PowerLines
A monthly publication for member/owners of Eastern Illini Electric Cooperative
December 2013

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Holiday Closings

Our office in Paxton, and our warehouse facilities in Gilman and Pesotum will be closed December 24 and 25 for Christmas, and December 31 and January 1 as our employees celebrate the new year with their families.

As always, please call us at 800-824-5102 if you experience an outage or other issue.

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A Touchstone Energy® Cooperative

A fond farewell

Eastern Illini's President/CEO, Dave Champion, is retiring at the end of 2013 after 40 years of service.

MESSAGE FROM THE PRESIDENT

Time is zipping right along and my retirement date, December 31, 2013, is just a few days away.

It is challenging to pull together the right words to express my feelings at this moment. I have been looking into the future with a vision for EIEC during my entire career. As I make decisions today, it is strange to stop and realize that I won't actually be working at the Cooperative beyond the end of the year.

However, I have continued to make decisions that I believe to be in the best interest of the member/owners, Board of Directors, and employees, because, quite simply, that is just what all of us here at Eastern Illini do every day.

I have been so honored to represent you during my time here and I am very proud of the team that we have assembled to serve you. I'm confident that Eastern Illini won't miss a beat as I step out of the CEO chair and a new person steps in. Our employees are so focused on the mission of providing great service to you that they will keep right on doing so.

Over the years, we have had many challenges, some rather simple and others that have been very large and complex, but we have managed to overcome them all, as a team. One thing is for sure, the challenges will keep coming and it will take a lot of tough decision making to overcome them. Those challenges will be managed well, as they always have been, because of the strength of the people that are involved with this great Cooperative. These are people who have the right motives, integrity, honesty and persistence. You should be proud of this team serving you, just as I am.

Now as Dij, my wife of 40 years, and I say so long and walk off into the sunset, I want you to know that we are eternally grateful for the opportunity to serve Eastern Illini Electric Cooperative for all these years. This would not have happened without the support of my family and it has been a huge treat for all of us to be involved with this **world class** organization and to achieve a sense of making a difference in peoples' lives.

We will miss all of our cooperative family, but there is a time for everything and now is the time for us to move on to the next chapter in our lives.

We wish you God's speed in the future!!

Respectfully,

Dave Champion

Solid lighting solutions

LEDs meet (and exceed) 2014 lighting efficiency standards.

A new year calls for updated lightbulb efficiency guidelines. No need to use bulbs with a twist; light-emitting diodes (LEDs) can help you switch on savings.

Congress called for improved energy efficiency standards for traditional incandescent bulbs under the federal Energy Independence and Security Act of 2007. By 2014, lightbulbs using between 40-W to 100-W must consume at least 28 percent less energy than classic bulbs. The change will save Americans an estimated $6 billion to $10 billion in lighting costs annually.

When the next wave of standards kicks in next month, traditional 40-W and 60-W incandescents will no longer be available. In their place, some consumers are filling the gap with a solid solution: LEDs.

'Solid' lighting

Incandescent bulbs create light using a thin wire (filament) inside a glass bulb—a delicate connection that can easily be broken, as frustrated homeowners can attest. In contrast, LEDs are at the forefront of solid-state lighting—small, packed electronic chip devices.

Two conductive materials are placed together on a chip (a diode). Electricity passes through the diode, releasing energy in the form of light. Invented in 1960 by General Electric, the first LEDs were red—the color depends on materials placed on the diode. Yellow, green, and orange LEDs were created in the 1970s and the recipe for the color blue—the foundation for white LEDs—was unlocked in the mid-1990s. Originally used in remote controls, exit signs, digital watches, alarm clocks, and car signal lights, LEDs quickly gained momentum for large-scale lighting.

