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**WESTERN
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**WESTERN COOPERATIVE ELECTRIC
NEWS**

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Electric, Inc.**

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Tip of the Month

Don't let vampires suck the life out of your energy efficiency efforts! Unplugging unused electronics – otherwise known as “energy vampires” – can save you as much as 10 percent on your electric bill.

EPA's Clean Power Plan Creates Challenges for the Electric Industry

On Aug. 3, 2015, Gina McCarthy, the administrator of the Environmental Protection Agency (EPA), signed the Clean Power Plan, a 1,560-page document that provides guidance to the states to reduce greenhouse gas (GHG) emission standards for two types of existing electricity generating units: steam electric and natural gas combined-cycle units larger than 25 megawatts (MW).

Under the provision of the Clean Power Plan, by 2030 affected generating facilities must reduce nationwide GHG emissions levels by 32 percent compared to 2005. To achieve this reduction, EPA established for each state interim and final targets based on each state's current emission levels and mix of generation resources. The final rule requires Kansas to make a 44 percent reduction in GHG emissions, almost twice the 23 percent reduction in the proposed rule.

Kansas has until September 2016 to submit an initial compliance plan detailing how Kansas electric utilities will respond in order for the state to meet the required 44 percent reduction. A final compliance plan must be submitted by September 2018. While it's still too early to determine exactly how the Kansas Department of Health and Environment (KDHE) will incorporate all of the potential tools available into a plan, it is clear that the plan will require significant shifts in operational strategies to meet the required 2030 targets.

Western Cooperative Electric mem-

bers will certainly be affected by the rule. All electric utilities—including Sunflower Electric Power Corporation and Mid-Kansas Electric Company, Western's wholesale energy providers—must consider how the changes brought about by the Clean Power Plan might alter generation and transmission operational strategies that will impact both cost and reliability into the future. These strategies may include retrofitting generation units; relying less on more affordable and reliable fossil fuels; incorporating large amounts of more renewable resources; and building transmission infrastructure to accommodate the increased requirements for renewable energy. Unfortunately, the costs associated with these operational changes will be shouldered by electric ratepayers.

“The road ahead for electricity production and delivery will certainly be more challenging as a result of the EPA rulemaking,” said Darrin Lynch, Western's General Manager. “As always, our promise to you is to make business decisions that take into account all options to ensure the delivery of reliable energy at the lowest possible cost to your homes and businesses.”

Although the Clean Power Plan will bring changes to the electric industry and, consequently, to Western Cooperative Electric member-owners, rest assured that Western's staff, along with staff representing Sunflower and Mid-Kansas, will do everything possible to mitigate the impacts of the rule.

Why Western Cooperative Electric not Electric Cooperative?

Twenty-six of the 28 Kansas electric distribution cooperatives have the words “electric cooperative” as part of their name. Western also has the words “electric” and “cooperative” in its name, but in reverse order. Since May 10, 1945, the name on the original corporation papers reads: The Western Cooperative Electric Association, Inc.

The founders of this organization deemed it necessary to place the word “cooperative” in front of “electric” given that, your

Western Cooperative Electric, was built on the strong foundational principles that distinguish a cooperative from other forms of business ownership.

During October, as we observe National Cooperative Month, we hope to acquire a new appreciation for the dedication and tenacity our founders exhibited 70 years ago as we place special emphasis on the word “cooperative” in Western Cooperative Electric Assn., Inc.

Western Celebrates National Co-op Month

October is National Co-op Month and as Western Cooperative Electric and thousands of co-ops across the nation celebrate this special event to acknowledge the importance of electric co-ops.

To perform their mission, electric co-ops:

- ▶ Own assets worth \$150 billion (distribution and G&T co-ops combined)
- ▶ Own and maintain 2.5 million miles, or 42%, of the nation’s electric distribution lines, covering three quarters of the nation’s landmass. Western owns and maintains 3,942 miles of electrical lines.
- ▶ Deliver 11% of the total kilowatt-hours sold in the U.S. each year.
- ▶ Generate nearly 5% of the total electricity produced in the U.S. each year.
- ▶ Employ 70,000 people in the U.S. Western Cooperative Electric employs 56 people.
- ▶ Retire more than 600 million in capital credits annually. Western Cooperative Electric has refunded 16.5 million in patronage capital.

Co-op Facts at a Glance

838 distribution and 65 G&T co-ops, serve an estimated 42 million people in 47 states.

19 million businesses, homes, schools, churches, farms, irrigation systems, and other establishments in 2,500 of 3,141 counties in the U.S. Western serves 12,000 meters in 13 counties of west-central Kansas.

- ▶ Pay more than \$1.4 billion in state and local taxes. Western paid \$1,042,879 property taxes in 13 counties in 2014.

Compared with other electric utilities:

- ▶ Co-ops serve an average of 7.4 consumers per mile of line and collect annual revenue of approximately \$15,000 per mile of line. Western Cooperative Electric serves an average of 3.10 consumers per mile of line and collects an annual revenue of \$9,643.93 per mile of line.
- ▶ Investor-owned utilities average 34 customers per mile of line and collect \$75,500 per mile of line.
- ▶ Publicly-owned utilities, or municipalities, average 48 consumers and collect \$113,000 per mile of line.

Commitment to community:

Western’s commitment to the communities in which we live and serve is two-fold: through the co-op’s support of the community and the employees’ participation in those communities in which they live and serve. Examples of Western’s community involvement include:

- ▶ Assisting in purchasing new fire trucks and hospital renovations.
- ▶ Offering to qualified applicants a revolving loan fund to stimulate private investments and complement



Cooperative employees, like Dennis Deines, Western’s Director of Member Services, volunteer each year to judge the electrical 4-H project entries at the state fair.

local lenders for the creation of jobs.

- ▶ Supporting area high schools with student activities and promoting electric car programs.
- ▶ Awarding educational trips to Colorado and Washington D.C., in addition to cash scholarships to area high school juniors.
- ▶ Providing electric safety demonstrations throughout the communities we serve.

Western’s employees volunteer throughout the community in a variety of ways. Coaches, volunteer firefighters, and church and school volunteers are just a few examples of our involvement in the communities in which we live and work. Western can make a difference not only through its commitment to community but also through its commitment to YOU, our member.