

The SOUTHEASTERN Light

SouthEastern Illinois Electric Cooperative

A Touchstone Energy® Cooperative 

President's Comments



Dustin Tripp
President/CEO

Special Meeting and 83rd Annual Meeting of Members Report

SouthEastern Illinois Electric Cooperative held its 83rd Annual Meeting on Tuesday, Aug. 2, 2022, with approximately 782 members registered and approximately 1,100 in total attendance. For those of you who were unable to attend your Cooperative's annual meeting, this article will summarize the report members received at the annual meeting.

The Cooperative sold approximately 771.8 million kwh in 2021 resulting in an increase of 3.6% from 2020. This slight increase in kilowatt hours sold was primarily due to an increase in large industrial load. Due to the economic conditions, growth in number of consumers was basically flat.

Your Cooperative ended the year 2021 in sound financial condition. As a not-for-profit organization, your Cooperative does not strive to produce profits for shareholders and investors but must maintain a sound financial position for the membership. In 2021, your Cooperative's Board of Trustees approved the retirement and return of \$2 million of capital credits, and the capital credit checks were mailed to members in December of 2021. Over the past 11 years, your Cooperative has retired and returned approximately \$19.7 million to Cooperative members.

Cooperative members learned that the Midwest is now at great risk of

being short on generation capacity to serve energy consumers. 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 led to coal plant retirements including shifting public and social policy, increasing environment regulations, the aging coal generation fleet and newly discovered shale gas reserves that led to an abundance of low-priced natural gas.

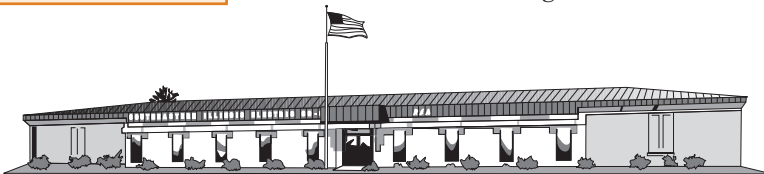
Your Cooperative is part owner of the Generation and Transmission Cooperative named Southern Illinois Power Cooperative (SIPC). SIPC is part of a regional transmission organization here in the Midwest called the Mid-Continent Independent System Operator, or MISO for short. MISO is an independent organization, regulated by the Federal Electric Reliability Council, that is responsible for the coordination and control of the transmission network in all or part of 15 states. Although SIPC and other utilities throughout these 15 states own the transmission network, MISO is responsible for the control of this transmission network that delivers energy from generation plants throughout the Midwest.

MISO conducts a generation capacity auction every year in which utilities can

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READERSHIP PRIZE WINNER:

Charles Smith,
Benton, IL



purchase additional generation capacity or utilities can sell any excess generation capacity into the market. Over the past 5 years, the price of capacity has ranged from \$1.50 up to \$10 with the price being at \$5 the past two years. 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 equates to a price increase of 4,633%. This drastic increase was due to insufficient generation capacity in the auction needed to meet overall regional load requirements. Fossil fuel generation plants (primarily coal) are retiring without sufficient generation capacity to replace them. This puts the Midwest at an increased risk of running short of needed generation capacity in the summer during peak demand.

Fortunately, your Cooperative 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. This is just one incredible value that comes with owning your own generation assets. Therefore, your Cooperative will not be incurring any additional generation capacity

costs due the most recent auction. Some utilities and organizations that had to purchase additional generation capacity in the auction are announcing significant rate increases beginning this summer.

Cooperative members also learned of the significant increase in cost of fuels to generate electricity. Natural gas surpassed coal as the leading fuel source for energy generation in the United States back in 2016. Over the past few years, the United States has been the world's second largest exporter of natural gas supplying other countries with LNG. With the increased demand for domestic natural gas used to generate electricity, the increased exports of natural gas, which has certainly been exacerbated by Russia's invasion of Ukraine, the domestic supply of natural gas is not keeping up with demand, and the price is increasing to 14-year highs. The use of coal is decreasing domestically, but the global demand for coal is still very strong. Countries like China, India and now Germany are either constructing new coal plants or returning to coal generation. This strong global demand is also increasing the price of coal. Therefore, the price of fuels to generate electricity are increasing, which is also increasing

the price of electricity.

Fortunately, SIPC had contracts in place for coal used to power the Lake of Egypt unit and is currently not paying these higher prices for coal. However, these contracts will expire mid next year, and we will be paying higher prices for coal in the future. SIPC's ownership share in the coal plant at Prairie State also includes all the coal required to operate that plant into the foreseeable future in a mine located adjacent to the generation plant. Therefore, this coal plant will not be subject to the increasing market price of coal in the future

In summary, it is extremely important to have reliable fossil fuel generation to meet the demand of energy consumers. During a MISO summer peak hour which occurred on June 21st between 4 p.m. and 5 p.m., coal and natural gas delivered 73% of the needed energy to serve consumers, while wind and solar only provided 14%. The MISO central region includes parts of Illinois, Missouri, Indiana and Kentucky. During this same peak hour, coal and natural gas delivered 77.3% of the needed energy capacity to the central region, while wind and solar combined only provided 9.8%. The

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Attention Local Teachers!

