



**WISHING ALL
AREA FARMERS A
SAFE & SUCCESSFUL
2022 HARVEST**

NEWS & VIEWS

A monthly publication for members of Heartland Power Cooperative | **October 2022**

HIGH FUEL COSTS AT THE HEART OF PCA

Power Cost Adjustment Charge to Appear on October Electricity Bills

After a grim reliability forecast from the regional grid operator this spring Heartland Power Cooperative and our wholesale power provider, Dairyland Power Cooperative, have worked hard to keep the lights on while also controlling costs. Safe, reliable electricity is our top priority, but like everything else, electricity production costs have risen more than expected during our peak summer months due to high electricity demand, delayed coal deliveries and increased fuel costs (primarily natural gas). Combined with higher-than-budgeted purchased power costs in the energy market, expenses hit a threshold to issue a power cost adjustment (PCA) charge on September energy.

When members receive their October bill, there will be a PCA charge of \$0.01 per kilowatt-hour (kWh) used in September. For the average member using 1,500 kWh per month, that would be an extra \$15.00 on their bill. The total PCA charged to Heartland Power was actually \$0.0246 per kilowatt-hour but the cooperative is absorbing a portion of the increase.

Throughout the year, Heartland Power has been making adjustments to cover rising costs on nearly everything we purchase – equipment, materials, fuel, paper. Unfortunately, the regional power market is not immune to rising prices. PCA charges

paid by members directly help pay the increased cost of our wholesale power bill. This money does not pay for anything else locally at the cooperative.

In February and in May, PCA charges were also issued by Dairyland Power of \$0.00822 per kwh and \$0.00554 per kwh respectively but Heartland Power absorbed those costs, a total of \$342,430.94, and did not pass them through to members. As cost increases have continued through the year, it was necessary to pass through a portion of the increase for September. With continuing rising costs and market volatility, there is a chance another PCA charge could occur in 2022.

What impacts the PCA? The PCA is based on the cost of wholesale power, which can fluctuate for a variety of reasons. During summer months when the demand for electricity is high, power may need to be purchased at market price, which includes additional generation costs. Increased costs for fuels like natural gas also impact the price of wholesale power.

The current PCA charge is the result of multiple factors in July and August, including high energy prices in the market, delayed coal deliveries and higher-than-budgeted fuel costs.

“July and August were challenging months. The tremendous unit availability of Dairyland’s owned generation facilities

helped reduce, but not eliminate, Dairyland and our member cooperatives’ exposure to high market prices for electricity,” Dairyland Executive Vice President and Chief Financial Officer Phil Moilien said. “Dairyland has been working all year on cost management measures to help keep wholesale power rates stable for our member cooperatives and their members at the end of the lines. But we are still vulnerable to market fluctuations.”

What is Heartland Power doing to help? Times are tough for everyone as the cost of gasoline, groceries and other essential needs are rising. Heartland Power Cooperative is working hard to control internal costs and will continue to work to minimize the potential for additional PCAs throughout the rest of the year. We take any cost increase very seriously while always keeping our priorities in front of us – to provide safe, reliable, and affordable energy for our members.



Jon Leerar,
CEO/General Manager

Heartland

POWER COOPERATIVE

Providing members with safe, reliable, affordable electricity and enhancing the quality of life for members and their local communities.

GENERAL INFORMATION

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MONTHLY CO-OP QUIZ

\$25 Bill Credit Winner

Chester & Amber Martin of Osage

This Month's Question...

What is one of the regular maintenance tasks you should be completing each fall?

Quiz Guidelines: Each member who sends in the correct answer by the 20th of the month will be entered in a drawing for a \$25 bill credit. **Mail or email quiz answers to energy@heartlandpower.com.**

Focused on YOU

Electric cooperatives were created to serve their members. Because we're a co-op, we're able to adapt to our community's unique needs. That's the power of co-op membership.

OCTOBER IS NATIONAL COOPERATIVE MONTH

LOCAL 4TH GRADERS LEARN ABOUT ELECTRICAL SAFETY ON THE FARM

Heartland Power employees participated in Farm Safety Days in Winnebago County, Worth County and Mitchell County in September to discuss the importance of electrical safety with area elementary students. Ask your child or grandchild what they learned about electrical safety if they attended! *For more information on electrical safety, visit our website at www.heartlandpower.com.*

Pictured is Lineman Colton Skarpohl-Ost providing an electrical safety demonstration to 4th graders at the Farm Safety Days in Winnebago County.



CHECK YOUR HEATING SYSTEM THIS FALL

We can't believe it's that time of year again, but if you haven't had a fall check-up done on your heating system, now is a good time to do so! Whether you do it yourself or hire a professional, regular maintenance inspections can save you energy and allow the opportunity to make small repairs before they become big, costly problems. Also clean or replace your furnace filter, inspect your duct system for leaks or gaps, and clean your registers...these simple, inexpensive tasks are worth taking the time to do.

HARVEST ELECTRICAL SAFETY TIPS

Heartland Power urges farmers to take the proper precautions when working around power lines. The rush to harvest can lead to farmers working long days with little sleep. It is important to take time for safety. Before starting work, make sure to note the location of overhead power lines.

- Use a spotter when operating large machinery near power lines.
- Use care when raising augers or the bed of grain trucks around power lines.
- Keep equipment at least 10 feet from power lines — at all times, in all directions.
- Inspect the height of farm equipment to determine clearance.
- Always remember to lower extensions when moving loads.
- Never attempt to move a power line out of the way or raise it for clearance.
- If a power line is sagging or low, call us at 641.584.2251
- Do not use equipment with frayed cables.