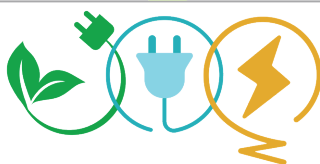


*Pictured: SREC's  
Vernon substation  
in autumn*



**Sussex Rural  
Electric Cooperative, Inc.**

A Touchstone Energy® Cooperative



SREC's Member Newsletter

Volume 1, Issue 4

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# Currents

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## The New Not-So-Normal

Think about it, if you want cable TV or streaming services, you pay a fee plus some additional costs for what you use. Cell phone service requires a fee plus additional charges. Some people pay a fee to be a member at a bulk goods store, plus they pay for what they need. Keep this in mind as you read on.

Just as inflation has impacted everything we purchase, from the price of gasoline to the price of eggs, costs for the fuels required to produce electricity have also risen. After the pandemic cleared, we heard the term "the New Normal." More appropriately, I believe, it should be called "the New Not-So-Normal," as there is nothing normal about our current times.

Last year Sussex REC had to raise our rates in response to a large spike in our costs of power generation, plus a rise in costs of material, equipment, and fleet expenses. Prices have continued to rise and lead times remain extended.

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



Some factors SREC can manage, some of them our members can impact, and still other factors are beyond our control.

There are basically two primary parts to your monthly electric bill: a System Connection Fee and a kWh energy usage charge. Like the examples I mentioned above, there is both a base fee and a charge for what you use. To understand your total energy costs and what impacts your bill, let's unpack one piece at a time.

The System Connection Fee is the fixed monthly charge, which covers the costs associated for your home to be connected to our grid, our "system." This charge includes the equipment, materials, labor, and operating costs necessary to serve each of SREC's

>> Continued on pg. 2

# The New Not-So-Normal << Continued from Page 1

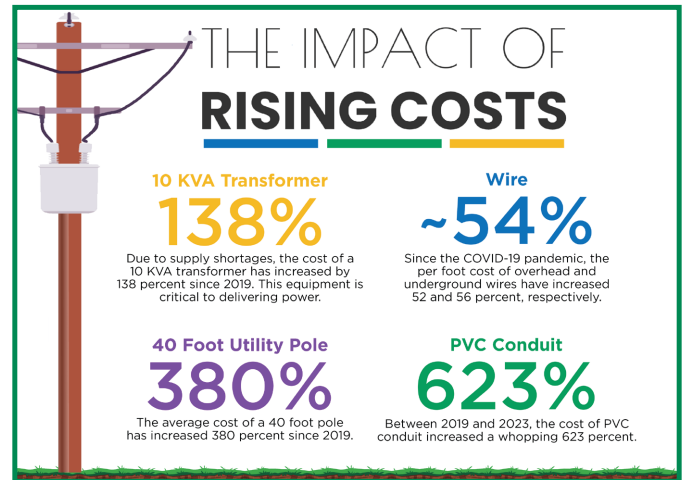
12,000 meters in our service territory, regardless of the amount of energy you use. In order to ensure reliable service, we must maintain the local system, including power lines, substations, tree trimming, and other necessary equipment. As I mentioned earlier, just like many other businesses, we've experienced supply chain issues and steep cost increases for some of our basic equipment and materials like transformers, poles, wire, etc. The System Connection Fee is the same for each residential member, allowing the costs to be shared equally across the membership.

The other main component of a monthly residential bill is the kWh charge, which covers how much energy you consume. You've likely noticed the amount of energy you use can vary from month to month and is typically impacted by temperature. When temperatures soar or dip, your cooling and heating equipment run longer which increases your home energy use. Regardless, energy consumption is an area that you have some control over and you can lower your monthly bill by actively reducing energy use. There are many ways to reduce energy use and every home is different, but a quick internet search for our site or countless others will produce a plethora of tips and solutions for you and your home.

