



Rural HIGHLIGHTS

Local News from Rural Electric Convenience Cooperative

RURAL Highlights



President/CEO Middleton live on Nashville's RFD TV

While preparing to speak at the National Tech Advantage Conference about electric vehicles and their impact on the electric grid, RECC President/CEO Middleton agreed to a phone interview with Brownfield Ag News regarding the same subject. The Brownfield interview was later picked up nationally and caught the attention of RFD-TV in Nashville, where an invitation was extended to CEO Middleton for an expansion on his EV conversation. While in Nashville for NRECA's Power Exchange Conference, he was able to meet up with RFD-TV in the Music Square West complex. The complete interview can be found on RECC's social media pages and recc.coop. Direct links are also available on Brownfield Ag News and RFD's websites.

Here are some highlights from Middleton's speaking engagement, along with comments from his interviews with Brownfield News and RFD-TV. The question everyone asked was, "How will EVs impact the electric grid?" More specifically, "How will EVs impact rural America and individual cooperatives?"

Middleton states that RECC is investigating where there are shortfalls in hopes of preventing outages that are caused by the added stress from charging EVs. "If they were spread out and come in slowly, it's not as big of a challenge. The problem is when there is a concentration, and I think that's where many operators must evaluate parts of their system to see what can be done. Residential areas and subdivisions pose a challenge for

extensive rebuilds because it could require the installation of new underground cables or larger lines," he says.

Middleton goes on to say that his cooperative is embracing the technology. He notes that his cooperative purchased an electric car two years ago and that it is available for the public to test drive. The loaner program also allows RECC members to take the EV home for the night, free of charge.



Meet your cooperative's newest employees



Julie Waghorn — Member Services Liaison

Hayden Jacobs was hired as an Apprentice Lineman on Feb. 27, 2023. He has been an RECC intern twice and recently completed his second internship on Feb. 17, 2023. Hayden has had a variety of jobs, including an apprenticeship for AT&T Communications and Nelson Tree Service.

Hayden graduated from Glenwood High School and later completed the Electrical Line Distribution & Lineman Program at LLCC/AIEC. Hayden currently resides in Auburn.

Julie joined the RECC team on Dec. 29, 2022. She is from Indianapolis, Ind., and moved to central Illinois after earning her Bachelor of Science degree in cytotechnology. (*Since many have asked, cytotechnologists study human cells, use microscopes to detect anomalies, and determine the presence or identity of a disease.*) She worked at Memorial Medical Center for several years before becoming a stay-at-home mom.

Julie most recently worked at Auburn Middle School, where she enjoyed her time as a secretary. She lives in Auburn with her husband Patrick and two daughters, Lillian and Sophia.



Hayden Jacobs — Apprentice Lineman



Linemen use bucket trucks to temporarily suspend power lines above Interstate 55 while line crews change out a faulty pole.



District 8 Meet & Greet and Cooperative Communicator Committee

In March, RECC members from both groups met separately to discuss co-op-related issues. President/CEO Sean Middleton discussed various topics including system reliability, wholesale power costs, electric rates, EVs, solar, grant opportunities and RECC's commitment to the community. The communicators group meets regularly, but the District 8 meeting was exclusively for the members in the cooperative's southern territory who may not have an opportunity to visit the office in Auburn or attend the annual membership meeting in Springfield.

Rates set to change on June 1, 2023

RECC will soon enter the second phase of its wholesale power contract with NextEra Energy. As part of the long-term agreement, wholesale power costs are scheduled to increase moderately in the sixth year of the contract. On June 1, 2023, members will see changes in most RECC rate classes. Energy charges will increase across several rate schedules, but monthly facility charges will remain unchanged. The higher rates are necessary for the co-operative to meet its financial obligations and maintain long-term stability.

During the first five years of the NextEra contract, most of the savings from lower power costs were calculated into RECC's rate structure and passed along to its members. Between January 2018 and May 2023, members' costs were lowered through reduced rates, lower facility

charges, and power cost adjustment (PCA) credits. The Board believed that it was important to pass along these savings directly to the membership, even if the reductions were short-lived or temporary.

Wholesale power makes up about 60% of the cooperative's yearly expenses, but other factors can impact rates. These include transmission fees, tariffs, operating expenses, interest on debt, margins, and depreciation. In the last few years, inflation has disproportionately contributed to the cooperative's operating expenses. Then there is the unexpected, like natural disasters such as ice storms and tornadoes. Still, wholesale power prices will always be the driving factor in setting rates, but it's reassuring that the cooperative's largest and most unpredictable expense will be locked in until 2033.

Farm & Residential Rate-1

kWhs	Energy Charges
First 1,200	.139
Next 1,800	.124
Over 3,000	.094

Municipal & Subdivision Rate

kWhs	Energy Charges
First 3,000	.125
Over 3,000	.09

Dual Meter – Electric Heat Rate

Season	Energy Charges
Winter: Sept. 1-May 31	.08
Summer: June 1-Aug. 31	.107

Rate 1 – Stability continues after 2023 adjustments

While virtually all aspects of today's cost of living continue to rise, RECC has enjoyed one of the longest periods of rate stability in recent history. For our Rate 1 consumers, which is by far the majority of our membership, the cost

of purchasing electricity is still less than it was in 2012. On the chart below, you will see just how consistent this rate class has been.

Monthly Use	2009	2012	2014	2017	2020	2023
500 kWh	\$97.00	\$102.86	\$102.86	\$102.86	\$91.11	\$98.50
1,000 kWh	\$159.00	\$170.70	\$170.70	\$170.70	\$153.20	\$168.00
3,000 kWh	\$395.00	\$420.50	\$420.50	\$420.50	\$380.00	\$419.00

There are over 4,200 members on Rate 1, which is officially described as the Residential and Farm Service rate. The current Rate-1 schedule has not changed since 2009, but power cost adjustments or PCAs have been applied several times to increase or decrease the overall

price per kilowatt. The PCAs have ranged from +.085 to -.007. In 2019, the facility charge was reduced by \$6.00 per month. Overall, the rate has remained incredibly stable and consistent over the last decade.

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