



MESSAGE FROM THE PRESIDENT

CAPITAL CREDITS SET CO-OPS APART

Did you ever wonder why Firelands Electric Cooperative uses the term “member” instead of “customer”?

Just like some people are members of the American Legion or Rotary, you are a member of Firelands Electric. These organizations pool resources and work together to accomplish what often cannot be done individually. The same holds true for electric cooperatives.

When investor-owned utilities refused to bring electricity to the sparsely populated areas of rural America, residents banded together to get the job done. In 1936, for a small investment of \$5, those living in the Firelands area joined forces to create an electric cooperative. Their economic contributions helped generate capital to start building a new electric distribution system. It also made them more than just consumers of the co-op — it made them owners.

As not-for-profit entities, electric cooperatives operate at cost, collecting just enough revenue to maintain their distribution systems. When they do have money left over after paying all of their expenses, these margins are allocated back to the member-owners as capital credits. These credits are a member’s “share” of ownership — or equity — in the cooperative and are based on each member’s electric use.

Reinvested into the co-op, this equity is used to maintain and improve the electrical distribution system and perform any

necessary repairs or upgrades to poles, wires, substations, and equipment. Capital credits allow the cooperative to uphold its promise of providing dependable power with superior service, while also reducing the need to raise rates or borrow money that requires interest payments.

As a member of Firelands Electric, you are a member-owner and invest in the cooperative every time you pay your bill. Each year, you receive an allocation notice, letting you know how much was added to your capital credits for the previous year, as well as your total capital credits balance. When the cooperative’s financial position permits, capital credits are retired, or paid back to our member-owners. Unlike for-profit utilities, Firelands issues these refunds to its members and not to shareholders.

This year, Firelands Electric Cooperative is retiring \$900,000 in capital credits. Those who received electric power from the co-op in portions of 1999 and 2000 are eligible for a refund. Retired capital credits will be applied to the August bills of current members. Former members will receive a check, so it’s important to make sure that Firelands Electric has your current mailing address on file.

Since 1948, Firelands Electric Cooperative has refunded over \$17.4 million in capital credits. The return of capital credits is just one of many ways that electric cooperatives set themselves apart from other utility providers. For more information, check out the next page, or contact the Firelands Electric office at 1-800-533-8658.