Despite rising costs and difficult economic conditions, our board of directors and employees have worked meticulously to control spending. The current economic climate presents unique challenges for electric co-ops and their members across America. Driven by inflation, the daily cost of living has increased in nearly all areas just as the cost of fuel needed to produce electricity is rising at precipitous rates. As not-for-profit utilities, co-ops must pass along those rising costs to members at a time when most may be feeling they are being squeezed from all sides. Remember, we set our rates only to collect enough to run the utility effectively and efficiently. Nothing goes to any individuals, or investors, or towards a stock price.

Last year's rate increase was on both the kWh charge and the System Connection Fee. We cannot provide reliable electricity to our membership without raising our rates again for 2024. Upon review of comments from and discussions with members, we believe a recurring message is the ability to budget. As explained earlier, this is much more difficult with the kWh charge as usage varies for each member. With a System Connection Fee increase that is the same each month, members

can better budget for this. We are planning a nominal increase to our System Connection Fee of \$5.00 per month. I continue to hope that this "new not-so normal" economic phase will pass and that prices and supply chain issues will stabilize. The fact is, no one truly knows, but until then we will continue to strive to serve the entire membership fairly and effectively.



Our government, however, will need to be a part of that stabilization. Government policy lately appears to be pushing America's electric cooperatives and other utilities to generate more electricity as America moves to electrify more of its economy. But that's difficult to do as plants fueled by always-available power (coal, natural gas, and even nuclear) are forced to shut down due to other government policies. Solar, wind, and battery power are an important part of a broader energy portfolio, but they are only available part of the time and are not "one-for-one" replacements of power plants. The National Rural Electric Cooperative Association and our power provider, Allegheny Electric Cooperative, work very hard to help keep grid reliability a top priority as the nation tries to reduce carbon. However, as SREC's Director of Marketing, Claudia Raffay, explained it to her 16-year-old niece, "they have the cart loaded with all the ideas and plans to reduce carbon, but the horse to pull that cart has not been born yet."

PREA and Allegheny Electric Cooperative president Steve Brame recently wrote a column that explains the national picture in more detail. I thought it was well done and worth sharing. Please take a moment to read it. At Sussex Rural, I assure you, we will always work to provide the highest quality of service at the lowest possible cost. 🌱

*Chris*





# Working Together to Avoid Grid Disaster

Guest column by Steve Brame - President & CEO, PREA/Allegheny

They say timing is everything. If that's the case, recent environmental proposals have decidedly missed their mark. At a time when we are being asked to electrify much of our economy, from transportation to home heating, new U.S. Environmental Protection Agency (EPA) proposals are targeting the very resources we need to make this energy transition: our nation's power plants. It's not just bad timing. It's a potential disaster.

We only need to be reminded of what happened last December during Winter Storm Elliott to understand the dire state of grid reliability. Nine states experienced rolling blackouts as the demand for electricity exceeded available supply. Nearly a quarter of the electric generation fleet in our region went offline.

Earlier this year, the EPA proposed sweeping new regulations to reduce emissions at new and existing power plants. Reducing emissions is a worthy goal, but the regulations rely on developing, yet-unproven technologies. While carbon capture and clean hydrogen show some promise, they are not ready or commercially available to the scale needed for power sector adoption. The proposed rules also contain timelines that are unrealistic and unachievable.

If implemented, these regulations would require unworkable standards at coal and natural gas-fired power plants. They will lead to premature plant closures — operators will shut facilities down instead of making expensive improvements — while also making it harder to permit, site, and build critical new facilities. The result would only add greater reliability challenges to an already-stressed electric grid.

Grid instability situations like we experienced last December will become more frequent if these new rules are put into place. According to the North American Electric Reliability Corporation (NERC), the disorderly retirement of existing generating assets across

the country, and the insufficient replacement of that power capacity, is directly impacting reliability and increasing the risk of blackouts.

The EPA's proposal is the wrong plan at a critical time for our nation's energy future. It is unrealistic, unachievable, and will reduce key generating resources just as Americans are increasing their reliance on electricity.

