



Mike Smith
President and CEO



From the CEO's desk

Last month in my article, I wrote how technology has changed our member's expectations and is in part a driver of our rates. With the passing of the Future Energy Jobs Act (FEJA) in 2017, the potential for growth of small scale, behind-the-meter generation could alter the way our rates have traditionally been presented. As you recall, FEJA incentivizes solar development by placing a value on the Solar Renewable Energy Credits (SRECs). In addition, various State and/or Federal tax credits are also available to help make an investment in a solar installation more viable. These credits lower the initial cost of the solar installation which in turn makes the cost of the generated kilowatt hours less expensive.

Just to be clear, I consider myself pro renewable energy with my primary reason being that if we can generate electricity using cleaner technology, we need to be using it. From a utility perspective, a mix of renewable power in an energy portfolio is advantageous due to the fuel cost being zero. However, with renewable energy generation, there are obvious limitations which prevent utilities from providing reliable power 24 hours a day. I only offer my view since some might interpret any modification of rates as primarily to prevent solar development, which is simply not true. We are and have always been a member owned and driven organization.

If some of our members want to generate renewable energy for their own reasons, they should be given that opportunity.

For McDonough Power residential rate class members, which are our largest rate class in both energy sales and number of meters, our standard electric bill has remained remarkably similar over the last 80 years. Primarily, the standard residential bill is made up of a facility charge and energy charge. The term facility charge is a term often used to indicate all facilities like poles, wires and substations. Some utilities are changing to an Access charge, but regardless of what it is called, it is still the same thing. From a revenue standpoint, we look at these components as a fixed (facility) revenue and variable (energy) revenue. This is a very important distinction and perhaps the key point to understanding rate design.

McDonough Power, like every other electric utility, has a high a fixed cost component. Think power plant(s), substations, poles, employees, vehicles and so on. It is permanent infrastructure that electric utilities utilize to provide a service seven days a week, 365 days a year. Next month, I am going to begin to write about how the rate structure of McDonough Power will change if solar installations become more prevalent and how it affects our current fixed cost. In the meantime, if you have any questions please feel free to call.

Energy Efficiency Tip of the Month

Laundry Tip: Dry towels and heavier cottons separately from lighter-weight clothing. You'll spend less time running the dryer for lighter-weight items, which saves energy.

Source: energy.gov





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Rate adjustments coming in February

Effective Jan. 1, 2019 single-phase residential members will receive a \$2 facility charge increase. Members with three-phase services will see several changes; the facility charge will increase \$12 and the demand charge will increase slightly depending on the service type, however the energy charge will be reduced. Additionally, several commercial rate classes will realize larger facility charge increases paired with considerable decreases in the energy charge.

Specific changes can be found on our website at mcdonoughpower.com. Members should expect the changes on February bills for January usage.

As a cooperative, our business model is different—we are member-owned. As you pay your electric bill over time, you receive funds back in the form of capital credits. Each decision we make is made with our members in mind and how we most equitably go forward into the future together. **8120SL378-830B**

SIMPLIFY YOUR ACCOUNT

**WWW.
mcdonoughpower
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Avoid penalties

Pay with check, credit or debit card

Schedule payments

Sign up for paperless billing

View your consumption

Access your account 24/7 at www.mcdonoughpower.com

Smart houses no longer a fantasy

Using smart home devices doesn't mean your home will have a higher IQ, but it does mean you could have a smaller energy budget. "Smart homes" are houses that have several interconnected devices and home appliances that perform certain actions or functions, and many are designed to save money, time and energy. **5313A1-956C**

SafeElectricity.org suggests several smart home devices — in no order that may or may not be interconnected — that could save some green:

1. Energy monitoring devices, which give real-time feedback on energy consumption and track your energy stats; these typically cost between \$200 and \$300 but can make a real difference in your energy bills if you adjust based on feedback.
2. A smart lighting outdoor module. This allows you to control all your outdoor lighting and appliances, including seasonal and landscape lighting. Schedule or turn outdoor lights on or off from anywhere.
3. Smart bulbs, which are internet-capable LED bulbs that allow lighting to be controlled remotely. Many of them can even change color; some can play music, and specialty smart bulbs may help you sleep better by emitting colors designed to help regulate natural melatonin production or provide soothing light that doesn't disrupt circadian rhythm.
4. Smart sprinkler systems that water your garden only when plants need it. They take local weather forecasts into account and will delay watering if rain is headed your way.



