominating Committee was taken; Mr. Dennis Rickenberg was absent. Attorney Broom stated that the first order of business would be to select a chairman and a secretary of the meeting.

Mr. Stuart Langrehr was duly selected as chairman of the committee, and Attorney William Broom was selected as secretary of the meeting.

The chairman requested the secretary to read the minutes of the last year's Nominating Committee meeting. The minutes were approved as read by all members present.

The chairman instructed the committee that three or more nominations could be made by the committee and placed on the ballot.

Following a discussion on this, it was unanimously agreed to nominate three candidates.

Mr. John Helmers nominated Mr. Larry Ebers, Mr. Loren Prest nominated Mr. Raymond Mulholland, and Mr. Bob Arthur nominated Mr. Gilbert Kroening for the office of director of the Cooperative. Mr. John Edgar moved that the nominations be closed and that they be nominated by acclamation, and that their names be placed on the ballot to be voted upon at the Annual Meeting of the members on July 29, 2008.

The motion was seconded by Mr. Bob Arthur and unanimously carried.

There being no further business, motion was duly made and seconded that the meeting be adjourned. Motion carried.

Stuart Langrehr
Chairman

Richard Fager

John C. Edgar

John Helmers

Roger Morgenstern

Thomas R. Horn

Loren Prest

Robert Arthur

REGISTRATION INSTRUCTIONS

Registration will be similar to last year. Please cut out the postcard on the front page and bring to the meeting. It will simplify the registration process. The person registering must have his/her name on the account. There is no proxy voting. We will have three lines inside the main hall for registering members. They will be located in the offset in the back of the room. The alphabet will be divided into three groups according to your last name. Members must be registered by 7:30 p.m. to qualify for the anniversary prize, the two \$100 grand prizes, and the 10 \$20 electric credits. The main meeting hall will not be open until member registration begins at 5:30 p.m. To receive your attendance gift and be eligible for attendance prizes, you must register.



Mission Statement:

Improving the quality of life
of our member-owners.

Mark A. Stallons
*Executive Vice President/
General Manager*

Board of Directors

Allen Haake, *President*
Gilbert Kroening, *Vice President*
Paul Pyatt, *Secretary-Treasurer*
W. Dean Bame
Larry Ebers
Paul Hicks
Kevin Liefer
Raymond Mulholland
John Steele

Proposed Bylaw Changes for 2008 Annual Members Meeting

At its regular meeting of May 27, 2008, the Board of Directors considered and discussed various proposed changes to the Egyptian Electric Cooperative's By-laws to be recommended to the membership for approval at the annual meeting in July 2008. These revisions had been prepared following direction and input from the Directors. Following a thorough discussion of each proposed change and explanation thereof, Mr. Kroening moved that the Board adopt a Resolution (copy below) recommending the proposed By-law changes to the membership, for consideration at the 2008 annual members meeting, and that the notice of the 2008 annual meeting contain a copy of the proposed By-law amendments. The motion was seconded by Mr. Pyatt, and following vote, was unanimously approved.

RESOLUTION of May 27, 2008

Now, be it RESOLVED, by the Board of Directors of Egyptian Electric Cooperative Association that the following changes to the By-laws be recommended for consideration and action by the Members of the Cooperative at its Annual Members Meeting to be held on July 29, 2008:

A. Resolved that Article I of the By-laws of Egyptian be amended as follows:

By adding to Section 1.02 the following language: "This writing may be in either document or electronic form. Upon receiving electric service from the Cooperative, an applicant becomes a member of the Cooperative. A copy of the Cooperative's By-laws will be sent to all new members. If for any reason, a member does not agree to be bound by and comply with all of the Cooperative's By-laws, and all rules, regulations, and rate schedules established pursuant thereto, then the member may terminate the membership and service will be discontinued. A form will be included with the By-laws to terminate membership. If a member fails to terminate the membership within 30 days of the date the Cooperative sent a copy of the By-laws, it will be conclusively presumed that the applicant is a member of the Cooperative for all purposes."

Explanation of A: *The Board believes that new members should still sign an Application for Service/Membership Agreement. The above addition will allow for a new service connection to be done over the phone.*

B. Resolved that Article III of the Bylaws of Egyptian Electric be amended to modify the timetable for Notice of Member Meetings, as follows:

(1) Section 3.02:as provided in Section 3.03

(2) Section 3.03: Delete "nor more than twenty (20) days"

Explanation of B: *(1) Gives the correct section where information is found. (2) The Cooperative uses the monthly magazine Illinois Country Living to give official notice of the annual members meeting. The publication deadline and mailing schedule requires submission of information a few months before the meeting. A separate mailing to members is very costly.*

C. Resolved that Article IV of the Bylaws of Egyptian Electric be amended to increase the timeframe for appointment of the nominating committee, as follows:

By amending Section 4.05 to delete "nor more than one hundred twenty (120) days"

Explanation of C: *Again, due to deadlines imposed by the Illinois Country Living magazine, this amendment will allow the committee to be appointed and the names be published in ample time before the nominating committee meeting.*

D. Resolved that Article IV of the By-laws of Egyptian Electric be amended to increase the days prior to the meeting for nominations by petition to be accepted, as follows:

By amending Section 4.05 as follows:... any 15 or more members may make other nominations in writing over their signatures not less than sixty (60) days prior to the meeting...

Explanation of D: *Again, due to deadlines imposed by the Illinois Country Living magazine, this amendment will allow nominations by petitions to be publicized in the official notice of meeting. Accepting nominations by petition at the current 25 days would not allow for notification in the statewide magazine and a separate mailing would be required, which would be costly.*

E. Resolved that Article IV and VII of the Bylaws of Egyptian be amended by removing the name of the statewide publication, as follows:

By amending and changing Section 4.12 to remove and delete the following language:

"to the Illinois Rural Electric News, or its successor publication, published by"
By amending and changing Section 7.02 to remove and delete the following language:
"Illinois Rural Electric News"

Explanation of E: *The name of the statewide publication has changed and this amendment should cover any future changes.*

F. Resolved that Article VI of the By-laws of Egyptian Electric be amended to update reference material, as follows:

By amending and changing Section 6.12 to replace the following language: "...as provided in the General Not-for-Profit Corporation Act, 805ILCS 105/108.75."

Explanation of F: *Update of reference location.*

G. Resolved that Article VII of the Bylaws of Egyptian Electric be amended to change the references thereto from patron(s) to member(s), as follows:

By amending all Sections to substitute the term "members" for the term patrons, in every instance;

Explanation of G: *The business model upon which your Cooperative operates uses the term "member" for any body politic that receives electric service; thereto, "members" are allocated patronage capital.*

Where at? "Watts" up? And Who's on?

It's time for the co-op annual meeting. Gather up your family, friends and neighbors and join us for a picnic in the park followed by a short business meeting in the air-conditioned hall at the American Legion in Steeleville. The employees and directors are busy preparing for the 70th annual meeting of Egyptian Electric. There will be outside activities before the meeting as long as it doesn't rain. Hot

dogs, soda and ice cream bars will be served from 5 until 7 p.m. in the park pavilion. Should it rain, the food will be served in the small hall. Seating outdoors is limited so you might want to bring lawn chairs. We have a children's program planned in the small hall starting at 7:30 p.m. with gifts and a prize drawing for the youngsters.

Shortly after registration begins, BLEND will be performing in the

large air-conditioned hall while you're waiting for the meeting to begin. More details about the A cappella DooWop quartet are on the page 9 of the magazine. Definitely not your everyday concert, they'll take you back in time with hits from the '50s and '60s. Come early so you can sit back and relax and enjoy memories from the days of bobby socks, poodle skirts, and blue suede shoes!

Board of Directors Annual Meeting Invitation

On behalf of the board of directors of Egyptian Electric Cooperative, I extend a personal invitation to attend your cooperative's annual meeting. The meeting is Tuesday, July 29, 2008, at the Steeleville American Legion Hall. The hall is air-conditioned and is usually very comfortable in spite of the summer heat. We are planning a short business meeting to conduct the necessary business affairs of the cooperative. Before the meeting, food and refreshments will be served in the park adjacent to the Legion beginning at 5 p.m. There will be

entertainment inside the hall starting about 5:30 p.m. A children's program is planned in the small hall next door during the business session, Plan to come early and join in the socializing.

Registration begins at 5:30 p.m., and each member registering gets a free gift for attending. If you are registered by 7:30 p.m., you'll be included in the drawing for our 70th Anniversary prize, the two grand prizes of \$100 electric credit and the 10 \$20 credits to be applied on an electric bill. At the end of the meeting, there will be a drawing for

other attendance prizes.

