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WISCONSIN ENERGY *Cooperative* August 2023 NEWS

TAYLOR ELECTRIC
Cooperative

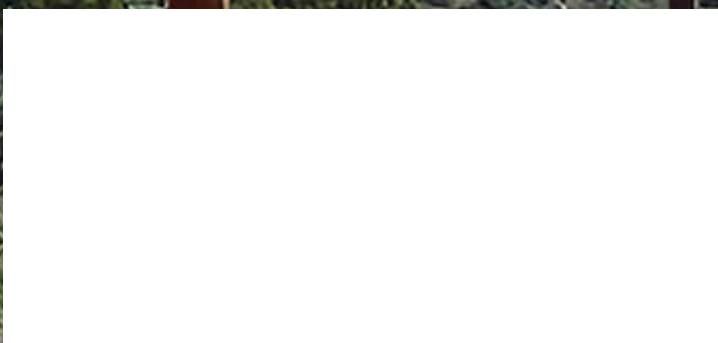
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FACTORS THAT IMPACT ELECTRICITY PRICES

Kenneth Ceaglske, President/CEO

I was recently asked by a member what impacts electricity prices. We talked about how the daily cost of living seems to have increased across the board.

Just as inflation has impacted everything from the price of gasoline to the price of eggs, costs for the fuels required to produce electricity have also risen. This is a timely topic, so I wanted to help explain some of the factors that impact electricity prices (and energy bills) this month.

While there is no short answer, there are a few key elements that impact electricity prices and rates. Some of these factors Taylor Electric can manage, some of them you can impact, and other factors are beyond our control. So, let me break it down.

There are three primary parts to your monthly electric bill: a service availability charge, a local and wholesale energy charge, and sometimes a Wholesale Power Cost Adjustment (PCA). To understand your total energy costs and what impacts your bill, let's unpack one piece at a time.

The first is a fixed monthly service availability charge, which covers the costs associated with providing electricity to your home. This includes equipment, materials, labor, and operating costs necessary to serve each meter in Taylor Electric's service territory, regardless of the amount of energy used. In order to ensure the reliable service you expect and deserve, we must maintain the local system, including power lines, substations, and other necessary equipment.

Like many other businesses, we've experienced supply-chain issues and steep cost increases for some of our basic equipment. For example, the cost for a 15 KVA underground transformer went from \$1,178.64 in 2021 to

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\$2,066.91 this year, and wait times to receive this essential equipment are up to 20 weeks. In fact, we are still waiting for 37 ½ KVA underground transformers that were ordered in 2021. Because we are a not-for-profit cooperative, some of these expenses must be passed on to our members.

I should note that the service availability charge is the same for everyone in the same rate schedule and the costs are shared equally across the membership.

Another component of your monthly bill is the energy/kWh charge, which covers how much energy you consume. You've likely noticed the amount of energy you use can vary from month to month and is typically impacted by extreme temperatures. When temperatures soar or dip, your cooling and heating equipment runs longer, which increases your home energy use. Regardless, energy consumption is an area that you have some control over, and you can lower your monthly bill by actively reducing energy use. Your thermostat is a great place to start, so be sure to keep it close to 78 degrees during summer months.

The last component of your bill is the PCA, which is the same amount for all co-op members. The PCA fluctuates based on energy prices and the costs to buy and generate power. As more coal-fired generators are retired and the fleet converts to natural gas, the price of fuel gets more volatile.

There is a fourth component that shows up on the bills, but currently has no charge associated with it. That is peak demand, or how much power you use at a single time. This actually drives about half our power bill, and may become a billing component in the future.

I hope this information sheds light on some of the factors that impact electricity prices. While we can't control the weather or the rising costs of fuels, please know Taylor Electric is doing everything possible to keep internal costs down.

We're here to help you, too. Contact us if you have questions about your energy bill or for advice on how to save energy at home.



LOCAL STUDENT PARTICIPATES IN NATIONAL YOUTH TOUR

A group of Wisconsin teens recently took a trip to Washington, D.C., to participate in the NRECA Electric Cooperative Youth Tour as part of their involvement with Youth Leadership Conference, a program sponsored by Taylor Electric, along with other Wisconsin electric cooperatives and the Wisconsin Electric Cooperative Association. Theo Robisch, son of Matthew and Sara Robisch, Rib Lake, attended the tour as a delegate from Taylor Electric. He learned about the cooperative model; met with members of the Wisconsin Congressional delegation; visited national monuments, museums, and memorial sites; and met young people representing electric co-ops from other states. In the photo above are Theo, back row, far right, with his group at Mount Vernon, George Washington's estate.

