

POWERLINE

NEWSLETTER FOR CO-OP MEMBERS OF CORN BELT ENERGY



EDITION: AUGUST 2022

Rising costs drive increase in service availability charges to members

As a member of Corn Belt Energy, you make an investment in the cooperative each time you pay your electric bill.

Did you know that your electricity usage is just one part of the equation? In addition to the amount you pay per kWh based on your individual electricity usage, your payment includes a monthly charge to cover the expenses of maintaining our overall electric system and distributing electricity to your meter.

Even though the name of this fee may differ from utility to utility, distribution delivery charges, facility charges or service delivery charges are essential for all electric utilities

to provide rate equity among rate payers, in our case members. Corn Belt Energy's service territory includes over 39,000 meters. For each of these meters, we make a significant investment and must maintain this investment to ensure we can deliver safe and reliable electricity.

Expenses such as poles, wires, transformers, substations, meters, fleet vehicles, office facilities, and technology upgrades all require significant resources to maintain. In addition to our physical equipment, we also have a meter reading system, billing systems, and cyber security measures in place to serve our members. Each finite part plays a role in the overall fixed

costs in building the system, and all of these are

necessary expenses long before you ever plug in a device or flip a light switch and start using electricity.

Regardless of how much electricity a particular residence or business uses, the set costs of delivering power to that house is the same. As a not-for-profit electric cooperative, this assures operational costs including fuel for fleet vehicles and materials are spread fairly and equitably across all our members, regardless of the level of electricity used. That is why every member, including members who are seasonal or elect to not buy electricity during a specific period, pays the service availability charge each month to cover basic operational costs.

Corn Belt Energy is not immune to inflation and market changes.



Corn Belt Energy's service availability charge (formerly referred to as facility charge) is the monthly minimum needed to cover the cost of providing service and access to electricity prior to any energy being used by the end user.

The facility charge line item on the bill was renamed to service availability charge to provide a better description of what the charge entails.



Just as costs have been increasing for our members in their personal lives (fuel, groceries, etc.), the costs of purchasing materials and other expenses associated with delivery of reliable electricity has been increasing, which is the driving force behind the service availability charge increase.

The service availability charge increase goes into effect on August 1, 2022, and will be reflected on the bills for August electric usage, which Corn Belt Energy members

will receive in September. For example, the residential, single-phase (Rate 1) accounts will now have a service availability charge of \$30 per month.

As we move forward, we continue to look for ways to manage costs while maintaining safe and reliable electric service. Some examples of managing costs include: securing a long-term purchased power agreement which allows us to lock in many costs at lower rates for years to come; refinancing loans

for lower interest rates; utilizing load management programs to save on demand charges; and careful planning and fiscal responsibility by employees and the board of directors.

We appreciate and value the investment that you make in the cooperative each month, and we strive to use that investment wisely for the benefit of all members. If you have any questions, please contact us at 309-662-5330.

HOW DO CAPITAL CREDITS WORK?



Corn Belt Energy tracks how much electricity you have used and purchased throughout the year.



At the end of the calendar year, Corn Belt Energy evaluates the cooperative finances to determine if there is excess revenue.



Corn Belt Energy allocates the excess revenues as "capital credits" to members based on how much electricity you used and purchased.



If the financial conditions allow, Corn Belt Energy's Board of Directors will pay out the capital credits to members in the form of a check.

Corn Belt Energy periodically returns capital credits to our members as the financial condition of the cooperative dictates. We are excited to announce that \$7.5 million has been disbursed to members as retired capital credits. The capital credit checks were sent to members in July.

Please note that capital credits and electric rates are independent of each other. Capital credits are not tied to today's electric rates. As a not-for-profit electric cooperative, these credits exist due to allocated margins from previous years of electric service. This is an advantage of being a member-owned cooperative. The service availability charge increase is due to current day expenses and price increases the cooperative faces in maintaining its power grid during this time of increasing costs.

Extreme weather conditions, high demand and lack of power supply could impact the electric grid

Corn Belt Energy's goal is to always provide reliable service to our members. Even with the best intentions, we are not able to guarantee that our members will have zero power interruptions.