It seems the most effective method of getting word to the members about the annual meeting is for those reading this announcement to tell others about it. Please help us out and remind your friends and neighbors about the annual meeting. Better yet, bring them with you and let's have a big turnout. This is your opportunity to participate in the operation of your cooperative and we promise you an enjoyable evening.

Allen Haake
President of the Board

Acappella Doo Wop

BLEND is the A cappella quartet that brings back all of those fun-loving memories of the '50s and '60s with a twist of fun. You'll be amazed at the unbelievable sound and sight while four young men take you back with songs such as "Come, Go With Me" and "In the Still of the Night". Comical skits and "special guest" appearances will have the audience feeling they are part of the show. Fans of all ages will be singing along before no time! BLEND is a show that you will not want to miss!

The Story....

BLEND originates from the small southern Illinois town of Energy.

Members of the group include John Estes, Evan Boswell, Andrew Smith and Jeremy Weaver. The group was brought together in 2005 for the purpose of a talent show directed by Karen Sala of Herrin, Ill. From that talent show the group decided that singing was a must and that the thrill of the '50s and '60s was enough to give them the drive to pursue this as a career.

The group has performed at churches with their Gospel arrangements and has wowed the crowds at other venues such as festivals and private parties with their amazing A cappella version of the '50s and '60s. They have been recognized

and awarded "BEST OF SHOW 2006 and 2007" in Murray, Ky. as well as many other awards.

BLEND supports and strives for the continuation of music programs in schools. They are available for music educational programs, assemblies, and seminars at your local school.





Egyptian Electric

Your Touchstone Energy[®] Cooperative



August 2008

P.O. Box 38
Steeleville, IL 62288
(618) 965-3434
(618) 965-3111 fax

10169 Old Highway 13
Murphysboro, IL 62966
(618) 684-2143

(800) 606-1505 after hours
www.eeca.coop

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

Mission Statement:

Improving the quality of life of our member-owners.

Mark A. Stallons

*Executive Vice President/
General Manager*

Board of Directors

- Allen Haake, *President*
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- Paul Pyatt, *Secretary-Treasurer*
- W. Dean Bame
- Larry Ebers
- Paul Hicks
- Kevin Liefer
- Raymond Mulholland
- John Steele

Office Closing

Labor Day,
Monday, September 1

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.

EECA Manager's Annual Meeting Report

I recently read an article entitled "Rising Power Prices Might Continue for Years" by Todd Cunningham in Electric Co-op Today that does an excellent job of summarizing the challenges ahead for the electric industry.

Today's rising electricity prices may be the beginning of significant increases that will last for years, Federal Energy Regulatory Commission staff reported.

The upward pressure stems from two factors — increased fuel costs and higher costs for new construction — and is likely to affect all regions, Charles Whitmore of FERC's enforcement office told the commission at a mid-June briefing.

The staff report noted that natural gas prices are much higher than just a few years ago and likely will remain so, in light of the increase in gas demand for generation and the global nature of competition for liquefied natural gas. Meanwhile, coal prices are "increasing and strong," the report said.

The second upward pressure, the increasing cost of construction, "is particularly important because the country is entering a period when we will need to make substantial new investments," it added. The report cited Cambridge Energy Research Associates as saying the cost of the main inputs into new power plants — iron and steel, cement, copper and other generator metals, and labor — have almost doubled since 2003.

The report said also that climate

change is also a major issue, with the debate over addressing carbon dioxide emissions affecting how companies think about investments.

Responding to the report, Commission Chairman Joseph Kelliher said, "We are actually confronting three realities." First, he said, FERC and state commissions are regulating in a high-cost environment. Second, the country needs massive investments in generation, transmission and distribution. Finally, climate change is now being addressed in a period of policy uncertainty.

"There is tension among these three realities; they work at cross purposes," Kelliher added.

Many, including myself, have used the phrase "A Perfect Storm" to describe the future of energy in the United States. These upward pressures, coming together at the same time, have put an end to the stable energy costs we have enjoyed.

Climate Change

There are two plans to deal with climate change that are being discussed in Congress — a carbon tax and a cap and trade system. A carbon tax is pretty much as it sounds;

► Continued on page 16b

Mark A. Stallons

*Executive Vice President/
General Manager*



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

utilities pay a tax on the CO₂ they generate. The concept is that a tax on CO₂ emissions would encourage utilities and other generators to decrease their emissions and thereby lower the tax they pay.

With a cap and trade system, all generators of CO₂ would be required to lower their output to 1991 levels. CO₂ generators that do receive credits could be sold to generators that are unable to meet their 1991 output levels. The concern cooperatives have with this system is that the cost of compliance will be left to the whims of the financial speculative markets. This could lead to compliance costs with high fluctuation. We would prefer to see a reasonable carbon tax put into place, even though it would have a colossal impact on the electric industry. The EPA has predicted that a carbon tax could increase electric rates by as much as 44 percent.

The Electric Power and Research Institute (EPRI), in a separate study, says the increase in electric rates could vary by up to 260 percent if clean coal technology and nuclear are not part of the solution mix. With adequate research and development, most industry experts expect clean coal technology to be available for mass deployment between 2020 and 2030. Unfortunately, it takes 10 years plus to license, permit, and build a nuclear power plant. We need to streamline the process while maintaining proper safeguards.

Material Prices

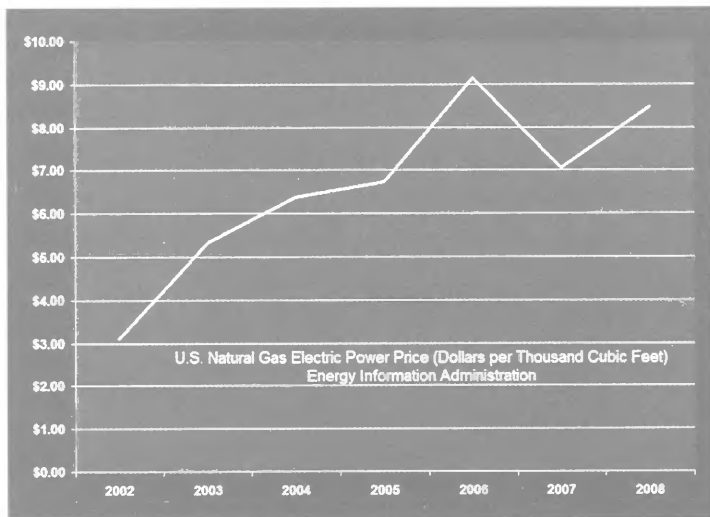
As I've said before, the price of raw materials is having a huge impact on our costs. We've seen conductor, transformers and other

material that we use every day increase immensely.

Southern Illinois Power Cooperative made the decision last fall to purchase a portion of the capacity of the new Prairie State Energy Campus near Marissa to ensure our members have an adequate supply of energy in the future. Partnering with others was less expensive and less risky than building our own plant, but increases in raw materials will still have a huge impact on the cost of building Prairie State.

Fuel Costs

Even though we burn coal at our power plant at the Lake of Egypt, the price of natural gas affects our cost of power. When Southern Illinois Power Cooperative's load exceeds the generating capacity of the plant, they have to purchase



electricity from the grid. As FERC noted, more and more of our generation is coming from natural gas. Natural gas prices have risen steadily since 2002 and continue to increase.

Coal has also seen increasing prices recently. A number of power plants in the Ohio Valley have added scrubbers to their plants and have switched back to Illinois Basin coal that has a higher Btu content than western coal. There

has also been an increase in exports to foreign countries as the global growth in energy demand continues. Although this is great for the coal industry in the region, it has created rapid increases for coal since the first of the year. Coal prices have risen from \$33.50 per ton in December to \$65.00 per ton in May. These increases in fuel costs have immediate impacts on SIPC and our cost of operations.

Rate Increase

As you know, we had to increase our rates 5 percent this past April with the anticipation this would cover increases in fuel costs for the next year. Unfortunately, fuel costs and purchased power have eaten up that increase rather quickly.

Instead of guessing where fuel costs will go and increasing rates

to cover estimated fuel costs, we will begin using a monthly purchased power adjustment comparable to the monthly purchased power adjustment we receive from Southern Illinois Power Cooperative. By doing so, we will only collect from you the amount we need each month to cover additional costs of fuel and purchased power. You will begin seeing

this as a separate item on your bill beginning with the bills you receive in September. We anticipate the adder to be about \$0.0044 per kWh in September, or about \$4.40 per 1,000 kWh used.

