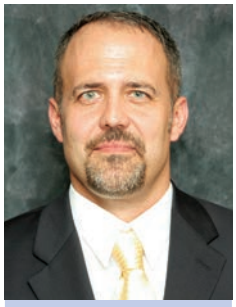
The SOUTHEASTERN Light

SouthEastern Illinois Electric Cooperative

A Touchstone Energy® Cooperative

President's Comments



Dustin Tripp
President/CEO

Supply and demand of electric generation

Over the past several years, the electric generation industry in the United States has been transitioning to construct more renewable energy resources and retiring fossil fuel generation (primarily coal). There have been many driving forces that have created this transition to more renewable energy resources including, but not limited to, shifting public policy, increasing environmental regulations, age of coal generation facilities, new technologies for natural gas extraction methods and newly discovered reserves that led to lower natural gas prices, financial incentives and subsidies for renewable energy resources, etc. As the results of a recent generation capacity auction have revealed, the transition away from fossil fuel generation resources to more renewable energy resources in the Midwest has occurred too quickly creating a lack of generation capacity and a subsequent drastic price increase in generation capacity.

Your cooperative's wholesale generation and transmission supplier is Southern Illinois Power Cooperative (SIPC) located at the Lake of Egypt. SIPC is a participant in the Midcontinent Independent System Operator (MISO). MISO, which is one of seven Regional Transmission Organizations (RTO's) across the U.S., is responsible for managing and operating the electric grid in 15 midwestern states which includes most of Illinois.

MISO conducts a generation capacity auction every year in which utilities can purchase additional generation capacity (if needed) to serve the peak requirements of their consumers or utilities can sell any excess generation capacity into the market. The most recent generation capacity auction, which captures generation capacity requirements for June 1, 2022 through May 31, 2023, cleared at a price of $236.66 per MW-Day which is 47 times higher than the $5 per MW-Day clearing price last year. Unfortunately, this equates to a price increase of 4,633 percent. The price spike was due to insufficient generation capacity in the auction needed to meet overall regional load requirements. This puts the Midwest at an increased risk of running short of needed generation capacity this summer during peak demand times.

Historically, fossil fuel generation facilities have proved to be very reliable in meeting peak demands. These fossil fuel generation facilities are dispatchable which means they can be controlled by operators to generate at very high or low levels by changing fuel levels depending upon the consumers demand for electricity. Conversely, wind and solar generation facilities can't be controlled by operators due to the fact that their generation levels are controlled by the amount of wind or sun that's available. As MISO's generation accreditation has revealed, wind generators in the Midwest are operating at approximately 15 percent of their nameplate capacity rating during summer peak demand periods and solar generators in the Midwest are operating at approximately 50 percent of their nameplate

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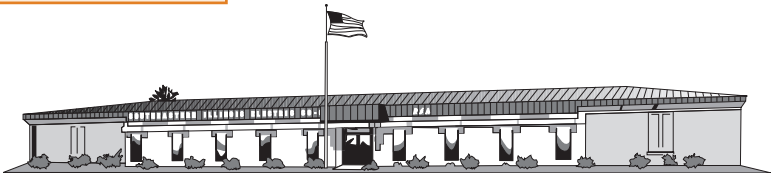
READERSHIP PRIZE WINNER: Lyndall Pyle, Creal Springs, IL



We're ready for storm season. Are you?

Summer is in full swing, and I welcome more opportunities to be outdoors and enjoy the warm weather. Summertime brings many of my favorite activities like cooking out with family and friends, afternoons on the water and simply slowing down a bit to enjoy life.

But summer months also make conditions right for dangerous storms. These potential weather events can cause destruction to our electrical system, but I want you to know that SouthEastern Illinois Electric Cooperative's crews are ready and standing by to respond should power outages occur in our area.

When major storms knock out power, our line crews take all necessary precautions before they get to work on any downed lines. I would encourage you to also practice safety and preparedness to protect your family during major storms and outages.

The Federal Emergency Management Agency recommends the items below as a starting point for storm and disaster preparedness, but visit www.ready.gov for additional resources.

- Stock your pantry with a three-day supply of non-perishable food, such as canned goods, energy bars, peanut butter, powdered milk, water and other essentials.
- Have sanitation and hygiene supplies including towelettes, soap and hand sanitizer.
- Ensure your First Aid kit is stocked with pain relievers, bandages and other medical essentials, and make sure your prescriptions are current.
- Set aside basic household items you will need, including flashlights, batteries, a manual can opener and portable, battery-powered radio or TV.
- Organize emergency supplies so they are easily accessible in one location.

In the event of a prolonged power outage, turn off major appliances, TVs, computers and other sensitive electronics. This will help avert damage from a power surge, and will also help prevent overloading the circuits during power restoration. That said, leave one light on so you will know when power is restored. If you plan to use a small generator, make sure it's rated to handle the amount of power you will need, and always review the manufacturer's instructions to operate it safely.

Listen to local news or a NOAA Weather Radio for storm and emergency information, and check SouthEastern Illinois Electric Cooperative's website for power restoration updates.