Measuring LED potential

The Arlington, Va.-based Cooperative Research Network has partnered with several electric cooperatives throughout the United States to test LEDs. Researchers are cautiously optimistic; LEDs offer several benefits:

- LEDs could last longer, perhaps for decades
- The energy to use LEDs could be substantially less than that of compact fluorescent lamps (CFLs) or other fluorescents
- With no mercury content, LEDs are more environmentally friendly
- The products are rugged and more resistant to breakage
- LEDs perform well in cold climates, especially outside
- LEDs can be dimmed to produce a more pleasing light

However, some consumers avoid LEDs because the price tag exceeds normal lightbulb costs. But the

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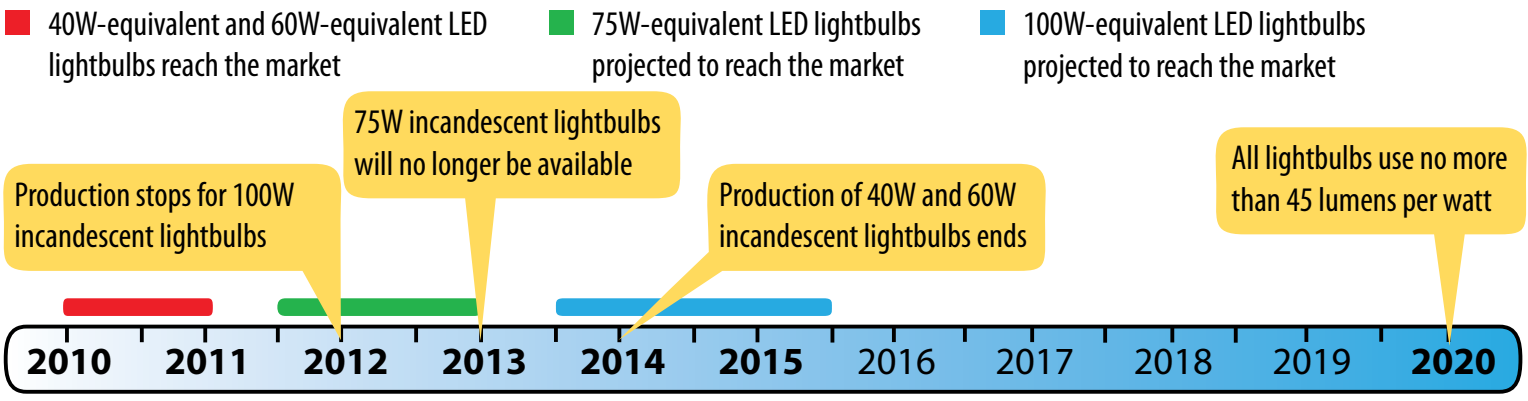
LEDs: A Decade of Change

By 2014, lightbulbs using between 40W to 100W must consume at least 28 percent less energy than traditional incandescents, saving Americans an estimated $6 billion to $10 billion in lighting costs annually. The federal Energy Independence and Security Act of 2007 also mandates that lightbulbs become 70 percent more efficient by 2020. Light-emitting diodes (LEDs) are quickly evolving to meet this challenge. Learn more: *EnergySavers.gov/Lighting*



Source: U.S. Department of Energy Lighting Facts Product Snapshot: LED Replacement Lamps 2011

Capital credit payments top $1 million

The retirement of capital credits is a tangible benefit of being a member/owner of Eastern Illini.

Later this month, Eastern Illini Electric Cooperative will begin sending capital credit checks to member/owners that received electricity in 1979, 1980, and 1981. The payments will total $1,146,979 and are part of an overall retirement of $1,716,240.

What are capital credits?
Any profits made by Eastern Illini are referred to as margins. Margins result when our revenue is more than our expenses. At the end of each year, any available margins are allocated back to you - into your capital credit account - in proportion to the amount of electricity you purchased that year. When the allocated funds are returned to you as capital credits, we say that those capital credits have been retired.

The retirement of capital credits - so-called because member/owners provide capital to the cooperative for it to operate and expand - depends on the co-op's financial status. Eastern Illini holds on to the allocated capital credits to cover emergencies, such as a natural disaster, and other unexpected events, and to expand our electric system, all of which may require large-scale construction of poles and wires. By holding on to the capital credit allocations, we can lessen or eliminate the need to raise rates or borrow money (which could also lead to higher rates) to pay for the infrastructure. Each year, Eastern Illini's Board of Directors carefully looks at our financial condition to determine how much, if any, capital credits can be retired.

"Allocating and retiring excess revenue to our member/owners helps distinguish cooperatives," points out Eastern Illini's President/CEO Dave Champion, Jr. "It makes our business model special, and does a great job of proving that you are much more than just a customer. You are a member/owner.

"Retiring capital credits is just one more way Eastern Illini is looking out for you," emphasizes Champion.

