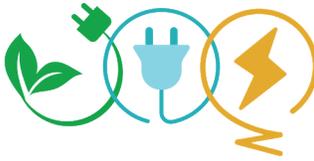


*Pictured:  
Sussex REC's Vernon  
substation covered in a  
light coat of snow.*



**Sussex Rural  
Electric Cooperative, Inc.**  
A Touchstone Energy® Cooperative

SREC's Member Newsletter  
2025, Issue 4 of 4

www.sussexrec.com  
973-875-5101  
info@sussexrec.com

# Currents



## Watch your mailbox!

Members can expect their capital credit checks, which cover their share of the profits from the year 2024, to arrive by mail in the second week of December. As a not-for-profit co-op, capital credits represent our members' investment into Sussex REC for each year of membership.

Learn more about capital credits at:  
[www.sussexrec.com/capital-credits](http://www.sussexrec.com/capital-credits)

## This Year, Next Year, & Beyond

By Chris Reese, President & CEO, [contactthecEO@sussexrec.com](mailto:contactthecEO@sussexrec.com)



Sussex REC, like many utilities, is under pressure as 2026 approaches. Our costs are rising, stemming from shifting government policies, supply-demand imbalances, and inflation.

Conflicting federal and state energy policies have shaped today's grid challenges, a topic that's been constantly highlighted in New Jersey's political campaigns this year. Ever-changing government policies have strongly affected these supply and demand swings. Steve Brame, CEO of our power provider Allegheny Electric Cooperative, in my video interview with him for our 2025 Online Meeting called this the "windshield wiper effect" of short-lived public policy.

Power supply is struggling to meet higher demands due to early closure

of coal and nuclear plants and surging requests for more power from data centers. I keep coming back to the basic law of supply and demand. If we constrict power supply, perhaps unnecessarily, while the demand for power increases unchecked, we are naturally going to be faced with very high prices.

In 2024, PJM market capacity prices surged 833% (!) due to high demand and limited supply, impacting New Jersey consumers. Sussex REC members thankfully are somewhat insulated from the worst of this surge thanks to co-op ownership of generation assets, including the Susquehanna nuclear plant and Raystown hydropower plant. Only 33% of our supplied power is market dependent, so there is some

>> *Continued on pg. 2*



# This Year, Next Year, & Beyond << *Continued from pg. 1*

impact on us, but not as large as the impact on the rest of the state’s population whose utilities do not own their own generation.

Transmission costs from Allegheny will also increase in 2026. This is the cost to move power across the region from the power plants to our delivery points. This will primarily affect the energy portion of our members’ bills (kWh usage). Members can at least attempt to manage this by reducing consumption where possible.

The co-op’s resilience stems from ongoing system upgrades and investments we’ve made in technologies like AMI and FLISR (highlighted in the main article of our last issue of *Currents*). Members had their power on and available an average of 8,756 out of the 8,760 hours last year, and our time to restore power when we do have an outage is consistently low. But inflation and other economic factors have driven up equipment costs, too. Key materials such as transformers, poles, and wire now cost 40-100% more than they did just a few years ago (see the chart on page 3 for more information). These are purchases that we cannot avoid, as we have to have inventory on-hand for regular maintenance and also for restoration from severe storms.

At time of writing (in late October), we are still working on finalizing the details of 2026’s rate adjustment. As we get closer to the new year, you can expect more information to find its way to you through announcements on our website, social media pages, opt-in email alert service, and the communications box on the bottom portion of your electric bill.

As market forces push costs higher, we are trying to hold the line and keep your rates as fair, and low, as possible. “Possible” is the key word

here, as we don’t have full control over all of the increases I have described above.

I think most of you know this: as a cooperative, we run our operations “at cost.” We are not in business to turn profits and dividends for investors. We only charge what we forecast we’ll need to provide safe, reliable, and always-on power. But our rates still must, among other things, cover the cost of supplied power, the cost of materials and equipment, the management of the decimated ash trees constantly threatening our lines, and also must ensure we have the necessary staffing – the best employees out there – working to fulfill our mission for our members. If the year goes well and we end with a margin, know that 100% of it will be returned to you via capital credits.

