

WATT'S HAPPENING

SCENIC RIVERS ENERGY COOPERATIVE

LANCASTER, DARLINGTON AND GAYS MILLS, WISCONSIN

Our Energy, Our Future

Pressure is mounting in Congress to do something about climate change. And while political debates in Washington, D.C., may seem far away, the outcome will have a direct impact on our cooperative – and on you, the cooperative member and other electric consumers.

Climate change is but one aspect of a looming energy crisis created by increasing demand and decreasing capacity to meet that demand. Experts now say some areas of the country will be short of power within one or two years.

And yet energy supply isn't an issue our elected representatives are spending a lot of time on. These forces, the desire by government to reduce greenhouse gas emissions quickly and the growing demand for power by consumers, are about to collide.

Some people say we can meet demand through efficiency and renewable energy. The reality is we need all the efficiency and renewable energy we can get, but that will not be enough.

To avert an energy crisis, the federal government must exercise true

leadership, the same leadership that got Americans to the moon in the 1960s. Without that leadership – without a sound, responsible plan – government risks not only the reliability of our electric system, but literally the ability of many Americans to be able to afford to pay their electric bill.

We, as electric co-op members and constituents, must call on elected officials to provide this leadership. That's why I want to encourage you to contact your elected officials.

Now.

You don't need to be an energy expert to ask questions. Asking questions helps find the answers to solve the problem of balancing climate change goals with keeping your lights on and your electric bills affordable.

Right now, members of Congress as well as state elected officials are hearing from lots of different interest groups who have ideas about how to address climate

change. No one is talking to consumers, however. We need a plan people can live with today while we deal with the climate change problem of tomorrow.

To make things easy, we have a website that will send an email for you. Go to www.ourenergy.coop and plug in your address. There you'll be able to ask a series of questions to your representatives in Washington. We're kicking this effort off with a basic but critical question: What are they doing to make sure we'll have the power we need in the future?

Far too often questions don't get asked by policy makers until plans go wrong. We believe it makes sense to know the answers before the laws are passed. You can help your elected officials and yourself by having this conversation. The electric bill you save will be your own.



Our Energy, Our Future
A Dialogue With America

Scenic Rivers Energy Cooperative would like to honor those former directors and employees who have passed away in the past year.

Crawford County:

Director: Walter Roth Jr.

Director: Marcellus Sherry

Employee: Kenneth Knoble

Grant County:

Director: Harry Wiedenbeck

Employee: Larry Mahr

Lafayette County:

Employee: George Evans

May is National Electrical Safety Month!

Spring Chore Safety

After spending long winter days indoors, most folks love to get outside in spring, even if it's just to do chores. However, outdoor chores can bring electrical hazards.

For example, ladders contacting power lines cause 9 percent of electrocution-related deaths each year, according to recent data from the Consumer Product Safety Commission (CPSC). Landscaping, gardening, and farming equipment cause another 7 percent. To avoid electrical hazards, make sure you and your family follow these simple tips:

General

- Teach children to stay away from electric transformers and substations and explain what posted warning signs mean.
- Avoid damp conditions when using electricity. Keep all electrical devices and cords away from water.
- Place waterproof covers on all outdoor outlets.
- Install ground fault circuit interrupters (GFCIs) in outlets where water may be present.
- Only use extension cords marked for outdoor use; match power needs of an electric tool or appliance to the cord's label information.
- Dial 8-1-1, the national "Call Before You Dig" phone number, at least 72 hours before engaging in any type of excavation work. Local utilities will be notified to

mark the approximate location of any underground lines on your property.

Power Tools

- Inspect power tools and appliances for frayed cords, broken plugs, and cracked or broken housing, and repair or replace damaged items.
- Store power tools indoors.
- Unplug outdoor tools when not in use.
- Do not carry power tools by the cord.

Ladders

- Use only a fiberglass or wooden ladder if you must work near overhead wires.
- Never touch a person or an object that has made contact with a power line.

Source: Electrical Safety Foundation International; CPSC

ARE SCENIC RIVERS MARGINS TOO HIGH?

