March 2009

WATT'S HAPPENING

SCENIC RIVERS ENERGY COOPERATIVE

LANCASTER, DARLINGTON AND GAYS MILLS, WISCONSIN

Many Americans are very concerned about the economy, as well as health care, environmental and energy issues. The utility sector is not immune from our national recession and its impacts on access to credit and falling energy consumption.

While each utility is impacted differently, there are significant factors that are the major drivers behind the cost increase for Scenic Rivers Energy Cooperative. The most remarkable factor is the cost of power from SREC's generation and transmission supplier, Dairyland Power Cooperative. Dairyland Power Cooperative's costs have been impacted drastically by the following challenges:

1. Coal fuel costs
2. Fuel transportation costs
3. Nationwide economic downturn and the accompanying "credit crunch"
4. Major emphasis on investments in environmental controls, renewable energy resources and conservation programs
5. New generation

With these factors being eminent, Scenic Rivers Energy Cooperative is inevitably facing a rate increase. Below are the new rates for the majority of members:

Residential, Farm, and Small Commercial Single Phase – Controlled Electric Water Heater

Fixed Charge
$21.00 per month plus 60 cents per KVA over 25 KVA transformer size
All kWh @
9.85 cents per kWh
Plus tax

**The minimum monthly charge under the above rate shall be $26.00, before taxes.*

Residential, Farm, and Small Commercial Single Phase- General

Fixed Charge
$21.00 per month plus 60 cents per KVA over 25 KVA transformer size
First 500 kWh @
10.85 cents per kWh
All kWh over 500 @
9.85 cents per kWh
Plus tax

**The minimum monthly charge under the above rate shall be $26.00, before taxes.*

Three Phase Power- Standard

Fixed Charge
$25.00 per month plus 60 cents per KVA over 25 KVA transformer size
First 1000 kWh @
10.35 cents per kWh
All kWh over 1000 @
9.85 cents per kWh
Plus tax

**The minimum monthly charge under the above rate shall be $30.00, before taxes.*

Off-Peak Storage- Non Summer Rate

Fixed Charge
$3.00 per month
Energy Charge
4.7 cents per kWh (October thru May)
Plus tax

Off-Peak Storage- Summer Rate

Fixed Charge
$3.00 per month
Energy Charge
7.9 cents per kWh (June thru September)

Annual Meeting!

Scenic Rivers Energy Cooperative directors and employees invite you to attend our 71st Annual Meeting on April 14, 2009, at the Youth and Ag Building located on the Grant County Fairgrounds. Doors will open at 6 p.m., and dinner will begin at 6:30 p.m. Francis Brandt will provide musical entertainment from 6 to 7:10 p.m., and the meeting will begin at 7:30 p.m.

Each member in attendance (husband & wife joint membership counts as one) will receive a $5 credit on their May bill. We will have a separate room for kids during the meeting with adult supervision. Members will also be eligible for prize drawings at the end of the meeting.

Districts #3, # 4, & #8 are up for election. Biographical information on all the candidates will be included in your annual report packet, which you should receive in March.

Members on other rate policies may contact the cooperative or log on to www.sre.coop for a copy of their newly approved rate schedule. All rates are subject to additional power cost adjustment per board policy. All rate changes are effective with April 2009 usage.

Investments in Efficiency Deliver Strong Returns

By Megan McKoy

In today's troubled economic climate, people are searching for places to sock away money that offer the promise of a healthy return. While no one can predict when, or if, the stock market will fully recover, crunching a few numbers does show one safe investment alternative: energy efficiency.

Even in good financial times the annual Wall Street return on stocks averages 14 percent, followed by 4.2 percent for 30-year bonds and 3.5 percent for money market accounts. In comparison, incorporating 10 home efficiency measures carries a 16 percent rate of return, according to the U.S. Department of Energy Home Energy Saver program.

Looking at it another way, the energy bill for a typical American home averages $1,283 per year, while a home that has purchased and installed ENERGY STAR products spends just $774. That's a savings of more than $500 annually, a nice profit for smart and efficiency-savvy investors to take to the bank. Even better, you get to keep the money you save on your electricity bill; normal investment incomes are taxed heavily.

