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# LightPost

January/February 2012

Published for members of Northeastern Rural Electric Membership Corporation

## Too much, too fast?

### EPA policies threaten the future of Indiana's power supply

Reprinted with permission from the Indiana Office of Utility Consumer Counselor, David Stippler, author

Indiana utility ratepayers should be very concerned about what's going on at the U. S. Environmental Protection Agency.

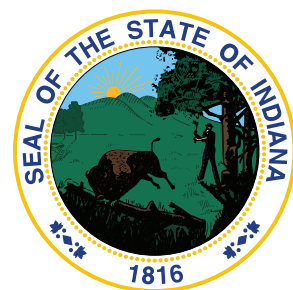
The EPA is recklessly plowing forward with a fast-track, three-year timetable for the electric industry to comply with new regulations for coal-fired power plants, while ignoring emerging warning signs at both national and state levels as to the prudence of this compliance schedule. My office supports the need to improve the environment and reduce emissions over time. But this timetable, if left unchanged, threatens the reliability of the Midwest's power supply and raises the strong likelihood that consumers will be saddled with even higher rates than they would otherwise pay due to these regulations.

As the statutory representative of Indiana consumers in cases before the Indiana Utility Regulatory Commission and the Federal Energy Regulatory Commission, I do not usually weigh in on EPA matters. But the EPA's timetable, and its likely impact on Hoosier ratepayers, demands a strong reaction from everyone who cares about utility rates and reliability.

Coal-fired plants need to reduce emissions. However, forcing the 2011 Cross-State Air Pollution Rule, Mercury and Air Toxics Standards rule, and other proposed EPA regulations, through in an untenably short timeframe ignores a wide range of facts:

Under Indiana law, ratepayers bear virtually all the risk and cost of building and implementing new pollution control equipment at power plants. By not giving utilities sufficient time to complete extremely complicated projects (including detailed engineering work and regulatory approvals that need to be completed before construction starts), the EPA is increasing the likelihood of construction errors, financial and engineering miscalculations, and shortages of skilled labor and components. All of these problems will likely add up to excessive and unnecessary costs passed along to ratepayers.

It may cost Indiana's five large investor-owned electric utilities a total of up to \$11.5 billion in capital expenditures



## INDIANA OFFICE OF UTILITY CONSUMER COUNSELOR

to comply with these mandates. This is based on aggregated data provided by the Indiana Energy Association at my agency's request. These costs would ultimately be borne by consumers.

My office's calculations show that the total costs of meeting these mandates could translate to an overall rate increase of approximately 22 percent over time, when compared to the combined 2010 operating revenues of Indiana's five investor-owned utilities.

A recent study by the Carmel-based Midwest Independent Transmission System Operator, which coordinates power flows over a 15-state area, shows significant reductions in the region's reserve margins (the difference between power availability and demands) in the coming decade as a result of these rules.

As MISO has explained in recent comments to FERC, the EPA's short timeline will force electric utilities to remove many coal-fired units from service at the same time plants are down for retrofitting. This may leave the power grid highly vulnerable due to the significant amount of generation that would

not be available, posing a realistic threat to electric reliability.

New projections from the North American Electric Reliability Corporation show huge amounts of coal-fired capacity being retired by 2018, in addition to the facilities needing retrofits. The recent forecast from NERC -- the independent organization responsible for ensuring North American power reliability since 1968 -- says this combination will put stress on the nation's power grid "in ways never before experienced" between 2012 and 2018.

Utilities should reduce emissions. But the EPA should proceed in a more reasonable manner. The proposed rule timelines, by continuing along a shortsighted and foolhardy all-at-once path, have major cost implications for ratepayers who are already struggling in difficult economic times, while threatening the reliability and safety of our power sources.

A prudent, reasonable timetable would help mitigate higher electric costs while helping ensure the lights stay on for all consumers.