This may be a lot to digest, but our goal is to provide you with as much up-to-date information and be as transparent about our rates as we can. The value of the co-op model for an electric utility has never been more evident. While tomorrow seems challenging, the possibilities are promising. With all that I just stated, we still anticipate having one of the lowest electric rates in the state next year. With only four small town systems that are lower, SREC’s residential electric rates are lower than 99% of the state’s population – by anywhere from 6% to more than 40%!

This is something that I am very proud of and that goes along with our 88-year-old mission: to keep the lights on while keeping rates as low as possible. We are supplying our members with 80% carbon-free power, with an average of 99.95% up-time and one of the lowest electric rates in the state. Sussex REC is doing its best to achieve its mission, this year, next year, and beyond. ⚡

## Key Terms of the Energy Market

*To help you keep up with the conversation around the state of the energy market, here is an intro to some key terms.*

**AI Data Center** - A warehouse which stores computer systems for training or operating AI. An individual data center takes a lot of electricity to function, exponentially more than the required load of a residential home. This has led to increased demand for electricity as these facilities spread throughout the U.S.

**BPU** - The Board of Public Utilities, a state agency which oversees utilities in NJ. As a co-op, Sussex REC is not governed by the BPU, but we work to comply with all BPU guidelines.

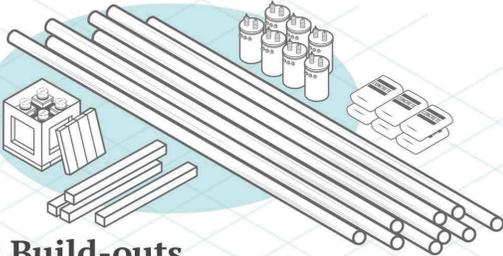
**IOUs** - Investor-owned utilities, operating with a for-profit business model. In NJ, they are governed by the BPU and buy energy on the open market.

# Cost Increases

The past five years have been a period of exploding costs for the electric utility industry and for broadband providers, pushed by soaring demand, supply chain challenges, raw materials shortages, increased labor costs and tariffs. The impact has been rapid increases in the cost of producing power, longer and more unpredictable project timelines and the need for more financing, all of which have driven electric rates up for residences, businesses and other end-users. Here's a look at what's contributing to the trend. **Percent increase since 2020:**

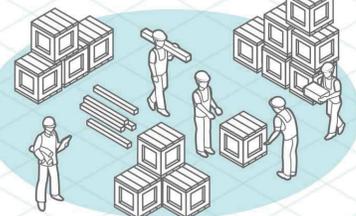
## ● Infrastructure

Utility poles (wood, steel, composite)	+25-40%
Crossarms & braces (steel/wood)	+20-35%
Conductor wire (aluminum/copper)	+30-50%
Transformers	+70-100%
Grain-oriented electrical steel	+80-100%
Oil/dielectric fluids	+25-40%
Copper wiring	+50%
Concrete	+25-35%
Smart meters	+20-35%
Pad-mounted switchgear	+25-40%
Circuit breakers/reclosers	+20-35%



