**GM'S REPORT** 

# STANDING UP FOR RELIABLE, AFFORDABLE ENERGY

I know our members look to Firelands Electric Cooperative to provide electricity that is both reliable and affordable. For decades, we've been doing just that.

For about a year, though, electricity industry leaders have been talking about threats posed by proposed new regulations from the U.S. Environmental Protection Agency. In April, those rules were released, and the theoretical danger to energy availability in this country became all too real.

These regulations demand that coal-fired power plants essentially eliminate carbon dioxide emissions by 2032 or be shut down. New baseload natural gas plants would also be required to capture or avoid 90% of their carbon emissions.

The problem is that the required reductions aren't actually feasible because the technology needed for carbon capture and storage is still in

the developmental stage and not yet commercially available. In addition, the pipeline network necessary to transport captured carbon to yet-to-be determined storage areas

does not exist.

#### What this means to our co-op

In the short term, Firelands will continue providing you the affordable, reliable electricity you expect from us. But I think all members should understand these new regulations threaten our ability to provide the same level of this vital service in the future.

Nearly 70% of generation capacity for Ohio's electric cooperatives comes from the Cardinal Power Plant,



Dan McNaull GENERAL MANAGER

which delivers continuous baseload power to more than a million people in 77 of Ohio's 88 counties. Memberowned Buckeye Power has spent more than \$1 billion on emissions controls at Cardinal, which has been recognized as one of the cleanest-operating coal-fired plants in the world.

Electricity from Cardinal Plant has helped Ohio's cooperatives avoid much of the recent volatility in energy prices and keep rate increases as low as possible. The Cardinal Plant is also playing an important role in combating an ever-growing likelihood of insufficient power availability on the grid and the increasing risk of rolling blackouts in Ohio.

#### What your co-op is doing

Please understand that we support environmentally responsible energy goals, including a well-planned, practical, and strategically executed transition to

carbon-free electricity sources. Our all-of-the-above approach includes growth in renewable energy resources and ongoing reductions in fossil-fuel dependence. Realistically, this transition requires much more time than the EPA rules allow.

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With that in mind, leaders from Ohio cooperatives joined others from around the country in Washington, D.C., in April both to educate legislators about reliability threats that will result from the new rules and to encourage congressional action to stop their implementation.

I, along with other co-op leaders, will continue to advocate for commonsense policies and realistic timelines for reducing carbon emissions while reinforcing the importance of reliable and affordable electricity. We expect the NRECA, our national trade group, and other reliable energy proponents to challenge the new regulations in court on behalf of all our members.

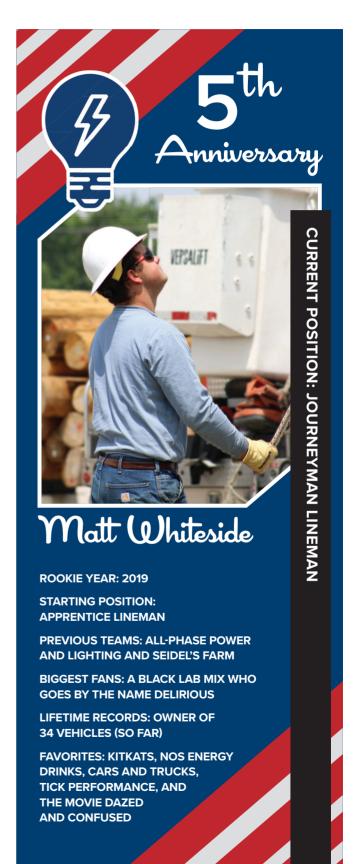
#### What you can do

As a member, you can stand up for energy reliability in several ways. First, you can educate yourself on the issues. Read details of the EPA rules and their implications starting on page 4 of this magazine. Follow Firelands and Ohio's Electric Cooperatives online and on Facebook to stay on top of new developments. Research the energy policies supported by candidates for elected office, and support candidates who value reliable electricity.

Additionally, you can join other cooperative members from around the country to advocate for responsible energy policy through Voices for Cooperative Power. Visit voicesforcooperativepower.com to learn more about this grassroots effort. If you'd like to amplify your voice through political support for reliable energy advocates, join America's Electric Cooperatives PAC, which financially backs candidates who support the interests of electric cooperative members. Call the cooperative at 1-800-533-8658 to join.