The first two energy efficiency areas to invest in—those with the highest rates of return—are lighting and sealing ducts. Upgrading to compact fluorescent lightbulbs (CFLs) and fixtures in a typical home costs about $200, but with an annual savings of $80 the initial investment pays for itself in 2.5 years with a 41 percent rate of return. Proper duct sealing, which can cost up to $250, pays for itself in 2.6 years and matches lighting's high rate of return.

Your next purchase should be an ENERGY STAR front-loading clothes washer. Even though one costs an average of $194 more than a non-efficient model, you reap a 37 percent rate of return– allowing you to recoup the extra expense in less than three years.

A programmable thermostat provides another boost to your bottom line. With a 30 percent return it pays for itself through energy savings in 3.7 years.

A water heater tank wrap with an R-12 insulation rating should be your next step; the initial cost of $85 saves you $23 every year, offering a 28 percent return on your investment. An ENERGY STAR refrigerator, heat pump, and dishwasher follow with rates of return ranging from 18 percent to 27 percent. Finally, adequate air sealing and increasing wall and attic insulation offer between an 8 percent and 9 percent return.

To find out how you can start investing in your home's efficiency, visit Home Energy Saver at hes.lbl.gov. You can learn about local promotions for ENERGY STAR appliances—and save even more—by using the rebate finder at www.energystar.gov.

Meanwhile, Touchstone Energy® Cooperatives offer several efficiency programs at www.touchstoneenergysavers.com, including Touchstone Energy Home (a set of nationally recognized standards for building efficiency), a Home Energy Savings Guide, a Light Bulb Energy Saver calculator showing how much money you can save by using CFLs, and Seal the Deal, a do-it-yourself video showing how to effectively seal your home to lower heating and cooling costs.

Source: *U.S. Department of Energy Home Energy Saver. Megan McKoy writes on consumer and cooperative affairs for the National Rural Electric Cooperative Association, the Arlington, Va.-based service arm of the nation's 900-plus consumer-owned, not-for-profit electric cooperatives.*

SREC Implements Identity Theft Prevention Measures

Scenic Rivers Energy Cooperative has adopted a new policy requiring our internal procedures to be enhanced to include new Identity Theft prevention measures. In an effort to provide secure business transactions, protect our member's personal data, and comply with the Federal Fair and Accurate Credit Transactions Act, we are announcing this new level of data security.

The Identity Theft Prevention program is another step in the direction of providing quality service to our members. Protecting a customer's personal identity information is indeed our lawful responsibility.

Our program will include:

1. Consumer Reporting services for verification of credit status and address information.
2. Data encryption for sensitive data like Social Security Numbers.
3. Restricted access to personal information.
4. New procedures for identity verification on new accounts and changes to existing accounts.

Effective business practices, and policies that spot attempted and actual identity theft early, have great potential for relieving the national crime wave. Identity thieves often establish cell phone and utility accounts in the victim's name to establish proof of residency.

Utilities suffer significant losses from customers who use stolen identities for service and walk away from large bills. Careful validation of identity in the process of opening an account and the use of "Red Flags" (such as alerts) has already been demonstrated to minimize losses.

So, please do not be offended by our staff if some extra questions are asked when you call in, or if there is a limit to the information the staff will give you over the phone. Just know that your cooperative is doing it's very best to continue the trusted relationship it has with you- its members.

Environmental Update·

Using coal combustion byproducts to help create a green economy

DPC ash recycling rate is best ever

Reduce-reuse-recycle is a mantra for the times, and one that Dairyland is committed to following as much as possible in our business operating practices. For instance, the coal combustion process used to generate electricity at Dairyland's Genoa and Alma power plants creates an ash byproduct. Dairyland has a strong history of recycling the majority of the fly ash annually, but 2008 beat all records with 98 percent of the fly ash recycled at the Genoa #3 power plant and 89 percent recycled at Alma's John P. Madgett (JPM) power plant. To put this recycling rate in perspective, the national average for coal fly ash recycling is 44 percent. In addition, 100 percent of the bottom ash was recycled at the Genoa power plant.