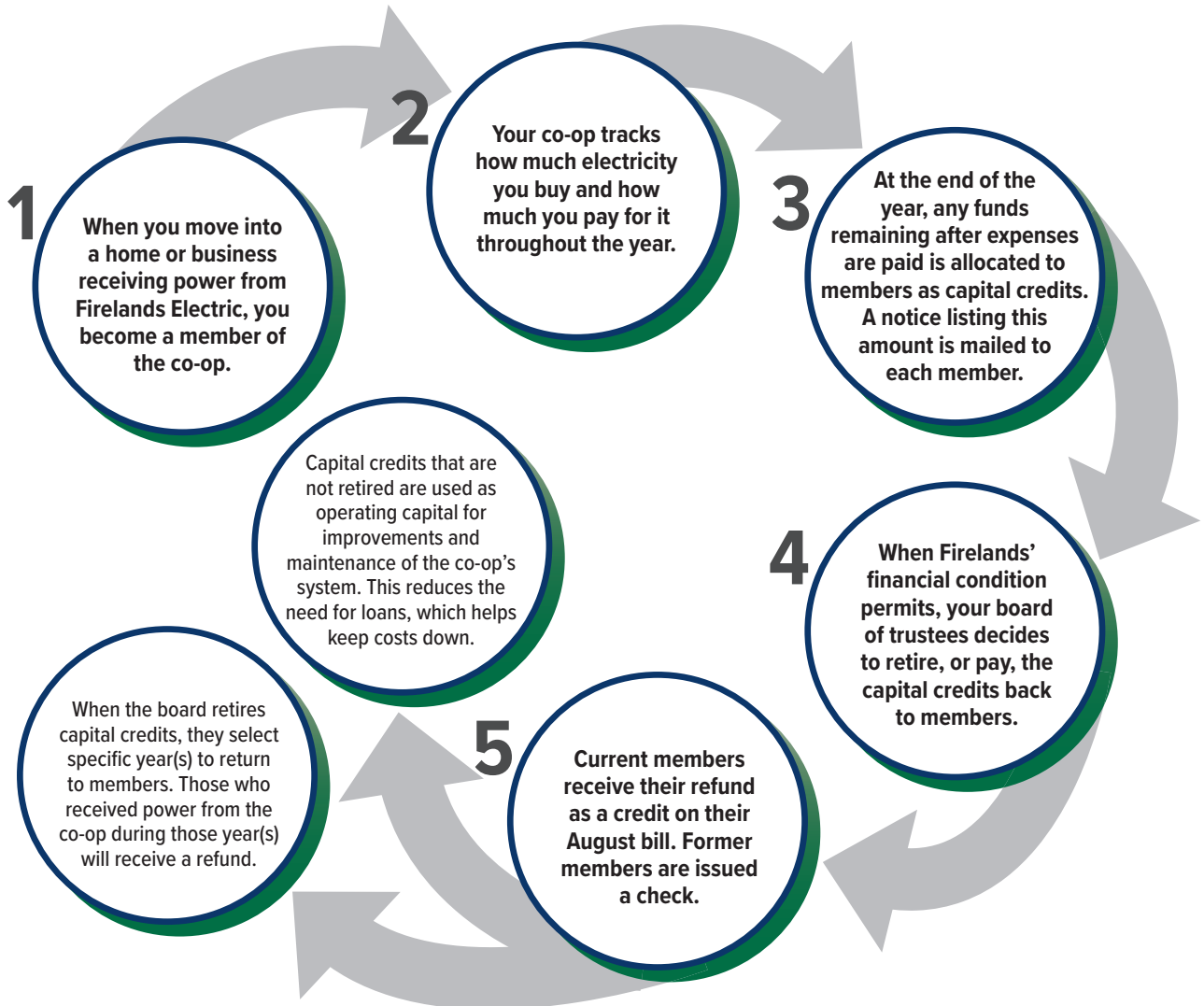


Dan Schloemer, President
BOARD OF TRUSTEES





THE CAPITAL CREDITS CYCLE



ALLOCATION VS. RETIREMENT

An **ALLOCATION** is made annually for each member based upon Firelands' margins for the year and the amount of electricity the member purchased from the cooperative. This amount is set aside to be used as operating capital for maintenance, repairs, and improvements on the co-op's electrical distribution system. Co-op members receive an allocation notice every spring or summer. This allocation notice is simply a report showing your capital credits balances for the current and previous years.

A **RETIREMENT** is a portion of a member's capital credits balance that is being refunded. The amount retired is decided annually by the board of trustees based on the financial health of the cooperative. Similar to the dividends paid to stockholders of investor-owned utilities, retirements are paid to the members a co-op serves. Retirements are refunded to current members as a credit on their August electric bill. Former members receive a check, mailed to the address the cooperative has on file, so it is very important that former members provide Firelands with their updated address. When a member passes away, the capital credits account is eligible for an estate retirement. The representative of the estate should contact Firelands' office for assistance.

PAYMENT OPTIONS

BUDGET BILLING AVAILABLE

Firelands Electric's budget billing is a free service that makes managing your cash flow easier by providing set monthly payment amounts.

Utility bills are generally highest during cold winter months and hot summer months. Firelands' budget plan avoids these highs by leveling your monthly bill and setting a consistent monthly payment amount. Each member's budget amount is based on an estimated average of their past 12 months of electric use. In short, a year's worth of electric bills is spread out into even payments over 12 months.

The deadline to sign up for Firelands Electric's budget plan is Monday, Aug. 16.

Firelands Electric's budget plan has a built-in annual "catch-up" month at the end of the 12-month period. Any balance remaining on your electric account is due by Aug. 14. If you have a credit, this will be reflected on your August bill, and you will not owe a payment. (Please note this is for the month of August only.) Members' accounts are reviewed quarterly and, based on changes in actual electric consumption, the monthly payment amount may be adjusted to avoid a significant balance or credit at the end of the budget year in August.

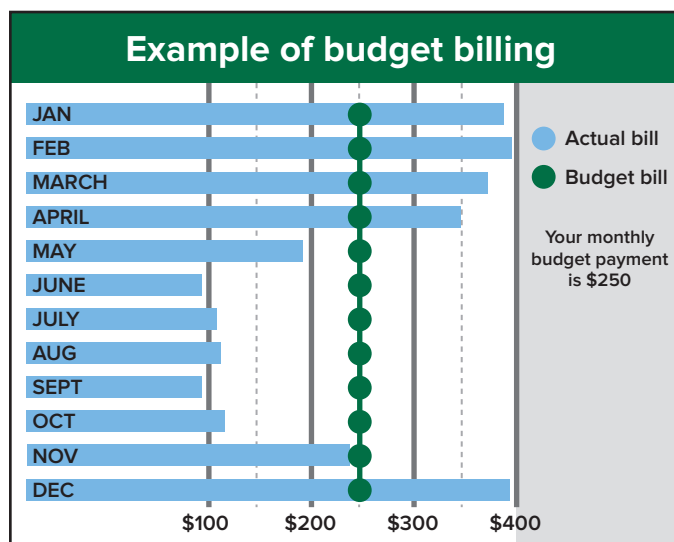
The cooperative's budget billing option is available at no extra cost. You can also participate in automatic budget payments, meaning you can sign up for both auto pay and budget billing. The same amount will be electronically paid from your bank account, debit card, or credit card every month.

