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NEWS CENTRAL

Monthly newsletter from Central Electric Membership Corp.

Keeping an eye on reliability into the future

Spanning over 12 months, a project to upgrade the cooperative's five-mile stretch of transmission line is now complete and it is once again delivering power to members.

The project consisted of replacing 58 wooden poles along with upgrading the existing line and equipment. The existing infrastructure was nearing the end of its life cycle and replacement of the line became a top priority of the co-op for many years.

Now standing in its place are stouter steel poles, some as tall as 120 feet, and a higher-capacity steel reinforced line. The new line enables the cooperative



By upgrading the transmission line serving members in Harnett County, the cooperative can keep up with growth in the Spout Springs area, which includes developments such as Lexington Plantation.

to carry loads over twice that of the old line to two primary substations in Harnett County. This will allow the co-op to keep up with continuing growth in the area.

"The new transmission line is a statement that reliability for members continues to be a top priority for the cooperative," said General Manager Morris McClellion.

"With the upgrades put in place, the line can now accommodate a large amount of growth in the southern portion of our system for the next several decades. As the area between Sanford and Fort Bragg continues to change at a rapid pace, the co-op is in a great position to keep up with the growing strains on the system."



Energy efficiency tip:

- ▶ Setting your thermostat to a colder setting than normal when you turn on your air conditioner will not cool your home any faster and could result in excessive cooling and unnecessary expense. *Source: U.S. Dept. of Energy.*

POINT OF VIEW

Coal ash compliance

From the desk of CEO & General Manager Morris McClellion

A big part of managing our electric cooperative is keeping costs as low as judiciously possible. As a not-for-profit business, we operate as close to at-cost as possible based on precise projections. Every so often, there arise occasions when outside factors impact our cost of doing business in unexpected ways.

You may recall in February 2014, coal ash from a Duke Energy power plant spilled into Rockingham County's Dan River. The Dan River spill followed a similar incident in 2008 at a facility operated by the Tennessee Valley Authority in Kingston, Tennessee.

These incidents created a flurry of federal and state regulations aiming to regulate the disposal of coal ash, a by-product of the process used to generate electricity at coal-fired power plants. The N.C. Coal Ash Management Act of 2014 introduced more stringent disposal and storage requirements for Duke Energy, which has 33 coal ash basins across the state.

Complying with these requirements is a cost utilities who own coal-fired generation

across the country, including Duke Energy, will pass on to consumers. This includes wholesale customers like Central Electric.

Although Central Electric does not own any coal-fired power plants, we have been engaged in the coal ash management discussion from the start.

A portion of the electricity we supply to you comes from wholesale power agreements

“ We will continue to do whatever we can to minimize any cost increases, because we know any increase will directly impact your family budget. ”

that our power provider, North Carolina Electric Membership Corporation (NCEMC), has with Duke Energy. Costs incurred by Duke Energy to comply with these new regulations will be integrated into the wholesale rates we pay for

power. As an at-cost provider of electricity, that means they will ultimately make up a part of the costs you, our members, pay for electricity.

Our focus and success in these discussions has been to balance environmental goals while minimizing impacts on rates. We have been working very hard to minimize the impact of these costs to you through conversations with legislators and executives at Duke Energy. As a result, state lawmakers amended coal ash legislation in 2016 to adopt a science-



based approach that preserves environmental goals while cutting millions of dollars from initial projections of consumer costs.

So what does this mean? Until a final decision is made regarding the allowable rate increase for Duke Energy, we are uncertain of the exact impact on our rates. None of the costs stemming from cleaning up the Dan River spill will be passed along; these were paid for by the Duke Energy shareholders. However, the costs being incurred by Duke Energy for compliance with coal ash regulations will ultimately affect our wholesale power costs and in return, the rates you pay for electricity.

We will continue working to minimize any cost increases, because we know any increase will directly impact your family budget. If/when industry factors affect rates, we will let you know well ahead of time and continue to pursue ways to provide you with affordable energy.

Until next time,

Morris McClellion

Operation Round Up® boosting local groups

Thanks to the Operation Round Up program, powered by voluntary donations from Central Electric members, over \$21,000 is being put back into the local communities to provide assistance for worthy projects. Grants were awarded to the following nonprofit organizations:



Kristen Mellette, Creative Director, accepts a grant check on behalf of the St. Provision Community Development Corp. The grant will help support the Positive Direction Youth Leadership Conference.

► **Bennett Jr. Beta Club (Chatham):**

\$2,000 to help students with costs associated with competing and attending the N.C. Junior State Beta Competition.

► **Chatham Central High School PTSA and FBLA (Chatham):**

\$1,500 to help with student registration costs to attend and compete at the National Leadership Conference.

► **Communities in Schools (Chatham):**

\$2,500 to help support intensive, targeted support services for 550 students at Chatham Middle School.

► **Family Promise of Lee County:**

\$3,000 to help provide families with bedding materials during their stay in the homeless recovery program.

► **Golden Adventurers Senior Group (Harnett):**

\$983 for repairs

associated with the septic system.

► **Lee County High School FFA:**

\$3,000 to help provide scholarships for students to attend summer FFA camp at White Lake, N.C.

► **St. Provision Community Development Corp. (Lee):**

\$3,000 to help with costs associated with leasing equipment for the Positive

Direction for Youth Leadership Conference.

► **Stepping Stones Children Center (Lee):**

\$2,500 for a storage shed for therapeutic equipment, bicycles, tricycles and other equipment.

► **The Salvation Army (Lee):**

\$3,000 to provide transportation assistance and scholarships for low income adults.



Apply early for Bright Ideas!

Central Electric is now accepting applications for Bright Ideas education grants for the 2017-2018 school year. Educators in K-12 classrooms are encouraged to apply for a grant up to \$2,000. Grants are available for all subjects and teachers can apply individually or as a team.

This year, Central Electric will award Bright Ideas grants totaling approximately \$15,000. To apply, educators must include a budget, explain the creative elements, implementation, goals and evaluation of the project, and have approval from the school principal.

The final deadline for all grant applications is Sept. 18, but don't wait to apply. Applications submitted prior to the early-bird deadline on Aug. 15 will be entered to win one of five \$100 Visa® gift cards. For more information or to submit an application, visit NCBrightIdeas.com.

Cooperative awards college scholarships

Several local students attending either Central Carolina Community College (CCCC) or Sandhills Community College (SCC) have been awarded a \$2,000 scholarship to help with education expenses.

Each year, Central Electric awards scholarships to CCCC or SCC students who are members of the cooperative or live in a home served by the cooperative. Scholarships are awarded based on scholastic achievement, extracurricular activities, financial need and a written essay.

These scholarships represent a way for the cooperative to provide higher education opportunities for our local students and help invest in the future of our communities.



Colton Brown
CCCC



Ryan D'Amato
CCCC



Jennifer Lippi
CCCC



Peter Matthews
CCCC



Cynthia Testa
SCC



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Membership Corporation

A Touchstone Energy® Cooperative

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James Taylor, *Editor*

This institution is an equal
opportunity provider and employer.

Take control of your budget

Are you looking for ways to manage your energy costs? We may have the answer for you. The co-op's FlexPay program gives you the power to manage your payments and closely monitor your energy use.

FlexPay allows you to pay on your account as necessary to maintain a credit balance based on your daily energy charges. If your account balance runs out, there are no reconnect charges. You only need to establish a \$20 credit account balance to reconnect.

You can monitor your account on CEMCPower.com, as well as through email, text and voice alerts. FlexPay is available to both new and existing residential consumers.

To learn more about the FlexPay program or to see about transferring an existing account onto FlexPay, contact us today.