Your cooperative, along with our statewide and national organizations, will always advocate for reliable, affordable energy for our members. I hope you will join us in these efforts.





#### YOUTH PROGRAMS



Education helps shape the leaders of tomorrow. That's why Firelands Electric includes it as one of our seven core principles. The A Team is a cooperative program designed to encourage students in their pursuit of academic excellence. Students in grades 6 to 8 are invited to participate and be recognized for their hard work and dedication to education.

### ACADEMIC EXCELLENCE

Winners of April drawing receive Amazon gift cards



**Brooklyn Smith** Crestview Middle School Daughter of Christopher and Kelly Smith



lan Amburgy New London Middle School Son of Eric and Linda Amburgy

Send us your grade card and win!

The next drawing will be held on July 10.

#### How you can win

Students in grades 6 to 8 who have a minimum of three A's on their most recent report card and whose parents or guardians are members of Firelands Electric Cooperative are eligible to apply. A copy of the report card should be submitted by mail to Attn: The A Team, Firelands Electric Cooperative, P.O. Box 32, New London, OH 44851. Report cards may also be emailed to members@firelandsec.com.

Be sure to include the student's name, school, grade, address, phone number, parents' or guardians' name(s), and an email address on your entry.

Complete program details are also available at www.firelandsec.com/team.



**Payton Lydy**South Central Middle School
Daughter of Jared and Cara Lydy

ANNUAL MEETING

# POWERING People

#### Co-op holds 86th annual meeting of members

More than 400 co-op members and guests attended Firelands Electric Cooperative's annual meeting at the Ashland University Myers Convocation Center on Saturday, April 6.

Dan Schloemer, president of the co-op's board of trustees, provided an update on the cooperative's 10year plan to maintain and improve system reliability, which is a top priority for both Firelands Electric and its members. Certain areas of the co-op's distribution system have seen increased demand in recent years, creating strain on substation capacity. "Last year we spent \$3.5 million on replacements and upgrades," Schloemer stated. "The cooperative is investing more money than ever into the system."

Firelands Electric has allocated nearly \$10 million for the current 4-year work plan, which is scheduled to be completed next year. The co-op is also committed to

replacing two substations over the next five years. Despite major inflation in the industry, Schloemer explained, the cooperative is striving to remain on track with its plans for essential upgrades.

Another key investment for improved reliability in 2023 was the \$678,000 spent on trimming trees along 279 miles of the co-op's 996 miles of lines. Firelands' four-year tree-trimming cycle is considered as one of the best in the utility industry. The tree-trimming budget for 2024 has been increased to \$900,000 for 385 miles of lines, including three townships and 58 miles that will be trimmed on a new three-year cycle.

In his address, Schloemer also advised that the cost of transformers, trucks, and wire has increased more than

> 70% over the past two years. The rising cost of materials for necessary upgrades is the principal reason the cooperative's board voted to increase rates in late 2022 and again in January 2024. "The cooperative's board thinks long and hard before increasing rates, but considering all that's going on in our world, our members will likely see increases every one to two years," Schloemer explained.

> General Manager Dan McNaull spoke to those in attendance about balance, which, he explained, comes in many forms. For the cooperative's board of trustees and general manager, it's finding balance between having reasonable rates, operating a reliable distribution system, and maintaining consistent and orderly refunds of capital credits. McNaull stated it's a priority of



Firelands Electric's members recently elected Joe Williams of Greenwich (center), Greg Hess of Ashland (left), and Brian Cucco of New London (right) to represent districts 2, 7, and 9 on the cooperative's board of trustees

# integrity community commitment accountability innovation

the co-op to make sure capital credits are returned to members in a timely manner.

In 2023, Firelands Electric returned \$1.2 million in capital credits to members of the cooperative. "This is the second year in a row that record high capital credit refunds of over \$1 million were made, and these refunds are an example of how being a cooperative member really pays off," McNaull said.

