

A MESSAGE FROM THE GENERAL MANAGER

Power Supply in the Pacific Northwest

Have you ever wondered where the power you use comes from? It turns out that answering that question is more difficult than you might think. The reason for this is that the electrical grid used to deliver power to your home or business is the most complicated machine ever made. The movement of each electron traveling over it is governed by the laws of physics. Like a tidal river, the volume and direction of power frequently changes as it flows within the grid. Many things can cause this. Examples include power plants ramping up their production to meet changing demand, a transmission line being taken out of service for maintenance, or simply the rising or setting of the sun (think solar). So, while it is easy to measure the amount of energy flowing through a meter on the grid, it's much more difficult to determine where that power originated.



Doug Elliott

Given this, you might be asking yourself another question—if it's so difficult to determine where the power I'm using comes from, how can I be sure I'm being charged the right amount? After all, the cost of wind and solar are different than the cost of nuclear and hydro power, right? To ensure power is priced correctly, buyers and sellers enter into complex power supply contracts designed to equitably recover the costs associated with producing and delivering it.

KEC purchases most of its power from the Bonneville Power Administration (BPA). The power it sells comes from the hydroelectric dams and the Columbia Generating Nuclear Station (CGS) and represents about 83% of the power we purchase, and you use. That power is carbon-free and very inexpensive. On average, BPA sells that power for about \$35 per megawatt hour (MWh). We would like to buy more of it if we could. Unfortunately, the dams and CGS are operating at capacity.

For this reason, KEC purchases the balance of its power supply from other suppliers in the open market. While the price of market power is subject to the pressures of supply and demand, over the past several years we have been fortunate to secure it at rates which were near or marginally below the cost BPA charges. This has saved the cooperative (you) money! Unfortunately, prices for market power can only be locked in for a year or two in the future without assuming considerable financial risk. And those prices are rising. Power purchased for delivery in 2024 from the market now costs about \$70 to \$75 per MWh delivered.

The good news is that KEC has secured all of its requirements for 2023 at very low rates. We also secured a good bit of our non-BPA requirements for 2024 at those same rates. However, the cost of purchasing the remaining portion will likely be much higher. This will inevitably create some rate pressure which will need to be recovered through rates.

As always, the cooperative routinely seeks other ways to reduce its costs to ensure our rates remain competitive. This effort is an ongoing part of our commitment to living out our mission. More information about the cost of power supply will be shared with you in the months ahead.

Employee Spotlight: Matt Hull



Matt Hull is a Foreman and has worked for KEC for almost 15 years.

What made you interested in working as a lineworker? How did you train for work in this field?

I learned about line work from my dad—he's been a lineman for more than 40 years at Northern Lights, Inc. in Sagle. After watching his career throughout the years, I knew it was something I wanted to do too. To get started, I went to North Idaho College and then I attended line school in Spokane. After line school I spent some time working as a contractor for various gas, phone and electric utilities.

I was hired at KEC one spring as a temporary groundman. At that time the cooperative hired several groundmen for the busy summer season and we had the opportunity to show off our skills and dedication to the trade. At the end of the summer, I was offered one of two openings for an apprenticeship. Over the past 15 years I have worked my way up to journeyman lineman, then serviceman and about two years ago I was promoted to foreman.

What sort of work did you do as a serviceman?

A few years ago, KEC implemented a new System Inspection and Maintenance Plan. The plan outlines a methodical approach to how we inspect and maintain

every piece of equipment on our system. This includes major equipment and other minor components on overhead transmission lines, substations and overhead and underground distribution lines, inclusive of vegetation management and all KEC infrastructure up to the meters installed at each KEC service point.

When I was involved with this process, I inspected work conducted by our tree trimming crews along with the electrical infrastructure by ground patrol with an aerial bucket or by using a drone in areas difficult to access. Any defect noted during the inspection was flagged with a priority and synchronized to a database for follow up. With the data collected, a KEC field engineering technician assigned to maintenance work reviewed the findings and created service orders for repairs or created designs for equipment replacements where needed. Although I am no longer involved in this process, we still have lineworkers conducting this work. The intent of the program is to proactively identify potential problems and act upon them before they negatively affect KEC's service reliability.

Tell us about your day as a foreman and the focus of your crew's work.

As a foreman, I am responsible for the work and safety of a crew, which is made up of journeyman and apprentice linemen and an equipment operator. We usually travel with a digger derrick, a large bucket truck, a small bucket truck and a backhoe with a trailer. Most of my crew's work involves connecting new members to electric service in low-density areas. We also conduct any necessary maintenance work while doing new construction work. For example, a pole might need to be changed out before we can extend service to another member. Due to the growth in our area, we have a few crews working on new construction or service work.