The power grid management authority in our region is alerting us that limitations on the power grid could potentially cause power interruptions for Corn Belt Energy members this summer. These power interruptions could occur due to a combination of extremely high demand, lack of adequate power supply and extreme weather conditions.

Should concerns prompt the power grid management authority in our region to issue warning alerts to us, Corn Belt Energy will be requesting that members conserve energy and limit energy usage. By curbing your electricity usage during requested peak demand times (2-7 pm), you can help us reduce the demand for electricity being produced on the electrical grid, and thus help us prevent possible power interruption events as well as to keep costs under control.

If conservation methods are not enough to bring balance to the electrical grid, we may be required to implement protective power outages. These temporary intentional power interruptions are a last resort and critical during energy emergencies to avert strain on the electric grid.

Should this ever occur, we will give as much notice as possible regarding alerts and emergent measures as we work to prevent our members from experiencing longer outage durations or total system blackouts. While we may not be able to control

the larger power supply issues, there are ways that our members can make an impact on their own. Corn Belt Energy offers energy efficiency programs, a Beat the Peak app to provide alerts and measures to reduce energy usage, as well as commercial curtailment programs. These load reduction programs may be called upon to limit usage during times of peak demand. We anticipate these load control programs to be called upon this summer. If you do not already participate in one of these programs, please contact us today to see how you can participate.

Energy conservation is a method all of us can implement every day to reduce stress on the electric grid and save money. When extreme weather leads to an increase in electricity demand, the best thing you can do to help is to lower your own electricity demand by lowering your usage.

Below are a few tips for energy conservation:

- Raise the temperature on your thermostat two to three degrees, especially between 2-7 p.m. Set it at a higher temperature when nobody is home.
- Reduce your water heater setting to 115 degrees.
- Use floor or ceiling fans to circulate cool air in occupied rooms. Set ceiling fans to produce a downdraft that creates a cooling sensation in the room.
- Turn off and unplug lights and electronics when not in use.
- Avoid using large appliances from 2-7 p.m. such as washer, dryer, dishwasher, pool/spa pumps, etc.

- Avoid charging electric vehicles or large battery systems from 2-7 p.m.
- Keep curtains and blinds closed especially west-facing windows.
- Turn off dehumidifiers and electric water heaters at the source or by using the circuit breaker.
- Reduce lighting for showroom displays and exterior signage wherever possible.
- Increase water temperature 5 degrees for chilled water supply or turn off water fountains that dispense chilled water.
- Shut down all non-essential electric pumps, motors, etc., when possible.

We advise members to continue to use energy wisely and to follow our website and social media for updates. For more information or questions, please call us at 309-662-5330.



This is also a great time to make sure that we have your most up-to-date contact information as we may need to contact you if we are asked to reduce energy usage or interrupt power to reduce demand on the electric grid. You can update your contact information on SmartHub, online at: <https://cornbeltenergy.com/billing/update-contact-info> or by calling us at 309-662-5330.



Energy efficiency rebates

Find energy efficiency rebates and incentives that may apply to your home, business, farm or school. Rebates include lighting, HVAC,

geothermal, heat pump water heaters, pool pumps, commercial and industrial. Learn more about the rebates available to Corn Belt

Energy members by visiting cornbeltenergy.com/rebates or by calling us at 309-662-5330.

Budget billing

Budget billing gives you a way to guard against large fluctuations in your monthly electric bill. The program is designed to keep your electric bills consistent every month of the year, as long as you remain on the plan. It's the ideal way to accurately anticipate your monthly electric bill, which makes budgeting your expenses even easier.

With budget billing, your monthly electric bill becomes a "rolling average" of your electric usage

for the most recent 12 months. By averaging your changes in usage over a 12-month period, your bill will remain fairly consistent every month, even in very cold or hot months when usage may be significantly higher. Our budget billing program is completely free for members with accounts in good standing and with at least 6 months of service history.

Members can deactivate the budget billing program at any time by

contacting our billing department. If a member on budget billing becomes delinquent or enters into a delayed payment agreement, they will be removed from the program.

For more information on budget billing or other billing related questions, please contact us at 309-662-5330.

CONTACT US

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