



# NEWSLETTER

Chippewa Valley Electric Cooperative



JANUARY

Happy New Year

2023



## THERE'S STILL TIME!

### Consider Representing Your Cooperative as a Director Districts 3 and 5 - Director Vacancy

**Paperwork Deadline: February 8, 2023**

There is still time if you're interested in serving your cooperative on the CVEC board of directors. Your primary residence must be in Districts 3 or 5 to pursue being a candidate in the upcoming director election at Chippewa Valley Electric Cooperative's 86th annual meeting of its members to be held March 25, 2023. The deadline for submitting your completed application is **February 8, 2023**.

The following board members are currently serving and have the option to campaign again for these positions:

#### DISTRICT 3: Frank Draxler

##### 3 Year Term

District 3 territory: The north half of the Towns of Sand Creek, Dunn County; the north half of the Town of Auburn and the entire Village of New Auburn; the Town of Sampson; the portion of the Town of Birch Creek located west of County Highway E, Chippewa County; the Town of Dovre, Barron County; and those members of Chippewa Valley Electric Cooperative whose service extensions lie within said towns or portions of towns.

#### DISTRICT 5: Deone Goettl

##### 3 Year Term \*\*\* NOT SEEKING RE-ELECTION \*\*\*

District 5 territory: The entire Towns of Arthur, Delmar, and Edson and the portion of the Town of Colburn located west of County Highway D; the portion of the Town of Goetz located east of State Highway 27, Chippewa County; and those members of Chippewa Valley Electric Cooperative whose service extensions lie within said towns or portions of towns.

For applications, or more details about board elections, contact Nicole at [nwsime@cve.coop](mailto:nwsime@cve.coop) or call 715.239.6800. **The deadline for completed director candidate paperwork is February 8, 2023.**

## Youth Leadership Congress Essay Contest Winner:

Congratulations to Cicely Kiecker for winning one of three Wisconsin Electric Cooperative Association (WECA) scholarships. In July 2022, Cicely was sponsored by Chippewa Valley Electric Cooperative (CVEC) to attend the Youth Leadership Congress (YLC) at UW-Stout. As a participant in YLC, Cicely was eligible to compete in the WECA Essay Contest. Sixteen students competed for one of the three scholarships and we are proud to acknowledge Cicely as the third place winner.

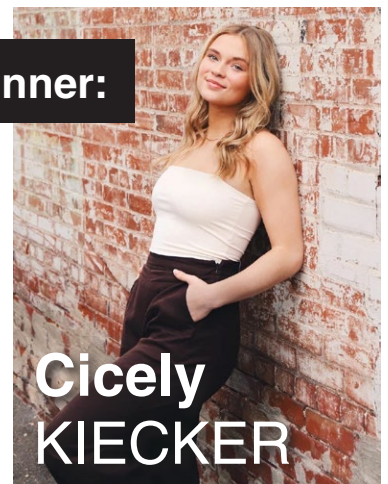
Cicely wrote: "...when I saw that my cooperative, Chippewa Valley Electric Co-op, paired with Heartland Cooperative to install the first EV charging station in our little corner of rural America, I had renewed hope for the future of our area. To know that my cooperative has their members' best interests in mind and considers their voice, makes me confident in the future of not only the area CVEC serves, but also the cooperative business model in general."

According to Tina Walden, head of WECA youth programs, "All of this year's entries were exceptional and worthy of honorable mention. The applicants clearly put a lot of thought and effort into their submissions. The 2022 winners stood out above the rest for their understanding of the role of democracy in their

local electric cooperatives, for recognizing the co-op's role in the community, and weaving that into their essays with creativity and clarity."

Cicely is currently a senior at Bloomer High School with plans to pursue a business degree after graduation.

YLC is an annual three-day event sponsored by WECA and Wisconsin electric cooperatives that is open to high school students living in electric co-op service areas. The event helps students develop leadership skills while learning about the purpose, operation, and scope of cooperative business. It is a by-teens, for-teens cooperative leadership conference that is planned and developed by a youth board elected at the previous year's event.



Cicely KIECKER

# How DEMAND and CAPACITY Affect What You Pay for Electricity



CVEC's residential rates are based on a number of different components. It is important to note that CVEC's cost of electricity, the wholesale rate, fluctuates throughout the day, every day. Our Members don't see the fluctuation in their bill, but it is one of the key components that is considered in designing rates.