Cooperatives want to be a part of the solution. That's why we have been working together to address these concerns. Your local electric cooperative and others in the state, along with the Pennsylvania Rural Electric Association, the statewide association that represents your cooperative, and Allegheny Electric Cooperative, Inc., the power provider for your cooperative, have joined with our national organization, the National Rural Electric Cooperative Association, to make our concerns known to the EPA.

In letters, we've let the agency know these regulations could undermine the ability of electric cooperatives to provide affordable, reliable power to the communities and consumers we serve.

Working together. That's been the formula for success for electric cooperative organizations for more than 80 years. It comes from a history of having to find solutions that work for the betterment of all.

That's why we're asking the EPA to work with NERC, the Federal Energy Regulatory Commission, regional transmission operators, and others in the electric industry, including electric cooperatives, to create standards that meet emissions-reduction goals without endangering the reliability of the grid. Working together, we can find solutions for the betterment of all. 



# What to Consider Before Installing Solar

By Steve Sokolowski, Marketing Associate, [ssokolowski@sussexrec.com](mailto:ssokolowski@sussexrec.com)

The industry behind residential solar power is booming, with 6.4 gigawatts of small-scale generating capacity added in the U.S. in 2022 – the most ever in a single year, according to data from the U.S. Energy Information Administration (EIA). This has no doubt been driven by tax incentives and public policy that make solar power more accessible to American homeowners, not to mention the promise of collecting “free energy” from the sun to lower your electric bill.

The benefits of installing rooftop solar panels may seem like a no-brainer, but the reality is not every home is a good fit for solar and not every solar company may be a good fit for you.

Sussex Rural Electric Cooperative has over one hundred households on its lines with solar panels installed, and more interconnection applications coming in every day. If you’re interested in learning more about our application process, our website offers all you need, from questions you should ask, to interconnection agreements, even a step-by-step guide to the whole process!

If you are considering adding solar panels to your home, you should take certain factors into consideration to make sure that your experience is worthwhile and regret-free. Here are six questions to consider before signing up for rooftop solar:

## 1. Does this purchase make financial sense?

Offsetting your carbon footprint is a benefit for the environment and, however great the motivation,

you must also keep in mind that solar panels are a financial investment. Despite what salespeople may say, you will still have to pay an electric bill. Solar-owning members will, at minimum, still

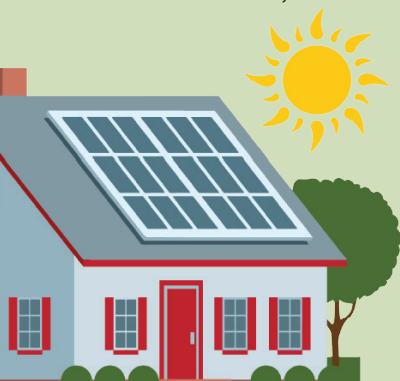
have to pay our monthly System Connection Fee. Also, the amount of sunlight our area receives can vary seasonally, so this puts a cap on how much energy your panels may produce. This is not even considering the costs that come with installing a new rooftop solar system, whether you lease or buy outright. According to EcoGen America, the average NJ homeowner with solar will only save about \$20 per month on energy costs.

**2. Is your roof suitable for solar?** Make sure your roof is in good condition before installing solar panels. Does your roof need to be replaced before panels can be mounted? Find out from a roofer and not the solar company. Also, the size and angle of your roof is important. Consider how much sun (and shade) your roof receives and if any trees will need to be removed.

**3. How long will you own the home?** If you’re considering solar, you’re likely planning to stay in the home for several years. Solar systems typically last for 25-30 years. If you plan to sell the home somewhat soon, consider that not all potential buyers will want to maintain a rooftop solar system. If you enter into a contract to lease the system, carefully review the terms and what those mean for you if you decide to sell the property.