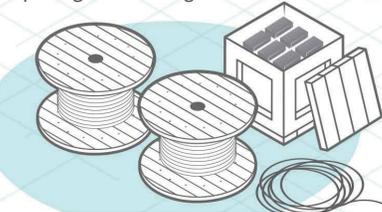
## ● Build-outs

Utility construction labor	+20-40%
Freight/logistics	+30-60%



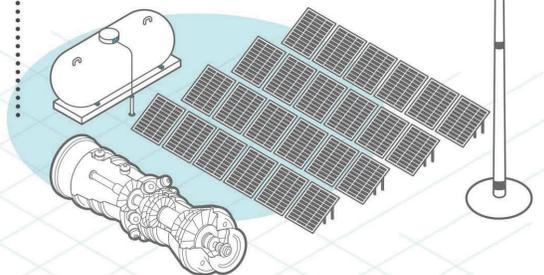
## ● Broadband

Fiber-optic cable	+25-40%
Splicing & telecom gear	+20-30%



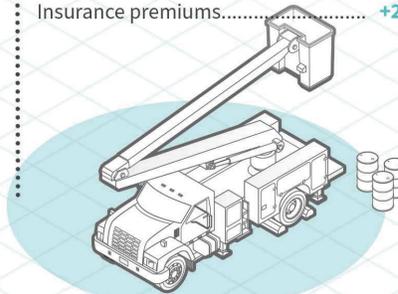
## ● Generation

Diesel gensets	+20-40%
Gas turbines	+20-30%
Solar PV systems	+25-35%
Wind turbines	+25-35%
Hydropower components	+20-30%
Battery storage	+25-40%
SCADA/EMS systems	+20-30%
Inverters	+20-30%
Relays & switchgear	+25-40%
Natural Gas	+20-120%
Coal	+30-60%
Diesel/fuel oil	+40-70%



## ● Fleets

Light trucks	+25-40%
Bucket trucks, digger derricks	+20-50%
Fuel costs (especially diesel)	+20-30%
Maintenance	+15-25%
Insurance premiums	+20%



Design: Kevin Kepple  
Sources: BLS; energynews.com; Reuters; Wood Mackenzie; NREL; IEA

## 6 Tips for Year-Round ENERGY SAVINGS

- 1** Use your ceiling fan counterclockwise in the summer for a down breeze, and clockwise in the winter for an updraft to force warm air down into your room.
- 2** Turn off lights and unplug chargers and electronics when not in use.
- 3** Regularly change or clean your furnace and indoor AC filters, and keep the area around your outdoor AC unit clear of obstructions.
- 4** Close or lower window coverings to keep out heat or cold.
- 5** Insulate your home and weatherproof windows and doors.
- 6** Use a programmable or smart thermostat. Adjust the temperature a few degrees for overall savings.

Safe Electricity.org®

**For more information on ways to save energy, visit our website!**

[www.sussexrec.com](http://www.sussexrec.com)

**PJM** - The independent, nonprofit regional transmission organization which coordinates the movement of electricity in 13 states, including NJ. PJM forecasts long-term demand for electricity and available supply. PJM also holds a capacity auction to ensure that available supply of electricity can meet future demand, which relates to market costs for power.

**Open Market** - The market in which wholesale electricity is available for purchase by utilities to meet demand from their consumers. Increased demand and limited supply has caused prices for this power to rise. IOUs in NJ rely entirely on the open market for their electricity due to state laws.

**Transmission Costs** - The amount of money required to transport energy long distances from where it is generated to the consumer at the end of the line. These costs have been rising due to many factors.

**Up-Time** - The amount of time in a given period that power is available to consumers.



**WHEN THE WORLD IS COUNTING ON YOU, COUNT ON SREC RESOURCES**

A major winter storm can mean hours without power. This doesn't mean you have to miss your production schedule. Protect your workshop or home with a Cummins automatic emergency generator from SREC Resources.

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- Automatic transfer for worry-free operations, day or night
- Commercial quality construction for years of dependable service
- Very quiet, neighbor-friendly
- Propane or natural gas fuel options



[resources@sussexrec.com](mailto:resources@sussexrec.com)

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[www.sussexrec.com/generators](http://www.sussexrec.com/generators)



## Common Complaints & Cost Savings

by Claudia Raffay, Director of Marketing & Member Services

### Serving Our Members Responsibly

Since 1937, our mission has been to provide our members with the highest quality of service at the lowest possible cost. As a member-focused utility serving over 12,000 members, we strive to balance offering reliable service at a fair price with meeting the needs of all who depend on us.

We often receive questions from members on a variety of topics, from power blinks to tree maintenance to abandoned poles. We understand our members' concerns and motivations. After all, many of us are members ourselves, so we can empathize. However, the reality is that everything we do comes with a cost. As a not-for-profit cooperative providing service at cost, we must be careful and responsible with how we spend our members' money.

