

Wind Generation: Good Investment or Bad Investment?

It depends. For several years Eastern Illini Electric Cooperative and its generation and distribution cooperative, Prairie Power, Inc. had been very cautious about investing in wind generation for two reasons: 1) the main focus was on procuring affordable, reliable and environmentally friendly base-load generation. The kind of generation that “keeps the lights on”, when our members need it most; and 2) wind energy was too expensive and member rates would need to be increased to cover any wind generation investment.

Mission accomplished with base-load generation. By the end of 2011 Eastern Illini will be distributing electricity generated at the Prairie State Energy Campus near Lively Grove located in southern Illinois. This contract will provide the majority of our base load needs for the next 35 years. The coal-fired power plant utilizes the latest in generation and emissions control technology. It will burn 15 percent less coal per kilowatt of generation than existing coal-fired power plants. This means 15 percent less carbon dioxide emissions, too. The biggest concern Eastern Illini has is what changes in emission regulations EPA will mandate in the future.

When circumstances change, so do the energy markets, including renewable energy. So on Friday, June 24, 2011, Eastern Illini held a press conference announcing that our generation and transmission cooperative, Prairie Power, Inc along with two other G & Ts representing Eastern Illini and 20 other Illinois electric cooperatives have signed a purchase agreement with E.On Climate and Renewables for 40 Megawatts of wind energy for the next 18 years. The good news is that there will be no



change in member rates as a result of this contract.

Timing is everything when it comes to the energy markets. Several years ago Prairie Power and Eastern Illini purchased a 6-year power agreement when there was a surplus of generation and prices were low. When other cooperatives were raising their rates, Eastern Illini did not have to raise our members' rates.

Fast forward to today. The economy is weak and energy consumption is, too. We have more generation than we need. At the same time the federal government has made a major investment to increase renewable energy generation. Wind and solar farms are springing up all over the country at a time when demand for energy is

low. Renewable energy companies are competing for sales, which is good for the buyer. Wind turbine technology is also improving, helping drive down the cost of generation.

But the biggest contributor to the change in the energy markets is natural gas. The United States is full of natural gas deposits found in shale. Until new technology called “fracking” was developed this natural gas would have remained trapped within the shale. Due to this new technology we now have an abundance of natural gas. This abundance is helping to moderate the prices of different energy sources including renewable energy.

We live in a country that has been blessed with many sources of energy. We also have a country blessed with entrepreneurs not afraid to take risks and develop new technology. This combination helps make energy in America competitively priced compared to the rest of the world. But the demand for energy is increasing dramatically in the rest of the world. Energy in America will cost more in the future.

Eastern Illini is constantly searching for the best investments that will insure that our members will have an affordable, reliable and environmentally friendly energy supply. It is also important that you do everything you can to become energy wise and efficient to keep your bills down. This good news is brought to you by Eastern Illini, a Touchstone Energy cooperative and your connection to energy wise living.