**4. Lease or purchase?** Purchasing a rooftop solar system outright is expensive, which is why many homeowners opt to lease their systems. Federal and state incentives can help cover some of the costs for a new system, but many homeowners are surprised at the remaining cost and how much they end up paying their solar contractor monthly for their system.

**5. Who will maintain the solar panels?** Periodically, solar panels need to be cleaned as dirt and debris can impact productivity. Parts may also need to be replaced, so it’s important to know who will handle these responsibilities.





Happy Holiday



# Congratulations

to Makenzie B. from Frankford!

1st grader Makenzie B. was selected by SREC employees as the winner of our 2023 Holiday Card Art Contest for her artwork, pictured here!

Victoria C. was selected as our 2nd place winner and Rose C. was selected as our 3rd place winner. You can find all of this year's submissions at [www.sussexrec.com/holiday-card](http://www.sussexrec.com/holiday-card).

Thank you to all the young artists, parents, and grandparents who participated in this year's contest! Happy holidays to all of our members! Stay tuned for info on next year's contest, coming summer of 2024.

## 6. Is your solar contractor reputable?

When looking for a solar contractor, you must maintain a critical eye to find one that would work best for you. Request proof and documentation of licensing and other credentials, carefully comb through company reviews, and make sure that the installers work for the company instead of a third-party vendor. We've seen cases where unscrupulous solar companies have overpromised what homeowners can gain from solar, installed systems without complying with Co-op, town, or state rules, damaged members' homes, and even shuttered their business without providing their customers any notice or avenue of

support to maintain their systems. Closing shop and reopening under a new name also makes it so past complaints to the Better Business Bureau can go unnoticed. In such a new, booming field, there are many companies out there looking to take advantage of unsuspecting homeowners. Don't let that happen to you!

A big commitment like installation of a new solar system can have its benefits, but also comes with its share of risks. Please keep all of this in mind if you are interested in going solar. For more information on solar ownership as an SREC member, visit [www.sussexrec.com/solar](http://www.sussexrec.com/solar).

## Energy Efficiency Tip of the Month

Did you know using your dishwasher is more energy efficient than washing a load of dishes by hand? To maximize efficiency, wash full loads in the dishwasher and don't block the arms or other parts that move while the appliance is in use.

For additional savings, turn on the "air dry" setting instead of using the "heat dry" setting and use a rinse aid to help dishes dry faster without spotting and streaking.

Source: Dept. of Energy



## Currents

The quarterly newsletter of  
Sussex Rural Electric Cooperative  
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Sussex Rural  
Electric Cooperative, Inc.

President & CEO - Christopher P. Reese

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*The age, size, and angle of your roof can impact your home's solar potential. You may want to replace an older roof prior to adding solar panels. The National Renewable Energy Laboratory (NREL) estimates that installing a new roof together with solar panels can save money compared to installing them separately. Ground-mounted solar is also an option, but not all municipalities allow this. Be sure to check your town's rules for solar installations.*

# Capital Credits

By Chris Reese, President & CEO  
contacttheceo@sussexrec.com

Earlier in this issue I addressed rates and stated that we try to collect enough to run the utility effectively and efficiently. As SREC closes its books at the end of each year, after all the bills have been paid, all the costs of running the utility are accounted for, and all expenses have been taken into consideration, if there is any leftover money it goes back to you, the member. In a cooperative business we call this a margin, whereas an investor-owned utility would call it profit. The amount allocated back to each member is based on how much electricity they used in that year and is paid back to the member later in the form of a capital credit retirement.

You may ask, “how can Sussex Rural Electric Cooperative raise its System Connection Fee and still be able to retire capital credits? Why not just keep the money and offset the increase?” Understand, this is a margin from previous years – 2005 and 2022 to be specific – and those capital credits are already allocated to the members that were living on our lines in these years. Know that if there are any monies left at the end of the next calendar year, you will receive your share back in the form of capital credits.