Benefits of Dairyland's ash recycling program

For each ton of coal Dairyland power plants burn to produce electricity, approximately 5 percent, or 100 pounds, results in an ash byproduct. Approximately 80 percent of this ash byproduct is referred to as fly ash, a light powdery substance captured in the emission control systems at the power plant. The remaining 20 percent is bottom ash, a coarse granular material collected at the bottom of the coal furnace. Both fly and bottom ash consist of chemical compounds that are commonly found in natural clays and limestone, and are the major components of Portland cement.

Fly ash is used extensively in concrete, from lightweight applications to ultra strong, load-bearing columns in high-rise buildings. Regionally, Dairyland also markets our fly ash to pipe manufacturers for use in underground piping.

Using coal combustion byproducts to replace the natural clay and limestone in the manufacturing of Portland cement is the most common recycling option used at Dairyland, with benefits for both business and the environment. Most concrete today in our area is 30 percent fly ash, contributing to stronger, less permeable concrete–at a lower price. Since fly ash is less than half the price of Portland cement, consumers save money when building roads, bridges, buildings and other community projects with concrete that contains fly ash.

By using a recycled product, less virgin clay and limestone needs to be extracted from quarries. Fuel costs are lower for the cement manufacturer as fly ash doesn't need to be "preheated," since it was already heated during the coal combustion process. This correlates with a major air-quality benefit of using fly ash in place of Portland cement. The production process required to make traditional Portland cement from limestone and clay releases significant amounts of greenhouse gases, such as carbon dioxide, largely due to the fuel required to manufacture and heat the "raw" limestone. When Portland cement is replaced with fly ash, the greenhouse gas emissions can be exponentially reduced as the ash does not need to be heated. Therefore, using Dairyland's fly ash is good for the road we drive on... and the air we breathe.

Dairyland also recycles our bottom ash as a substitute for crushed rock or sand in road construction and as an anti-skid material in lieu of sand or salt on winter roads. As with the use of fly ash, an environmental benefit to recycling bottom ash is that it reduces the need to quarry rock, since bottom ash is used as a substitute for natural crushed rock.

Last, but not least, a positive result of Dairyland's ash recycling program is that it lessens the need to dispose of the product in landfill storage. Ash from Dairyland facilities that cannot be recycled is safely stored in a landfill facility near Alma, Wis. Many people have heard about Tennessee Valley Authority's (TVA) ash pond spill incident, and may wonder how the TVA facility differs from Dairyland's. There are critical engineering and storage method differences between TVA's and Dairyland's landfill.

At Dairyland, the remaining dry fly ash is conditioned to achieve optimum moisture content in order to prevent dusting. It is then delivered by truck to the landfill storage cell. There, the ash is carefully compacted and managed to prevent dusting and to ensure construction of a stable, engineered structure designed to resist accumulation of additional moisture. In fact, the fly ash itself is somewhat like cement, which adds to the stability of the landfill storage cell. In contrast, TVA was managing ash as a "wet stack," in which fly ash was slurried at that particular facility into a pond-like containment area which had been raised over a period of years. The exact cause of the TVA failure has not yet been determined, but once the containment dike failed, the water-saturated ash within the facility overflowed.

Notably, the state of Wisconsin no longer permits wet ash pond storage facilities, such as the TVA facility that experienced the failure.

Building stronger roads and sidewalks in our community

An especially satisfying beneficial reuse accomplishment for Dairyland has been to harvest our own fly ash from the JPM plant for internal construction projects. In particular, some of the concrete used during the installation of environmental control equipment at the Genoa power plant was made using recycled fly ash from the JPM plant. Another unique application of Dairyland's fly ash is the use of JPM ash in the construction of two wind turbine renewable energy projects in southern Minnesota.

The sidewalk in front of Wendy's Restaurant on South Avenue near Dairyland's Administration Building was poured with cement containing fly ash from the JPM plant.

