

# PowerLines

November 2023

## Happy Thanksgiving

The fall weather so far has been particularly good for harvesting. Please continue to be safe in all that you do. Perhaps we will receive some much needed rainfall to help replenish soil moisture as well. Speaking of weather, the winter forecasts for our area are consistent with normal to slightly above normal temperatures with near normal precipitation and less snow. However, we all know that arctic air masses can encroach on Illinois at any time during the winter.

November has two especially important holidays, Veteran's Day and Thanksgiving. Please take time to reflect on the sacrifices our Veterans have made over the years. Enjoy your Thanksgiving gatherings with family and friends as we acknowledge and give thanks for the freedoms, opportunities, and overall standard of living we enjoy.

I heard a phrase on the radio recently while driving to work. The phrase was "That is a first world problem." For example, my drive through coffee was cold and did not have the creamer I requested, or my favorite type of apple was not in the local grocery produce section, or I had a flat tire. If we step back and consider the billions of people in the world that struggle daily to find adequate water, nutrition, and shelter, we certainly have nothing to complain about.

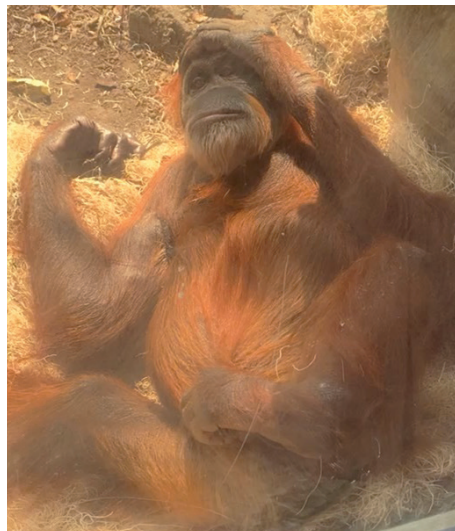
So, this Thanksgiving, keep these things in mind and pray for peace in areas of unrest around the world such as Ukraine, the Middle East, sub-Sahara Africa, and many other countries where people lack basic freedoms and life necessities.

Preliminary results from our annual October member survey (over nine hundred responses to date) indicate our members continue to give EIEC and our employees high marks. The overall satisfaction index is in the high 80's (out of 100), which is at or above recent levels. At Eastern Illini we are thankful for you – our members, our nine directors that constitute your governing board, and our loyal, valuable, and dedicated employees.

On behalf of our employees and directors, we wish you a safe and very Happy Thanksgiving.

Cooperatively,

*Bob Hunzinger*  
President/CEO



Since early childhood I have been fascinated by zoos. On a recent trip to the St. Louis Zoo, I captured a photo of this adorable orangutan. I think we can all relate to having a day like this!

## In this issue:

- Seventeen \$2,000 scholarships available
- Understanding demand
- \$1.17m will be retired in capital credits
- Thank you Veterans
- Rate Restructuring Member Meetings



- View your bill
- Make a payment
- Compare usage by month
- Review known issues
- Report an outage
- Update account information

SmartHub is available online or through an application on your cell phone. Sign up today!

## RATE RESTRUCTURING MEMBER MEETINGS BEING HELD

Join us for one of the upcoming meetings that will discuss the details of rate restructuring happening in March 2024. We will provide background information, explain the new rates and answer your questions. (see back page)

Your Touchstone Energy<sup>®</sup>  
Cooperative 

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ASSISTANCE TO HELP PAY FOR HIGHER EDUCATION

# Seventeen \$2,000 scholarships available



**APPLY TODAY!**

## SCHOLARSHIPS AVAILABLE

Thomas H. Moore

Illinois Electric Cooperative

Memorial Scholarship Program



The Illinois Electric Cooperative (IEC) Memorial Scholarship Program awards seventeen \$2,000 scholarships annually to deserving students in the “electric cooperative family” entering college to assist them with their educational costs.

**10 scholarships** are awarded to high school students who are the child of an Illinois electric cooperative member receiving service from the cooperative (deadline to apply Dec. 31, 2023).

**5 scholarships** are reserved for high school students enrolling full-time at a two-year Illinois community college who are the child of Illinois electric cooperative members, employees, or directors (deadline to apply Dec. 31, 2023).

**1 scholarship**, the Earl W. Struck Memorial Scholarship, is awarded to a high school student who is the child of an Illinois electric cooperative employee or director (deadline to apply Dec. 31, 2023).

**1 scholarship**, the LaVern and Nola McEntire Lineworker’s Scholarship, is awarded to a student to attend the lineworker’s school conducted by the Association of Illinois Electric Cooperatives in conjunction with Lincoln Land Community College, Springfield, IL. (deadline to apply April 30, 2024).

FOR MORE INFORMATION AND TO APPLY VISIT:

[AIEC.COOP/IEC-SCHOLARSHIP/](http://AIEC.COOP/IEC-SCHOLARSHIP/)

# YOUR ENERGY USE OVER TIME VS. AT A GIVEN MOMENT

## Understanding demand

Beginning in March 2024, Eastern Illini Electric Cooperative will implement a new rate structure that separates the costs for energy (kWh) and demand (kW). This change will impact all rate classes.

