

## **2009 SIEC Annual Meeting**

Members of Southern Illinois Electric Cooperative (SIEC) attending the co-op's 70th annual meeting on Thursday, August 6 at the Shawnee Community College heard reports on the series of devastating ice storms and a growing political storm over climate change legislation. Because of the ice storm expenses and increasing power costs members were also warned of the probability of a rate increase later this year.

General Manager and Executive Vice President Larry Lovell said the ice storm that hit the Co-op in February of 2008 caused \$2.8 million in damages, but the area did not meet the criteria for FEMA assistance.

The Co-op and its members were hit again just 12 months later by an ice storm that was even worse. The January 2009 ice storm outage lasted 14 days and caused \$6.3 million in damages.

Lovell said, "Fortunately, the area was designated for FEMA assistance this time. The Co-op will be reimbursed for 75 percent of the approved costs. We think it is likely that we will receive around \$4.25 million from FEMA." He said clean up from the storm is ongoing and may not be completed until the spring of 2010.

Lovell said the Co-op's board, management and staff continue to look for ways to control costs yet still provide reliable power and dependable utility infrastructure. But, increasing expenses means the Co-op will probably have to raise rates later this year. Lovell said, "The increase will likely begin with the November usage, payable with your bill due in December. Preliminary numbers show less than a 6 percent average increase. More information will be forthcoming as the 2010 budget is developed."

Lovell also warned that carbon reductions and new costs are coming, either by legislation or regulation. If Congress fails to act on climate change, the EPA will regulate carbon emissions under the Clean Air Act. The legislative effort to address climate change limits emissions of carbon dioxide and other greenhouse gases as a part of the national “Cap and Trade” or “Climate Change” energy strategy.

There is no commercially available technology to control carbon emissions. It cannot be achieved with today’s technology. He went on to say, “In reality, the “cap and trade” bill is just a “tax” on burning fossil fuels. Every American will pay this “tax”. Unfortunately, the “climate change” bill is structured so that consumers of coal burning generating plants, predominantly located in the Midwest, will unfairly pay a disproportionate share of the “tax”, while those living on the East and West coasts will be relatively unaffected. You and I will pay more than the average American”.

Southern Illinois Power Cooperative recently ran the numbers for carbon emissions and management estimated the impact to cooperative members in southern Illinois to initially be \$240-\$1300 per year, per account, based on emission credits selling at \$12 and \$75 per ton. If the “cap and trade” bill moves forward “as is” through the Senate and is signed by the President, it leaves open the potential for market speculation of emission credits. If market speculation occurs, utility bills could jump to several thousand dollars per year for each account. The truth is no one knows what the costs will be.

“The legislation as passed by the House is not fair, affordable or achievable. In its present form, it is financially devastating. I urge members to contact your elected officials and ask for a fair, affordable and achievable solution. It is important that you

contact Senator Durbin and Senator Burriss to express your concerns before legislation is voted on in the Senate.”

During the meeting members addressed and signed cards that will be delivered to Illinois Senators Burriss and Durbin. Lovell urged members to go to [www.ourenergy.coop](http://www.ourenergy.coop) for more information.

Southern Illinois Power Cooperative President/CEO Scott Ramsey reported that the generation and transmission co-op continues to work to diversify its power supply. Currently the co-op has 315 MW of coal generation, 200 MW of gas, 28 MW of hydro power and along with nine other consumer-owned utilities is investing in the new Prairie State Energy Campus. SIPC will own 125 MW of this 1,650 MW coal-fired generating plant which is scheduled to come on line in 2011 and 2012.

SIPC is also a founding member of the National Renewables Cooperative Organization. This organization will develop renewable energy projects on a national scale and the first project is expected at the end of the year.

Board President G. Robert Inman updated the crowd on SIEC’s aggressive right-of-way clearing, the progress of automated meter reading, a new Metropolis field office and a new substation in Cobden.

Members re-elected G. Robert Inman of Pulaski County to the SIEC Board of Directors. William E. (Bill) Littrell of Union County and Rollo D. Burnett of Massac County were the two new board members elected during the meeting. Barbara Pitts of Union County retired after 12 years of service.

Entertainment was provided by Ashley Hatfield of Anna, who also emceed the pageant. Andrea Mays of Cobden, daughter of Ronald and Shelley Mays, was crowned Miss Southern Illinois Electric Cooperative 2009.



Above from left: Casey Adamitis, Andrea Mays, Carly Draper and Jenna Harner.

Below from left: Larry Lovell, Rollo Burnett, Bill Littrell and Robert Inman.