Solid lighting solutions, cont.

true value lies in the lifetime of the bulb. It takes about 50 traditional incandescent bulbs, or eight to 10 CFLs, to last as long as one LED.

Buyer Beware
Poor quality LED products are flooding the marketplace. Some are manufactured outside of the United States with components that produce low light levels, don't boast a long service life, or make exaggerated energy saving claims.

Don't be fooled. Look for the U.S. Department of Energy's ENERGY STAR logo for guaranteed color quality over time, steady light output over the lifetime, high efficiency, and a warranty.

You can also look for an LED Lighting Facts label. The label helps consumers compare products to manufacturer claims and similar products with a quick summary of performance in five areas:

- Lumens: Measures light output. The higher the number, the more light is emitted.
- Lumens per watt (lm/W): Measures efficiency. The higher the number, the more efficient the product.
- Watts: Measures the energy required to light the product. The lower the wattage, the less energy is used.
- Correlated Color Temperature (CCT): Measures light color. "Cool" colors have higher Kelvin temperatures (3,600–5,500 K); "warm" colors have lower color temperatures (2,700–3,000 K). Cool white light is usually better for visual tasks. Warm white light is usually better for living spaces because it casts a warmer light on skin and clothing. Color temperatures of 2,700 to ,3600 K are recommended for most general indoor and task lighting.
- Color Rendering Index (CRI): Measures the effect of the lamp's light spectrum on the color appearance of objects. The higher the number, the truer the appearance of the light. Incandescent lighting is 100 on the CRI.

Shedding Light on LEDs
More lighting efficiency changes are coming. Congress' measure mandates lightbulbs become 70 percent more efficient by 2020.

Curious to know if LEDs are right for you? Learn more about using LED labels at www.lightingfacts.com/content/consumers.

Homeowners can also visit www.energysavers.gov/lighting to compare LEDs to new energy-efficient incandescent bulbs and CFLs.

All-of-the-above energy strategy needed

Potential EPA regulations could limit access to affordabe power.

Electric cooperatives are disappointed - but not surprised - that in September the Administration officially abandoned an all-of-the-above energy strategy for a new, all-but-one approach that effectively removes coal from the nation's fuel mix in the future.

The policy, proposed by the Environmental Protection Agency (EPA), sets stringent limits on carbon dioxide emissions from future coal or natural gas plants. Trouble is, the new standards are impossible to meet with existing technology.

For several years cooperatives have tested carbon capture and storage (CCS) as a way to reduce greenhouse gas emissions. Unfortunately, the technology doesn't make financial sense.

It has never been used at a commercial scale at a power plant over a prolonged period to demonstrate its viability or cost.

In a 2012 Congressional Budget Office report, engineers estimate it would increase the cost of producing electricity from coal-based plants by 75 percent.

The Administration's switch to an all-but-one energy approach would limit Americans' access to a plentiful and affordable resource. I don't think we should gamble with the economic well-being of future generations and our nation's economy.

Already worried about making ends meet, many of Eastern Illini member/owners cannot afford the significant increases in electric bills that this policy would trigger.

Historically, the price of coal remains affordable and relatively stable. The U.S. Energy Information Agency reports the United States has 236 years remaining of recoverable coal reserves. Coal generates 37 percent of the nation's electricity—our biggest energy source by far.

Seems the Administration lets history repeat itself. We saw this all-but-one game in 1978 when Congress passed the ill-conceived Power Plant and Industrial Fuel Use Act. Never heard of it? Few have, but for several years the government banned natural gas for power generation. Yes, natural gas—the fuel source being sold to the nation today as a cleaner fuel option. With gas off the table, electric co-ops were forced to choose between building coal or nuclear power plants.

Back then, co-ops were in the midst of a major power plant building cycle. With few options, they invested heavily in coal-based generating plants in the late 1970s and early 1980s. Thankfully, Congress repealed its mistake, but not for nine years.

Let's not repeat past mistakes. Stand with us as we fight to keep electric bills affordable. Raise your voice through the Cooperative Action Network at www.action.coop. Tell the EPA that we need an all-of-the-above energy strategy.

You can also consider joining Eastern Illini's Grassroots Advocacy Program, which will focus on spreading our unique cooperative message to both member/owners and legislators. More information will be available in January's PowerLines newsletter.