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A Touchstone Energy® Cooperative 

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800-456-6720

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WESTERN COOPERATIVE ELECTRIC

NEWS

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FROM THE MANAGER

'Tis the Season

As the year winds down, this is a good time for reflection. I am grateful for my own family as well as my co-op family. Undoubtedly, 2021 was filled with challenges and difficulties, but there were many instances of joy, compassion, and progress that deserve to be celebrated by our cooperative.

Western's staff has done an amazing job over the past year. Despite the challenges we faced in an ever-evolving industry compounded by a global pandemic, our staff has continued to provide safe, reliable and affordable energy to our members.

Concern for Community is the seventh principle, and it is one that all employees of Western Co-op value year-round. But during the holiday season, concern for the community seems especially important.

Electric cooperatives have a proud history of giving back. So far this year, Western has given \$8,000 to local community projects through our Sharing Success community grant program. Each of these projects has demonstrated a community need and benefits those we serve.

In 2021, Western's members have also demonstrated incredible generosity. Through the Operation Round-Up program, consumers can round up their energy bills to the next dollar amount. One hundred percent of the extra charges go toward electricity bill payment assistance through Western Cares. Witnessing members helping members proves the cooperative spirit is alive and well 76 years after a group of community members came together to bring power to rural Kansas.

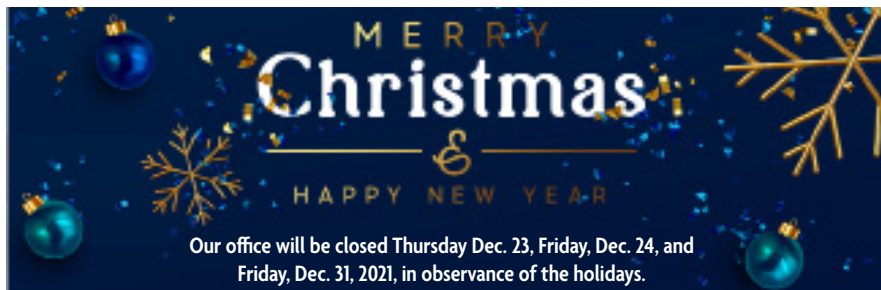
Starting back in January, Western undertook a major software conversion project to upgrade our

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Tom Ruth

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Now Accepting Applications for Youth Leadership Scholarships

High School Juniors eligible for a \$1,000 scholarship and youth leadership training opportunities!

2022 Youth Leadership Scholarships are available for high school juniors whose parents or guardians are members of Western Cooperative Electric.

- ▶ The top four students will receive \$1,000 scholarships, with the fifth-place student receiving the \$250 Darrell Brown memorial scholarship.
- ▶ Contestants must complete the application by **JAN. 31, 2022**.
- ▶ Upon receipt of the application, contestants will be mailed an entry packet.
- ▶ Finalists are scored and selected based on a short essay, open-book quiz, and a remote interview.
- ▶ Interviews will be conducted in mid-February.
- ▶ We will provide more information regarding the leadership training opportunities in early December.



Scan the QR code or visit westerncoop.com/youth-tour to apply online.

Application for Youth Leadership Scholarship – Due Jan. 31, 2022

To apply for a chance to receive a Western Cooperative Youth Leadership Scholarship, please complete the form below and return it to Western Cooperative Electric Association Inc., 635 S. 13th St., P.O. Box 278, WaKeeney, KS 67672, **BY JAN. 31, 2022**.

Name of Applicant _____

Phone Number _____ Email _____

Address _____

City _____ State _____ Zip _____

School _____ Year in School _____ Date of Birth _____

Name of Parent(s) or Guardian(s) _____

Parent(s) or Guardian(s) Phone Number(s) _____

Western Cooperative Electric Account Number _____

I agree that all information supplied in this application is accurate and true.

Signature of Applicant _____

Learning from Winter 2021, Preparing for Winter 2022

Sunflower makes hedging purchases to protect against energy market blowouts

It was Winston Churchill who said, “The farther back we can look, the farther forward we are likely to see.” In February 2021, the central part of the U.S. — from the northern border down into Texas — experienced frigid temperatures for an unusual amount of time. Among other challenges, a lack of natural gas supply during this period of high demand resulted in extremely high prices for natural gas during the event. Because natural gas is used to generate electricity, market prices for electric energy also rose to historic highs.

Winter storm Uri was a historic event, but now that it has occurred, we would be foolish to think it could never happen again.

In fact, there are indicators that we could be heading toward higher energy prices in 2022. After the extremely high prices last February, natural gas prices recovered to \$2.60/MMBtu in March 2021, but they have doubled since then. Current natural gas price projections for January and February 2022 are approximately \$6/MMBtu. The increase in natural gas prices has led to a corresponding increase in market energy prices. In May, projected market electric prices for January and February 2022 (7x24 average) were \$29.50/MWh. Current projections for the same time period are \$55.50/MWh. If these prices play out, the Energy Cost Adjustment (ECA) paid by electric consumers will increase even without a weather event.