Following the publishing of the above article, author David Stippler issued this follow-up statement:

A December 21, 2011, EPA announcement made in Washington regarding the EPA's final Mercury and Air Toxics Standards Rule is "short on guarantees or assurances about the rule's impact on consumer rates and electric reliability," said Stippler, noting that the Indiana Office of Utility Consumer Counselor (OUCC) will need to carefully review the full rule in the coming days. "Some of today's signs from the EPA are encouraging -- including the promise of consulting with regional transmission operators, state public utility commissions, and other independent stakeholders on reliability issues.

"Also, it appears that the new rule will expand the EPA's proposed three-year implementation timetable by encouraging state environmental regulators to make an additional year 'broadly available for technology installations,'" continued Stippler. "However, I am concerned about what happens after that fourth year, and whether electric utilities will still be able to comply with the new rule in the most reliable and cost-effective manner possible."

## NEW DISCOUNT CARD ENCLOSED!

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Office Hours: Monday-Friday, 7:30 a.m. - 4:30 p.m.  
 260-244-6111 (Columbia City) or 260-625-3700 (Fort Wayne).  
 Line Locating: Please call 811 at least 2 full business days prior to digging.

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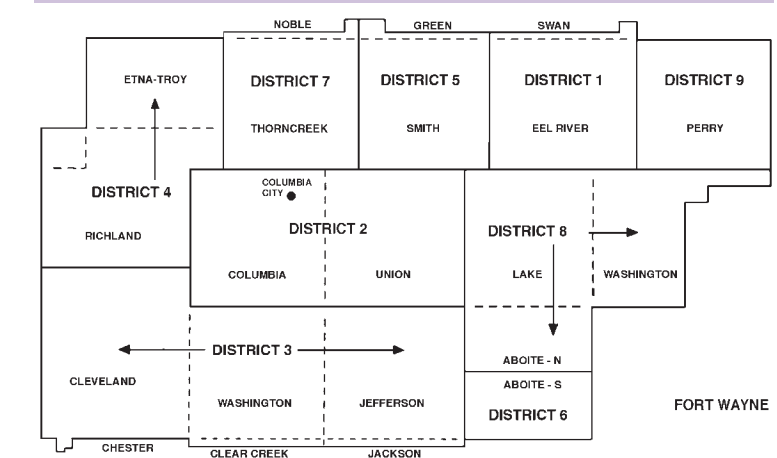
## Meet your directors, learn about your cooperative

Please join Northeastern REMC directors and staff at one of three upcoming open houses to learn what's happening at your electric cooperative. These are unique, informal opportunities to learn about current projects; upcoming system improvements; state and national issues affecting your electric costs; energy efficiency tips; and services available through your co-op.

There will be directors present each evening (see side box for schedule). You can come and meet your district director on the night he or she is there, or come on which ever evening is most convenient for you. The information shared each night will be similar. Programs begin at 6:45 p.m. Light snacks will be served.

Watch your mail for your postcard invitation. We ask that you please make a reservation if you plan to attend.

To RSVP please contact Nancy Law at 244-6111 or 625-3700, ext. 425, or [n\\_law@nremc.com](mailto:n_law@nremc.com), to indicate the number of adults planning to attend.



**Monday, March 12**

Bruce Heffelfinger  
 District 1

Doug Schrader  
 District 2

Marjorie  
 Kennedy Babbitt  
 District 3

**Wednesday, March 21**

Ted Hurley  
 District 7

Dan Linnemeier  
 District 8

Jane Scott  
 District 9

**Tuesday, March 27**

Tom Western  
 District 4

Don Dafforn  
 District 5

Bill Cummings  
 District 6

Northeastern REMC  
is now on Facebook!

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## Northeastern REMC employee helping others bring power to the world

Twenty-nine electric cooperative linemen, including Todd Myers from Northeastern REMC, and two electric cooperative CEOs from across Indiana have volunteered to participate in an international initiative to bring electricity to developing areas in Guatemala.



Todd Myers

The project, called Hoosiers Power the World, is being coordinated by the Indiana Statewide Association of Rural Electric Cooperatives, Inc., (ISA) in partnership with NRECA International Foundation, an affiliate of the National Rural Electric Cooperative Association based in Arlington, Virginia.

