



THE WIRE



CURRENT NEWS FROM THE ELKHORN RURAL PUBLIC POWER DISTRICT

March 2017

Serving the Elkhorn River Valley since 1940

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IRRIGATION MEETINGS

Elkhorn Rural Public Power District held irrigation meetings, February 9th in Battle Creek and February 10th in Clearwater.

The meetings were held to provide information to you our customer/owners, on your public power district and irrigation program.

The irrigation program helps you to keep costs lower by shifting the large seasonal irrigation load to times when it is most cost effective. In Nebraska approximately 600 megawatts, or the equivalent of 6 million 100 watt light bulbs of load, is under load management during irrigation season.

The main reason for the meetings was to get input on the irrigation program. The current program is trending toward higher peaks later in the day. For the last four years, 2013 -2016, the majority of peaks have been reached late in the evening. This is primarily happening when the 6 and 4 hour controls are released. These late high peaks lead to higher costs and are not maximizing the load management benefits for our customers.

At the meeting, a couple of good questions were asked about other factors that might affect the peaks. First, have there been more control hours? No, control hours vary from year to year, mainly due to the weather. Some examples include: 2002 ERPPD controlled 283 hours; in 2003 it was 266 hours; then in 2004 it was 78 hours; in 2012 we controlled 332 hours; in 2014 it was 96 hours and last year it was 156 hours. Another question was, are the higher late evening peaks due to increase number of electric irrigation services? The answer again is no. What affects the late evening peaks is more users choosing the 6 hour rate class.

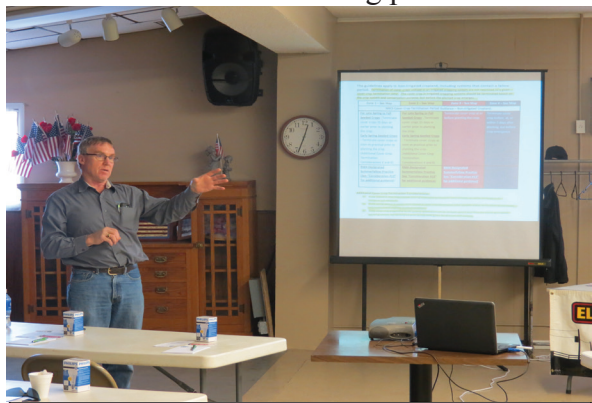


Tom Rudloff, general manager, asks for input from irrigators at the meeting in Battle Creek.

As we look for solutions, here are the options that were presented: rate adjustment (cost causation); continue to monitor; promote 8 hour group; switch 6 hour and 4 hour to different time; split 6 hour group; replace 6 hour group with every other day 12 hour group; limit 6 hour group; or have a flex time on 6 hour and 4 hour group (6 hour block within 12 hours). Please let us know if you have feedback on any of these options.

Information on other topics included converting or building new irrigation service; power factor corrective capacitors; the different communication methods ERPPD uses during irrigation season and water conservation tips.

If you have questions about any irrigation issues, please contact the office at 800-675-2185, and we will be happy to answer your questions.



Dan Gillespie, no till specialist with the USDA out of Norfolk, explains about water conservation at the irrigation meeting in Clearwater.

STATE LEGISLATIVE UPDATE



As we are going to press with the *Wire*, we are preparing to go to the Capitol to testify in opposition to several bills that we believe threaten our customer's safety, reliability or cost effectiveness for electrical service. Below is a summary of some of the bills that have been introduced.

LB 657 – Unbundled Billing (Adopt the retail electricity transparency act) and **LB 660** Retail Choice (Nebraska Retail Electricity Choice Act; remove restrictions on the sale or delivery of retail electricity by a private electric supplier) are to be heard by the Natural Resource Committee on February 16. After the hearings, we will continue to monitor to see if further action is necessary to protect our customer's investment.

LB 657 legislates that districts “unbundle” their bills, to make rates “more transparent” as to what customers are paying. This would add administration costs to our customers. ERPPD estimates that it would cost over \$100,000 to implement the changes outlined in the bill. Our customers are not asking for this degree of detail in their bills, nor do we think it will make the bill easier to read or understand - just think of your last phone bill. We are more than happy to address any questions or concerns you have about your bill or rates. Our rates are available to all customers 24/7 on our website erppd.com/customer-service/rate-schedules. We are also analyzing our bill detail to see if there is information we could easily add that would help you control your costs through, for example, energy efficiency opportunities.