What is the best part of your job?

My time at KEC has allowed me to work in various roles and gain different experiences. From lineman to serviceman and now foreman, there is always a new challenge.

KEC Conducting Meter Exchanges

Since 2019, KEC has been conducting meter exchanges as part of a five-year plan to replace many of the meters in our service territory. We will contact you in advance if we plan to exchange your meter.

These meter exchanges bring up a couple of questions, such as: why is KEC changing out meters? What kind of meters is KEC installing?

KEC was an early adopter of automated metering technology, implementing it about 20 years ago. Similar to computers and other technology, many of our meters have reached the end of their useful life and need to be replaced. It is more cost effective to replace the meters in batches, rather than to wait until an individual meter fails.



The new meters are a different brand than the meters being replaced, but have the same fundamental metering functionality. The meters cannot monitor, see or control electrical equipment in a member's home. KEC's automated metering infrastructure sends signals carried across the power lines (not radio waves) to provide meter readings used for billing, to identify power outages and to provide hourly energy use data for members. This system allowed KEC to eliminate labor and transportation costs associated with reading each meter every month.

Efficiencies and Cost Reduction

In addition, the ability to read meters from the office allows us to:

- Offer a prepaid billing option for members who choose to participate.
- Read a meter on demand, such as when an account needs to be transferred from one member to another.
- Read meters on a daily basis instead of only once a month.
- Provide frequent voltage and energy consumption information to engineering staff which enables them to ensure the KEC system has the capacity our members need.

Improved Outage Response

When power outages occur, KEC's outage management system and automated meter infrastructure work together to identify outage locations and enable crews to get to outage locations faster. KEC's dispatchers send signals to large numbers of meters to determine the scope of an outage, which is especially helpful during wind and snow storms when there are widespread problems. When repairs are complete, a signal can be sent to the meter to verify power has been restored.

KEC is committed to serving members through the effective use of technology. From improving reliability to increasing efficiency, lowering costs and enabling additional service and billing options, the automated metering infrastructure plays a large role in the way we serve you.

Visit www.kec.com/meters-meter-reading-and-meter-exchange-common-questions to learn more about KEC's metering program.

NEWS BRIEFS

NOMINATING COMMITTEE SEEKS CANDIDATES

The KEC Nominating Committee is looking for members interested in serving on our board of directors. Candidates must meet the qualifications outlined in the cooperative's bylaws, be able to invest a minimum of 60 days per year on board-related activities and be able to periodically attend conferences and director training. Directors should also have strong business acumen and a broad understanding of regional and national energy issues. There will be two positions up for election in 2023:

- **District 3:** This generally includes areas north of I-90 and east of Huetter Road, including Coeur d'Alene and Hayden. This position is currently served by Todd Hoffman.
- **District 4:** This generally includes areas south of the Spokane River and west of Lake Coeur d'Alene, including parts of Post Falls and Coeur d'Alene. This position is currently served by Dave Bobbitt.

If you would like to be considered, please review our bylaws and complete the application available at www.kec.com. There is also a map of the director districts on the website. The deadline for applications and petition nominations is November 30, 2022. The election and petition process are governed by KEC's bylaws.

EARLY DISCOUNTED CAPITAL CREDITS

If you participated in the Early Discounted Capital Credit Program this year you should see a credit on your November billing statement. Thank you for your participation. Capital credits are one of the many benefits of your KEC membership. If you didn't participate this year, there will be another chance next year when KEC mails eligible members a capital credit statement in the summer of 2023. For more information contact us at 208.765.1200 or capitalcredits@kec.com.

OFFICE HOURS & HOLIDAYS OBSERVED

The KEC office will be closed on December 26 in observance of Christmas and January 2 in observance of New Year's. KEC's normal business hours are Monday-Thursday 7 a.m.-5:30 p.m., closed Fridays.

KEC BOARD MEETINGS

Members are welcome to attend monthly board meetings. Meeting dates vary—call Constance Felten at 208.292.3211 for details.

WIN A \$50 ENERGY CREDIT

Below are 10 KEC account numbers. If you find yours contact us at 208.765.1200 to receive a \$50 bill credit.

**1643421, 1853398, 1353640, 1815285, 1843559, 1814066, 1590336,
1667365, 1842571, 1246320**

Energy Efficiency Tip of the Month

Is your home heating system ready for the winter chill? One of the easiest ways to keep your system running efficiently is to regularly replace filters. If your central air system has a furnace filter, it should be replaced about every 90 days.

If your home is heated through warm-air registers, baseboard heaters or radiators, remember to clean them regularly to boost efficiency.

Source: energy.gov