To lessen any immediate impact that rapidly increasing fuel and purchased power might have on members, Southern Illinois Power Cooperative uses a 12-month rolling average. This will provide a cushion to some degree to make

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

sure we don't see sudden spikes. If coal and the grid price of electricity go down, the adder will do likewise. We feel that in these times of variably increasing fuel costs, a fuel adder is the fairest way to ensure the cooperative remains in good financial position, while lessening the impact on you.

Our Energy, Our Future

What can we do to change the future? That is a very good question and we feel that our national association, the National Rural Electric Cooperative Association, is looking out for our future with the Our Energy, Our Future campaign.

The purpose of Our Energy, Our Future is to get our elected officials to realize that we have a perfect storm headed our way. That means unless they begin to take action soon, the economy of the United States and our energy security could be severely damaged.

As I've mentioned, and I hope you can see by now, we do have major challenges before us. In the early sixties, President Kennedy urged us to put men on the moon by the end of the decade. Many thought him crazy to think this could be done. But we did it. How? President Kennedy instilled a sense of urgency. Our Energy, Our Future is about installing a sense of urgency in our elected officials. We cannot wait until it is too late. We must act now to begin to secure our energy future.

Our Energy, Our Future is about asking those that represent us three questions:

1. Experts say that our nation's growing electricity needs will

soon go well beyond what renewables, conservation and efficiency can provide. What is your plan to make sure we have the electricity we'll need in the future?

2. Our country faces a crisis as electricity use increases faster than available supply. We believe that by unleashing American ingenuity we can solve this problem. What are you doing to speed the development of new technology which will allow me to have the electric power I need while meeting our national climate policy goals?

3. Balancing electricity needs and environmental goals will be difficult. How much is all this going to increase my electric bill and what will you do to make it affordable?

You can begin the conversation with our elected officials now. Visit our Web site, www.eeca.coop, and follow the link to Our Energy, Our

please contact one of our offices and a form can be sent for you to complete so a letter can be sent to your legislators.

Energy Efficiency

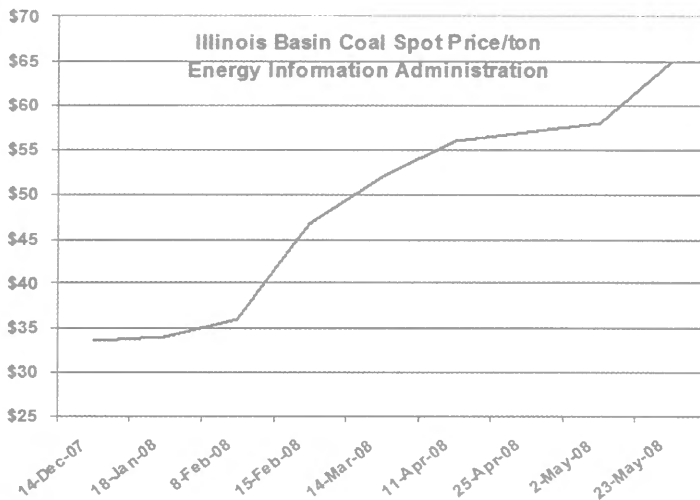
Using energy efficiently and wisely can help lower energy growth and impacts on the climate. Replace incandescent light bulbs with energy efficient compact fluorescent. Caulk and seal the leaks in your home. When you purchase new appliances, look for the ones with Energy Star labels on them. If you are replacing an air-conditioner or heating system, install the most energy efficient model you can afford. You may not think it worth the price today, but with energy prices continuing to increase, the additional investment in energy efficiency will pay for itself rather quickly.

The staff of your cooperative is prepared to assist you in this effort. We have tools you can borrow to check how much energy your appliances use. We do energy audits that include infiltration tests and infrared camera scans and we have a self-help energy audit on our Web site.

The future of energy as we have known is changing; there is no doubt about that fact.

The question, however, is how much will it affect us and our economy. Only by making energy a priority in Washington, only by creating a sense of urgency, will we lessen the impact.

As a nation, WE **HAVE TO COME TOGETHER AND CHANGE OUR FUTURE!**



Future. There, you'll be able to fill in information that will send e-mails to our elected leaders. If you aren't familiar with computers,

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LEAD SI

The inaugural class of LEAD SI attended the first ever LEAD SI institute June 11-13 on the campus of SIUC. Students from area high schools that have exhibited leadership ability and prowess in their schools were invited to attend the institute.

LEAD SI is a CONNECT SI organization. CONNECT SI is a 20-county economic development effort to connect the private and public resources of southern Illinois to create a sustainable regional economy that is globally competitive.

Leaders of Connect SI have recognized that youth is one of our most valuable resources. Providing opportunities to improve and increase their leadership skills ensures that we will have leaders in the future that will have the knowledge and desire to lead southern Illinois as it competes in a global economy.

Thirty-three students from high schools that predominately feed into the John A. Logan Community College system were selected as the first class to go through the institute. Activities included small group sessions that helped them learn strengths and weaknesses, outdoor activities that encouraged them to break down communication barriers, and time to interface with area and regional leaders.

The inaugural class of LEAD SI will continue to meet periodically throughout the next year. Mentors will involve the youth in community activities and cultural events. Future plans call for the institute to include students from all 20 southern Illinois counties.

Staff from Egyptian Electric Cooperative participated in the planning and development of LEAD SI.



LEAD SI students learn that leadership means helping others during outdoor activities at the Touch of Nature on the SIUC campus during the LEAD SI Institute.



Dr. Glen Poshard, President, SIUC, addresses LEAD SI students at a barbecue dinner on the grounds of the President's office during LEAD SI activities.



Illinois Representative John Shimkus discusses leadership and what it means to him with LEAD SI students.

Teamwork: We work together to provide excellent service.

Mission Statement:

Improving the quality of life of our member-owners.

Mark A. Stallons
Executive Vice President/
General Manager

Board of Directors

Gilbert Kroening, *President*
Paul Pyatt, *Vice President*
Raymond Mulholland, *Secretary-Treasurer*
W. Dean Bame
Larry Ebers
Allen Haake
Paul Hicks
Kevin Liefer
John Steele

★ **Office Closings** ★
Labor Day,
Monday, September 1

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.

Alternative Energy, Making an Informed Decision

With rising energy costs looming and predictions that some portions of the nation may face electric shortages in the future, some people are turning to alternative and renewable sources of electricity. Before deciding to invest in alternative energy systems, careful thought should be given to the different types of systems available, their suitability for your needs, utility requirements and financing.

Types of Systems

There are several alternative energy systems available to homeowners today. They range from simple, static systems, such as passive solar heating, to the elaborate, such as photovoltaic systems. In general, the more elaborate and complicated the system, the more maintenance you may anticipate the system requiring. Here are a few systems with a short description.

Passive solar: Refers to the architectural design of a building to use the sun's energy to heat the building. Passive systems are simple, have few moving parts, if any and require zero to minimal maintenance.

Solar water heating: These systems require storage tanks and solar collectors. There are active systems that require pumps, controls and valves and passive, which don't. In our area, due to freezing temperatures, an active system which circulates non-freezing fluid through the collector to a heat exchanger may be the best choice.

Earth energy: The earth is one of the most efficient solar collecting sys-



tems out there. Cave and cliff dwellers were among the earliest to recognize the earth's ability to keep us cool in the summer and warm in the winter. Today, geo-thermal heat pumps are the best use of earth energy.

Distributed generation: These systems are generally gas or propane generators. Although they may be considered as alternative energy, they are not renewable unless they use coal bed methane or land-fill gas as their fuel. Those that do use coal bed

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methane or land-fill gas are generally large, commercial facilities.

Wind turbines: Wind turbines can be extremely large and part of a wind farm or they can be small units designed for residential use. Illinois is one of the fastest growing states for the deployment of wind farms, although Texas still has the most. Nearly all of the projects in Illinois are in the upper-central to northern portion of the state.

Photovoltaic cells (solar cells): Photovoltaics (PV) is the direct conversion of light into electricity at the atomic level. Most PV systems consist of a number of PV cells electrically connected to each other and mounted in a support panel. These panels are then connected and fastened to other panels to make up an array. The electricity generated is DC current and a converter is generally required to change the current to AC to allow it to power household appliances.

Suitability

Before investing in an alternative or renewable project, be sure the system will perform as you wish it to. If you have an extremely shady location, a PV system will either not work or you may have to remove some trees. Keep in mind that trees do grow, so make sure you plan ahead. Also make sure you are not purchasing a system that may be replaced in the near future by newer technology. There is much research going into PV systems today to make them less expensive and in finding ways to incorporate them into the building structure such as PV shingles.

