



UPWARD PRESSURE ON ENERGY PRICES

By Jesse Singerhouse, General Manager

During the nearly three years I've been serving as the general manager/CEO of Dunn Energy Cooperative (DEC) we've seen dramatic changes in the global economy and, in particular, the energy industry. The pandemic delivered an unexpected shock to every person and business around the world—a shock that we are still dealing with today, especially in the energy business. (5098004)

DEC was not immune to the issues brought on by the pandemic. In 2020 some of the business members we serve temporarily shut down, which reduced sales. More recently we have seen tremendous challenges with our supply chain. For example, transformers that used to take just a couple of weeks to get here now take over a year in some cases, and prices have gone up over 15%. Many other supplies we use to deliver your electricity have increased in price as well.

Because of our strong financial strength and the efficiency of our staff we have been able to manage the increases in prices during 2022 and keep the cooperative financially healthy, with only a couple of temporary adjustments. Recently, members saw a power cost adjustment (PCA) of 2.5 cents per kilowatt hour consumed in September. This PCA was a direct result of a dramatic increase in the cost of generating electricity this summer. We use the PCA as a tool to charge and credit temporary price changes in energy costs. If you recall, in 2020 and 2021 we used the PCA on several occasions to give our members credits because the price of electricity was

lower than expected. Unfortunately, the price increases in materials and energy generation look like they are here to stay. Because of this, in early 2023 the cooperative will need to adjust base energy rates for the first time since 2019.

For most members there are only two components of their energy bill. The first is the fixed monthly charge and the second is the energy charge. The fixed charge covers the expenses incurred regardless of how much energy you consume. Inflationary increases on products like transformers, wire, fuel, labor, and other materials are impacting our fixed expenses.

The energy charge is the second main component of your electric bill. It reflects the cost of generating and transmitting the amount of electricity you use each month at your account. Increases in the cost of generating electricity will have an impact on the energy charges you will see. A tighter supply of the fuels used to generate electricity combined with a higher demand for that electricity on the open energy market has led to higher energy prices. A good amount of renewable energy has been added to the generation mix which helps, but as we have written about before those resources are intermittent. That means they are not available every hour of the day. As more renewables are added to the generation mix and baseload plants that run off coal, nuclear, or natural gas are taken offline,

it creates a higher demand in the energy market for baseload power during those times when renewable energy is limited.

As a cooperative we adjust rates as needed to maintain the financial health of the organization. We are still working out the details of the price change, but we wanted to be upfront with our members as you plan out your budgets for 2023. Initial projections call for a 4–8% increase in energy prices. We

Glossary of Terms

Intermittent Resources: Renewable energy resources, like wind and solar, that are not available 24 hours per day.

Baseload Generation: Energy that is generated by resources that can be called on nearly instantaneously, like coal or natural gas.

recently performed an in-depth cost-of-service study and presented that information to our board of directors. This study looks at the cost to provide electric service to each type of member, including the cost of generating electricity, delivering it to your meter, maintaining our electric system, and running the cooperative. The study gives us a snapshot in time of what the fixed monthly charge and the energy charges should be. The board will consider all that data combined with our projected power supply costs in 2023 and our local costs to determine any rate changes needed. Look for more information on rates in upcoming issues of the *Wisconsin Energy Cooperative News*.

Hidden Account Numbers

If you find your account number hidden in the pages of this magazine and you call and tell us before the next issue is mailed, we'll put a **\$50 credit** on your electric bill. Happy hunting!

Last month's winners were Dan and Fallon Westlund and John Sikora and Laurie Schemenauer.



COOPERATIVE HOSTS EV EMERGENCY RESPONSE TRAINING FOR LOCAL FIRST RESPONDERS

The novelty of electric vehicles (EV) has possibly worn off for many, but that doesn't mean the vehicles themselves are going anywhere. Each year the number of EVs hitting the road increases, and by some estimates, will eventually surpass the number of internal combustion engine (ICE) vehicles out there today.

With the installation of more public EV chargers and EV drivers in our communities, Dunn Energy Cooperative (DEC) thought it was imperative that our local first responders are trained for the inevitable EV crash or fire. With EVs, the response for fire suppression and extrication is different than for your average gas or diesel vehicle. For example, with the Tesla, foam is not suggested for fire suppression. Did you know that there's a "cut loop" in electric vehicles to safely shut down the high-voltage electrical system in EVs? Or that you can't tow a vehicle that has independent electric motors for each wheel when the electrical system has been disabled?