The results of the 2024 elections were also announced during the event. Joe Williams, Greg Hess, and Brian Cucco were elected by the membership to represent districts 2, 7, and 9 on the cooperative's board of trustees. The membership also voted to approve the proposed changes to the co-op's Code of Regulations. A copy of the updated code is available at www.firelandsec.com/your-cooperative.

the annual meeting were entered into a drawing for a chance to win one of seven bill credits. Winners included Larry O'Neil of Mansfield, Mike McNaull of Ashland, Hiller's County Market of Ashland, and Angela Lowther of Ashland, who each received a \$25 bill credit. Terry Jordan and Michael Strine, both of Ashland, were each awarded a \$50 bill credit, while Tim Davidson of Ashland won a \$100 bill credit.

Cooperative members who joined Firelands Electric at

Additional photos from Firelands Electric's 2024 annual meeting event can be viewed on the cooperative's Flickr page at www.flickr.com/photos/firelandsec/albums.

Trustees Gene Lamoreaux, John Martin, and Rob
Turk, who are stepping
down from the board
after six years of service,
were also recognized. "We
will certainly miss their
experience in budgeting,
goal setting, and ability
to think strategically,"
Schloemer said.
"Because they chose
to serve, Firelands is
a better cooperative."

During his address, Schloemer also announced the upcoming retirement

of General Manager Dan McNaull, who has served the cooperative for more than 30 years. McNaull was elected to the board of trustees in 1991, appointed as board president in 1999, and hired as general manager in January 2018.

"We have all benefited from Dan's leadership and his experience running a small business. He is not a person to back down from a difficult situation. Dan's increased focus on investing in areas with frequent outages continues to benefit the co-op, while his insight has provided valuable assistance with strategically drafting the co-op's financial forecast and long-term plans," Schloemer said.



Winners in Firelands Electric's 2024 annual meeting prize drawing for bill credits included (I-r): Michael Strine, Terry Jordan, Dan Hiller of Hiller's County Market, Mike McNaull, Angela Lowther, and Tim Davidson. Not pictured is Larry O'Neil.



#### CO-OP NEWS



# procedures effective July 1



regulation group Payment Card Industry Data Security Standards (PCI DSS) made

changes to the requirements for processing payments made over the phone. These new guidelines require businesses worldwide to use an automated interactive voice response system (IVR) when a member or customer provides their bank or debit/credit card details over the phone. These changes were put in place to provide additional protection to prevent a consumer's sensitive financial information falling into the wrong hands.

To adhere to these new guidelines, Firelands Electric will be transitioning to an automated IVR system next month.

Members will still speak with a co-op employee when they call during regular business hours.

Those WITH a payment method saved in Firelands Electric's system will not experience any changes. Billing representatives will still verify the last four digits of your payment method and then process your payment for you. With the updated system, those WITHOUT a bank account or debit/credit card saved to their Firelands Electric account and who wish to pay their bill over the phone will be forwarded to a secure automated payment system to complete their transaction.

Please note that as of July 1, the cooperative's billing representatives will not be able to personally process a payment over the phone for members without a saved payment method on file.

To meet the financial industry's new guidelines, the member must be transferred to the secure automated payment system. All other interactions with the co-op will remain the same.

Members will have the option to save their payment method to their Firelands account at the end of the automated process. Saving the payment method WILL NOT sign a member up for auto pay, but simply

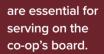
by the co-op's billing staff, rather than through the automated system. Those who would like to opt for the convenient, secure auto pay option may sign up through their SmartHub accounts.

Plus, if you enroll in auto pay between now and the end of June, you will receive a one-time \$5 bill credit. Both new and existing auto pay members will also automatically be entered in a drawing for a chance to win an additional \$25 bill credit. Check out the next page for details.

Our billing department is working to make the transition to this new procedure as smooth as possible for our members, and we thank you for your patience and understanding. For additional payment options, visit www.firelandsec.com/payment-options. For any questions regarding payment methods, please contact our billing department at 1-800-533-8658 or billing@firelandsec.com.

> Firelands Electric Cooperative's District 8 Trustee Elaine Oswald (right) recently received her Credentialed Cooperative Director (CCD) certification through NRECA.

The five-course program focuses on sharpening trustees' governance and financial skills, which





**Board President Dan Schloemer** (left) presented Elaine with her **CCD** certificate during the April 23 board meeting.