Many folks believe they have plenty of wind at their residence to make a wind turbine financially feasible. That may or may not be the case. You may see the wind blowing during the day, but we often forget that the wind dies down of an evening, well into the next morning. Most wind systems need sustainable winds 23-25 percent of the time to make them pay off. Before investing in a wind project, consider having a wind study done. There are existing wind maps available at www.illinoiswind.org or

there are project management firms that can put up wind monitoring devices and help you decide if your site has suitable winds available.

Utility Requirements

Before installing any type of alternative or renewable system that generates electricity, you should contact our engineering department, especially if you intend to connect your system to our grid. They will be able to tell you if you have three phase or single phase service available. Depending on the size of your system, they may also need to determine the capacity of our system to interface with yours. If your system is above 40 kW for a residential unit or 200 kW for a commercial unit, Southern Illinois Power Cooperative will also be involved.

There are standards and procedures that must be followed to ensure your system can be safely connected to the grid. Egyptian Electric Cooperative has adopted policies, procedures, applications and agreements that govern this relationship. They can be found on our Web site, www.eeca.coop under the **Engineering and Service Policies** on the left and then the **Interconnection Policy**. Please download these or contact the engineering department for copies and read before contacting us or proceeding with your project. That way, we will be able to answer any questions you may have. Before any electricity generating system can be interconnected with our system, these documents will need to be completed and an inspection performed by our engineering department to ensure the system meets these standards and guidelines.

Financing

The decision whether to invest in an alternative or renewable energy project is made for several reasons. For some, it is the moral or environmentally responsible thing to do. For others, it is done to ensure they have a backup source of energy in the event of an extended outage. For others, it is strictly a financial decision. Whatever your reason for

pursuing a project, you should be aware of its financial impact and cost to you, as well as sources of funding assistance.

If you are considering a PV system, the State of Illinois has a Solar Energy Rebate Program that offers a 30 percent rebate for eligible systems up to a maximum of \$10,000. These grants are administered by the Department of Commerce and Economic Opportunity (DCEO). Information can be found at www.illinoisenergy.org or by contacting Wayne Hartel at 217-785-3420.

Although residential wind projects are not eligible for grants from DCEO, agricultural or small business projects may be eligible for funding through the US Department of Agriculture and its Rural Development agency, www.rurdev.usda.gov/.

Egyptian Electric Cooperative does not offer financial assistance for projects, but does support them through NET metering. NET metering allows members to recover a portion of their cost of the project by receiving a retail rate for any excess energy they generate into the grid distribution system. Before a member can be eligible for NET metering, the system must be approved and the interconnection agreements mentioned before must be completed.

If you are considering a project strictly for financial reasons, our *Capital Cost Recovery Analysis* brochure will help you determine the financial impact of your investment. This can be downloaded from our Web site on the same page as the interconnection documents. We have also reprinted it here in our newsletter.

Egyptian Electric Cooperative is supportive of alternative and renewable energy and sees them as part of the solution to our nation's impending energy crossroad. We do want our members to make wise decisions though that are financially and personally rewarding for them. As always, we will assist you by providing you with the information you need to make the right decision for you.

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

Capital Cost Recovery Analysis

1) Enter the total cost of purchasing and installing the generating equipment: \$ _____

Be sure to include any interconnection and/or insurance charges

2) Enter the amount of grants, tax credits or other financial assistance not required to be repaid: \$ _____

3) Subtract Line 2 from Line 1: \$ _____

4) Enter the estimated amount of annual maintenance costs: \$ _____

5) Enter from Table 1 either: a) the interest rate of the funds borrowed to finance the purchase or b) the interest rate that would have been received on the funds used to make the purchase: \$ _____

Pick the nearest interest rate from the table

Table 1

	7.5%	6.5%	5.5%	4.5%	3.5%
	Capital Recovery Factor				
1	1.0750	1.0650	1.055	1.0450	1.0350
3	.3845	.3776	.3707	.3638	.3569
5	.2472	.2406	.2342	.2278	.2215
10	.1457	.1391	.1327	.1264	.1202
15	.1133	.1064	.0996	.0931	.0868
20	.0981	.0908	.0837	.0769	.0704
25	.0897	.0820	.0745	.0674	.0607
30	.0847	.0766	.0688	.0614	.0544
35	.0815	.0731	.0650	.0573	.0500
40	.0794	.0707	.0623	.0543	.0468

6) Enter from Table 1 the number of years the generating equipment can be expected to operate or the number of years of the loan: _____

7) Enter the capital cost recovery factor from Table 1: _____

8) Enter the estimated percent of time the generating equipment will operate (enter as a whole number): _____%

(A wind turbine may operate 25-40 percent of the time depending on geographic location and a solar panel about 20 percent. You should confirm by independent analysis the percent of time your specific equipment is likely to operate.)

9) Multiply 8) by 8760/100= the number of hours per year of operation: _____

10) Enter the rated capacity of the generating equipment in kW on line a: **a** _____
Enter the efficiency of the generating equipment on line b: **b** _____

11) Multiply line 10a) by line 10b) to get the usable capacity of the equipment: _____

12) Multiply 9) by 11) and divide by 1,000= kWh generated per year: _____

13) Enter your average cost per kilowatt-hour for the energy you purchased during the last 12 months (\$/kWh): \$ _____

Calculation of Annual Operating Cost of Equipment

The total annual operating cost of equipment is calculated by:

14) Multiply the net cost of the generating equipment from line 3 by the capital recovery factor from line 7: \$ _____

15) Add the annual maintenance cost of the equipment from line 4: \$ _____

16) To determine the total annual operating cost (TOC) of the equipment, add lines 13 and 14: \$ _____

17) Divide line 16, the TOC of the equipment, by line 12, the kWhs to be generated each year: Line 17 is the total annual operating cost for the generating equipment per kilowatt-hour. \$ _____

18) Co-op Average Cost per kWh from line 12: \$ _____

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Apartment Living: Energy Efficiency Style

Simple energy conservation measures can lower your utility bills while increasing the comfort of your apartment. Although your landlord or management company is ultimately responsible for your building's energy efficiency, you can make money-saving energy decisions in your own home.

Many ways for cutting electricity costs in houses also apply to apartments. You can reduce electricity use in your apartment by focusing on these areas:

Appliances and electronics

- Purchase energy-efficient products and utilize any efficiency-related settings. These include microwaves, toasters, computers, alarm clocks, televisions, stereos, DVD players, and room air conditioners, etc. Turn off televisions and computers when not in use.

Lighting

- Purchase energy-efficient lighting products, like compact fluorescent lamps. Switch lights off when not in use, and incorporate more daylight into your apartment using windows, window treatments, and skylights.

Heating and Cooling

You might need permission from your landlord or management company to implement some of these, or ask that they do the work:

- Caulk and weather strip around windows and exterior doors.
- Carefully select, install, and use window treatments or coverings.

Your local hardware or discount store will have a selection of clear films that can be applied over windows that are leaky.

- Close heating and cooling vents in rooms that are unused. If there is a return air vent in the same room, you'll need to cover it too.

Water Heating

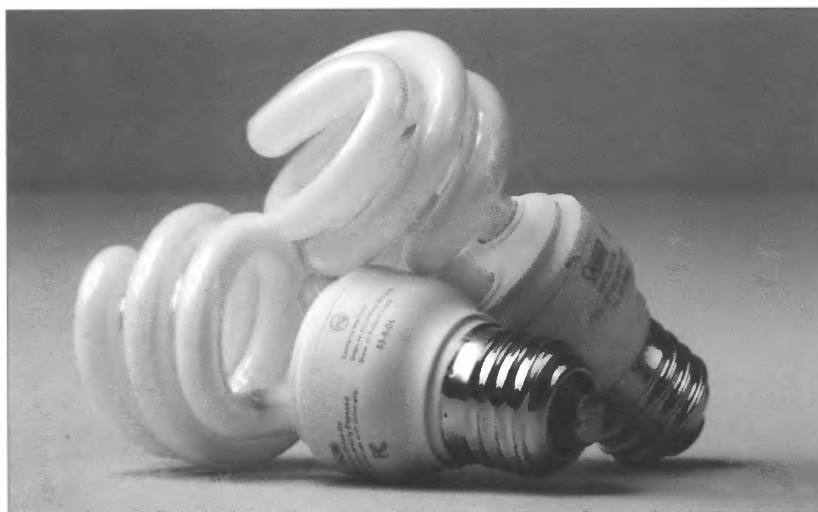
Again, you might need permission from your landlord or management company to implement some of these:

- Reduce hot water use.
- Lower your water heating temperature to 120 degrees.
- Insulate your water heater tank and pipes.
- Install a timer and use off-peak power.

For more information on energy efficiency, visit <http://www.eere.energy.gov/>



Photo Courtesy of Werner Ladder Co.