### Power Blinks: A Sign the System Is Working

Many members contact us about power "blinks," those brief interruptions that might reset digital clocks or trigger smart devices. While these momentary outages can be frustrating, they actually indicate that our system is doing its job and preventing longer, more disruptive outages.

Living in rural areas means more interaction with nature, and wildlife is a common cause of these blinks. This time of year, for example, squirrels are particularly active as they gather food for the winter and occasionally make contact with our lines.

Our electric distribution system includes switches and reclosers designed to protect the system from damage. These devices function much like the circuit breakers in your home, shutting off power temporarily to isolate a fault. The system may cycle power up to three times to check if the issue has cleared before remaining off. So, when you experience a few quick blinks, it's the system working as intended to maintain reliability and prevent costlier repairs.

### Managing Vegetation to Protect Our Lines

To reduce blinks and outages, Sussex REC invests heavily in system reliability through measures such as wildlife guards and a robust vegetation management program. Our crews trim and clear trees and brush within our rights-of-way on a four-year cycle to protect our lines.



**Sussex Rural Electric Cooperative, Inc.**

President & CEO - Christopher P. Reese

#### Our Board of Directors

Chairman	-	Jack Haggerty, Jr.
Vice Chairman	-	William Kovach
Sec./Treasurer	-	Ronald Dupont
Thomas Madsen		Barbara Miller
Brad Sparta		Joseph Barca
Michael Abate		Karen McDougal

We recognize that tree trimming is our single largest expense year after year. While we address trees within our rights-of-way, we cannot remove every large or tall tree that falls outside those areas. The cost to do so would be massive. In some cases, if a tree poses a potential future issue, we note it and schedule it for attention during the next trimming cycle to ensure safety and cost efficiency.

### Understanding “Abandoned Poles”

Another issue that occasionally comes up is the presence of “abandoned poles” — poles that remain in place, unused, after new ones are installed. Members understandably wonder why those old poles are still there.

Here’s why: when new poles are installed, Sussex REC transfers our wires first. Other utility providers, such as phone or cable companies, must then transfer their equipment. The last company to move its equipment is responsible for either removing the old pole or making it safe. Often, these companies choose to cut the pole shorter rather than pay the full cost of removal, which includes labor, equipment, traffic control, police details, and proper disposal.

While we understand that these leftover poles can be unsightly, once we’ve completed our work, they are no longer our responsibility. Because we operate at cost, taking on those expenses would ultimately raise costs for all of our members.

### We’re Here for You

We always welcome your questions and concerns. You can reach us in several ways:

- **Website:** [www.sussexrec.com](http://www.sussexrec.com). Use our online forms for inquiries about trees, outages, or other issues.
- **Email:** [info@sussexrec.com](mailto:info@sussexrec.com)
- **Phone:** 973-875-5101

We take our responsibility to our members very seriously. Every decision we make is guided by our commitment to fairness, reliability, and fiscal responsibility — for all our members. 



**Pictured:** An abandoned pole, shown to the left of the new pole. It has been cut short by the last company to transfer its wires to the new pole.

## WHY IS MY POWER OUT?

Outages and blinks have a variety of common causes. A storm or a squirrel may be to blame.

Here are some common reasons the power goes out:

-  **STORMS:** Mother Nature can interfere with power delivery.
-  **TREES AND VEGETATION:** This is why we work so hard to keep power lines clear.
-  **ANIMALS:** Curious animals can cause damage, especially squirrels.
-  **ACCIDENTS:** Run-ins with a utility pole or other equipment can cause an outage.
-  **PUBLIC DAMAGE:** Unsafe digging, equipment or line damage, vandalism or theft can all interfere.
-  **OVERLOAD:** This happens when demand spikes, like on a hot summer day.
-  **EQUIPMENT ISSUES:** We maintain and inspect equipment regularly, but sometimes malfunctions occur.