A question was raised about the level of Scenic Rivers Energy Cooperative's margins at our annual meeting on April 10th. Specifically, the comment was that our total margin, which was just under 10% of our total revenues, was too high. In my opinion, this level is not "too high" let me explain why I think that way. First of all, \$685,525 of the margins consists of capital credits from Dairyland Power Cooperative, and other materials supply cooperatives and financing cooperatives which Scenic Rivers belongs to. So, this amount equals over 31% of our total margins! Also, as it is with most cooperatives, these capital credits don't represent real cash that SREC received this year but are merely a notification that at some unknown time in the future, SREC may receive this in cash.

When we prepare our budget and set rates before the year begins, we have no idea how much these capital credits from outside organizations will be thus, we can't really count on them when we prepare our budget and set our rates.

Thus, the margins that are truly related to Scenic Rivers represents only about 6.8% of our total revenues. The board of directors has decided that we should pay off a reasonable amount of capital credits to our members each year. In recent years we have been paying off over \$1,000,000 per year. This amount represents about 3.2% of our total patronage capital from our margins and from other cooperatives that we have accumulated over the years. However, in order to pay off \$1 million dollars we need margins to be at a fairly comfortable level.

Also, our board of directors has set a goal of maintaining about 55% equity and 45% debt. To maintain a 55% equity level while paying out \$1 million in capital credits each year means that we need margins quite a bit higher than \$1 million dollars.

Lastly, I would point out that we have been very fortunate in the past few years that we have not been hit with extreme weather events that could have cost us a lot of money to repair. When we budget, we have to allow for a "safety" margin that we can fall back on in case of unknown circumstances that may cost us more than we would normally expect.

Because of all these and other considerations, I don't think that margins in the range we have recently experienced are too high.

Rick Kollb



Orange Cottage Cheese Salad- From Violet

- 1 large carton cottage cheese
- 1 small pkg. orange jello
- 1 can Mandarin oranges- drained
- 1 can pineapple tidbits- drained
- 1 pint whipping cream, whipped

Mix Jello and cottage cheese. Stir in the fruit, then the whipped cream. Chill 2 hours.

Environmental Update- The Realities of Renewable Power

There's certainly a buzz in rural circles these days about renewable power.

Wind farms, for example, are generally built on wide-open spaces or ridgetops; methane gas from livestock waste can be burned to produce power; trees, grass, and crop stalks can be shoveled into boilers or converted to other forms of fuel.

Because most renewable energy projects take root in rural America, electric co-ops are at the forefront of this new and exciting wave of generation technology. Currently, co-ops lead electric utilities in renewable power generation, with a full 11 percent of co-op power coming from hydro and other renewable resources, compared to 9 percent for the industry as a whole.

Co-ops own and operate about 1,000 MW of renewable projects utilizing biomass, wind, solar, and small-scale hydropower. And 750 rural electric systems offer green power to their members. Those are numbers to be proud of.

We are doing everything we can to make renewable power a viable part of our energy mix, but there are very real hurdles to overcome before that 11 percent can become 15, 20, or 25 percent in coming years.

For one, construction costs for electricity generation are going up across the board, and renewable sources are no exception. Three years ago it was estimated that a wind farm would cost about \$1,000 per kW of capacity - today that price tag has doubled. Costs for installation and operation of solar panels can run five times higher

than a traditional coal plant of comparable size.

How do we get those costs down? Research and development can help to some extent, and the Cooperative Research Network is working with the U.S. Department of Energy on various projects. Government programs, such as Clean Renewable Energy Bonds (CREBs), are another solution. The bonds offer electric co-ops interest-free loans for financing renewable power projects, and the U.S. Treasury Department has reserved \$450 million in CREBs for electric co-ops through the end of 2008.

Another hurdle involves getting renewable power to where it can be used. True, most renewable resources are abundant in rural areas, but that also means they're far from the concentrated power

needs of big cities. New transmission lines will need to go in to address this problem, and related costs can add up in a hurry.

A third drawback can cause major headaches for control room operators, charged with matching available power to demand. Most renewable sources are intermittent: the sun doesn't always shine, and the wind doesn't always blow. A fossil fuel-fired power plant, on the other hand, will produce "baseload" power as long as fuel remains available. In the case of a renewable resource like solar, though, an overcast afternoon can leave a gap in available power that needs to be filled.

