



Connection

PIEDMONT ELECTRIC COOPERATIVE MEMBER NEWSLETTER | FEBRUARY 2024



The Impact of Inflation on Energy Costs

Over the past several years, we've all felt the strain of inflation, whether we're at the coffee shop or the gas pump. Unfortunately, your electric cooperative is not immune to inflation either. The cost of energy continues to rise thanks to several different factors, from higher fuel prices to operate power plants down to the poles, wires and equipment we use to supply you with electricity each and every day.

We understand that dealing with increased costs in every area of your life is stressful, and as a not-for-profit electric utility, we are committed to only passing along cost increases when it's absolutely necessary.

As we all navigate higher costs, we are here to help you better understand how inflation impacts electricity rates and offer programs to help you offset higher costs.

Wholesale Power Cost Increases

About half of the power we supply to our members comes from carbon-free nuclear. Our second largest source of power comes from natural gas plants.

While the price of natural gas came down some in 2023, prices still remained about 25% more than 2020. With an annual power bill of more than \$35 million, you can see the impact this increase has on your co-op.

Increased Equipment Costs

Another area impacted by inflation is the cost of equipment like wires and transformers. These types of equipment have also been harder to come by over the past few years due to supply chain issues, which have led to further price increases.

Prices have dramatically increased in the past few years. For example, a 15 kVA transformer that we paid \$693 for in 2020, cost \$1,258 in 2023 which is an 81.5% increase.

Much of our other equipment has followed the same pattern. Our 350 underground wire was \$1.99 per foot in 2020, \$2.71 per foot in 2021, \$3.30 in 2022 and then \$4.55 last year. Those are increases of 36%, 22% and 38% the last three years.

Even in this rising cost environment, our rates remain lower than national and state averages and we will continue to do everything in our power to help keep them as low as possible.



TIME-OF-DAY

To help offset higher costs on your bill, consider signing up for our time-of-day rate which offers you a lower rate for the energy you use during off-peak times. Last year, the average time-of-day rate member saved more than \$20 per month! Sign up by visiting pemc.coop/special-rates.

IMPORTANT DATES

Feb. 14

Valentine's Day

March 1

Inspection Policy Change

See cover wrap for more details.

March 31

Basketball Camp Applications Due

College Scholarship Applications Due

- 12 **Peak Reduction During Extreme Temperatures**
- 13 **How You Can Help Reduce the Need for Rolling Blackouts**
- 14 **Medical Power Needs During Outages**



Applications for our college scholarships and basketball camp scholarships close on March 31! Interested applicants can apply online by visiting pemc.coop/community.

Peak Reduction During Extreme Temperatures

Many of our members are familiar with our voluntary peak shaving practices during the extreme heat of summer through their participation in our time-of-day rates, load management, smart thermostat and Beat the Peak programs.

Piedmont Electric Cooperative has for decades worked to reduce system-wide energy use during these peak times. We do this to operate the grid more efficiently and to save money for our members.

However, as energy generation and consumption habits change, there may be times during the winter when we need to reduce the peak caused by extreme colds to help members save money and, in extraordinary circumstances, to protect the health of the electric system.

Winter Storm Elliot

For nearly a week in December 2022, Winter Storm Elliot blanketed the United States with blizzards, high winds, snow and record cold temperatures. According to The Weather Channel, 110 million people across 36 states were under a wind chill alert on Dec. 24, 2022.

With the extreme colds, energy use skyrocketed as heating units had to run longer and more often to keep everyone warm. The unprecedented increase in demand for energy combined with underperformance at some power plants led to the need for a controlled load shed, also known as a rolling blackout.

What Has Piedmont Electric Done to Prevent This From Happening Again?

While Piedmont Electric does not operate power plants, we have conveyed the importance of reliability to our power suppliers who have taken steps to strengthen power plant operations and prevent similar issues to what was experienced during Winter Storm Elliot.

This is the only such event in Piedmont Electric Cooperative's 85-year history and we expect that with the changes in place, it will remain that way.

Why Was It Necessary?

Controlled load sheds are implemented as a last resort to prevent widespread and prolonged outages caused by an imbalance between electricity supply and demand. The goal is to maintain the stability of the overall electricity grid and prevent a more extensive and longer outage.

During Winter Storm Elliot, Piedmont Electric had 637 members without power for about 43 minutes whereas other utilities had thousands out for hours. The load shed was able to prevent overloading the system which would have led to a prolonged outage.

While we know that any power outage is inconvenient, controlled load sheds are a measure taken only when absolutely necessary to avoid more widespread and extended outages.

What Happens During a Controlled Load Shed?

Power is disconnected at a substation or circuit level to achieve the necessary energy reduction and prevent damage to the system. For example, during Winter Storm Elliot we needed to reduce energy use by 5%.

Electricity is typically off 15-45 minutes before a different substation or circuit is taken offline and power to the original one is restored. For example, Substation A is disconnected first and is off for 30 minutes. After 30 minutes, Substation B is disconnected, and Substation A is restored. After another 30 minutes we would continue to rotate through Substations C, D and so on as long as the load shed is necessary.

This rotation of outages is meant to keep members warm, minimize the impact of the outage for all and ensure that one group of members does not bear the brunt of the outage.