#### WE GET IT -LIFE IS BUSY!

#### Avoid the aggravation with auto pay.

There are numerous benefits to having your monthly electric bill paid automatically from your bank account or debit/credit card:

- · Never worry again about missing the payment due date.
- Avoid late fees.
- · Slow mail delivery is no longer a concern.
- · You don't have to call the co-op's answering service after normal business hours.



payment-options

· No decoding phone prompts.

Best of all, every member who enrolls in auto pay through June 30 will receive a one-time \$5 credit on their electric bill. Plus, existing auto pay members and new signups will automatically be entered in a drawing to win one of two \$25 bill credits at the end of the month. The only thing you need to do is enroll in auto pay via SmartHub or by contacting Firelands Electric's billing department at 1-800-533-8658. We'll take care of the rest!

Sign up for auto pay and get a \$5 bill credit!



#### **WAYS TO PAY YOUR BILL**



#### **Online**

Firelands' SmartHub can be accessed 24 hours a day from the link on our website (www.

firelandsec.com) or by downloading the mobile app. SmartHub also gives members the option to schedule future payments.



#### Auto pay

Your monthly payment can be automatically drafted from your bank account or debit/credit

card. To enroll in this service, log in to your SmartHub account or contact the office at 1-800-533-8658 for assistance.



#### Office lobby or drive-through window

Members may pay in person at our office walk-up window or drive-through. We accept cash, checks, money orders, and debit/ credit cards. This option is available Monday through Friday from 7:30 a.m. to 4 p.m.



#### Drop box

After hours, payments may be placed in our secure, 24-hour drop box, located just before the drive-through window. Members should not put cash in the drop box.



#### Pay by phone

Payments may be made 24/7 with a bank account or debit/ credit card by calling 1-800-533-8658. Please keep in mind that

starting July 1, members will be transferred to the new automated system when paying by phone if they do not have a payment method stored on their Firelands account.



#### Payments by mail

Members may mail payment, along with the bottom portion of their bill, in the return envelope

provided. Please allow ample time for delivery, as payments must be received by the 14th of each month to avoid late fees.

LOAD MANAGEMENT

#### THE IMPORTANCE OF the peak beating t

Reducing the demand for electricity benefits us all

#### What is peak demand?

Peak demand is when electric use is higher than normal. Increased demand for electricity from individual electric co-ops and investor-owned utilities, the state of Ohio as a whole, or even the 13-state PJM Interconnection (the electric transmission territory that serves Ohio), can create peak demand.

#### Why is peak demand important?

During peak demand, Firelands Electric Cooperative's power supplier, Buckeye Power, Inc., runs its large baseload power plants at full capacity. If the need arises, Buckeye Power can also fire up its supplemental gas-fired peaking plants or purchase power from additional sources, which all affect the wholesale power adjustment (WPA) portion of members' electric rates.

In addition, environmental regulations have resulted in the retirement of numerous coal- and natural gas-fired power plants over the past decade. While renewables have replaced some of these plants, the generation capacity of these facilities is much lower than those that have been shut down. During extreme weather conditions, this can create an alarming burden on the electric grid — so much so that rolling blackouts could become necessary.

#### How does this impact load management participants?

Members who participate in Firelands Electric's voluntary load management program help the cooperative lower the demand for electricity and reduce the risk of higher WPA costs and rolling blackouts. Rebates and incentives are also available to members who choose to participate in these programs.

Buckeye Power may issue a peak alert during these periods of high demand. These alerts are often implemented when extreme weather conditions and temperatures occur — the hottest days during the summer and the coldest days in the winter. During a peak alert, load management devices installed on electric water heaters and HVAC systems in participating members'

homes may be activated, temporarily disconnecting the appliance from the power supply.

Summer load management efforts typically take place on very hot and humid days between 2 and 6 p.m. Winter load management may occur on bitter cold days between 6 and 10 a.m. and/or from 5 to 9 p.m. Depending upon weather conditions and power loads, the time and duration of load management efforts may be adjusted.

For details on how each type of load management device operates, check out the next page. If you have questions regarding your load management device, or wish to become enrolled in one of Firelands' programs, please visit www.firelandsec.com/load-management or contact the member services department at 1-800-533-8658. Additional information on how you can help reduce electric load during a peak alert can also be found on this webpage.