 Safe Electricity.org

Thank you for your patience during outages.

**“We understand our members’ concerns and motivations. After all, many of us are members ourselves, so we can empathize. However, the reality is that everything we do comes with a cost.”**



# KIDS' CORNER

with Pluggy the Pug

The holidays are a fun, festive time of year! But this is also a time when we usually use more electricity because the weather is colder and we're home for the holiday season.

Read the efficiency tips below, then find each bolded word in the puzzle!

- ★ Decorate your tree with energy-saving **LED lights**.
- ★ Save energy by using a **timer** to turn off holiday lights when you're sleeping.
- ★ If you have a **fireplace** in your home, remind an adult to close the **dampers** when a fire is not burning.
- ★ Open blinds or curtains during the day to let **sunlight** in to warm your home.
- ★ Lower the **thermostat** when you invite friends or family over.

W F M M V X W Q L B P V E J E  
 J I Z O P T W E N A W A C N E  
 R E M I T M D E R U K V A H B  
 I J X Z L L R D Y L A P L J F  
 K L F A I N Z I J K P Q P P H  
 T R P G C T B O X A S R E G T  
 J T H E R M O S T A T Q R V F  
 T T F E S Y A F G C T X I G T  
 S R B R A Y O U A B E H F H Y  
 J Z E H V L T U H W L O G V Y  
 E F O P L Q H Y K K L I B B I  
 A R A W M V W D Y X L L Q Q I  
 A W G S Z A W R O N J J J P Z  
 R P U Q U K D G U P B K D K Q  
 B Z S C J Q B S G V F X U J F

## A CORD IS NOT A CHEW TOY

**Q:** What's the most common type of electrical injury for household pets?

**A:** Electrocutation from chewing on an electrical cord

### TAKE ACTION:

Pet proof your home by covering or enclosing electrical cords and taking steps to prevent other electrical hazards.

Although any pet can chew on a cord, puppies are the most likely culprit. Pups can be sneaky and they may chew on an electrical cord without anyone realizing it. If you see burns in or around your pet's mouth, singed hair or whiskers around the mouth, or notice shortness of breath or other respiratory issues, seek immediate medical attention for your pet.

Learn more about pet safety at:

**Safe Electricity.org**



## MAKE YOUR VOICE HEARD

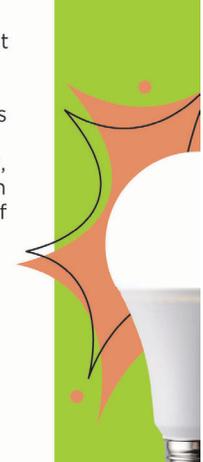
TAKE OUR QUICK SURVEY



## ENERGY EFFICIENCY TIP

With the holiday season approaching and more time spent in the kitchen, consider ways to save energy in the heart of your home. When possible, cook meals with smaller, energy efficient appliances, such as toaster ovens, slow cookers and air fryers. When using the range, match the size of the pan to the heating element. Keep range-top burners and reflectors clean so they reflect heat more efficiently. After your holiday meals are complete, load the dishwasher fully before starting the wash cycle.

Source: energy.gov





A week of building memories, skills, leadership,  
and friendships that will last a lifetime!

## YOUTH TOUR 2026 **JUNE 15<sup>th</sup> - 20<sup>th</sup>, 2026** NOW ACCEPTING APPLICATIONS!

A large focus of Sussex REC's community efforts involves building up our next generation of leaders!

Youth Tour is a national program that brings students from rural communities on a FREE trip to Washington, D.C. alongside thousands of their peers from all over the country. If you're a member with a child who's currently a high school junior, this exclusive opportunity is available to them as a benefit of your co-op membership.

If your child joins us on this trip, they will get to explore Washington, D.C. through historic monuments, world-class museums, and visits with elected officials or Congressional staff. Youth Tour students build leadership skills and discover how they can make their mark on the future. They will connect with other students from across the country and form friendships that last a lifetime, all sponsored by their local electric cooperative.