Source: U.S. Department of Energy Office of Energy Efficiency and Renewable Energy

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*Executive Vice President/
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Our Energy, Our Future

For the last several months we have been discussing the necessity of our members' involvement in a grass-roots discussion program with our legislators. Our Energy, Our Future is about ensuring that our quality of life, as we know it in rural America, is not endangered by the challenges ahead in the energy industry. The campaign asks three questions of our legislators as to where they stand on issues that could impact our quality of life. This month I'd like to look a little closer at the first of these issues - capacity - and discuss how it might impact us in southern Illinois.

Load Growth

The Energy Information Administration, an agency of the Department of Energy (DOE), predicts that electricity sales will increase by 29 percent from 2006 to 2030, an average annual growth of 1.1 percent. This rate is termed the reference rate, or their best estimate based on known facts, history and anticipated events. Should the economy grow faster than anticipated, the increase in electricity consumption could expand to 39 percent or more. Here are some factors that contribute to increased electricity consumption:

- population growth.
- increased disposable income (we demand more products, more services and more shopping places).
- population shifts to warmer climates by baby-boomers increase air-conditioning use.
- a shift in the commercial sector to more service oriented industries increases the need for office and restaurant equipment.

Some of the growth will be offset by gains in efficiency - heat pumps and air-conditioners, refrigeration, lighting, appliances and televisions.

Capacity

The middle part of the 20th century saw tremendous growth in the production of electricity as the industrial age reached maturity and the economy grew robustly. Science and technology used electricity to create efficiencies in manufacturing and developed appliances and entertainment devices to make life more comfortable and enjoyable. New power plants came on line with regularity, from coal-fired and nuclear to hydro-electric dams.

As we neared the end of the century though, the growth in power plant construction slowed dramatically. The 90s saw several states move to deregulation. We became aware that our life styles were having an affect on the environment and Congress began passing laws to minimize the effect. Without a sound and stable energy climate, the utility industry was hesitant (and still is today) to invest billions of dollars in new power plants.

According to the National Energy Technology Laboratory (NETL), another agency of the DOE, the electric industry reported in 2002 that 36,000 megawatts (MW) of capacity would be brought on-line by 2007. In actuality, only 4,500 MW, or 12

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percent, of that announced new capacity was brought on-line.

This has caused the industry to turn to quick fixes for generation capacity. Natural gas-fired turbine plants have a relatively low cost to build, have very little opposition from environmental groups and can be built rather quickly. The downside though is that the natural gas to operate them is extremely high. While the total cost to build a power plant is depreciated or spread over a long period of time, the fuel costs are accounted for and have to be included in the rate immediately. Coal-fired and nuclear plants cost more to build, but with lower fuel cost, the cost of generating electricity is much less.

The net effect is that, even with a low projected growth rate in the use of electricity, the lack of power plants will cause several regions of the nation to be capacity deficient in the near future. Unfortunately, some areas may see this in the next two-three years.

The Effect on Us

When looking at load growth versus generation capacity, most utilities go through periods of deficit capacity and surpluses. It is not economical to have new generating plants come on-line the moment growth reaches capacity as the majority of the new plant's capacity would be unneeded and unused. Rather, the most economical strategy is to purchase power from others (from the grid) once capacity is reached until the growth is sufficient to support the construction of a new plant.

This is where we are at Southern Illinois Power Cooperative (SIPC) at the

Lake of Egypt energy complex. (SIPC is our generating and transmission cooperative and is owned by Egyptian and six other distribution cooperatives here in southern Illinois.)

When SIPC hits system peaks or units are down for maintenance we purchase power from the grid. As the price of grid power has increased from \$40-50 MWH to \$60-70 MWH in the last few years, our cost of wholesale power has increased at Egyptian. Combined with the dramatic increases in the cost of coal, steel, aluminum, copper, diesel fuel and the other items it takes to deliver power to our members, you can understand why we recently have gone to a Power Cost Adjustment on our monthly bills.

Fortunately for you, our members, your board of directors and the directors at SIPC have used good wisdom and foresight as they looked to the future generating needs of SIPC and the other cooperatives. The Prairie State Power plant was projected to come on-line about the time it would be economical for us to build new generation and they realized purchasing a portion of the new plant would fill our generation needs and minimize the risk of building a new power plant ourselves.

The good news is that this plant is under construction and is projected to be completed on time and on budget and will provide the additional generating capacity to meet our growth needs.

The Future

As we project forward at Egyptian, we anticipate that wholesale power costs will tend to increase due to

the price of grid power, increasing coal and natural gas prices, and the future inclusion of our ownership in Prairie State Power plant in the rate base. Past that point though, we would like to dream of a period of more stable costs. I say this somewhat facetiously though. We have no control over any carbon tax or cap and trade legislation Congress might pass to deal with climate change and have no idea at this point what the financial impact might be, but we do anticipate it could be huge.

As SIPC will have the capacity to meet your needs in the future, it does not mean that we do not need to be energy wise and efficient. As consumers, efficient use of energy allows us to minimize the impact of price increases. As a system (SIPC), efficiency means there may be capacity to sell to other utilities, passing the cost of ownership from our members to others.

Even though we will have the generating capacity we need in southern Illinois, we need your help with the Our Energy, Our Future campaign. The sixth Rochdale Principle of Cooperatives is Cooperation Among Cooperatives: "Cooperatives serve their members most effectively and strengthen the cooperative movement by working together through local, national, regional and international structures."

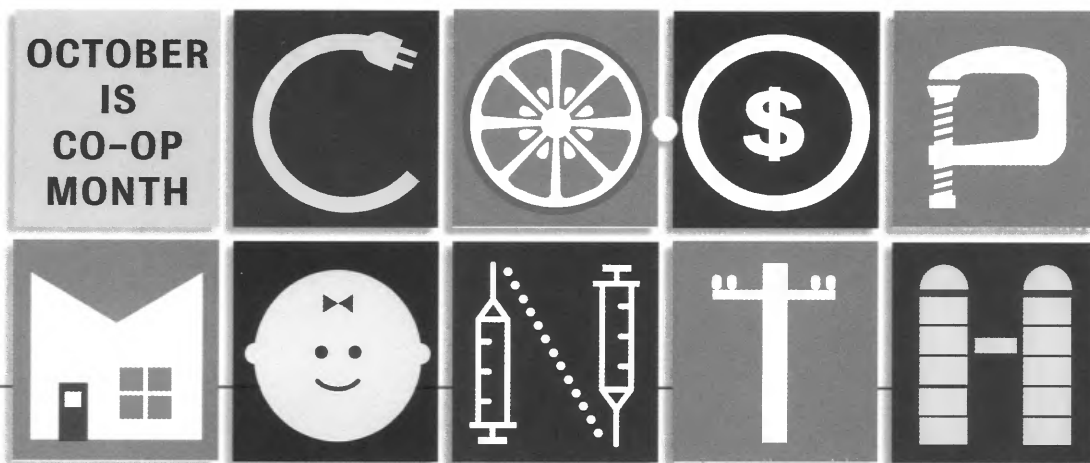
We have an obligation as a cooperative to look out for the members of other cooperatives that need help. By doing so, they will be there to assist us when we need help. This was never more evident than on March 4, 2008, when we were struck by an ice storm. Because our linemen provided assistance to them during a wind storm and later an ice storm, linemen from Southern Illinois Electric Cooperative in Dongola came to our assistance.

Go to our Web site, www.eeca.coop and click on the Our Energy, Our Future logo. It will take you to the national Web site where you can fill in information to send letters to your legislators in Washington. As cooperative members, we need to all work together to let our Congressmen know that we speak with a unified voice. By doing so, we can affect what our future will be.



Our Energy, Our Future A Dialogue With America

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



Cooperatives are as American as baseball and apple pie. Though the modern cooperative wasn't established until 1844, Ben Franklin got the member-owned business ball rolling in this country as early as 1752. Borrowing a British business model, he convinced some neighbors to join him in forming an insurance company owned by its policyholders. And the idea caught on.

Today, cooperatives, or co-ops, are an everyday part of life in the United States. These businesses are a powerful economic force, distinctive because they are owned and controlled by the people who use their products or services—and also share in the profits.

Living in a Co-op World

U.S. cooperatives serve some 130 million members, or about half of all Americans. But nearly everyone experiences a daily co-op connection. Wherever you live, work or shop, it's likely a cooperative is involved.