Residents who live or work near our Genoa and Alma power plants have no doubt driven on roads containing Dairyland's recycled bottom ash. Specifically, Hwy. 35 and Hwy. K near Genoa, and Hwy. 35 to Alma contain the bottom ash, utilized as a "surface coarse" gravel overlay material. You may be able to recognize it as the ash overlay "sparkles" more than standard road overlay. The bottom ash material provides better traction, is very durable and doesn't break windshields as readily as standard gravel. It also melts ice faster... a real bonus for drivers this winter.

Scholarships

College scholarships will be awarded through a drawing at the annual meeting. Twenty-four $500 scholarships will be awarded to the following qualified applicants:

- High school students
- Home- schooled students
- Private- schooled students
- Non- traditional students

The $500 scholarship will be applied after successful completion of your first semester of technical school or college. Transcripts must be mailed to the cooperative proving a "C" or better average with at least 12 credits. Upon receipt of the transcripts, a check will be made out to the school for the second semester tuition.

Qualifications:

- The student or the student's parent or legal guardian must be a member of Scenic Rivers Energy Cooperative.
- The application must be mailed to this address PRIOR to April 7, 2009, to qualify:

  Scenic Rivers Energy Cooperative
  Attn: 2009 Scholarships
  231 North Sheridan St.
  Lancaster, WI 53813

- SREC will call each student to verify receipt of application. If you do not hear from SREC by April 8, 2009, please call to verify SREC received your application.
- The student must be present at the Scenic Rivers Energy Cooperative annual meeting held on April 14, 2009 to win.
- The student must receive college credit for at least 12 hours at a minimum "C" average to be awarded the scholarship.

Simply fill out the application form and return it to the address stated above. Applications can be picked up at any area high school or any of the SREC three offices: Lancaster, Darlington, Gays Mills.

If you have questions regarding the 2009 Scenic Rivers Energy Cooperative Scholarship please contact our office at 800-236-2141 ext. 105.

Power Your Mind –
Learn who is bringing you power

Earl Winsor

Lineman · Crawford County

Family-

- Wife: Denise
- Kids: Arthur 20, Mary 18, Adam 16, Leland 13

Hobbies-

- Anything to do with the outdoors, Church, Fire Department and Rescue Squad.

Why did you choose to become employed at SREC?

I started working at SREC during the summer spraying brush and it developed into a full time job which eventually became my career.

What do you enjoy most about your job at SREC?

I enjoy meeting with the members and getting to know them over the years. I also enjoy working outside (except on cold days).

Wings Over Wisconsin- Southwest Chapter *Seed Day*

Wings Over Wisconsin is hosting their annual Seed Day on Friday, March 13, 2009 from 9 a.m. until 1 p.m. at the Scenic Rivers Energy Cooperative's Lancaster Office. Corn, sorghum, and sunflower seed will be available free to landowners for planting on wildlife food plots. Food plots must not be harvested, but left for wildlife food and habitat.

Representatives from various agencies such as the Grant County Farm Service Agency, Grant County Land Conservation, and Department of Natural Resources will provide literature and will be available to answer questions from landowners during Seed Day.

Lunch will be served.

WATT'S HAPPENING

Watt's Happening is published monthly as an information service to the member-owners of Scenic Rivers Energy Cooperative.

Any questions or comments can be directed to *Watt's Happening*, c/o Megan Graney, Editor, Scenic Rivers Energy Cooperative, 231 North Sheridan, Lancaster, WI 53813 or telephone (608) 723-2121 or toll free Lancaster 800-236-2141, Darlington 800-236-6656, and Gays Mills 888-735-4314.

www.sre.coop

Richard E. Kolb. . . . . *CEO*
Megan Graney. . . . . *Editor*

Our board of directors consists of Tom Bennett, Don Walters, Sandy Davidson, Norman Gordon, Gerald Koeller, David Stute, Merlin Kvigne, Larry Butson, and Ellen Conley.

printed on recycled paper