Capital credit checks from 2023’s retirement will arrive in your mailbox in December. We’ll be retiring a total of \$800,000 this year, with \$400,000 going to members on our lines in 2005 and \$400,000 to our members on our lines in 2022. We hope that this check will bring some peace and joy to you and yours this holiday season! 🌱

## How Do Capital Credits Work?

Because electric co-ops operate at cost, any excess revenues, called margins, are returned to members in the form of capital credits.

5  
Your co-op notifies you of how and when you’ll receive your capital credits retirements.

1  
Your co-op tracks how much electricity you buy and how much money you pay for it throughout the year.

Sussex Rural  
Electric Cooperative  
has retired

**\$6.5 million**

to its members  
since 2012

At the end of the year, your co-op completes financial matters and determines whether there are excess revenues, called margins.

4  
When the co-op’s financial condition permits, your board of directors/trustees decides to retire, or pay, the capital credits.

3  
Your co-op allocates the margins to members as capital credits based upon their use of electricity during the year.

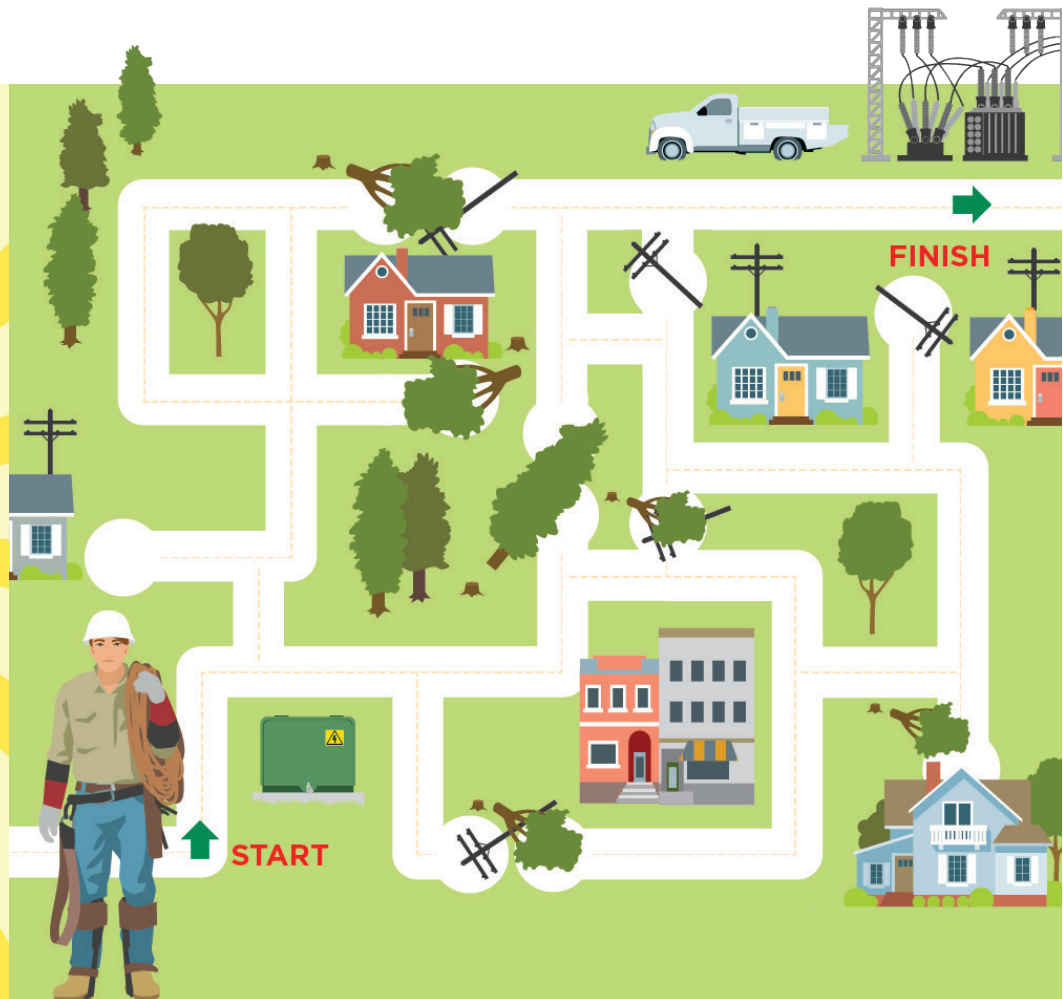
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## KIDS' CORNER