LB 660 deals with “retail choice for electricity”. This would in effect dismantle the public power model in Nebraska and let for-profit entities serve the most desirable loads. This can have an adverse effect on smaller users as fixed costs will remain the same; but there will be fewer customers picking up those costs. The public power model was created for just this reason - when electricity was new, investor owned utilities did not want to serve the rural areas because it was not profitable to have so much infrastructure with so few users. Public Power has served the state of Nebraska for over 75 years and has remained competitive throughout that time. Presently, Nebraska rates in the top 15 states for lowest electric rates across all rate classes in the nation – 16.8% lower than the national average in 2015 at approximately 9.04 cents/kW (*Nebraska Energy Office*). This is a pretty good feat, since Nebraska has a large seasonal load and lots of land to cover with a small population. Average residential rates for Nebraska are 10.60 cents/kW – lower than all our surrounding neighbors and 10th lowest in the nation. Residential rates for Elkhorn were 9.78 cents/kW in 2015. In the 1990's utility deregulation was big and 24 states and the District of Columbia adopted “retail choice”. Since that time 8 have rescinded or suspended it. Nebraska's rates average 30% below those of the “retail choice states”. Perhaps the biggest argument against retail choice is that you, as customer/owners, would be “choosing” not to buy from yourselves. You would lose the local control of knowing who is providing your electricity, keeping your money in your communities and having a say in how that money is used to serve you. (See irrigation article on front page)

LB 87 affects net metering. It redefines a qualified facility and authorize local distribution utilities to waive certain requirements relating to net metering. The concern with this bill is the shift of costs to other customers. With individual generation, solar, for example, has a capacity factor of 17-18 % (on average every 100 times you flip the switch you will only have electricity 17 - 18 times). The other 82 -83% is going to be supplied by the district, and we need to recoup the facility fees, so other customers are not subsidizing the individual's generation. Wind generation has a similar problem as wind's capacity factor for large turbines is 40 - 50%. On the other hand, Elkhorn's reliability factor is 99.98 %.

Which brings us to **LB 547** – Eminent Domain (State legislative findings and change provisions relating to eminent domain and review by the Nebraska Power Review Board). Reliability will be affected as generation facilities can be installed without oversight and cannot be taken over by the district if it should fail for some reason. This would increase the risk to rate and tax payers. The cost of electricity would also increase through duplication of services. With eminent domain, Elkhorn works hard with customer/owners to find solutions to district needs, and has not used eminent domain for many years.

If you would like to have your voice heard on these or future issues, you can take action through the Nebraska Rural Electric Association (NREA's) grassroots call to action. You can go to www.erppd.com and click on the NREA Grassroots link to the left to sign up for the announcements about legislation that will affect public power and ultimately your rates. Or you can call ERPPD (800)-675-2185 and speak with Jennifer.

Choose public power - this is a “choice” for *your* electricity.



NORTHEAST NE FARM SHOW WINNERS



Left to right: Mark Gronau and Roy Martinson
Roy won the grand prize - a George Foreman Grill.

Elkhorn Rural Public Power District, in partnership with Stanton County Public Power District, participated in the 2017 Northeast Nebraska Farm and Equipment Show held at the Ag Complex on the Northeast Community College campus in January.

We like to see customers and remind them about safety around power lines and let them know about energy efficiency practices and incentives.

Roy Martinson of Meadow Grove was the Grand Prize Winner of a George Foreman Grill from our booth registration drawing.

Other winners of the booth drawings include: Marlys Howard of Meadow Grove and Ken Wessel of Madison, were winners of a Prescolite LED Downlight, and Joan Brandl of Norfolk, winner of 6 Phillips LED A 19 bulbs.

Congratulations to our winners and thank you to everyone that stopped by.

ENERGY NEWS

According to a study by the American Wind Energy Association (AWEA) wind energy grew at its second-fastest pace ever during the last three months of 2016. Wind passed hydropower dams to become the largest source of renewable electricity *capacity* in the U.S., and the fourth-largest energy source overall.

Electricity generation is the amount of electricity a source actually produces. At the end of 2015, according to the federal Energy Information Administration, wind power accounted for 4.7 percent of electricity generation in the United States, behind coal (33 percent), natural gas (33 percent), nuclear (20 percent) and hydropower (6 percent).

Despite the milestone, the hydropower industry still leads in renewable capacity when taking into account both conventional hydroelectric dams and pump storage power, according to an EIA analysis.

According to the American Wind Energy Association, Nebraska is ranked fourth in wind energy resources in the nation. Nebraska now has 1,328 MW of installed wind power, becoming the 18th state to join the “Gigawatt Club.” For the 12 month period ending October 2016, wind energy provided 9.34% of all in-state electricity production. The equivalent number of homes powered by wind: 327,000.

ERPPD’s wholesale provider has committed to having 10% of its generation come from renewable sources by 2020. A wind production tax credit — a key incentive for the industry — is set to expire in 2019, though Congress has renewed it several times in the past.

At ERPPD, we support a renewable generation mix that provides for reliability and is cost-effective for our customers.

Sources - American Wind Energy Association; nppd.com; The Hill



YOUTH ENERGY LEADERSHIP CAMP



Fun, Friends, Learning and Leadership
Join us at YELC 2017 - July 10-14, Halsey NE
More info at www.erppd.com

2017 ERPPD ENERGY LEADERSHIP CAMP APPLICATION FORM

Return to : Elkhorn Rural Public Power District, c/o Stacie Young, PO Box 310, Battle Creek, NE 68715
 (Entry Deadline April 17, 2017)

Name _____

Address _____

Parents' or Guardian's Name _____ Phone Number _____

School _____ Age _____ Grade _____

COMPLETE THE SHORT PARAGRAPH BELOW:

Why I would like to attend the 2017 Youth Energy Leadership Camp at the 4-H camp at Halsey National Forest on July 10-14 as a representative of Elkhorn Rural Public Power District.