"Recently, the United Nations announced 2012 as the International Year of Cooperatives, which seemed the perfect time for Indiana's electric cooperatives to participate in an international electrification project," said Bruce Graham, ISA Chief Executive Officer. "This is the first time we've been involved in an international project and we will change lives forever—much like our

rural electric pioneers did for families across the nation 75 years ago. We can now pay it forward for some very remote areas of Guatemala that have never experienced the wonder of electricity which most now take for granted."

"I'm proud that we had several linemen interested in being a part of this and I know Todd will do an outstanding job of representing Northeastern REMC and the electric cooperative program," shared Gregg Kiess, President and CEO at Northeastern.

Two crews—with 12-14 lineworkers per crew—will each spend two weeks working alongside Guatemalan municipal employees in the department of Huehuetenang. The first crew will be there August 18 through September 1, the second will assist September 1 through the 15. Daily tasks which are completed quickly and easily back home won't be as simple in a part of the world where a bucket truck is uncommon and holes for the poles are still dug by hand.

## FREE KOMET HOCKEY TICKETS for Co-op Connections Card holders!

The Komets are partnering with Northeastern REMC by offering a 2-for-1 DISCOUNT for Touchstone Energy Co-Op Connection Discount Card holders who show their valid cards at the Coliseum Ticket Office during the 2011-12 season for MON – THURS NIGHT GAMES (ONLY).

### The following restrictions will apply:

- 1) Good on MONDAY – THURSDAY NIGHT 2011-12 Komet regular season home games ONLY.
- 2) Show your Co-op Connections Card for the "Buy One Ticket, Get One Ticket of Equal or Lessor Value FREE" offer.
- 3) Adult ticket at the full adult ticket price must be purchased to activate offer.
- 4) Limit of up to two (2) free tickets with the purchase of two (2) per card holder per valid game.
- 5) Cards must be presented in person at the Memorial Coliseum Ticket Office in advance of or on the valid game date.
- 6) Not redeemable for cash or in conjunction with any other offer.

## Long-time REMC employee retires - replacement named



Cynthia Materna, Vice President - Consumer Services, has retired from Northeastern REMC after 25 years with the electric cooperative.

Materna began her REMC career in 1987 as a Consumer Services Advisor. During her tenure at Northeastern she also served as Business Accounts Specialist and Manager of Business Services, working closely with Northeastern's largest power accounts. In 1998 she was named Vice President - Consumer Services, overseeing programs and services for Northeastern's residential members. Employees recognized Materna's contributions to the company during a luncheon held in her honor in December.

Gene Donaghy has been named to replace Materna as Vice President - Member Services. Donaghy has been employed at Northeastern since 1995, most recently serving as Vice President - Energy Services. In his new position, he will oversee departments responsible for providing services to Northeastern's 26,000 residential and business members.

## Space heaters can create hazards at home and work

While space heaters are usually small devices, using them incorrectly at home or in the workplace can create big risks. That's why Northeastern REMC recommends that homeowners and employers develop an understanding of the potential danger and take steps to keep problems from occurring.

According to the National Fire Protection Association, space heaters cause less than a third of home heating fires, but they're responsible for nearly four out of five heating-related fire deaths. Unfortunately, their small size and convenience leads many people to underestimate the hazards space heaters create.

If you need to use a space heater in your home or workplace, you can protect yourself and those around you by following a few basic safety tips:

- Always put space heaters on level floors made from a hard surface. You should not put them on carpeting, rugs, countertops, or furniture. Choose a location where people are unlikely to walk, so they won't trip over the heater.

- Keep the space heater at least three feet from any materials that can burn, including curtains and drapes, upholstery, bedding, clothing,



paper, cardboard, aerosol cans, and flammable liquids.

- Plug it directly into a wall socket. Plugging it into a power strip or an extension cord can cause dangerous overheating.
- Don't put any objects on top of or next to a space heater.
- Make sure that small children and pets cannot get close to the heater.

- Do not leave the heater on while you are asleep, when you leave your home or workplace, or when you're in another part of the building.

• Be sure that the space heater has a switch that will shut the device off if it tips over.

• If the space heater is not working correctly, or if it is missing any parts, either replace it or bring it to a professional for repairs. Do not attempt to repair it yourself.