5. Water leak detectors and shut-off systems. The simplest versions sit on the floor and alert you when they get wet. More elaborate versions continually monitor the flow of your water system, informing you if water pressure changes and allowing you to shut off the water supply if a leak is detected.
6. A smart thermostat — they learn your habits to keep your home comfortable and then do so in the most efficient way possible.
7. A moderately-priced smart plug that turns your electronics on or off from anywhere using your phone or tablet.
8. Smart garage door openers — prevent thieves (and hot or cold air) from coming in your home if you forget to close your garage door.

You can check it and close it from your smartphone with the companion app.

9. Motion sensors that shut off lights when there's inactivity in a room.
10. A smart power strip that monitors and turns off power to plugged-in items when not in use.
11. Smart appliances and devices save money because in many cases they allow you to use less energy. They're also convenient, fun to use and can give you peace of mind. In short, they may be worth it in the long run, but only if the initial outlay fits your budget. **525HHS52-951A**

For more information on electrical safety, go to SafeElectricity.org.

Member Prizes

Every month we will have four map location numbers hidden throughout *The Wire*. If you find the map location number that corresponds to the one on your bill (found above the usage graph), call our office and identify your number and the page that it is on. If correct, you will win a \$10 credit on your next electric bill.

You're more than a customer

By Anne Prince, NRECA

Author Anthony J. D'Angelo observed that, "Without a sense of caring, there can be no sense of community."

To a large degree, this reflects McDonough Power Cooperative's philosophy toward our consumer-members and the broader service territory that we serve. As a cooperative, we have a different "bottom line." While our priority is always to provide reliable and safe energy, there is another equally important part of this equation. Your well-being and that of the larger community that we serve are of paramount concern.

To us, you are not just a customer; you are a member of our co-op and without you, we would not exist.

In 1938, McDonough Power Cooperative was founded to fulfill a vital need in our community that would not have otherwise been met. Concerned local leaders came together to build this co-op and bring electricity where there was none.

At that time, members of the community understood we were different because they likely knew someone who helped to create McDonough Power. For most people, our founding and its circumstances have been long forgotten. Over time, folks in the community may have come to think of us as simply another energy provider. But we are not. We are a co-op that is constantly evolving to meet the needs of the communities we serve, and we can do this because of members like you.

Since our inception, we have sought feedback and engagement from you and that of the larger community to guide our long-term decisions. Therefore, we hold annual meetings and other events throughout the year. We host events like this to engage with you and obtain your feedback. **7217A2-112B**

We strive to find new ways to help you use energy more efficiently. We're always seeking to keep pace with the changing energy environment, evolving technology and shifting consumer expectations.

McDonough Power members help guide important co-op decisions that



Pictured L to R: Jeff Rench with Bushnell ESDA, Dan Roberts with TEST and Kelly Hamm with McDonough Power Cooperative

Cooperative Cares



Coats for Kids delivery – McDonough Power lineman Tim Norton delivers coats to United West Elementary in Monmouth.

improve and enrich the community. We value the perspective of our board members, who are members of the co-op and community – just like you.

As a local business, we have a stake in the community. That's why we support area schools and local charitable organizations through our Cooperative Cares and Operation Round-Up program.

When you support these efforts, you are supporting the community and making it a better place for everyone.

While the times may have changed, our mission and outlook have not. We view our role as a catalyst for good. Working together, we can accomplish great things for our community now and in the future.