Sunflower’s existing generation resources — dispatchable capacity from the Holcomb unit, plus fixed-price Power Purchase Agreements — will continue to insulate its members when energy prices rise. In late September, the Sunflower board approved additional hedging strategies. A fixed price 150 MW energy block was purchased to cover the portion of member load above Holcomb’s

dispatchable capability. Additionally, a financial natural gas swap was purchased to lock in the price of natural gas for the quantity of natural gas expected to be consumed by Sunflower’s gas-fired units.





Factoring in the increase in projected market energy prices, the mitigating impact of Sunflower’s current hedge policy, and the additional mitigation of the fixed energy block and the financial gas hedge, Sunflower is projecting the January and February ECA to be approximately \$0.006/kWh higher than previously projected. Monthly ECAs during the remaining months of 2022 are also projected to be higher than previously projected due to the expected long-term duration of the increased natural gas prices.

When utilities develop strategies to hedge against the market price of energy, the concept is similar to purchasing an insurance policy. The more you’re willing to spend on an insurance premium, the more protection you will get. The additional hedging products Sunflower purchased for January and February 2022 will reduce the risk of high market energy price spikes (insurance protection), but it will also add cost if market energy prices don’t spike (insurance premium).

“Nobody can predict what will happen next winter, but Sunflower has taken additional reasonable steps to protect against market energy price blowouts like we experienced last February,” said Stuart Lowry, president and CEO of Sunflower.

MERRY AND BRIGHT

Don't add stress to your holiday season. Knowing how to properly use and hang lights could prevent injury or fire. Consider LED lights when replacing old strands. LEDs use 80-90% less energy than incandescent bulbs.

 <p>Make sure your home's electrical system can handle the load.</p>	 <p>Do not use cords or plugs that are frayed or cracked.</p>
 <p>Unplug light strands before changing a bulb or string fuse.</p>	 <p>Only use lights certified by a reputable testing lab (UL).</p>

'Tis the Season

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financial and billing systems. By implementing new technology, Western has gained efficiencies that will save money and make it easier for our members to do business with us.

SmartHub gives our members more information than ever before regarding electric usage, account information, and notification preferences. In December, we will be implementing a new Outage Management System (OMS). This integrated system will help our linemen restore power outages and allow us to automatically communicate to members when their power is out and when it has been restored.

At the heart of all of these programs is you — the members we proudly serve. Looking back, I'm grateful for so many wonderful community partners and for the positive impact we can continue to make.

This holiday season, I wish you and your loved ones peace, joy and prosperity. Speaking on behalf of our team at Western Co-op, I know the future will be bright because of you.

ENERGY EFFICIENCY

Tip of the Month

Heading out of town for the holiday season? Remember to unplug electronics that draw a phantom energy load. Some gadgets like TVs, phone chargers, gaming consoles and toothbrush chargers use energy when plugged into an outlet — even when they're not in use.



Ways to Give: Operation Round-Up

If you are looking for a way to help others this holiday season, consider signing up for Western's Operation Round-Up. One hundred percent of the funds collected go toward Western Cares and helping Western members to pay their electric bills.*

Signing up for Operation Round-Up is incredibly simple. Just visit westerncoop.com/operation-round, and fill out the webform. Operation Round-Up allows members the opportunity to round their electric bill up to the nearest dollar, add in a monetary donation to their monthly electric bill, or make a one-time donation to the program.

"To have the ability to assist our members who may be facing hardships has been incredibly helpful," said Vivian Russ, program coordinator. "It seems like once someone misses that first payment, they get into a hole that may be difficult to get out of."

In 2021, Western grew both the Western Cares funds and the assistance provided. Currently, more than 500 members are participating in Operation Round-Up. So far this year, Western Cares has helped 48 families and provided \$8,488.15 in assistance.

All Western Cares applications are reviewed weekly and sent to the three-person panel consisting of a Western employee, board member,



Member service representative and Western Cares program coordinator Vivian Russ.

and independent community member. If approved, the applicant can receive up to \$200 in assistance. To ensure funds are distributed fairly, anyone who receives Western Cares assistance is not eligible again for 12 months.

"Western has always focused on taking care of our members and having a concern for the communities we serve," said Nolan Numrich, manager of member services. "During the flood in Natoma last summer, several of our members were facing devastation, and Western Cares was able to provide relief to several people as they were still trying to pick up the pieces."

With Christmas just around the corner and "Giving Tuesday" on Dec. 2, we aim to grow the number of participants in Operation Round-Up from 500 to 600 by the end of the year. If a member opts into the traditional bill roundup program, the maximum amount given in a year will be less than \$12. Even small donations can make a big difference in the lives of those requesting assistance.

***Western Cares funds are not intended for organizations; individuals only. Applications for assistance will only be accepted from members. Funds are available on a first-come, first-served basis. WCE employees and board members are ineligible for this assistance. If the awarded amount DOES NOT fully cover the WCE bill, the balance of the bill will remain outstanding.**