

Taylor Report



February 2024

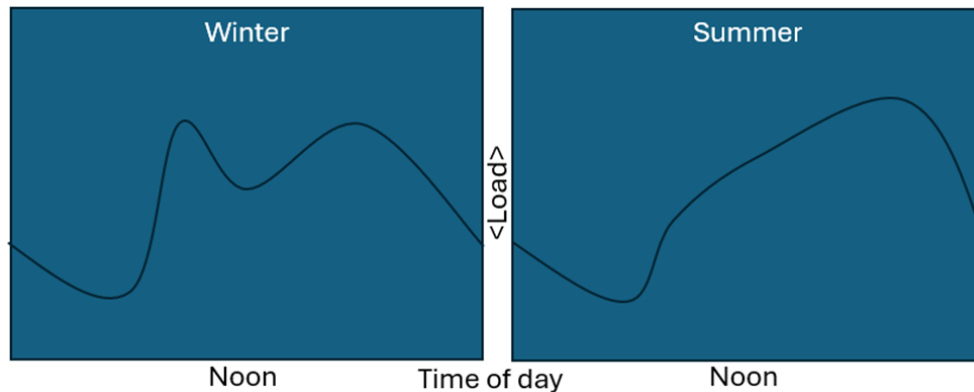
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JANUARY COLD SPELL

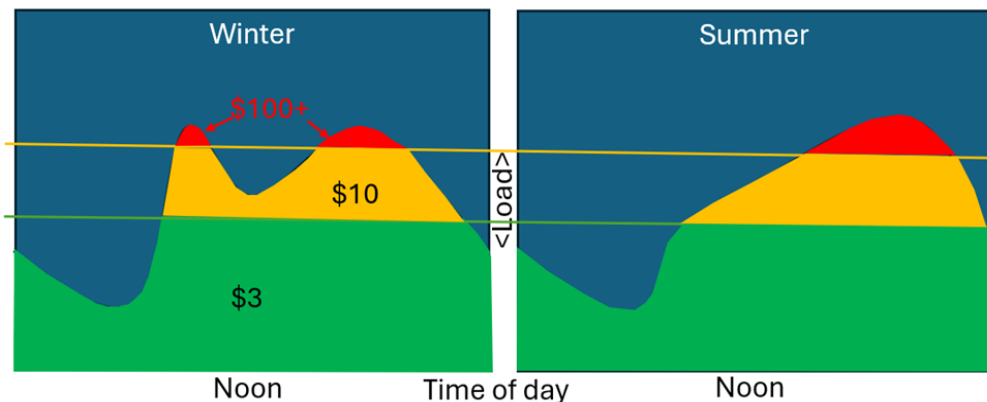
Why load control and why 3 days in a row?

Let's start with generator cost basics. Each power plant out there runs at a different cost to operate. I won't go into specifics and will use basic numbers just for scale. Let's say there are three power plants available that each run at a different cost, A=\$3, B=\$10 and C=\$100+. All of the plants are connected to the system in a way that they all can support each other, meaning if load is low, only generator A is running, if they get a little higher, generator B starts to assist, and if it is really high, generator C is called in to help.

Next, load basics. Not every hour of the day sees the same amount of load, therefore the level of generation needed to supply it changes. For this, a picture does the best job.



Now, let's put the two together.



When red spots appear only on the highest part of the day and only on the most extreme temperatures of the year, it's obvious why these specific times are selected for control periods.

Dairyland Power Cooperative (DPC) is a part of the larger Midcontinent Independent System Operator (MISO) group that looks at the prices that are bid into the system and decides which of the thousands of generators to run. The MISO footprint runs from Louisiana to Michigan to North Dakota. Through the load control program, DPC commits to at least one, but no more than 3 interruptions per month in both the summer or winter seasons. Sometimes they are scattered throughout the month. Sometimes, like this year, the cold snap is very limited and focused. There is a second part to the peaks which actually amounts to some higher and longer lasting costs. Our ability to control load and lower the peaks also dictates future commitments to generator construction or power purchase contracts.

