THE WIRE

CURRENT NEWS FROM THE ELKHORN RURAL PUBLIC POWER DISTRICT

January 2020 | *Serving the Elkhorn River Valley since 1940* | *Volume 29, Number 1*

Capler and Schrage Retire

It is hard to say goodbye to two long-term employees, especially when they have 78 years of experience between them. Kenneth Capler and Dan Schrage's last day at Elkhorn Public Power District is January 3.

Both had distinguished careers here at Elkhorn Rural Public Power District and will be missed!

Kenneth Capler started in May of 1979 as an apprentice lineman. He was in the utility line program at Northeast Community College, **continued on page 2**

Pictured to the left - Kenneth Capler, Robert "Butch" Gray, Jr., NREA board president, and Dan Schrage. Kenn and Dan were recognized at the Nebraska Rural Electric Assoc. annual meeting in December for their years of service.

Powering Forward

From the General Manager

What will our energy resources look like in the future? Elkhorn Rural Public Power District's power resources will look a little different by the end of 2020 as we have signed a Power Purchase Agreement for 6.5 Megawatts (MW) of solar.

Much like the decisions that you make for your family or business, there was considerable thought, research and discussion that went into this decision. In fact, so much so, that in order to share our solar decision, we will be providing you a series of articles over the next couple of months to tell the whole story.

The solar decision making process started with a desire to find ways to bring back value to you, our customer. In the last few years, there has been significant discussion on renewables. Wind and solar have been the two renewables that have taken center stage.

In fact in our area, we have seen a fair amount of wind development, and yes, I get that some people love them, some hate them and many folks are somewhere in between. Solar is currently not as prevalent in our area, but is prevalent in the electrical industry. After reviewing advantages and disadvantages of each of these resources, it was determined that solar was the best option for **continued on page 4**

> ***The solar decision making process started with a desire to find ways to bring back value to you, our customer.***
>
> ***~ Tom Rudloff, GM***

Rates for 2020

For the seventh consecutive year, there will be no overall increase in rates. Electricity continues to be a good value to our customers.

The board continues to monitor and adjust rates as needed through rate study and design to make sure the true cost of providing electricity is collected. For the third year, there will be a fifty cent increase in the kW demand charge bringing the total to $1.50.

In addition, facility charges were adjusted per the cost of service study.

The Energy (kWh) rate will be decreased so that the overall changes will be revenue neutral for Elkhorn. Individual customers may see a slight increase or decrease in their bills, but many will see no change. In fact, fluctuations **continued on page 3**

Retire, Continued from Front Page

but decided to take the job rather than finish the program.

Kenn had several different job titles and duties during his tenure at Elkhorn. He was a journeyman lineman, digger operator, meter tech, staking/meter assistant and most recently Staking Engineering Tech.

He really enjoyed working for a small utility because each day is different and you have the opportunity to do different things - because everyone pitches in to get the work done.

Early on, he really enjoyed outage calls because he got to figure out what was causing the outage - it was like doing a puzzle. It also put him in contact with customers, which he also liked and likes with his position today.

Kenn says of his time at Elkhorn, "It was a good run. I'm glad I made it to the finish line."

He and his wife Jolene will be moving to Osceloa for retirement. He is looking forward to spending time with family, traveling and volunteering. The best part is not having to worry about the weather and doing it all on his own schedule.

Dan Schrage started at Elkhorn in May of 1981. He looks back at his time at Elkhorn as 38 years of having an outdoor office and working above the ground.

He did his coop and started at Battle Creek, before transferring to the Neligh outpost in the fall of 1982.

He appreciated the relationships and laughter he shared with coworkers over the years.

Some standouts for his career include the ice storms of 2005, 2006 and 2007. Pictured to the right is a scene from the ice storm of 2006.

He remembers the dread that came with the storms - the damage and amount of work to do, but also, the feeling of pride and accomplishment in helping to restore power after some of the worst ice storms in the district's history. He stated, "I never want to do that again!"

Neligh crew February 1985. Left to right: Chester Smith, Dan Peck, Bill Petsche, Dan Schrage, Dean Kimes, Kenn Capler and Steve Petersen.

Another standout was just this year. He was chosen as a representative to attend the Lineman Appreciation breakfast with the Governor and was recognized for his service.

For retirement he and his wife Deanne will be moving to the Yankton area. He is going to be working in some capacity - in a climate controlled job. But he will also be relaxing - looking for new hunting ground, traveling and visiting family.

As with all changes, it is bitter sweet. We will miss Kenn and Dan, but wish them the very best on this leg of their life journey.

Top: Kenn Capler explains step potential during a safety demonstration. Bottom: Dan Schrage demonstrates pole work. Left: 2006 ice storm.

New Jobs; Familiar Faces

With the recent retirements there has been some shifting of positions within Elkhorn and new hires coming onto the line crews. As noted in past editions of the *Wire,* Chris Bentley and Grady Bellingtier were hired as apprentice linemen for the Neligh outpost. We continue with succession planning as staff retire.

Other positions that were filled due to the retirements were the Staking Engineering Tech and Staking/Meter Assistant.