• If your space heater runs on liquid fuel, be sure to use the right kind. For example, putting gasoline in a space heater designed to run on kerosene is extremely dangerous and could lead

to an explosion. In addition, space heaters that use liquid fuels or propane gas cannot be used in confined spaces and must be vented properly to protect you from carbon monoxide gas.

• Make sure your space heater has been approved by a recognized agency such as Underwriters Laboratories (UL) or Factory Mutual.

## Northeastern REMC offering local environmental grants

Northeastern REMC is taking steps to ensure a greener future for generations to come by awarding "EnviroWatts" grants to local not-for-profit organizations which provide educational opportunities or projects that further environmental awareness. Applications are being accepted through April 2, 2012, at 4:00 p.m..

Northeastern has the ability to provide renewable energy as an energy option for its members. More commonly known as "green power", this energy is from biomass and wind sources. Biomass power is a renewable energy and is created by using gasses produced by landfill decay in locations throughout Indiana. Wind power is being purchased from wind farms in eastern Illinois and north central Iowa.

Northeastern members may choose to pay an additional amount monthly to have their energy purchase credited back

to green sources. The monies collected will be offered to qualified organizations to support environmental programs. To be eligible for a grant, an organization must be not-for-profit and engage in environment education, projects, research or other activities involving the protection or enhancement of our environment. Preference will be given to qualified organizations located within the REMC's service territory in Allen, Huntington, Kosciusko, Noble, Wabash, and Whitley counties, or whose activities directly benefit the area served by the cooperative.

Organizations wanting more information or wishing to apply for funding should visit the "EnviroWatts" page at nremc.com or contact Gene Donaghy at Northeastern REMC, (260) 625-3700, x 403.

## Deadlines approaching for free student trips to Washington, summer camp


The deadline for students to apply to spend a week in Washington, DC, and at a central Indiana camp this summer is quickly approaching. Both of these educational experiences are free to qualifying students who live in Northeastern REMC's service area.

The week-long educational trip to Washington, DC, is open to current high school juniors. Two students will be selected to join approximately 1400 others from across the country. Application deadline is March 1.

Sixth grade students living within Northeastern's six county service area are eligible to attend Touchstone Energy Camp near Lafayette, IN. Northeastern will select up to four students to send on this fun and educational four day adventure.

More information and applications for both of these opportunities are available on Northeastern's website, nremc.com, under "Current News", or by calling Michael DeFreeuw at 244-6111 or 625-3700, extension 416. All applications must be received by March 1.

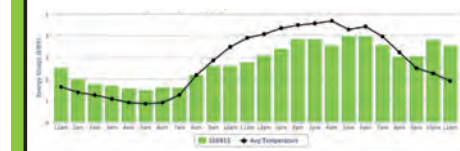
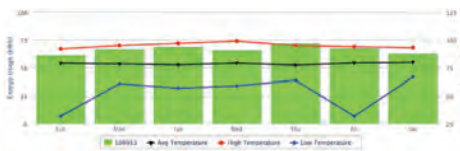





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# Spotlight

## "Free" is a good thing!

Is your home cold and drafty? Are your utility bills higher than you'd like them to be? Then have our certified Energy Advisor do a FREE whole-house energy audit and learn easy do-it-yourself tips to save money and stay comfortable. Call Doug Ferrell - 625-3700, ext. 436.

## New online store helps you save money

Check out our newest website link - and save money on our online efficiency store... Energy Savers. coop.

## Time to enter 2013 student art contest

Now that the 2012 calendar is here, it's time to start thinking about the art contest to illustrate the Indiana REMCs' 2013 statewide calendar!

The contest is open to students in grades K-12 whose school or family is in Northeastern REMC's service area. Students can win cash prizes and have their artwork published in this statewide calendar. See the school art teacher for details or for a complete set of rules and information please visit [electricconsumer.com](http://electricconsumer.com).

Artwork can be submitted by teachers, 4-H leaders or others as a group or class project, or by individual students, their parents or guardians.

Limited quantities of the 2012 Student Calendar are available in our office.