

A Touchstone Energy® Cooperative

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#### FROM THE MANAGER

## **Preparing to Serve You Better**

As the energy industry continues to transition and more segments of the economy are becoming electrified, such as vehicles, machinery and even lawn equipment, additional pressures are being placed on our nation's electric grid.

With summer storm season upon us, I thought it would be a good time to tell you about a few measures we're taking to ensure you continue receiving the reliable power you depend on and deserve.

While trees provide shade and add beauty to our area, you may be surprised to learn that overgrown vegetation accounts for about half of all the power outages across the United States.

That's why we strive to keep the co-op's power lines clear in right-of-way (ROW) areas. A ROW area is the land a co-op uses to construct, maintain, replace or repair underground and overhead power lines. This ROW enables Western to provide clearance from trees and other obstructions that could hinder distribution power lines. The overall goal of our vegetation management strategy is to provide reliable power to our members while maintaining the beauty of our area.

#### **Vegetation Management**

Generally speaking, healthy trees don't fall on power lines, and clear lines don't cause problems. Proactive trimming and pruning keep lines clear to improve power reliability. Vegetation management is costly and time consuming, but necessary. It entails on-the-ground, laborintensive efforts, assessing vegetation proximity

to power lines, and overseeing the quality and completion of contractor work. Consistently hiring qualified contractors who specialize in vegetation management is important to reduce our cost of line repairs and improve efficiency.



Tom Ruth

#### **Planned Outages** Improve Reliability

Although it may seem counterintuitive, we also maintain power reliability through planned, controlled outages. By carefully cutting power to one part of our local area for a few hours, Western Cooperative can perform system repairs and upgrades in a safe manner, which ultimately improves electric service. For planned power outages we typically notify you in advance of a planned outage, via phone, so make sure we have your correct contact information on file with an updated phone number.

Vegetation management is an essential tool in ensuring power reliability and minimizing the risk of outages. It is important to public safety to keep trees clear of power lines. As advancements in equipment and capabilities evolve, we anticipate using additional technologies to ensure a consistent energy supply while managing the environment.

Lastly, I encourage you to follow Western Cooperative on social media so you can learn about the latest co-op updates and sign up for SmartHub to receive notification of when your power is out and when it has been restored.

# **2023 Summer Grid Reliability**

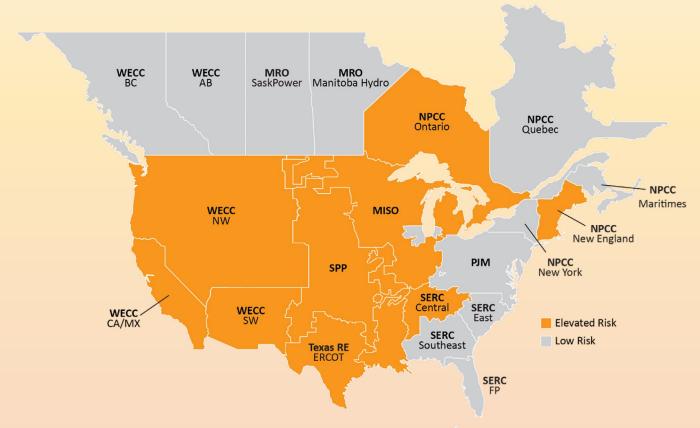
### Adequate resources on normal peaking days, concern on above-normal days

The weekend's coming. That could mean picnics, pool time or lake time, which also means constantly monitoring the weather forecast to verify your plans will hold up.

The electric industry knows your drill, albeit on a much bigger scale. Those who are tasked with providing reliable electricity across the nation don't just plan for tomorrow or the weekend; they must plan farther ahead. Prior to summer and winter both seasons of high energy demand — studies are conducted to identify and mitigate threats to reliability. The studies consider not only long-term weather forecasts, but also historical and predicted energy use, generation and transmission outages, and variability of renewable energy resources.