Patrick Hintz started as Staking Engineering Tech on December 16, 2019. He takes over for Kenn Capler who retired this month.

Patrick has been with Elkhorn for 15 years. He started as an apprentice lineman, then was a journeyman lineman for nine years. Two years ago he accepted the staking/meter assistant position.

Patrick brings technical expertise and a great work ethic. He has really enjoyed working with customers in the staking capacity over the last two years and is looking forward to continuing to provide great customer service.

Andy Starman, has been with Elkhorn for 10 years. He started as an apprentice and then as a journeyman lineman for 6 years at the Neligh outpost. He is now the Staking/Meter Assistant.

Andy has great lineman skills, work ethic and integrity. He is looking forward to learning staking, metering and working with customers.

Rates, Con't From Front Page

in the weather will probably have a greater impact on your bill.

You can read about the rate design change in the March 2018 *Wire* - it is available on our website, www.erppd.com. There will be another cost of service study in 2020 to make sure they are still in line with cost to provide electricity to you.

Our wholesale provider is also doing well in the market - a big reason that we have no general rate increase is because they have been able to maintain wholesale power rates, which is approximately 70% of our costs.

Our supplier will be returning a Production Credit Adjustment (PCA) of .003 cents/kWh. The Board of Directors have decided to use the PCA money on projects that will increase reliability and enhance our service to you.

This provides rate stabilization to you in that we will not have to increase rates or borrow money to complete these projects, which keeps your rates consistent year to year.

We will continue to work hard day in and day out to fulfill our mission to provide Safe, Reliable, and Cost-effective electricity for All customers and to work with you to find innovative and efficient ways to deliver the power that you depend upon.

Winter Driving Safety

It's a good thing to keep a winter survival kit in your vehicle. Having essential supplies can provide some comfort and safety for you and your passengers should you become stranded.

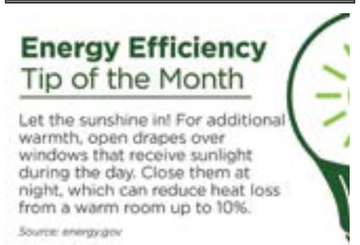
Recommended items:

- Ice scraper/snowbrush
- Shovel
- Sand or other traction aid
- Tow rope or chain
- Booster cables
- Road flares or warning lights
- Gas line antifreeze
- Flashlight and batteries
- First aid kit
- Fire extinguisher
- Small tool kit
- Extra clothing and footwear
- Blanket
- Non-perishable energy foods – e.g., chocolate or granola bars, juice, instant coffee, tea, soup, bottled water
- Candle and a small tin can
- Matches

In blizzard conditions, especially overnight, make sure one person stays awake as help could take some time to arrive.

Maintain circulation by moving your feet, hands and arms.

Knowing road conditions goes a long way in preparing and being safe for winter travel. In Nebraska you can call 511, go online to www.511.nebraska.gov or download the app.



Powering, Continued From Front Page

us at this time.

Hopefully, at this point we have piqued your interest and you are excited to hear our solar story.

You might be asking how does a Power Purchase Agreement Work, and how much power is 6.5 MW of solar?

Let's start with the Power Purchase Agreement or, since we love acronyms in our industry, PPA. The short descriptor for a PPA is an agreement to purchase a certain amount of power, over a certain period of time, at a certain price. We will be purchasing the output of the solar panels, but not owning the actual panels. Much like how we purchase power from our current power supplier, Nebraska Public Power District (NPPD), who own a variety of generating assets.

A **PPA** is an agreement to purchase a certain amount of power over a certain period of time at a certian price.

As part of our power purchase contract with NPPD, we are allowed to purchase renewables that equal up to 10% of system peak demand from other sources as long as it is constructed and supplied on our own system.

Since we were able to negotiate favorable pricing, this power purchase is financially beneficial. The term of the contract is for 20 years, the pricing is fixed, and below our current purchase price of power.

How much power is 6.5 MW of solar power? This is where things get a little harder to explain. Often times in renewable articles describing new wind or solar projects the author will state that it is enough power to supply "x" amount of homes. For Nebraska, the solar industry estimates that to be approximately 150 homes, based on the production of kWh on a yearly basis.

But saying that it supplies 150 homes is a bit misleading as renewable energy does not deliver power all the time.

The wind does not blow all the time, although sometimes it does feel like it, except on that hot July day when you can't catch a breeze to save your soul, but you still need electricity!

In turn, the sun does not shine all the time. In fact even during a sunshiny day a cloud can impact the sun's ability to reach the solar panel. Even the position of the solar panel relative to the sun plays a role on how much energy is being produced.

So, if you don't have some storage device (batteries for example) or are hooked up to the grid that has other generators, you are going to be without electrical power.

If you are as dependent on electricity as I am, that is not at all a good proposition. Does that make renewables bad? Not necessarily. It just means that they have limitations, but they certainly have a role to play in our future energy mix.

So consider this chapter one of our solar decision story. We will continue with the next chapter in next month's *Wire*.