### WHAT IS DEMAND?

Simply put, energy is the amount of power you consume, while demand measures your impact on the grid to deliver that power.

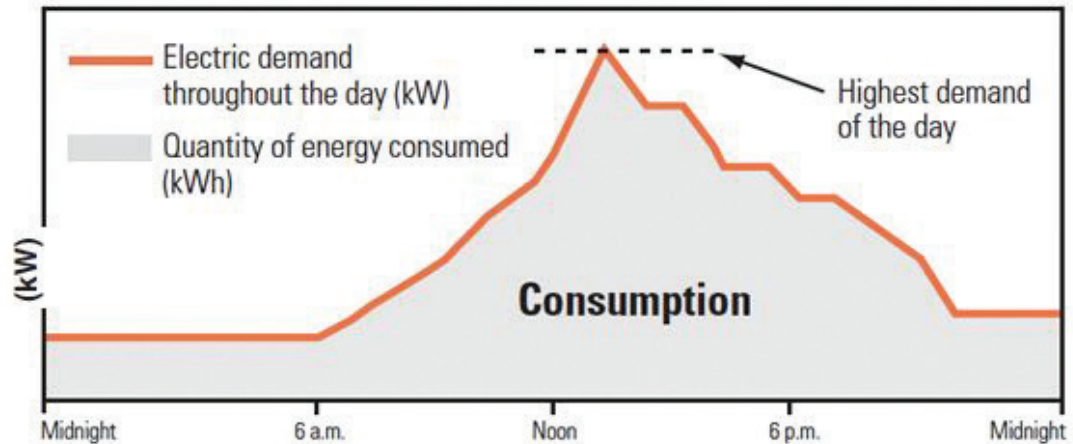
For example, think about your vehicle. Energy (kWh) would be what is recorded on the odometer - a measurement of total miles. Demand is like your speedometer - measuring the speed at which energy flows. The upcoming demand charge will be similar your highest recorded "miles-per-hour." Eastern Illini must build and maintain the electric system so we can make sure you can "drive" as fast as you'd like at any time.

### WHY CHARGE A DEMAND RATE?

With a traditional blended rate where the impact of your demand is rolled up into a charge based on the power you use, some members pay more than they should, while others don't pay enough. This change will allow us to bill you more fairly for the two largest drivers of your consumption: your impact on the electric system (your demand) and amount of power you consume (your energy use). This will enable us to adequately and fairly collect enough money through our rates to deliver reliable electricity and maintain the utility system.

### HOW IS MY DEMAND DETERMINED?

Although there hasn't been a charge associated with demand, we've been showing your demand reading on your bill for years. It represents the 15-minute interval with the highest energy consumption during the billing period, measured in kilowatts (kW). When we make the change to your



rate, you will be billed a per kW rate multiplied by the total kW of that highest interval. The demand charge will vary by rate class.

Demand is a measure of the rate at which energy is consumed. The demand Eastern Illini must supply varies with the time of day, the day of the week, and the time of year. Peak demand seldom occurs for more than a few hours or fractions of hours each month or year, but EIEC maintains sufficient generating and transmission capacity to supply the peak demand. Demand charges are based on the amount of energy consumed in a specified period of time known as a demand interval. Demand is calculated in 15 minute intervals.

You have always been able to save money by turning off lights or adjusting your thermostat. Beginning in March 2024, you'll be able to lower your bill by simply staggering the use of appliances.

Improving energy efficiency is a crucial strategy for managing demand charges. There are several ways to identify opportunities for energy efficiency. You may want to conduct an energy audit, analyze your energy use patterns, and identify areas where energy waste can be reduced. Some of these changes may include upgrading to energy-efficient appliances, improving insulation, optimizing HVAC systems, and adopting smart energy management practices. These changes can lead to significant reductions in both energy use and demand charges.

Members who manage the number of items used at one time in their home can impact demand. Everything with a plug, from a hair dryer to a freezer, affects demand. For general information on appliances, we suggest visiting:

[www.energystar.gov/products/appliances](http://www.energystar.gov/products/appliances)

Here are a couple examples showing members using the same amount of energy (kWh) to run their appliances, but each member is putting a different demand (kW) on the electric grid.

Mary and Joe have appliances with average use (60 minute run time) The range: 1500 Watts = 1.5 kWh/1.5kW and the dishwasher: 1800 Watts = 1.8kWh/1.8 kW. Mary cooks her food for one hour. Then she runs the dishwasher the next hour. Her energy use is 3.3 kWh and her demand is 1.8 kW. Joe cooks his food for one hour and runs his dishwasher at the same time he is cooking his food. His energy use is 3.3 kWh and his demand is 3.3 kW.

We will be talking more about demand in the months ahead as we discuss the upcoming rate restructuring happening in March 2024.