Load management participants may also sign up for peak alert email and/or text notifications by enrolling in SmartHub. Visit www.firelandsec.com/smarthub-101 for details on how to register for SmartHub so you always know when a peak alert and load management are taking place.



#### How does load management work?

#### **General load management information:**

- · A load management device, like the gray box shown below, is typically installed near the water heater or HVAC system, at the outside HVAC disconnect, or next to the service panel or breaker box.
- · A green light on the device is normal and indicates that electricity is flowing to the water heater or HVAC system.
- A red or amber light indicates that load management is taking place and that the water heater or HVAC system is not receiving any power.
- The device receives a satellite signal about every 10 minutes, so if the circuit breaker is flipped off and on, or the entire home loses power, you will need to wait up to 15 minutes for the device to reset and the green light to reappear.

#### Water heater

· During load management, the device shuts off power to a member's water heater for the duration of the peak alert period, which may last several hours. To conserve hot water during this time, avoid laundry, dishwashing, and bathing until the peak alert has ended.

#### **Heating system**

- · Load management may be installed on electric furnaces, heat pumps, geothermal systems, electric baseboard, and Electric Thermal Storage (ETS) units.
- It's important to note that load management devices are no longer being installed on heating systems. Only homes with existing operational devices installed qualify for any incentives.
- · During load management, the device shuts off power to a member's heating system for the duration of the load management. However, there is a temperature override in place to prevent your home from getting too cold. This sensor, which is a small white box, will stop load management and return your heating system

At left: This gray box is a load management device. Firelands Electric members who are voluntarily enrolled in the cooperative's Cool Returns or PeakBusters programs have one of these devices installed near their service panel, HVAC system, central air-conditioner, and/or water heater. The box has a green light displayed during normal operation, indicating that electricity is flowing to your system. If a red or amber light is displayed (as shown in the enlarged circle), a peak alert has been issued. This indicates that load management is taking place and that your system is temporarily not receiving any electric power.

to normal operation if the temperature of the home gets below 60 degrees.

- If a green light, or combination of red and green appears on the white box, the temperature sensor is working correctly.
- Members receive a \$5.00 bill credit each month from November to June (for service in October through May) for having this device installed.

#### Central air-conditioning

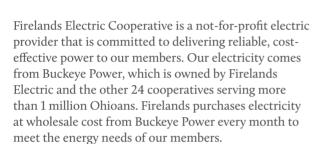
- This style of load management device is installed on central air-conditioning systems, geothermal units, and heat pumps.
- Devices on air-conditioning systems are only controlled for 8 to 10 minutes during each 30-minute period of a peak alert. As a result, your system will cycle off and on during summer load management, helping maintain the comfort level of your home.
- Air-conditioning controls are only connected to the system's compressor and will not affect the blower or fan on the air handler. Essentially, your air conditioner turns off and on like normal, but it is just timed to prevent too many systems on the co-op's lines from running at the same time.
- Members receive a \$10.00 bill credit each month from July to October (for service in June through September) for having this device installed.

Find additional ways you can help reduce load during a peak alert at:

www.firelandsec.com/ load-management >

**INDUSTRY NEWS** 

## **UNDERSTANDING** WHOLESALE POWER **ADJUSTMENT**



#### What is the WPA?

You may have noticed the Wholesale Power Adjustment (WPA) listed on your monthly bill. The WPA provides a monthly adjustment that reflects any difference between the base cost of wholesale power and what the market rate was during the month being billed. If the kilowatthour (kWh) cost to Firelands Electric is higher than the base cost of power, the WPA is applied to your bill as a charge. For example, if the difference between base cost and market rate is \$0.007 per kWh, a home that uses 1,200 kWh during the month will be billed \$8.40. If the difference between the WPA and current rate is smaller, then the member pays a smaller amount.

Using a WPA covers monthly power cost fluctuations without having to continually restructure electricity rates.

#### What affects the WPA?

The WPA fluctuates for a variety of reasons. Increased costs for fuels like coal and natural gas play a large part in the price of wholesale power. Electricity is also more expensive to generate during extreme weather conditions, when the demand for electricity



is much higher. Changes in the cost of materials and equipment, and upgrades to meet environmental regulations also influence the WPA.