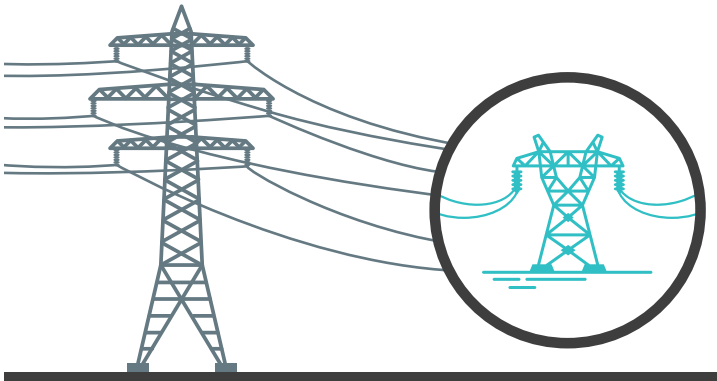
After the storm, avoid downed power lines and walking through flooded areas where power lines could be submerged. Allow ample room for utility crews to safely perform their jobs, including on your property.

Planning for severe storms or other emergencies can reduce stress and anxiety caused by the weather event and can lessen the impact of the storm's effects. Sign up for NOAA emergency alerts and warnings, and visit our outage map on our website to stay abreast of power restoration efforts and other important co-op news and information.

I hope we don't experience severe storms this summer, but we can never predict Mother Nature's plans. At SouthEastern Illinois Electric Cooperative, we recommend you act today because there is power in planning. From our co-op family to yours, we hope you have a safe and wonderful summer.

The Steps to Restoring Power

When a major outage occurs, our crews restore service to the greatest number of people in the shortest time possible – until everyone has power.



1. High-Voltage Transmission Lines
These lines carry large amounts of electricity. They rarely fail but must be repaired first.

2. Distribution Substations
Crews inspect substations, which can serve hundreds or thousands of people.

3. Main Distribution Lines
Main lines serve essential facilities like hospitals and larger communities.

4. Individual Homes and Businesses
After main line repairs are complete, we repair lines that serve individual homes and businesses.

"Electric generation" continued from page 18A

capacity rating during summer peak demand periods.

Therefore, more reliable fossil fuel generators are being retired and replaced with renewable generation that doesn't operate at the same levels. This faster pace of transition has led to a shortage in generation capacity that's available to meet the summer peak periods. Fortunately, your Cooperative's power supplier (SIPC) did not have to purchase any generation capacity in this auction due to having sufficient generation capacity that is either owned or under contract. Therefore, your cooperative will not be incurring any additional generation capacity costs due to the most recent auction and no change in rates due to this auction. Some utilities and organizations that had to purchase additional generation capacity in the auction are announcing significant rate increases beginning this summer.

Although SIPC has sufficient generation capacity for the peak summer demand period in our service area, we are still at an increased risk for a shortage in generation capacity this summer due to MISO directives. As mentioned above, MISO manages and operates the electric grid in 15 midwestern states. If the Midwest region experiences an above normal heat wave during the peak summer period or there are unforeseen generator and transmission outages that occur, MISO could be forced to call on all consumers to conserve as much energy as possible and implement other emergency operations to protect the electric grid. In the worst-case scenario, MISO could call for temporary, controlled outages to prevent an uncontrolled, cascading electric grid outage.

As the electric generation industry continues to evolve in the future, it is vital that the industry, other stakeholders and consumers recognize the significance and importance of having sufficient generation capacity available to meet the peak demands of consumers. If the industry continues to retire fossil fuel generation prematurely, the risk of controlled outages and shortages in generation capacity will continue along with drastically higher generation capacity costs.

We'll see you next month and as always, "We'll keep the lights on for you."

POWER OUTAGE

If your power goes off, we offer these suggestions

1. Check the fuses or circuit breakers in your service panels. If you have breakers, make sure they are in the "ON" position.

2. If you have a meter pole, check the main breaker panel just below the meter socket. If the breaker is in the "OFF" position, check all of your wiring from the meter pole to your various buildings. If the wiring appears to be okay, reset the breaker to the "ON" position.

3. If you still do not have power, check with neighbors to see if they have power.

4. To report a power failure or other emergency, please phone 1-877-399-8405. This phone number is monitored around the clock, 365 days per year to accept your outage and emergency calls.

5. Your phone call will be handled by SouthEastern's automated outage reporting system and will be identified automatically through ANI (Automatic Number Identification). An outage record will then be generated for your location. Please note that the phone number from which you place the call will be the number used to generate the record. If the system fails to recognize your phone number, members having touch-tone phones may simply enter their seven-digit phone number (without area code) in order to report the outage. Members not having touch-tone phones will be asked to leave a message. It is important you leave your name, phone number and location of the outage. Retrieving messages and entering them into the system is time consuming; therefore, please leave only a message that will help in restoration of electric service. Do not remain on the line for an operator because a live operator is not there to respond. In order to keep a current listing of all numbers, it is important that you notify the Cooperative of any changes in your telephone number.

6. Handling outage calls electronically allows you to report power failures very quickly. Once your outage has been reported, it will be dispatched to repair personnel who will restore your outage as soon as possible. Calling back repeatedly will not shorten the length of the outage, but may hinder the efforts of other members who are trying to report outages.

OUTAGE CALLS ONLY 1-877-399-8405

SouthEastern Illinois Electric Cooperative, Inc.

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618-273-2611 or 800-833-2611 • Office hours: 8 a.m. - 4 p.m. M-F

Find us on Facebook.com/SouthEasternIllinoisElectric