



Clinton County
Connection

Your Touchstone Energy® Cooperative 

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Cost-based rates



Bob Kroeger
President/COO

At the Dec. 22, 2025 meeting, the Clinton County Electric Cooperative (CCEC) Board of Trustees approved a transition from the cooperative's traditional 2-part rate structure that includes a fixed charge and energy charge to a new cost-based rate structure that includes a combination of fixed, energy and demand charges. This decision reflects

changes in how electric system costs are created today and supports CCEC's commitment to fairness, transparency and long-term affordability.

Spoiler alert: Next month's article will focus specifically on explaining the difference between energy (kilowatt-hours) and demand (kilowatts), and why that difference matters when it comes to rate design.

I want to be clear from the beginning: This is not a rate increase. The new cost-based rate structure is designed to generate the same total revenue as the current 2-part structure. What will change is how costs are shared among members. The board and management believe members should pay their fair share based on how they use the electric system.

When?

The cost-based rate structure will take effect in January 2027. Throughout 2026, CCEC will focus on member education and communication, providing detailed information about how the new rate structure works, what it may mean for individual bills, and how members can use it to better manage energy costs.

The decision to wait until 2027 was intentional. It gives members time to understand the change, ask questions, and prepare before the new rates are implemented.

Why?

During CCEC's most recent rate study, an important reality became clear: Under our current 2-part rate structure, some members are paying more than the costs they place on the electric system, while others are paying less. This imbalance is not intentional. It is the result of an outdated rate design that no longer aligns with how electric costs are created today.

Today, the majority of CCEC's wholesale power costs are driven not by how many kilowatt-hours (kWh) are used over the course of a month, but by how much electricity is needed at the same time during peak periods. These peaks typically occur early in the morning, late in the afternoon or during times of extreme heat or cold, when the electric system must be ready to serve all members simultaneously.

A 2-part rate structure primarily charges members based on total monthly energy usage and does not fully reflect the costs created during those peak moments. As a result, members whose usage contributes heavily to peak demand may unintentionally pay less than the cost they place on the system, while members whose usage patterns help control peaks may end up paying more than their share.

As the electric industry continues to change, this cost shift becomes more significant. Generation retirements, rising cost of new infrastructure and increasing reliability pressures all drive up the cost of being ready to meet peak demand. When rates do not reflect these realities, the gap between who creates costs and who pays for them continues to grow.

The most effective way to correct this problem is by moving to a cost-based rate structure that mirrors how CCEC is billed for power by our wholesale provider, SIPC. CCEC pays SIPC not only for the total energy we use, but also for the demand we place on the system during peak periods.

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Under a cost-based rate structure, revenue is collected based on the cost each member places on CCEC's electric system. That includes not only how much electricity is used, but also how and when it is used, particularly during periods of high demand. Because costs are more closely aligned with individual usage patterns, some members will see their bills increase, while others will see them decrease.

These changes do not represent a rate increase or additional revenue for CCEC. Instead, they reflect a fairer way of allocating existing costs across the membership, ensuring each member contributes appropriately to the cost of providing safe and reliable electric service.

In short, transitioning to a cost-based rate structure helps close the gap between costs created and costs paid. It is about collecting the same revenue in a more fair and transparent way.

Aligning retail rates with wholesale rates

The power CCEC purchases from SIPC represents the cooperative's single largest expense. Approximately 65% of every dollar collected from members goes directly toward wholesale power costs, making SIPC's rate structure a major factor in member rates and the cooperative's financial health.

Today, roughly half of CCEC's purchased power costs are driven by energy use, while the other half are driven by demand. SIPC's most recent wholesale rate structure change, which began in January 2025, reflects this reality by placing greater emphasis on demand. This change also gives CCEC the ability to identify how much each member contributes to the CCEC and SIPC peak demands.

The goal of CCEC's new cost-based rate structure is to better align what members pay at the retail level with how CCEC is billed at the wholesale level. When retail rates reflect the true drivers of wholesale costs, it improves transparency and helps ensure that no group of members is unintentionally subsidizing another.

Why this change is possible now

Now you might be wondering: If CCEC knew this issue existed, why didn't this change happen sooner? The short answer is simple. Until recently, CCEC did not have the tools needed to fairly implement a cost-based rate structure. That has now changed.