Just stopping by Starbucks to pick up java and a cranberry muffin to enjoy with your morning newspaper can involve a multitude of co-ops. That premium Sumatra Siborong-Borong coffee was purchased from a grower co-op in Indonesia. The flour in the muffin probably started as wheat from a farmer-owned grain elevator cooperative in the Midwest, and the cranberries might

be from Ocean Spray, a producer-owned co-op. The Associated Press, a news purchasing co-op, likely provided some of the big headlines you read in your newspaper.

For many, the word co-op conjures images of a New York City apartment or a farm scene. But the cooperative way of doing business has a strong foothold across the American landscape, representing a broad cross-section of people and industries.

- Native Alaskans living within the Arctic Circle as well as retirees in sunny Florida receive electric and telecommunications services through cooperatives.
- Almost one in three Americans are members of a credit union, which is a cooperative.
- American businesses such as homebuilders, hospitals and even hamburger makers purchase supplies cooperatively.
- From preschool through college, students are having their educations enriched by cooperative schools as well as member-controlled businesses such as bookstores.
- Artists as well as artichoke farmers sell their products through co-ops.
- Members of worker-owned co-ops run the gamut from Web site designers in New Orleans to taxi drivers in Madison, Wisconsin.

Backing Popular Brands

Cooperatives are behind some of the best-known names in America. Producer co-ops make powerhouse brands such as Cabot cheese, Blue Diamond almonds and Welch's grape juice. Insurance giant Nationwide and outdoor equipment retailer REI are member-owned businesses.

That Taco Bell lunch has a cooperative link, too. Many fast-food chain franchisees acquire their ingredients through a purchasing co-op. Ace and True Value hardware retailers and Carpet One store owners secure their inventory the same way.

Almost anything you eat has co-op roots. For instance, virtually every restaurant serving of butter was made in a plant owned by dairy farmers. The same is true of the cheese that topped your burger or pizza.

Speaking of food, chances are good that the main ingredient in that all-American apple pie was grown by—you guessed it—members of a producer co-op.

With cooperatives making such a significant mark on the everyday lives of Americans, maybe it's time to revise that well-known jingle to: "Baseball, hot dogs, apple pie... and the co-op way!"

From "A Day In the Life of Cooperative America", a project of the National Co-op Month Committee.

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Egyptian Electric Cooperative Delivers **BIG PERFORMANCE** with Briggs & Stratton Home Generators



Whether home or away, you can count on a sleek new Briggs & Stratton Home Generator System to deliver permanent, reliable backup power during an outage. Featuring a Vanguard V-twin commercial-grade engine, the system boasts a small footprint and provides a permanent connection to continuous fuel supply (NG, LP) for uninterrupted, hassle-free backup power when the power goes out.

"The new Briggs & Stratton Home Generator Series successfully integrates our commercial Vanguard engine into an extremely compact platform for an unobtrusive yet powerful response to utility failure,"

says Michael Betker, marketing manager for Briggs & Stratton.

The system's space saving design provides for installation flexibility and an attractive, subtle yard presence and features professional rust-proofing and premium storm grey automotive paint for maximum durability and all-weather protection.

Importantly, the Briggs & Stratton Home Generator System is also extremely quiet when in operation. Thanks to a patented air-flow design, an automotive-style exhaust system and acoustic foam dampeners, it is up to 50 percent quieter than most portable generators.

Backed by the full support of Briggs & Stratton's legendary service and installation network (which includes Egyptian Electric Cooperative), the units come equipped with a 4 year limited warranty.

"Our Service network is really one of the cornerstones of our Home Generator Systems product line, and the four year warranty speaks directly to the quality and performance of this new system," Betker comments.

For more information or for a free in-home estimate and consultation, call Egyptian Electric Cooperative at 800-606-1505. We have 12, 15 and 20 kW Home Generators on hand.



Egyptian Electric Cooperative Association

Your Touchstone Energy® Cooperative 

NOTICE: Egyptian Electric Cooperative no longer uses the PO Box 37, Steeleville address. For bill payment and correspondence with the Steeleville office, please use PO Box 38, Steeleville IL 62288. Should you use the former address, your mail may be returned to you by the Postmaster.

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Office Closings

 **Veteran's Day,**
Tuesday, November 11
Thanksgiving,
Thursday, November 27 and
Friday, November 28

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-down 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.

No Silver Bullet

Several months ago, NRECA rolled out a grassroots dialogue campaign to engage you, our member-owners, in a conversation with our elected officials. The dialogue asks three questions of those that represent us in Washington as to how they intend to meet climate change goals while keeping our electricity reliable and affordable. We discussed the first question regarding capacity last month; this month I want to address the second question, "What are our leaders doing to speed the development of new technology that will allow us to have the electricity we need while meeting our national climate policy goals?"

It may sound like a cliché, but Glenn English, CEO of the National Rural Electric Cooperative Association in Washington DC, has been using the phrase, "There is no silver bullet" when he speaks about solutions to our national and global energy challenge. Instead, Mr. English says it will take "Silver Buckshot." There is no singular item that will fix our nation's energy challenge; it will take a multitude of solutions on multiple fronts over the next 20 years. The Electric Power and Research Institute (EPRI) has formulated a plan that ensures

we have the electricity we need while also

meeting climate change goals. It is called the "Prism" due to the colorful graph they use to visually depict the CO2 reductions each of the seven technologies they espouse would have. These seven technologies are:

- Efficiency
- Renewables
- Nuclear generation
- Advanced coal generation
- Carbon capture and storage
- Plug-in hybrid electric vehicles
- Distributed energy resources

Efficiency

The Energy Information Administration (EIA) of the Department of Energy has forecast national load growth approximating 1.5 percent per year through 2030. With new technology, EPRI has forecast that this could be reduced to 1.1 percent per year.

There are many avenues that will help us increase our energy efficiency or, as we prefer to say, energy innovation. This includes improved or increased insulation and reduced air leakage in buildings and homes, new and innovative appliances, and improvements in our manufacturing processes.

Some efficiency will be gained through the use of a "smart grid" that can communicate with homes and appliances, scheduling appliances to avoid peak periods. Demand reduc-



Mark A. Stallons

Executive
Vice President/
General Manager



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tions like this can help us make the power generation and grid system more efficient and avoid the need for additional generation.

Renewables

Renewable energy can come in many forms: hydro, wind, solar, geothermal and bio-mass. The EIA has projected that if we remain on our current path, there would be 60 GW of new renewable generation constructed by 2030. EPRI says this



There is no singular item that will fix our nation's energy challenge; it will take a multitude of solutions on multiple fronts over the next 20 years.

needs to be increased to 100 GW by 2030 to reduce our CO₂ emissions levels. To put this into perspective, our plant at the Lake of Egypt is 410 MW. To approximate the 100 GW of renewable energy would be the same as building 250 Lake of Egypt power plants.

To meet the 100 GW will take the development of large scale projects. For these to be feasible,

the transmission system will need to be more robust and expanded to the wind corridor from Texas to the Dakotas.

For wind, solar, and other renewable energy sources that are intermittent to become a reliable source of grid power, new methods of storing energy on a large scale will have to be developed. Without storage, intermittent renewable sources will need to be backed up by traditional coal, nuclear, and natural gas central station power plants that are available 80 to 90 percent of the time and can be dispatched as needed.

Nuclear Generation

The EIA predicts that 20 GW of nuclear power plant generation will be built no matter what by 2030. The EPRI prism calls for this to be expanded to 64 GW. Currently, 20 percent of all generation and 70 percent of emissions free generation in the U.S. comes from nuclear.

New technology is needed in the areas of facility life extension, digital control for safety and control and high burn-up nuclear fuel to reduce spent fuel volumes. Light water reactor technology is used in more than 80 percent of the world's current reactors and much research and development has taken place in the design of advanced light water reactors. Many political and technological issues will need to be resolved before nuclear generation will be moved beyond current levels.

Advanced Coal Generation

Over 50 percent of our electricity is generated from coal today. It is said that Illinois alone has more btus in coal than Saudi Arabia does in oil. For coal to remain a viable option in a carbon-constrained environment, more research and development needs to take place.

One technology for the clean use of coal is integrated coal gasification combined-cycle (IGCC) plants. IGCC plants convert coal to clean burning gas which allows CO₂ to be more easily captured. There will

also need to be efficiency gains in our current coal-burning power plants. A 10 percent increase in efficiency relates to a 25 percent decrease in CO₂ emissions.

The EIA anticipates that new coal plants would reach 40 percent efficiency by 2020-2030 and the EPRI Prism advocates new plant efficiencies of 46 percent by 2020 and 49 percent by 2030.