with Pluggy the Pug

Sometimes, severe weather can cause power disruptions by breaking poles or toppling trees which knock down power lines. When there’s an outage, our lineworkers get to work! They restore power as quickly and safely as possible.

**Help the lineworker reach the transformer to fix the power outage!**







For a video from Safe Electricity showing lineworkers' experiences with unsafe drivers, visit [www.sussexrec.com/work-zone-driving-safety](http://www.sussexrec.com/work-zone-driving-safety)

## Lives Are On the Line

By Steve Sokolowski, Marketing Associate  
[ssokolowski@sussexrec.com](mailto:ssokolowski@sussexrec.com)

Distracted driving is a major problem across the U.S. According to the National Highway Traffic Safety Administration, distracted driving resulted in 3,522 deaths and 362,415 injuries in reported vehicle crashes in 2021. Activities like texting while driving can have life-altering consequences, and it's no different on our rural roads.

Last year, SREC had nearly double its usual number of car-pole outages, where a motor vehicle collides with a utility pole (or other utility equipment) causing a power outage. When this happens, Sussex Rural Electric Cooperative crews are dispatched to make repairs while local police and emergency services tend to the driver. In many cases, this is an unfortunate result of distracted driving.

SREC crew members have reported that they've had several experiences where drivers ignored posted signs, drove around cones or barriers, or refused to slow down in a work zone. In one incident, our crew had just arrived on the scene of a large fallen tree when a driver who was not paying attention drove right into the tree that was blocking the road.

Distracted driving and disregarding safety barriers can have fatal consequences. A lineman working on live wires, up 40 feet in an aerial bucket, can easily be killed if a vehicle bumps into their bucket truck. By law, when driving around a work zone you are required to reduce your speed, follow all posted signs, and stop when instructed.

Just because many of our roadways are isolated does not mean there aren't consequences for reckless or distracted driving. Our crews, other drivers, and our whole community depend on you making smart choices on the road. Remember - lives are on the line! ⚡

## 2023 Member Appreciation Event - Thank You!

The Sussex Rural Electric Cooperative 2023 Member Appreciation Event took place on Monday, August 7th at the NJ State Fair. We met with many members at the BBQ Pavilion throughout the day, breaking past records for Annual Meeting attendance.

To all who attended, we hope you enjoyed your day at the Fair, on us! Congratulations to all of our prize winners, including for our grand prize of a free year's worth of electricity. We hope to see you all next year - another chance to express our appreciation for our fantastic membership! 🌱



# IN THIS ISSUE OF Currents













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Sussex, NJ 07461 A Touchstone Energy® Cooperative 

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-  **Capital Credits**
-  **Pluggy's Kids Corner: Lineworker Maze**
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-  **Youth Tour 2024**
-  **Stay Plugged In**



## **YOUTH TOUR 2024** JUNE 16 - 21, 2024

One week. All expenses paid. An unforgettable trip to Washington, D.C.

Applications are now available. Apply at [www.njyouthtour.com](http://www.njyouthtour.com) by February 5th!



## **DOES YOUR CONTACT INFORMATION NEED TO BE UPDATED?**

HAVE YOU MOVED? DO YOU HAVE A NEW PHONE NUMBER?  
DID YOU GET YOUR CAPITAL CREDIT CHECK?

**[WWW.SUSSEXREC.COM/UPDATE-INFO](http://WWW.SUSSEXREC.COM/UPDATE-INFO)**

**#StayPluggedIn** 

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