Apply for your 2022/2023 Touchstone Energy Classroom Empowerment Grants

Does your school or classroom need new materials? Can your students benefit from new programs and educational resources? We thought so.

SouthEastern Illinois Electric Cooperative is once again coordinating this grant program with Touchstone Energy for our local teachers and administrators. The grants will be provided for innovative, unfunded projects or materials. Qualifying projects are those that improve the learning environment or increase educational resources for the school.

A panel of judges will determine which projects will be awarded the grants. Grant applications are due by **November 4, 2022**. Grant awards will be announced on **January 13, 2023**. For a grant application and guidelines, please visit our website at seiec.com or contact Stefanie Tripp at 1-618-273-3806. It only takes a few minutes to apply.

Since 2006, SEIEC has distributed a total of \$63,800 Touchstone Energy Classroom Empowerment Grants throughout the Cooperative's service area.

Happy Labor Day!



To the generations of workers who through blood, sweat and tears, and the spirit of cooperation, have built the strongest nation in the world, we salute you!

Happy Labor Day from your Touchstone Energy Cooperative!



**South Eastern Illinois
Electric Cooperative**

Your Touchstone Energy® Cooperative 

The office will be closed on Monday, September 5 for Labor Day.

"Annual Meeting" continued from page 18B

vast majority, approximately 75%, of the MISO summer peak demand is supplied by fossil fuel generation plants, and it is crucial that these generation plants continue operations in order for energy consumers to have reliable energy capacity.

Lastly, the members were informed that your Cooperative's Board of Trustees approved a retail rate decrease for every Cooperative member that began in January 2021 of approximately 10%. Your Cooperative has continued that rate decrease and currently has no plans

to implement a retail rate increase. As we look to the future, SIPC will encounter some increases in the cost of fuels and other commodities to generate electricity, but SIPC is committed to do everything possible to limit the increases in the cost to generate your electricity.

Your Cooperative was formed 84 years ago to bring electricity to rural areas of southeastern Illinois. The founders of the electric cooperative program developed a unique business structure that by its very nature makes electric cooperatives

very accountable to the members it serves. Your Cooperative is governed by local people who live and work in your very own communities. Your Cooperative is also managed and operated by a group of local employees who also live and work in your very own communities. Your Cooperative is owned by the people it serves and will continue to be an electric cooperative that is truly operated "for the people and by the people."

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

Make time for safety this harvest season

Harvest season often means putting in long hours, which can make it difficult to stay alert and on the lookout for potential hazards. SouthEastern Illinois Electric Cooperative, Inc., and Safe Electricity provides safety tips to help farmers make this harvest season a safe one.

Be prepared for potential emergencies before the rush of harvest season begins. Be sure you can see well in work areas. Consider adding extra lighting around grain bins and augers.

Take time to look up and out for electrical lines. Always be aware of where they are in relation to your equipment. Keep a minimum of 10 feet away from all electrical equipment, and lower extensions before moving equipment. If you see a sagging or low power line, contact us. Also keep an eye out for guy wires. While these wires are not energized, if hit or damaged, they can bring down live lines.

In equipment with auto-guidance systems, less focus is needed on steering, which may lead some drivers to think they do not need to be as aware of navigation issues. Yet, even while using a GPS with auto-steering, farm workers need to keep safety in mind and stay focused on the surroundings. Recognize when you need to take breaks so you can be active and engaged in the farm work.

Additional electrical safety tips include:

- Use a spotter when operating large machinery near lines.
- Inspect the height of farm equipment to determine clearance.
- Look up and use care when moving any equipment such as extending augers or raising the bed of grain trucks around power lines.
- Always set extensions to the lowest setting when moving loads to prevent contact with overhead lines. Grain augers should always be positioned horizontally before being moved.
- Never attempt to move a power line out of the way or raise it for clearance.

If the machinery you are operating makes contact with a power line, stay on the equipment. Immediately call 9-1-1, warn others to stay away and wait for the utility crew to cut the power.

Only on the rare occasion that the machinery catches fire should you leave the vehicle after contact is made. If this is the case, jump off the equipment with your feet together and without touching the ground and machinery at the same time. Then, still keeping your feet together, hop to safety as you leave the area. Never touch anything in contact with a power line.

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

SouthEastern Illinois Electric Cooperative, Inc.

100 Cooperative Way • Carrier Mills, IL 62917-2275
618-273-2611 or 800-833-2611 • Office hours: 8 a.m. - 4 p.m. M-F

Find us on 

[Facebook.com/SouthEasternIllinoisElectric](https://www.facebook.com/SouthEasternIllinoisElectric)

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