How You Can Help

Fortunately, there are several things you can do to help save money for members and reduce the need for controlled load sheds. By taking the proactive steps we've outlined below, you can help reduce strain on the system when energy demand is the highest.

Take Action When Receiving Conservation Messages

The easiest and most effective thing you can do is delay or reduce your energy use when we send out conservation alerts. To do this, avoid the use of large appliances like washing machines, lower your heat or air conditioning, avoid using excess hot water, etc. until overall demand is lower.

When we all work together to lower our energy use at peak times, it makes the biggest impact on lowering the strain on the power system.

Sign Up for Beat the Peak Alerts

Make sure you never miss alerts about expected high-demand periods by signing up for Beat the Peak. You'll get convenient text or email alerts about expected periods of peak demand, so you know when to adjust your energy use. Sign up by visiting pemc.coop/beat-the-peak.

Save Energy and Money

Conservation isn't just good for the system; it can be good for your wallet too. When you sign up for our time-of-day rate, you pay less for energy during low demand times and more for energy during high demand times. By shifting energy use from high demand to low demand times you can save. Members on the rate saved about \$20 per month on the program last year. Visit pemc.coop/special-rates to sign up or learn more.

Sign Up for Our Smart Thermostat Savings Program

Another easy way to reduce energy usage during the summer is by joining our smart thermostat savings program. Nest smart thermostat owners can enroll in the program, which allows Piedmont Electric to adjust your thermostat by a few degrees through your in-home Wi-Fi on very hot, high-demand days. If you're interested in joining, visit pemc.coop/smart-thermostats.

Have a question or need help enrolling in one of our programs? Email info@pemc.coop, use the chat feature on pemc.coop or call 800.222.3107 to get in touch with one of our friendly member service representatives.



The Importance of a Balanced Energy Approach

We believe that a balanced approach is the best way to build an energy portfolio. A mix of carbon-free nuclear, natural gas, solar, wind and other resources ensures we continue to supply the affordable, reliable energy our members need.

Medical Power Needs During Outages

If you are a Piedmont Electric Cooperative member with a medical condition or use medical equipment that is dependent on having electricity, it is important to know how Piedmont Electric handles your situation in relation to power outages.

In the case of a power outage, Piedmont Electric will make every effort to respond to your needs. However, we cannot guarantee that we will restore electricity in a manner that would not threaten your dependence on medical equipment or would accommodate your medical condition. Therefore, it is of the utmost importance that you have a back-up plan to temporarily relocate to another location with electricity or have a standby power generator to accommodate your needs during prolonged power outages.

Piedmont Electric attempts to contact all members prior to planned outages or disconnections for non-payment. Make sure your phone number and email are up-to-date to ensure we can reach you ahead of these potential events and so that you will have time to plan accordingly. Verify your contact information on SmartHub or contact us at **800.222.3107**.



STATEMENT OF NON-DISCRIMINATION

In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.

Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotape, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.

To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at http://www.ascr.usda.gov/complaint_filing_cust.html or at any USDA office, or call

(866) 632-9992 to request the form. You may also write a letter containing all the requested information in the form. Send your completed complaint form or letter to the USDA by:

1. Mail: U.S. Department of Agriculture, Director, Office of the Assistant Secretary for Civil Rights
1400 Independence Avenue, SW,
Washington, D.C. 20250-9410
2. Fax: (202) 690-7442
3. Email: program.intake@usda.gov

Piedmont Electric Membership Corporation is an equal opportunity provider and employer.

PIEDMONT ELECTRIC CONNECTION

Published monthly for the members of Piedmont Electric Cooperative. Piedmont Electric Cooperative is an equal opportunity provider and employer.

Hillsborough and Roxboro Drive-Thru Hours:
Tuesday, Wednesday and Thursday
8 a.m.-5 p.m.

Caswell Drive-Thru Hours:
Wednesday 8 a.m.-5 p.m.
Offices are closed except for scheduled appointments.
Available by phone Monday-Friday, 8 a.m. to 5 p.m. Report outages, make payments and access account information by phone 24-hours-a-day by calling 800.222.3107.

You can also pay your bill online at pemc.smarthub.coop.

2500 NC Highway 86 South
PO Drawer 1179
Hillsborough, NC 27278

Stephen B. Hamlin
President & General Manager

DIRECTORS

Randy Kinley, Chair
Steven P. Bailey, Vice Chair
David Poythress, Secretary
Richal Vanhook, Treasurer
Darren Chalk, Stephen C. Long,
V.Kay Scurlock-Ferguson,
Jimmy Thomas & Cyrus Vernon

IF YOUR POWER GOES OUT, CALL OR TEXT 800.222.3107

Opt in for text alerts by texting "pemc" to 800.222.3107. Once you've opted in, report an outage by texting "#out" to 800.222.3107 or "#status" for an update on your outage.

Our automated outage reporting system uses your phone number to determine your service location. Update the phone number connected to your account online through SmartHub, by completing the form on your monthly bill or by calling 800.222.3107.

Use the SmartHub app to report an outage or online at pemc.smarthub.coop/#reportanissue: with your SmartHub login.

Please note that it may take up to 24 hours for our system to recognize new cell phone numbers in the text outage alert program.