The graph to the right shows a typical cost of electricity throughout the day. The peaks are caused by several factors, ranging from transmission capacity to the cost of energy. Transmission is affected by the number of people using electricity in a given area at the same time. The cost of energy varies based on which sources of generation are available at any given time.

Capacity (and the associated costs) are determined by both the actual energy consumed (the kilowatt hours) and the amount of energy that needs to be available to serve our Members based on peak load kW demand.

Having capacity readily available to meet the peak demand on the grid at all times costs money; the components of the electric grid need to be engineered to properly handle the load. The components consist of poles, wire, transformers, and other devices. To remain reliable in serving our Members with the energy needs, CVEC must be prepared to meet the highest cumulative peak demand, and we do this through infrastructure investments that enable us to meet this need. At a local level these costs are captured in the (fixed) facility charge.

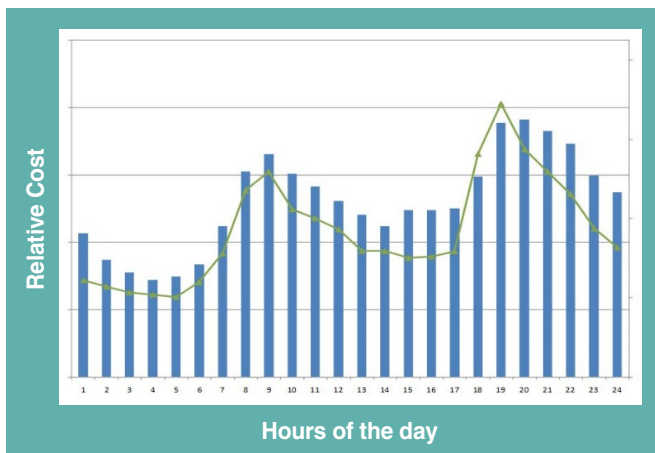
## Small Rate Adjustment in January 2023

Even though the current rate of inflation is approaching 8%, the CVEC Board of Directors was able to hold a rate increase slated for January 2023 to 2%. The board of directors and management had projected a 2–3% rate increase would need to go into effect in January 2023. At the November board meeting, they decided they could hold the increase at 2%.

The Demand component is a reflection of how much energy is required at a given time, measured in kilowatts. Currently, demand is not billed on residential accounts, however, it is a key component of commercial accounts.

Because both demand and capacity are factored into our residential rate, it's important that we reduce our usage when the cost of electricity is at a premium, in the example below reducing usage between 5PM and 11PM will have a large impact on the cost of electricity for this day.

Shaving these peaks is what our Dual Fuel and Water Heater programs are designed for.



When energy prices fluctuate outside of projected norms the increase (or in some cases decreases) are passed on to CVEC Members in the form of a Power Cost Adjustment (PCA). Wholesale energy costs continue to increase due to a myriad of factors. Even though the current rate of inflation is approaching 8% the CVEC Board of Directors was able to hold a rate increase slated for January 2023 to 2%.

CVEC's wholesale energy provider is Dairyland Power Cooperative (DPC), of which CVEC is a member. DPC is part of the Midcontinent Independent System Operator (MISO). As a part of MISO, all power generated by DPC is sold to MISO, and all power purchased is purchased from MISO. Over the past 12 years we have saved millions of dollars by being a Member of MISO. More recently, DPC's sales into the MISO market have helped DPC's revenue which in turn has allowed DPC to maintain attractive margins, resulting in no PCA for CVEC Members. More information on MISO will appear in upcoming articles.

All of CVEC's Load Management programs are designed to reduce usage during periods of peak demand, and provide an incentive for Members to do so. For example, the Dual Fuel Program is designed to use electricity as your primary source of heat, using many different electric heat sources from plenum heaters, electric thermal storage, and boilers to geothermal. During periods of peak demand the electric heat is curtailed, and you rely on a back fossil fuel system such as LP or Fuel Oil (hence the name "Dual Fuel"). In return for curtailing loads electricity used for Dual Fuel programs is sold at a discounted rate, approximately 60% of the residential rate. Curtailment is generally done in 4-5 hour increments. Over the past 4 years we averaged only 20 hours of control time throughout the entire heating season. Please contact Member Services for more information about our Dual Fuel program.