It was these things and more that nearly 140 local first responders from 19 local departments learned over two nights at Dunn Energy Cooperative. Partnering with EV Safe, a not-for-profit company based out of Mequon, the cooperative brought together instructors and seven electric vehicles for a hands-on training.

"As the wife of a retired firefighter, the training and

education of our local first responders has always been very important to me," said Jolene Fisher, DEC's director of member & employee engagement. "So, finding a good company that provides valuable hands-on training that I could bring to our 19 local fire, EMS, and law enforcement departments was important to not just me, but the cooperative

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—Jolene Fisher, DEC's director of member & employee engagement

as a whole. As a cooperative, one of our founding principles is Concern for Community, and there's no better way to show that than helping the departments that help those in need."

On October 12 and 13, members from our local departments got to explore three different models of Tesla brought by EV Safe, a Ford F-150 Lightning and Mustang Mach E from Eau Claire Ford, and a new Rivian on loan from Chippewa Valley Electric Cooperative, as well as DEC's Chevy Bolt. They found the cut loops, figured out how to immobilize vehicles that you can't hear running, and learned about fire suppression for EVs.

Many of those in attendance were thankful to the cooperative for putting on the training and said it was very beneficial in helping them understand how the vehicles work and the unique dangers of responding to an accident or fire.



The co-op principle Concern for Community was in action at Dunn Energy Cooperative October 12 & 13, when personnel from 19 different emergency response entities in Dunn County gathered to learn how to safely respond to accidents involving electric vehicles. Cooperation Among Cooperatives was another co-op principle in play, as neighboring Chippewa Valley Electric Cooperative loaned its own EV for the event so participants could get hands-on experience with a variety of different EVs.



Working for You

DO YOU HAVE WHAT IT TAKES TO BE A DIRECTOR?

In the world of not-for-profit organizations, cooperatives included, the board of directors sets the direction of the business. They're the ones who make decisions on rate schedules, annual budgets, special contracts, and more. All of these decisions are made with the guidance of the cooperative leadership team, but ultimately the decision is made by nine members who live and work in our communities. (8930002)

The directors have a huge responsibility to the members the cooperative serves. In order to make informed decisions in board meetings, the directors are expected to complete the Credentialed Cooperative Director certification within their first three-year term. The course consists of five full-day classes. On top of this, directors have the opportunity to attend many other educational opportunities throughout the year, ranging from energy issues summits and regional trade meetings to our national lobby days.

"Being member-owned and member-driven is a distinct advantage for Dunn Energy Cooperative. We work for, and are governed by, the people who use our power, so our focus is always on serving our members," said Dunn Energy General Manager Jesse Singerhouse. "We encourage all members to look for ways you can be

more involved in your cooperative. This could include running for the board of directors or participating on a member committee."

Do you have the time and interest in serving on your cooperative board of directors? Would you like to help set the direction of the cooperative in coming years? If so, please watch your mailbox for information on the next

HOW TO JOIN THE BOARD OF DIRECTORS

1 Review the Cooperative's Bylaws



Is there an open seat in your district?

2

3 Get on the ballot



Promote your campaign

4

5 Members vote at the annual meeting



director elections in the coming months. The district notification letter will be sent to members whose district is up for election. Once that letter goes out, getting on the ballot is simple. Just notify your Nominations Committee member of your interest to run. Their information will be listed in the district notification letter. They will provide you with a director job description and an application to fill out. You'll be directed to return the application to either your committee member or the cooperative office. Your committee member will bring your name to the first Nomination Committee meeting. The committee then votes on who to add to the ballots for the annual meeting.

Each year at the annual meeting, three of the nine directors are elected to serve a three-year term on the board of directors. The 2023 annual meeting will be held on Thursday, May 18, 2023. If running for director is something that interests you, please consider this your formal invitation to make a difference.

Board of Directors Duties & Responsibilities

Who is on the board?

The board of directors is made up of nine cooperative members: one from each of the nine cooperative districts.

What does a director do?

A director represents all members of Dunn Energy Cooperative and is responsible for approving general policies, annual budgets, special contracts, capital credit retirements, bylaw amendment changes, rate schedules, and delegating authority to the general manager to execute and carry out the daily activities of the cooperative.

When does the board meet?

The board of directors meets the last Monday of each month with meetings beginning at 9 a.m. and regularly lasting until noon. Directors also attend occasional regional and national meetings, as well as educational seminars.

Is there any compensation?

Directors are paid a per diem for each meeting attended as well as IRS-approved mileage.

What is the time commitment?

From monthly board meetings, DEC's annual meeting, trainings, member events, to workshops and travel the typical time commitment for board members is approximately 24–30 days/evenings per year.

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