

## **TVA Rate Increase**

A small TVA rate increase of 1.5 percent went into effect October 1. This increase is at or below the rate of inflation; thus, it could have been worse. Because of cost reductions at TVA and Warren RECC, the increase falls within the rate of inflation. The increase will be used to fund new TVA projects which are focused on additional generation projects which will be used to replace coal units that are being shut down. The replacement generation will include lower emitting carbon-dioxide (CO2) natural gas-fired generation, new nuclear, and some additional renewables. While the increase is not extensive, it does follow on the heels of a similar increase in October 2013. For every dollar we collect from our members for their electric usage, it takes 76 cents to pay TVA; Warren RECC uses only 24 cents to cover our local costs of doing business. For the third consecutive year, Warren RECC has made cost reductions in an attempt to help offset the pain. The bottom line is — without cost reductions from TVA and Warren RECC, the increases last year and this year would have been more.

Most of the increases and cost reductions are being required to help meet the Environmental Protection Agency's (EPA) new rules on coal-fired generation. The mercury air-toxics rule (MATS) goes into effect in 2015; TVA must meet those new rules or shut down units that cannot meet the new standards. The EPA's new push on rules to reduce CO2 is underway for new and existing coal-fired generation. With no tested, proven, or economically feasible technology to remove CO2 from coal-fired plants, this simply means there will be no more coal-fired power plants built in the future. For those existing plants, they will be subjected to the new rule being proposed. Over the next 15 years, existing coal-fired units will be required to expend funds to meet the new CO2 rules or be shut down. TVA is being forced to provide non-coal generation as it constructs several new plants. Nuclear and natural gas-fired turbines will provide most of the base load power which will replace multiple coal units. For example, there are three coal units at Plant Paradise which provide economical base load (they operate around the clock) power supply. Units 1 and 2 will be shut down no later than 2017 and replaced with new natural gas combined-cycle units. Unit 3 at Paradise will continue to operate with coal for the foreseeable future.

## **EPA Extends Comment Period to December 1**

Many U.S. senators from both parties issued a joint letter to the EPA requesting the agency extend the comment period for the newly-proposed CO2 rules for existing coal power plants. The time period to offer comments to the agency was extended until December 1, 2014. This allows more time for you, a Warren RECC member, or even members of the general public who receive their power from a municipal or investor-owned utility, to send in comments. If you're a member of Warren RECC go to [www.Action.coop](http://www.Action.coop); if you're not a member, then go to [www.TellEPA.com](http://www.TellEPA.com) to send the EPA the message you do not want your electric bills to rise with this newly proposed rule. If you do not have a computer, visit any Warren RECC office to fill out a postcard.

Warren RECC is a member of the National Rural Electric Cooperative Association (NRECA), which represents over 900 electric cooperatives nationwide serving over 42 million members. NRECA and its membership believe the proposed rules are too strong, too quick, and will raise our electric bills. *As of September 29, 2014, NRECA members have sent over 970,000 messages to the EPA and still counting. In Kentucky, electric cooperatives have sent 13,000 messages and Warren RECC members have sent in approximately 2,200 messages.* **If you come by one of the Warren RECC offices and fill out a postcard, you can pick up a free Action.coop t-shirt (while supplies last).**

### **Winter Weather on the Way!**

Several forecasting groups have indicated a possible colder-than-average winter is developing. The *polar vortex*, which may sound more like a science fiction movie, was the phrase used to describe last year's record-breaking cold. Now is the time to insure you begin taking measures to reduce your exposure to severe cold temperatures and higher heating bills. Warren RECC provides multiple services to assist you, our member, in this area and some at no charge. If you have propane fuel as your heat source or back-up fuel source, take advantage of lower fuel rates and fill your tanks. Propane Energy Partners (PEP) is one of the few providers that "*did not*" run out of propane for its customers last winter. They also kept their price as low as possible to be fair. Last winter, many found out it would have been much better to have a *dual-fuel heating system*. This system consists of a heat pump for air conditioning and heating, and a propane furnace for backup heat when temperatures drop below 30 degrees. Having a heat pump and a propane furnace allows the owner to switch between the two, optimizing which ever resource is most economical. The heat pump simply replaces the outdoor air conditioning condenser and looks identical. Warren RECC offers incentives for these systems, so give us a call today.

### **Holidays Sooner Than You Think**

With Thanksgiving and Christmas on the way, it reminds me of many things. I can recall growing up in western Kentucky and helping my parents and grandparents with holiday preparations. Of course, both holidays have some commonalities such as doing for others, family, friends, and recognizing our many blessings through God and His Son, Jesus. Recently, I had been given news from some of my friends, who manage other electric cooperatives from around the state, and the news was not so good. Many reported loss of members, jobs, and population as the economic impacts from the recession and government regulation have been too much. It did make me realize that south central Kentucky is basking in blessings, as our region continues to grow. In this situation, it is important for those of us who have excess to make the decision to try and help another, when given the opportunity. This season, remember to look out for those who are less fortunate. It always gives us the satisfaction of knowing we made a difference, and the receiver will be thankful we cared enough to stop and help. Please be safe, and God Bless.