#### Roles of FERC, NERC and SPP

As a wholesale generation and transmission provider, Sunflower Electric Power Corporation, Western Cooperative Electric's power provider, coordinates with three important entities to assess the electric grid's regional and national seasonal readiness: the Federal Energy Regulatory Commission (FERC), North American Electric Reliability Corporation (NERC), and the Southwest Power Pool (SPP).



Seasonal Risk Assessment Summary	
High	Potential for insufficient operating reserves in normal peak conditions
Elevated	Potential for insufficient operating reserves in above-normal conditions
Low	Sufficient operating reserves expected

FERC, an independent agency of the United States government, oversees the power industry and gives NERC, an international regulatory authority, responsibility for developing and enforcing standards to ensure the reliability and security of the bulk power system. SPP, which coordinates electric reliability for a 15-state region in the central U.S., is a regional transmission organization (RTO) to which Sunflower belongs. FERC mandates that SPP ensures the reliable supply of power, adequate transmission infrastructure, and competitive wholesale electricity prices.

#### 2023 Summer Assessments

Each year, NERC's Summer Reliability Assessment (SRA) identifies, assesses and reports on areas of concern regarding the reliability of the entire North American (across the U.S. and Canada) Bulk Power System (BPS) for the upcoming season. The assessment provides an evaluation of generation resource and transmission system adequacy, as well as energy sufficiency to meet projected summer peak demands and operating reserves. NERC also performs an annual winter reliability assessment.

NERC's 2023 SRA shows all areas are predicted to have adequate energy resources during normal peak-load conditions from June through September. However, the SRA also indicated the SPP region has an elevated risk for insufficient operating reserves in above-normal peak conditions. The output of wind generation in SPP's territory will be a key factor in determining whether there is sufficient electricity supply during extreme weather conditions.

While the FERC 2023 Summer Energy Market and Electric Reliability Assessment predicts higher-than-average temperatures nationwide will increase electricity demand for the summer, the report also shows a slight decrease in risks to reliability in normal peak-load weather conditions compared to last summer. Other bright spots during the last 12 months are the increased supply and higher inventories of natural gas, as well as a 71.3% decrease in the cost of natural gas.

As the RTO for the central U.S. from the Canadian border to the southern edge of Texas, SPP is responsible for realtime monitoring of power flow and voltage across more than 70,000 miles of high-voltage transmission lines. SPP's

Summer Seasonal Assessment focuses on predicting summer energy reliability in its footprint, including the territory served by Sunflower and its member-owners (including Western Cooperative Electric). SPP's 2023 report shows a 99.5% probability of having sufficient resources to serve the region during peak hours throughout the summer.

If extreme weather, unexpected outages, or other circumstances do affect the region, SPP and its members (like Sunflower) have systems, tools and procedures ready to mitigate risks and maintain electric reliability. Under different scenarios, SPP may call on its members' generating units to run earlier or more often than usual, delay planned outages, import energy from neighboring systems, or tap into available reserves depending on the severity and duration of a reliability event.

#### **Grid Reliability Becomes More Challenging**

The good news is all three entities (FERC, NERC and SPP) predict adequate generation and transmission to ensure electric reliability during normal peak weather patterns this summer. The concerning news is NERC's report indicates two thirds of the U.S., including the SPP region, has an elevated risk for insufficient operating reserves in abovenormal peak conditions.

The concern regarding grid reliability, both for the near term and future, received heightened awareness after extreme weather conditions like Storm Uri and Storm Elliott exposed the grid's vulnerabilities. Closing power plants that operate using fuels such as coal and natural gas and replacing them with renewable (weather-dependent) resources; inadequacies in natural gas pipelines; changing policy and regulations; and complications to construct transmission are affecting the reliability of the electric grid. These issues are complex and usually require years, if not decades, to resolve.

"The nation's electric grid is a complex machine in and of itself," said Todd Hillman, Sunflower president and CEO. "Adding unpredictable weather events, emerging policies and regulations, and more weather-dependent generation resources make supplying reliable and affordable energy more challenging. The good news is our entire Sunflower team will continue to proactively prepare the system for current seasonal operations, as well as the shifting landscape in our industry."