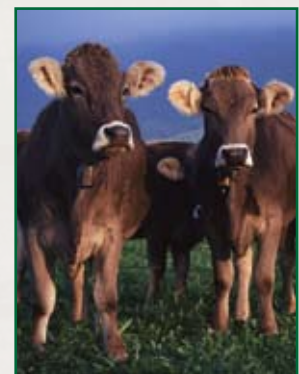
Improved technology offers one way around this problem, making it possible, for example, to store

excess electricity produced on a sunny day. When a storm cloud rolls up, that stored power would be ready and waiting. Co-ops are constantly making advancements in storage technology, although real breakthroughs have yet to be realized.

Although some policymakers will try to speed up the process of getting renewable power on-line, all of us need to provide an informed, thoughtful approach. Let's be realistic about the value of renewable energy, and be realistic about its associated costs and benefits.

Support for renewable power must be consistent with providing safe, reliable, and affordable service to you, our members. Co-ops will develop the renewable resources that make the most sense for us, geographically and economically. And we will work to ensure that those paying the freight for such technologies also reap the benefits.

Renewable energy will remain a key part of rural development efforts, our nation's energy security, and a valuable asset to consider. But as not-for-profit, consumer-owned electric co-ops, we will encourage elected officials to make sure that public policy doesn't get ahead of available technology, and doesn't impose a hardship on consumers. We will seek real-world results that benefit the environment, our rural communities, and you.



Recycling CFLs-

Did you “Do the Bright Thing?” By changing two incandescent bulbs with the two compact fluorescent bulbs that Scenic Rivers Energy Cooperative mailed, you can make a significant difference to the environment. You can also protect the environment by properly disposing burnt out or broken CFLs.



How to Clean-up a Broken Bulb

Fluorescent light bulbs contain a very small amount of mercury sealed within the glass tubing. EPA recommends the following clean-up and disposal guidelines:

- Before Clean-up: Vent the Room
- *Open a window and leave the room for 15 minutes or more.
- *Shut off the central forced-air heating/air conditioning system, if you have one.

Clean-Up Steps for Hard Surfaces

- Carefully scoop up glass

fragments and powder using stiff paper or cardboard and place them in a sealed plastic bag.

- Use sticky tape, such as duct tape, to pick up any remaining small glass fragments and powder.
- Wipe the area clean with damp paper towels or disposable wet wipes and place them in the plastic bag.
- Do NOT use a vacuum or broom to clean up the broken bulb on hard surfaces.

Clean-Up Steps for Carpeting or Rugs

- Carefully pick up glass fragments and place them in a sealed bag.
- Use sticky tape, such as duct tape, to pick up any remaining small glass fragments and powder.
- If vacuuming is needed after all visible material are removed, vacuum the area where the bulb was broken.
- Remove the vacuum bag (or

empty and wipe the canister), and put the bag or vacuum debris in a sealed bag.

Recycling

Scenic Rivers Energy Cooperative is a proud participant of the RECYCLEPAK pail. Each of our three locations, (Lancaster, Darlington, and Gays Mills) has a recycling pail for our member's burnt out or broken CFLs. CFLs for home use are not legally considered hazardous waste according to federal solid waste rules, but it is still best for the environment to dispose of your CFL properly. CFLs for recycling in our area will be sent to Port Washington, WI, where the mercury, glass and other materials are processed for recycling or disposal. The precious metals in the ballast circuitry are further processed in a specialized facility in Indiana.

9 Year Life Cycle

If you received a CFL that was broken, does not work, or your bulb fails before the 9-year life cycle ends, call the manufacturer's 800 number listed on the ballast (1.800.771.9335) and they will send you a replacement bulb. You may want to write the date the CFL is installed on the base of the lamp with a permanent marker.



Power Your Mind – Learn who is bringing you power

Dan “Ladder” Stelplflug

Title:

Director of Operations

Family:

- **Wife:** Denise (Liebfried) of 23 years
- **Kids:** Lyndsay, 22
Seth, 21
Sam, 19

Hobbies:

Playing with my dog, Harriet, Golfing, Bow Hunting, Fishing, and Cycling.

Why did you choose to become employed at SREC?

Back when I started the REA was a respected business in the community (and still is). I started on the line clearing crew, which gave me an opportunity to work outdoors. I knew when I started that I would like to be a life-long employee.



What do you enjoy most about your career at SREC?

Every day presents itself with a new opportunity to meet the members and employees expectations. The challenge keeps me motivated and anxious to start a new project. I am also extremely grateful for our employees that are dedicated to the Cooperative, making my job more enjoyable.

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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.



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