Carbon Capture and Storage

In recent news discussion many have most likely heard of Carbon Capture and Storage (CCS). This is the technology the FutureGen project was intended to develop. Unfortunately the project was canceled by the Department of Energy shortly after being awarded to Mattoon, Illinois. FutureGen is an essential research project that would lead to the development of technologies to improve not only carbon capture, but also carbon sequestration. This technology is needed for new and existing coal fired power plants and other manufacturing processes that use coal to make steam.

CCS technology is anticipated in the EPRI Prism to be widely deployed after 2020. That being the case, research and development is behind schedule and needs to begin now.

Plug-in Hybrid Electric Vehicles (PHEV)

The EPRI Prism calls for PHEV's to constitute 10 percent of all new vehicles sales by 2017 and to grow by two percent each year thereafter. This technology is reachable and is being driven by consumer demand, but there is still a need for research and development.

Battery advancement is key to PHEV's becoming less expensive and increasing their range. PHEV's also need development of two-way charging systems and communication systems to allow integration into a smart grid. This will allow PHEV's to become a portion of the storage system needed to make intermittent renewable energy dispatchable into the grid system.

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Distributed Energy Resources (DER)

DERs are small, modular energy generation and storage technologies that provide or store energy where it is needed. The EPRI Prism calls for DER technology to provide 5 percent of base load generation by 2030. DER are typically considered to be wind, photo-voltaic systems, micro-turbines or methane digesters. They are usually sized to offset the energy needs of the facility where they are located. Utilities can use DER technologies to delay, reduce or even eliminate the need to obtain additional power generation, transmission and distribution equipment. With increased communications and electronic controls, DER could come under the control of the utility to use during peak periods, helping to eliminate or postpone construction of new power generation.

The Future

The EPRI Prism is an intimidating plan. EPRI estimates the research and development cost to meet the CO₂ reductions called for by the Prism to

be between \$1.4 and \$2.0 billion each year through 2030. This sounds like an outrageous amount of money to spend on R&D. But as I write this, Congress is battling over a cost of \$700 billion to stabilize the financial markets. \$44 billion is one sixteenth of that and will be over 22 years.

If we truly want energy independence and CO₂ reduction, our government must step up to the task. It is their responsibility to lead. Research and technological advancement is what will get us through this energy and climate change challenge. When President Kennedy challenged our nation to put a man on the moon, most

thought it couldn't be done. But as a nation, we committed the research, money and effort to make it happen. And, we did.

We can do it again with our elected officials taking the lead. It is our responsibility to make sure they do. The electric cooperatives are ready to take up that challenge and have created the Our Energy, Our Future dialogue campaign as a tool for you to take up the challenge. Visit www.ourenergy.coop today to send letters to your elected officials, asking them to commit the resources we need to become energy independent and environmentally responsible.



Our Energy, Our Future A Dialogue With America

Improving quality of life by \$18,878.32!

With the addition of a pharmacy discount, the Co-op Connections® card is improving the quality of life of some of our members. We

Co-op Connections™ Card



Egyptian Electric Cooperative Association
Your Touchstone Energy® Cooperative



don't get information as to which members use the pharmacy discount, but we do know that this year, the Co-op Connections® card has been used to fill 1,239 prescriptions and saved our members \$14,854.43 through the end of September! In the three months we offered the prescription discount last year, 281 prescriptions were filled, saving our members \$4,023.89 or a total of \$18,878.32!

That discount means our members got the prescriptions they needed to improve their quality of life yet had nearly \$19,000 to use on other necessities. Now, that's a tangible benefit being a member of a cooperative brings to you.

Pharmacy discounts are not insurance and are not intended as a substitute for insurance.

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



Thank You

The Board of Directors and management of your cooperative want to say thank you to our members for your patience during the recent outages caused by Hurricane Ike as it rolled through southern Illinois. We also want to thank our linemen and those that assisted us from Monroe County Electric Cooperative, MJM Electric Cooperative, and Oilfield Electric Company. These men worked long and hard to restore service in a timely manner.

--Thank you!



Teamwork: We work together to provide excellent service.



Egyptian Electric

P.O. Box 38
Steeleville, IL 62288
(618) 965-3434
(618) 965-3111 fax

10169 Old Highway 13
Murphysboro, IL 62966
(618) 684-2143

Your Touchstone Energy® Cooperative 

December 2008

(800) 606-1505 after hours
www.eeca.coop

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

Mission Statement:

Improving the quality of life
of our member-owners.

Mark A. Stallons
*Executive Vice President/
General Manager*

Board of Directors

Gilbert Kroening, *President*
Paul Pyatt, *Vice President*
Raymond Mulholland, *Secretary-Treasurer*
W. Dean Bame
Larry Ebers
Allen Haake
Paul Hicks
Kevin Liefer
John Steele

Office Closings

Christmas Day,
Thursday, Dec. 25 and
New Years Day,
Thursday, Jan. 1.

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HAPPY HOLIDAYS



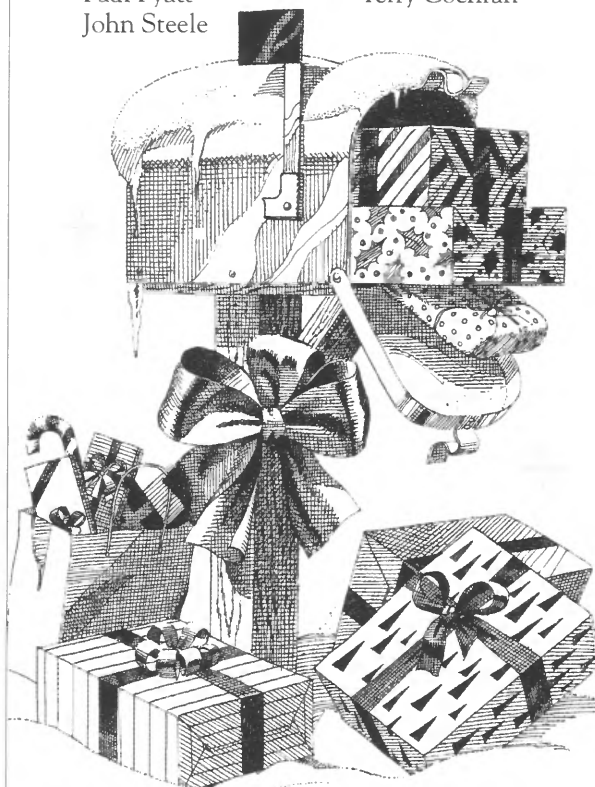
*From Egyptian Electric Cooperative's
Board of Directors and Employees*

Directors

Dean Bame
Larry Ebers
Allen Haake
Paul Hicks
Gilbert Kroening
Kevin Liefer
Raymond Mulholland
Paul Pyatt
John Steele

Employees

Andrew Ahner
Scot Alms
Kevin Barlow
Dana Bayer
Sheila Becker
Kendall Bunselmeyer
Michael Chamness
Terry Cochran
Bryce Cramer
Glen Degenhardt
Travis Deterding
Bryan Diercks
Tim Edmonds
Michael Ellis
Tom Ernsting
Ronnie Gill
Sharon Gray
Scott Gremmels
James Grothaus
Brooke Guthman
Shane Hermetz
Terry Hope
James Isaacs
Adam Korando
William Korando
Julie Loesing
Carla McNeely
Tammy Mikulay
Arthur Pontow
Darin Prange
Tillie Rains
Brenda Rapp
David Sickmeyer
JoAnn Simmons
Ronald Simpkins
Michael Smith
Mark Stallons
Richard Stein
Roger Stuva
Kay Taylor
Jeremy Thies



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Our Energy, Our Future

A Dialogue With America

This month we continue our discussion of the "Our Energy, Our Future" dialogue. As of November 1st, over 1,000,000 messages have been sent to Congress about meeting climate change goals while ensuring we have reliable and affordable sources of electricity. This month we take up the third and final question we need to ask our elected officials, "*How much is all of this going to increase my electric bill and what will you do to make it affordable?*"

There are many issues that will affect the cost of energy, specifically electricity, in the future. Some of these items are:

- New technology
- Fuels
- Construction costs
- Climate change legislation

New Technology

To ensure we have an adequate and reliable source of electricity for years to come, technology and science must be an integral part of the solution. In the '60s we were able to put men on the moon. With sufficient research dollars, man has been able to use science and technology to engineer solutions to resolve most great challenges. However, with the current state of our economy, very few electric or energy companies are willing to invest scarce dollars in risky and/or capital intensive investments such as new research. This means the federal government must take the lead when it comes to research and development funding. This is not to say government has to do it all, but they must

be willing to partner where possible with industry to address the energy challenges of our time.

Fuels

There has been a dramatic increase in the cost of coal and liquid fuels in 2008. Much of the increase in coal costs is due to the increase in liquid fuels, especially diesel fuel. Diesel fuel is a critical component of the extraction and delivery of coal to power plants.