Applications are now open for 2026's trip, taking place from June 15th to 20th, 2026! Our application is available at <http://www.njyouthtour.com>. Be sure to submit it to us by Monday, February 16th! 🗳️



Learn more about applying at  
<http://www.njyouthtour.com>

MAKE YOUR MARK!



### Youth Tour is just one of our programs for students!

Through our **Scholarships & Awards** program, we offer a \$2,000.00 scholarship for students pursuing college, a \$2,000.00 scholarship for students entering the trades, and an award for community service efforts, rewarding students with \$500.00 plus an equal donation to a nonprofit of their choice.

Member students can also apply for awards offered through our statewide and national associations. Be sure your child applies for our awards by **Friday, March 6th**,



We also offer **educational opportunities** for local youth! If you are a local educator or scout leader, Sussex REC can be a resource to help expand on the lessons you are teaching your group! We offer guest speaker opportunities and field trips to our office, all for free. Our lessons can be adapted to fit any grade level and we will work with you to best complement your lesson plan. Interested? Reach out to us at [info@sussexrec.com](mailto:info@sussexrec.com).

# IN THIS ISSUE OF Currents



**Sussex Rural  
Electric Cooperative, Inc.**

64 County Route 639  
Sussex, NJ 07461 A Touchstone Energy® Cooperative 

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-  **This Year, Next Year, & Beyond**
-  **Cost Increases**
-  **Defining Terms of the Energy Market**
-  **Common Complaints & Cost Savings**
-  **Pluggy the Pug's Kids Corner**
-  **Youth Tour 2026  
& Other Student Programs**
-  **2025 Holiday Card Art Contest Winner**

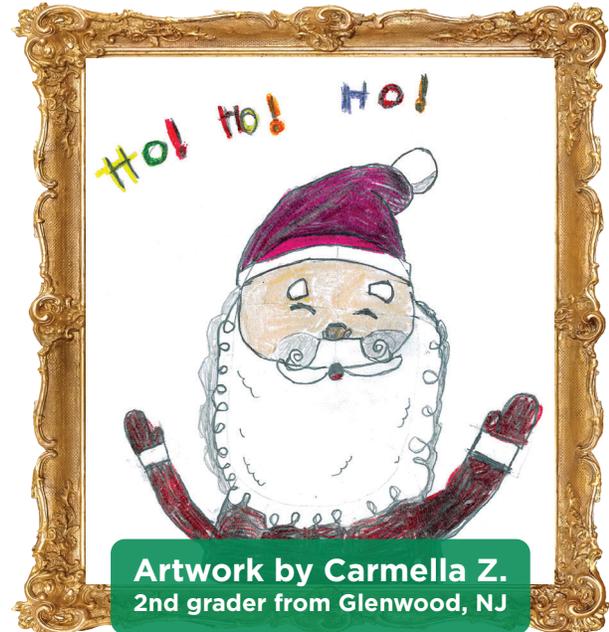
## 2025 Holiday Card Art Contest Winner

For its fourth year, our Holiday Card Art Contest once again invited children from our members' families to show off their art skills and get excited for the holidays!

Members' children or grandchildren in Kindergarten through 5th grade submitted artwork for this contest. We're proud to announce that 2nd grader Carmella Z. from Glenwood was chosen as our winner! Carmella's grandparents are Sussex REC members living in Sussex.

Carmella's art will be featured on our 2025 holiday card, sent to friends and associates of Sussex REC. Runners up in this contest are 5th grader Caitlyn H. from Wantage and 4th grader Abigail A., whose grandparents are members in Sussex.

From all of us at Sussex REC, we wish you all a happy and healthy holiday season! 



**Artwork by Carmella Z.**  
2nd grader from Glenwood, NJ

**Go paperless  
and pay when  
and where  
you want.**

Paperless billing frees you from postage increases and mail delays. Choose the payment method that works best for you, including bank drafts to avoid credit card fees.

**SIGN UP TODAY!**  
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