Dear Taylor Electric Cooperative,
Thank you all so much for sending me on this once in a lifetime trip. At the NRECA Youth Tour, I have met so many new people, visited so many amazing places, and had such a great time overall. Some of my favorite places were the Air & Space Museum, the Smithsonian, and all of the military memorials. Once again, thank you for this amazing experience so much, I will never forget this trip!

- Theodore Robisch



TAYLOR ELECTRIC HOSTS 87TH ANNUAL MEETING

Taylor Electric Cooperative held its 87th Annual Meeting on Tuesday, June 27, at the Centennial Community Center in Stetsonville with 216 registered members in attendance.



Newly elected director Paul Woods

In board elections, there were three open seats and four candidates running. Incumbents Donald Everhard and Charles Zenner were both re-elected, and newcomer Paul Woods won the final seat.

Members also voted to pass three bylaw amendments related to board director tenure, filling a vacant board seat, and the process of setting per diem. The approved changes include extending the consecutive number of three-year terms a board director may serve from five to six, and ensuring members have the opportunity to review and modify changes to per diems.

The board thanked outgoing director Patricia Waldhart for her 16.5 years of service to the board. After serving five terms, Waldhart was not eligible to run again.

President/CEO Ken Ceaglske began his presentation by reporting sales increased 4% in 2022, compared to 2021, and more than 50% of the co-op budget went to pay for wholesale power. Due to an increased cost of wholesale power, the co-op had \$140,000 in power cost adjustments over the year.



Board Chairman Brian Hallgren thanks outgoing director Patricia Waldhart, who reached her term limits and was ineligible for re-election, for her service as a Taylor Electric Cooperative director.

Members received capital credits totaling nearly \$350,000, bringing the total to-date to more than \$8.9 million.

On rates, the co-op implemented an increase to the fixed charge in January 2023, and is doing a cost-of-service study this summer that may lead to overall changes to the rate structure in 2024, according to Ceaglske's report.

Ceaglske addressed the membership with the five main issues that members bring up, including how rates are determined and how they compare to the rates of nearby municipalities, what demand charges are and how they

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Clockwise, starting upper left: Taylor Electric board members prepare for the business meeting; Collin and Connor Matyka wearing their new lineman hats; former employees Ron Mayer (second on left, front) and Wayne Miller (third left) along with their wives, Lynn and Sue, enjoy conversation with fellow cooperative members; employees Sadie Kapusta (front right) and Sophie Petrie register former director Diane Albrecht and her husband, Bruce.

Annual Meeting

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affect the cooperative, how the co-op prioritizes which outages to restore first, what capital credits are and how they get allocated and the viability of electric vehicles in Taylor's service territory and how to prepare for it.

In his report, Chairman Hallgren thanked directors, co-op employees, and members, saying, "Our members are the reason our cooperative exists. Thanks to each of you for your support. It is an honor and a privilege to serve you."



Above: Employees Patti Nelson (right) and Sheena Fuchs (left) setting up for member registration. Below: John Clausnitzer, K99, was onsite for a live remote.



Kenneth Ceaglske, President/CEO

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Lainie Kellnhofer, Editor

ELECTRIC VEHICLES

Let Us Count the Ways (They Work)

Not all electric cars are created equal. Here are the four main types of electric cars:



HEVs

Hybrid Electric Vehicles (HEVs) have been on the market the longest. HEVs include a small battery pack that is not charged by plugging it in, but rather the pack is charged by the internal combustion engine or the braking process. HEVs are not powered solely by batteries at any given time.



BEVs a.k.a. EVs

Battery Electric Vehicles (BEVs) (also known as EVs) do not rely on any gasoline to run and have zero tailpipe emissions. EV operators plug their vehicles into their home electric grid or a public charging station to charge. BEVs also generate electricity from braking, similar to HEVs, and use this as a secondary energy source.



PLUG-INS

Plug-in hybrid EVs run on both battery power and gasoline and have much smaller battery packs than BEVs. The all-battery range in these vehicles is typically between five and 30 miles, and then the internal combustion engine is responsible for anything beyond that. Plug-in hybrids reduce emissions for short trips around town; longer trips are powered by gasoline.



REHs

Range Extender Hybrid EVs (REHs) function the same way as plug-ins, but they have higher battery ranges due to design differences. Examples include the BMW i3 and the discontinued Chevrolet Volt. Some can drive more than 50 miles on a single charge.

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