Our government must find a way to stabilize the cost of liquid fuels. This means increasing the supply and decreasing the demand. The reliance on foreign oil leaves us vulnerable to the whims, desires and goals of other nations. Our leaders must step forward and take action. Doing nothing will only further increase our energy costs and reduce our national security.

Construction Costs

Construction costs for power plants have sky-rocketed in the last decade. Some of this is due to increased costs of material, such as concrete and steel, that has been going overseas to China and India. Much of it, however, is due to the legal challenges all power plants have been subjected to. These challenges lengthen the permitting process and increase costs.

Our federal government must streamline the permitting process while ensuring the needs of climate and environmental interests are protected, as well as the needs of industry and our economy.

Climate Change Legislation

There is little doubt we will see legislation dealing with climate change in the near future. The question is how much impact the legislation will have on the cost of electricity.

Some people have proposed capping carbon emissions and letting the price of electricity rise. By letting the price rise, they argue, utilities could afford to pay for new technology needed to meet growing demand and capture carbon.

This approach puts the burden for mitigating climate change on those least able to pay for it. Consumers, particularly those retired, with low or fixed incomes, will not be able to afford electricity.

We must remind our representatives that the climate change debate is a debate with real consequences for real people and their interests must be heard and taken into account in reaching a balanced solution to this complex problem.

The Future

Leaders within the electric industry are stepping forward to meet the challenge of supplying reliable electricity in the most affordable way. We look to technology to cut operating costs where we can and we look for new concepts and methods to make us more efficient every day.

Egyptian Electric Cooperative is a member of Rural Electric Management Development Council, an organization conceived many years ago as a 'think tank' for rural electric cooperatives interested in discussing and debating modern management practices. I have been serving on a

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REMDC committee that is discussing how cooperatives can keep costs down and shift from our past culture of energy sales to one of energy innovation. We debate and discuss many new ideas, such as rate designs, that may help keep electricity costs stable for those on low and fixed incomes.

While the electric industry is doing what it can to reduce costs and keep rates manageable, government must step forward and do its part.

As consumers, we ask that you help us make sure they do. Our Energy, Our Future is an excellent vehicle to ensure your voice is heard in Washington, D.C. You can visit www.ourenergy.coop to send an email to our elected leaders, or complete the form below and return it to us and we'll get the message to them for you. Either way, now is the time to take a moment to let our elected officials know your

concerns. As of November 1, over 1,000,000 members have sent messages to Washington; please make sure your voice is one of them.

Mark A. Stallons

Executive
Vice President/
General Manager



<p>Experts say that our nation's growing electricity needs will soon go well beyond what renewables, conservation and efficiency can provide; What is your plan to make sure we have the electricity we'll need in the future?</p>	<p>What are you doing to fully fund the research required to make emissions free electric plants an affordable reality?</p>	<p>Balancing electricity needs and environmental goals will be difficult. How much is all this going to increase my electric bill and what will you do to make it affordable?</p>
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Start The Dialogue



NAME _____

HOME ADDRESS _____

CITY _____ STATE _____ ZIP _____

HOME PHONE (_____) _____

EMAIL _____

I AM A MEMBER OF EGYPTIAN ELECTRIC COOPERATIVE

SIGNATURE _____



**America's Electric
Cooperatives**

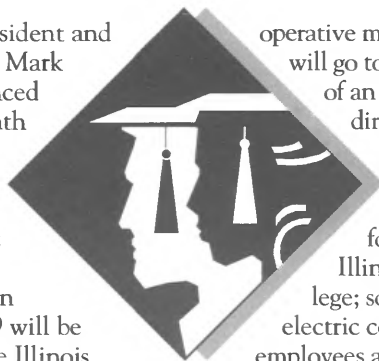
For more information visit
www.ourenergy.coop

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

Seven 2009 IEC Scholarships will be Awarded

Executive Vice President and General Manager Mark Stallons has announced that for the fourteenth consecutive year, the Illinois electric cooperatives will award academic scholarships to high school seniors. Seven scholarships in 2009 will be awarded through the Illinois Electric Cooperative (IEC) Memorial Scholarship Program. Each of the scholarships will be worth \$1,250.

High school seniors pursuing a college education are eligible to participate in the program. Four of the seven scholarships will be awarded to the son or daughter of an electric co-



operative member. A fifth award will go to the son or daughter of an electric cooperative director or employee.

The sixth and seventh scholarships will be reserved for use at a two-year Illinois community college; sons and daughters of electric cooperative members, employees and directors are all eligible. Deadline for applications to be returned to the cooperative is Jan. 1, 2009.

The purpose of the scholarship program is to assist electric cooperative youth while honoring past rural electric leaders through memorial gifts. Egyptian Electric and the other Illinois electric cooperatives desire to

make a difference in our communities. One of the best ways to do that is to lend a hand to our youth.

Candidates are judged on the basis of grade point average, college entrance exam scores, work and volunteer experience, school and civic activities, and a short essay that demonstrates their knowledge of electric cooperatives. The IEC Memorial Scholarship Program was established in 1994 by the board of directors of the Association of Illinois Electric Co-operatives. For further information on the IEC Memorial Scholarship Program or to receive a scholarship application, contact Egyptian Electric at 800-606-1505, visit our Web site at www.eeca.coop or ask your high school guidance counselor.

Co-op Connections Card and Christmas

At first glance, you might not think the Co-op Connections Card has much in common with Christmas. However, according to an e-mail we recently received from Santa, we just found out that the Co-op Connections Card can make your Christmas shopping easier and less expensive.

According to Santa's message, many of the national accounts on the <http://co-opconnections.com> Web site will be offering special discounts for cooperative members during the Christmas shopping season.

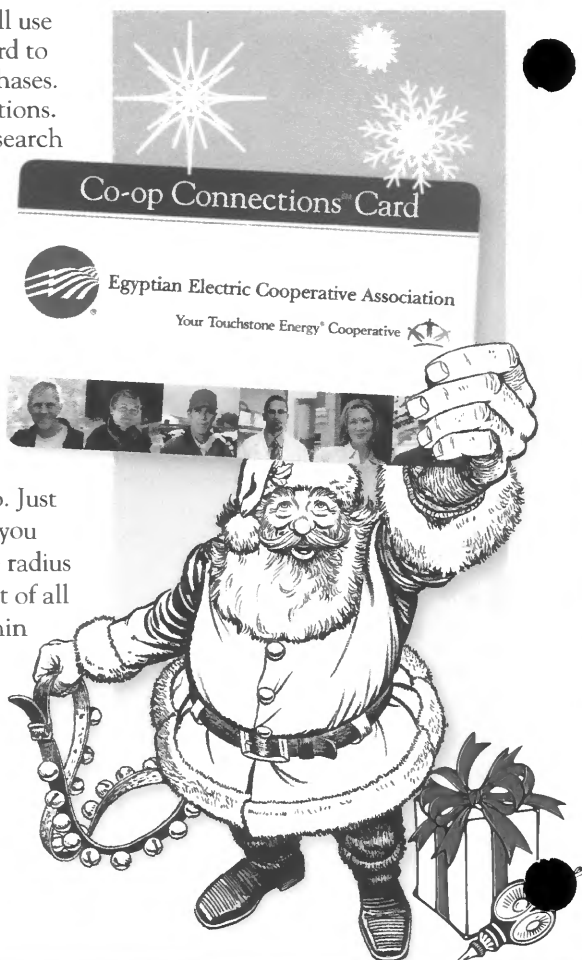
Just think, no more fighting crowds, jumbled isles and frigid weather to get your shopping done. From the comfort of your home, any time day or night, you are just clicks away from finding the perfect gift for those special people on your list. From teddy bears to tires or pajama-grams, from books to camping equipment, from cookies to prime cuts of meat, you can find reduced prices with your Co-op Connections Card.

If you prefer not to give up the crowds, jumbled isles and frigid weather because it puts you in the

Christmas mood, you can still use your Co-op Connections Card to save on your Christmas purchases. Just visit <http://co-opconnections.com>, click on the advanced search feature on the left-hand side and look for Egyptian Electric Cooperative in the Co-operative search area. You'll find all of our merchants that offer local savings.

If you've got that big shopping trip planned, some of the new advanced search features on the Web site will help you find savings where you are headed to. Just put in the zip code of where you are going and select the mile radius and bingo....you'll have a list of all participating merchants within that radius.

However you like to do your Christmas shopping, being a member of a cooperative and using the Co-op Connections card will make it easier and less expensive this year.



Teamwork: We work together to provide excellent service.