The combination of SIPC's updated wholesale rate structure and the detailed usage information provided by CCEC's automated metering infrastructure (AMI) gives the cooperative the data necessary to make this transition. AMI allows CCEC to identify each member's contribution to peak demand on a monthly basis, making it possible to more accurately assign costs based on the demands each member places on the electric system.

What's next?

In the months ahead, I will continue sharing additional details about the cost-based rate structure, including how members can take advantage of this change to better manage demand and control energy costs. In many cases, small changes in how and when electricity is used can make a significant difference.

CCEC is committed to open and transparent communication throughout this transition. Members will receive information through:

- Articles like this one
- Periodic mailings
- Multiple area meetings
- Our website
- Email updates

If you are not currently receiving email updates and would like to, please contact our office and we will be happy to add you to our distribution list.

This transition reflects CCEC's continued commitment to fair and reasonable rates, transparency, and doing what is best for the membership. In the meantime, please do not hesitate to contact the office at 800-526-7282 with any questions.



COMING
SOON

Clinton County Electric Cooperative is excited to announce we will be hosting area meetings. Each member in attendance can enjoy refreshments and will receive a \$20 bill credit. To hear details about your cooperative, rates, reliability and the electric grid, please mark your calendars to join us at one of the following meetings:

- Monday, March 16 at 7 p.m. – Albers American Legion
- Tuesday, March 17 at 1:30 p.m. – Breese Knights of Columbus
- Tuesday, March 17 at 7 p.m. – Carlyle Knights of Columbus Hall

Congratulations to our 2025/2026 Touchstone Energy Empowerment Grant recipients!

We are proud to recognize these outstanding educators for being awarded the Touchstone Energy Empowerment \$500 grants for the 2025/2026 school year. These grants help support innovative ideas, classroom needs and opportunities that enhance student learning.

Congratulations to:



Rose Wilken
Germantown Elementary



Ashley Fuehne
Damiansville Elementary



Kimberly Spanhook
Trenton Elementary



Brianna Kuhn & Tammy Kreke
New Baden Elementary



Lacey Schrand
Breese District 12



Jessica Pilgreen & Brad Burcham
Wesclin High School

Thank you for your dedication to your students and for making a positive impact in our communities. We are honored to support the important work you do every day!

ENERGY EFFICIENCY TIP OF THE MONTH

As spring arrives, take advantage of milder temperatures to save energy at home. Open windows on pleasant days to bring in fresh air instead of running your HVAC system. It's also a great time to replace dirty air filters, which helps your system run more efficiently and improves indoor air quality. As daylight increases, turn off unnecessary lights and rely on natural sunlight when possible. Small seasonal adjustments like these can reduce energy use, lower monthly bills and help keep your home comfortable as winter transitions into spring.



TIPS TO AVOID ENERGY SCAMS

Scammers and cyber criminals look for weak points to exploit before software companies can fix them. Update software programs on your computer, tablet and mobile phone as soon as possible when a newer version becomes available. Software updates often contain critical patches and protections against security threats. Turn on automatic updates to automatically update your security software, internet browser, operating system and mobile apps.

Source: consumer.ftc.org



March Years of Service

 **Clinton County
Electric Cooperative, Inc.**
Your Touchstone Energy® Cooperative 



Kyle Wiegmann
10 Years

Thank you for your dedication!

Scholarships

For many years, Clinton County Electric Cooperative, Inc. (CCEC) has awarded scholarships to students whose parent(s) or legal guardian(s) are members of the cooperative and whose primary residence is served by CCEC. We are proud to continue this tradition by sponsoring twenty-two (22) \$1,000 scholarships, totaling \$22,000, this spring to benefit students within our service territory.

Two \$1,000 scholarships will be awarded to students at each of the following 11 area high schools: Carlyle High School, Central High School, Christ Our Rock Lutheran High School, Mater Dei Catholic High School, Mascoutah High School, Wesclin High School, Patoka High School, Sandoval High School, Centralia High School, Highland High School and Lebanon High School.

In addition, four \$1,000 scholarships will be awarded to students attending Kaskaskia College.

Scholarships are awarded based on an application process submitted to CCEC. For an application and additional details, please contact our office.