While this is a change, you have already been paying for demand. We just want to ensure that each member is paying for their individual demand. This is a fairer way of billing members as it is the actual demand amount.





# CAPITAL CREDITS REPRESENT EACH MEMBER'S OWNERSHIP IN EIEC

## \$1.17 million will be retired in capital credits



Capital credits reflect each member's ownership in the cooperative. Electric cooperatives like Eastern Illini don't earn profits in the sense that investor-owned utilities earn profits for their investors. Instead, any margins — revenues related to the sale of electric service remaining after all expenses have been paid — are returned to the cooperative's members in proportion to their electric use. No special action is required to start a capital credit account. Your membership with Eastern Illini activates a capital credit account in your name.

### First, margins are "allocated" to member accounts.

These margins represent a loan by the membership, and it is used by the cooperative as operating capital. This capital allows Eastern Illini to finance

operations and construction, with the intent that this money will be repaid in later years when the cooperative is financially able to do so. The return of money to members is what the capital credit process is all about. It's a two-step procedure.

This happens each year to any dollars Eastern Illini doesn't need to pay expenses. That doesn't mean you get that money in the year allocated (think of this as a credit to an account we set up for you called capital credits and it is a promise to pay you in the future at some point down the road). Allocated capital credits appear as an entry on the permanent financial records of the co-op and reflect your equity or ownership in EIEC.

The next step is what most members are most interested in, and this second step is the "retirement" of dollars or sending out dollars to members. In the second step, we decide how

much money we can give back to you, the member, from your capital credit account. When capital credits are retired, a check is issued and your equity in the cooperative is reduced. We balance the amount paid out with the financial needs of the co-op. Capital credits are a significant source of equity and help to fund the growth and maintenance of the electric system. Hence, it is a two-step process; first we allocate and then we retire capital credits.

How are capital credits calculated? The amount of capital credits earned each year is based upon the amount of money or capital contributed to the cooperative through the payment of monthly bills. The more electric service used, the greater your capital credit account.

### How are margins calculated?

Margins for capital credits vary from year to year depending upon the success of

the cooperative. EIEC's rates generate enough money to pay operating costs, make payments on loans, and provide an emergency reserve. At the end of each year, we subtract operating expenses from the operating revenue collected during the year. The balance is called an operating "margin".

### How are margins allocated?

We allocate margins into a capital credit account based on your share of dollars paid to the co-op during that year. In this step the allocation process is a promise to pay you in the future when the co-op can afford to retire some of the dollars set aside for capital credits.

We calculate your percentage of the total margins and allocate that amount to your account. Capital credits are only allocated during the years in which EIEC earns a margin. The more you paid, the more you get back. The allocation process is a promise to pay you in the future and does not mean you get that money back in that year; distribution of funds in the capital credit account are paid out on an approximate 25-year rotation.

### Will I receive a capital credit retirement check every year?

It depends on a number of factors. Each year the Eastern Illini Board of Directors decides on whether to retire some capital credits based on the financial health of the cooperative. The board analyzes the financial health of the cooperative and will authorize a retirement amount.

### How much is being retired in capital credits this November?

\$1.17 million will be retired in November. Those capital credits will go to members who received electricity from Eastern Illini Electric Cooperative in 2002. When the capital credit checks are mailed in November, Eastern Illini will have retired \$17.29 million.

THANK YOU FOR YOUR SERVICE TO OUR COUNTRY  
**Eastern Illini employees who have served**



**VETERANS DAY 2023**

**WE SALUTE  
YOUR BRAVERY**



- 
- Mike Bristle, National Guard
  - Paul Crutcher, Navy
  - Junior Price, Navy
  - Brad Smith, Marines
- 

We're proud of all you've done for our country.

# RATE RESTRUCTURING MEETINGS



Eastern Illini  
Electric  
Cooperative

Eastern Illini Electric Cooperative will be changing the rate structure for members of the cooperative in March of 2024. We want to invite you to an informational meeting that provides background details, explains the new rates, and answers any questions you may have. Please join us for a snack and beverage at any one of these six meetings being held throughout our service territory.



**7:00 P.M. - 8:00 P.M.**



<b>Monday November 13</b>	<b>Eastern Illini Electric Cooperative 330 West Ottawa, Paxton</b>
<b>Wednesday November 15</b>	<b>Forrest Public Library, Community Room 301 West James St., Forrest</b>
<b>Thursday November 16</b>	<b>Iroquois County Courthouse Museum 103 W. Cherry St., Watseka</b>
<b>Monday November 20</b>	<b>Hoopeston Multi Agency Service Center 206 South First Avenue, Hoopeston</b>
<b>Tuesday November 21</b>	<b>Salt Fork Center, Homer Lake 1229 Flicker Dr, Homer</b>
<b>Thursday December 7</b>	<b>Eastern Illini Electric Cooperative 987 CR 200 North, Pesotum (our facility is on the south side of the road)</b>



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