As you can see from the winter graph, we have two peak times per day. To successfully reduce electricity needs during those times, enrolled dual fuel loads are controlled in the morning. Similarly in the evening, enrolled dairy water heaters, grain dryers and manual stand-by generators are controlled to reduce load. It may appear that we do more interruptions in the winter, but it is still limited to three interruptions per control time.

—Kenny Ceaglske-CEO

RATE ADJUSTMENT COMING MARCH 1, 2024

Through the process of evaluating the rates, we will be making a few other adjustments that will take effect on March 1, 2024. Accounts with submetered loads will see an increase in the submeter charge of \$.50, from \$4.50 to \$5.00 per month. This will include electric heat, air conditioners, and EV chargers.

We are also going to change the on-peak/off-peak times on the Time-of-Day rate to more closely reflect the changes to our rates from Dairyland. The new on-peak hours are shorter by two hours in summer and winter and by one hour in the spring and fall. In summer (June-Aug), the new on-peak hours will be from 1–7 p.m. and all other months (Sep-May) will be 4–8 p.m. Weekends and holidays are always off-peak. These on-peak times reflect the times that our power purchases are typically high for Taylor Electric, so estimated increases in cost are passed through in the rate. Any decreases in the off-peak times are also shared during the off

The new on-peak hours are SHORTER by two hours in summer and winter, and SHORTER by one hour in the spring and fall.

-peak times. In the end, about 14% of the hours of the year are on-peak and 86% are off-peak.

Even if you are not on the Time-of-Day rate, keeping usage lower in the 4–8 p.m. timeframe on exceptionally warm or

cold days can help keep costs down for everyone. Our power cost is heavily influenced by our loads on the warmest and coldest days of the year.

The last adjustment will be in the EV on-peak charging time which will increase from 7 a.m. to 10 p.m. to reflect staying off the morning peaks, especially in the winter.

SERVE ON TEC'S BOARD!!

Members interested in serving on the board should contact CEO-Kenny Ceaglske or one of the following nominating committee members: JoAnn Smith 715-748-2506, Kathy Jochimsen 715-785-8049 or Patricia Waldhart 715-678-2385. Interested candidates will need to fill out a form and be willing to submit a brief questionnaire for publication in the annual report candidate section. Please contact one of the committee members by February 23, 2024 if interested.

BOARD REPORT—DEC. 2023

- Approved November disbursements totaling \$467,476. 13 new member applications, and November 2023 construction in the amount of \$88,892.
- Reviewed financial results for November with \$428,103 Operating Margins and \$639,140 Total Margins year to date.
- There were 11 outages in November, with an average YTD outage time per meter of 1.7194 hours.
- Eight applications for discounted early retirement of capital credits to estates were approved with total capital credits of \$5,259 to be paid out at the net present value of \$2,294.
- 32 delinquent accounts were processed for collection following the December 20th due date. The total amount owing on these accounts is \$13,111.
- Other topics covered included final approval of the rate policies, nominating committee, DPC activities, past meeting reports, and upcoming meetings.

SPREADING JOY DURING THE HOLIDAYS!



Christmas is a season of giving and caring for those in need. The Christmas Wish program has been granting wishes for 27 years to bring cheer to area families and spread joy during the holidays.

This year, Taylor Electric and the board of directors and staff generously contributed \$2,130 to support the program. Karen Dahlvig, WKEB Radio/Christmas Wish Committee, accepted the donation.

Pictured Below: left to right: front row: Taylor Electric Chairman Brian Hallgren, Taylor Electric Vice-Chair Chuck Zenner, Taylor Electric Director Lisa Kohn and WKEB Radio-Karen Dahlvig. Back row: left to right: Taylor Electric CEO Kenny Ceaglske, Taylor Electric Director Paul Woods, Taylor Electric Secretary/Treasurer Cheri Klussendorf, Taylor Electric Director David Makovsky and Taylor Electric Director Don Everhard