#### What does the co-op do to combat these costs?

Firelands Electric is doing everything possible to keep costs down — but, unfortunately, we can only do so much to control the rising costs of fuel and other materials. However, you can rest assured that Firelands Electric does have measures in place to help limit these increases.

For starters, Buckeye Power uses a mix of fuel sources to produce power for Ohio's cooperative members. Electricity is generated by coal, natural gas, solar, hydro, and methane. This diverse group of resources allows Ohio to help reduce the dramatic fluctuations in generation costs that can occur if limited to a single fuel source.

The cooperative also participates in Ohio's load management program. The 4,182 Firelands members who voluntarily take part in this program reduce the demand for electricity during extreme weather conditions, thus helping to prevent cost increases.

Firelands Electric also offers a variety of programs and services to help members lower their electric use and save on their energy bills, including rebates

> for purchasing energy-efficient appliances, water heaters, and HVAC systems, as well as upgrading their home's insulation. In addition, the cooperative's energy advisors are available for free consultations to help members find ways to reduce their electricity usage.

For more information about conserving energy and reducing costs, visit www.firelandsec.com/ energy-efficiency.

# Your thoughts and opinions on Firelands Electric help us better serve you.

In June, Firelands Electric Cooperative will be working with NRECA Market Research Services to complete member satisfaction surveys.

The random surveys will be conducted by phone and email, and not everyone will be contacted. If you are contacted, we would greatly appreciate a few minutes of your time to share your opinions about the cooperative. All information is confidential.

We strive to provide all member-owners with safe, affordable, reliable, and clean electric service. By participating in the survey, you will help us make decisions that benefit you, your family, and your neighbors.

# WANT TO HEAR FROM YOU!



#### **COOPERATIVE UPDATE**

# BOARD MEETING highlights

Firelands Electric Cooperative's Board of Trustees met *March 28 and covered the following items:* 

- Board President Dan Schloemer reported that the cooperative received 25 membership applications for approval by the board.
- General Manager Dan McNaull reviewed the appointments for the election and credentials committees for the 2024 trustee elections, as well as the agenda for the annual meeting on April 6.
- The board reviewed reports from safety and training meetings held on March 5 and March 13.
- McNaull reported on the current number of members who had RSVP'd for the annual meeting and returned ballots.
- BHM CPA Group reported that the cooperative received a clean audit for 2023.
- Updates were provided on bids for the Coulter substation rebuild, property for the proposed Hillsdale substation, and damages to the Fitchville substation as a result of the March 14 storm.
- McNaull reviewed the status of the 2024 tree-trimming plan and the outage report for the past month.

- Director of Finance and Accounting Tabi Shepherd reviewed the February financial reports and provided an update on recent accounting and billing department activities.
- McNaull reported on progress for the new billing format, updates on the 69kV line project, and the most recent Buckeye Board report.
- Director of Operations Don Englet reported on activities in the operations department, including employees who recently participated in linework and meter training.
- The board reviewed information regarding several recent meetings at OEC, including a cybersecurity class attended by trustees Elaine Oswald and Tom Lucha.
- Director of Communications and Technology Andrea Gravenhorst reported on recent activities involving the member services and IT departments.

The cooperative's next board meeting is scheduled for Tuesday, June 25. If you would like to attend the next scheduled meeting, please contact the Firelands Electric office at 1-800-533-8658.

#### FIRELANDS ELECTRIC COOPERATIVE, INC.

#### **OUTAGE HOTLINE**

1-800-533-8658

#### OFFICE

103 Industrial Drive P.O. Box 32 New London, OH 44851 1-800-533-8658

#### **OFFICE HOURS**

Mon.-Fri. 7:30 a.m.-4 p.m. www.firelandsec.com







#### District 8

District 9

Dan Schloemer President, District 1

Bruce Leimbach Vice President, District 4

**BOARD OF TRUSTEES** 

Carl Ayers Secretary/Treasurer, District 5

Joe Williams District 2

Tom Lucha District 3

Kevin Reidy District 6

Greg Hess District 7

Elaine Oswald

Brian Cucco

#### **GENERAL MANAGER**

Dan McNaull

#### **HAVE A STORY SUGGESTION?**

Email your ideas to: members@firelandsec.com