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## Western Cooperative Sends Local Students to Tour Nation's Capital

**AUSTIN CARROLL**, Ellis High School, and **JAIDEN PFANNENSTIEL**, Hays High School, were among 27 Kansas student delegates to attend the 2023 Electric Cooperative Youth Tour in Washington, D.C., held June 15-22.

Carroll and Pfannenstiel represented Western Co-op at this exclusive opportunity to experience the country's history and government firsthand. While exploring Washington, D.C., students learned more about America's electric cooperatives and developed valuable leadership skills. Carroll and Pfannenstiel were chosen to join 1,531 students from 44 states after applying at www.westerncoop.com. Students were then scored based on a short essay, test and interviews.

The 2023 Youth Tour began in Topeka with a get-acquainted dinner for the students, followed by a night tour of the Kansas State Capitol led by State Treasurer Steven Johnson and Kansas Representative Kyle Hoffman, both alumni of the Kansas electric cooperative youth programs. Before departing for Washington, D.C., students visited with linemen at FreeState Electric Cooperative where they learned about the co-op's commitment to safety, linemen safety gear, and had the opportunity to ride in a bucket truck.

The seven-day trip to D.C. included a tour of the U.S. Capitol, the White House, the Smithsonian museums, the Holocaust Memorial Museum, Arlington National Cemetery and Mount Vernon. The students helped raise the garrison flag at Fort McHenry, and they sang "Take Me Out to the Ballgame" alongside Screech the mascot of the Washington Nationals during the seventh inning stretch of a Major League Ballgame. Students experienced an elevator ride to the top of the Washington Monument, a dinner cruise on the Potomac, and a driving simulation at the Law Enforcement Museum. They also enjoyed a performance of "The Enigmatist" at the John F. Kennedy Center for the Performing Arts, a visit to the National Aquarium, and an interactive language experience at the Planet Word Museum.

Kansas delegates joined youth from other states to attend a day of inspirational programming at the National Rural Electric Cooperative Association's (NRECA) National Youth Day on June 17. Paralympic Gold Medalist Mike Schlappi addressed the students and motivated them for success as future leaders. Other speakers included Mat Kilgore, a lineman from Iowa Lakes Electric Co-op, who shared



Austin Carroll (right) and Jaiden Pfannenstiel pose in front of the U.S. Capitol during the Electric Cooperative Youth Tour in Washington, D.C.

stories from his time in Guatemala with NRECA International, and Rukaya Alrubaye, the NRECA Youth Leadership Council spokesperson, sponsored by Ozarks Electric in Arkansas, who encouraged the students to dream big.

The Kansas student delegates witnessed government in action by engaging with United States Senators Jerry Moran and Roger Marshall. The Kansas legislators answered questions from the students ranging in topics from the farm bill, crop insurance, labor shortages, the impact of a flat tax, and how students can succeed in future internships.

For Pfannenstiel attending the youth tour as a representative of her cooperative was an inspirational experience, saying, "Besides meeting new friends, the thing that impacted me the most was seeing how much history went into creating our country, as well as how many people played significant roles in it. Without our history, we wouldn't be where we are as a society."

If you know a 2023-2024 high school junior who would like to apply, Western will accept applications for the 2024 trip at www.westerncoop.com/youth-tour later this year.

## **Check Your Mail — Capital Credit Allocation Notices Coming Soon**

Western returns excess revenue to our members through the capital credit allocation and retirement process. The Western Cooperative Electric Board of Trustees determines when to refund capital credits based on board policies and the cooperative's financial condition.

The amount shown on the allocation notice represents your share of the margins for the prior year. In addition to Western's capital credits, members earn generation and transmission (G&T) capital credits through Western's wholesale power purchase from Sunflower Electric Power Corporation. Like Western's process, Sunflower's board allocates and retires capital credits yearly based on their policies and financial state.

The allocation notice is not a bill and does not require member action. For more information on capital credits, visit www.westerncoop.com/capital-credits.