Since the amount is based on previous use, members need to have at least one year of residency listed in their name at their current address to be eligible for the program.

For your convenience, Firelands Electric has numerous options for paying your electric bill. Members can make payments by mail, at the drive-up window, or in our night drop box. You can also pay by phone 24 hours a day, seven days a week, by calling 1-800-533-8658. Other convenient payment options include:

- **Automatic bank draft** — This service enables you to have your Firelands Electric payment automatically deducted from your checking, savings, or credit card account each month. You save postage costs and time, and your money stays in the bank until the 14th day of each month.
- **SmartHub account** — Firelands Electric's online payment system gives members the ability to schedule future payments, report power outages, and receive important notifications regarding their account.
- **SmartHub app** — The co-op's free mobile application allows members to pay bills and access their electric account information anytime, anywhere, through their mobile device. Members can also receive power outage notifications directly to their phone or tablet.
- **SmartHub Pay Now** — For those members who just want to pay their bill without having to create an online account, SmartHub Pay Now is an easy bill payment system that does not require any registration and can be accessed using your electric account number and last name/business name.

For more information on billing options, please contact Firelands Electric Cooperative at 1-800-533-8658 or email us at billing@firelandsec.com.





ANNUAL MEETING

POWERING PEOPLE FOR



Firelands Electric Cooperative held its annual meeting virtually on Saturday, June 19.

Cooperative members participated in the annual meeting by streaming the video broadcast or calling a toll-free number for an audio-only option. Those who missed the live broadcast can watch the meeting on Firelands Electric's YouTube page at https://youtu.be/cyg_1vUZ3wU. Links are also available on the cooperative's website and Facebook page.

During the meeting, Firelands Electric recognized the cooperative's 85 years of powering people. "We are celebrating the 85th anniversary of when a small group of farmers formed what is now Firelands Electric Cooperative," said Board President Dan Schloemer.

Although unable to meet face-to-face, Firelands Electric wanted to keep its members informed of their cooperative's financial health, operations, and plans for the future. "While we wish we could see everyone in person, we look forward even more to our 2022 membership event, which will be held at our cooperative's facility," said Schloemer.

Results of the trustee elections were announced near the beginning of the meeting. Members reelected Gene Lamoreaux of Greenwich, Rob Turk of Perrysville, and John Martin of New London to represent board districts 2, 7, and 9, respectively. Members voted to change the code of regulations in 2019, allowing voting online or by mail. This has resulted in the number of participating voters to more than double.



As part of the cooperative's celebration of 85 years, members who tuned in to the 2021 virtual annual meeting were entered into a drawing for a chance to win one of three \$85 bill credits. The randomly selected winners were David Bailey of New London, Mark Banks of Ashland, and Joyce Ritchie of New London.

During his report, President Schloemer described how 2020 was a year for implementing new ways to get the job done. Employees worked hard to safely maintain their excellent service levels amid a global pandemic. Firelands Electric waived late charges and other fees to aid those impacted by COVID-19, costing the cooperative roughly \$100,000 in reduced revenue and added expense.

Last year, the cooperative also invested over \$2.7 million in its electric distribution system. Recognizing the need to maintain reliability and efficiency, capital expenditures of over \$16.5 million have been made over the past five years. While this did include some of the construction of the co-op's new facility, the majority went toward the basics, such as poles, lines, and substations.

Despite disruptions caused by the pandemic, Firelands Electric maintained another strong year financially. Margins exceeded more than \$1.5 million, which was an increase over the previous year. These healthy margins allowed the cooperative to continue upgrading the reliability of its distribution system, pay down long-term debt, and improve service.

Solid margins will also allow members to receive a return of the investment they put into the cooperative in the form of capital credits retirements. A general retirement of \$900,000 was approved by the cooperative's board of trustees this year, which includes a portion of margins from 1999 and 2000. Members who received electric power from Firelands Electric and had credits allocated to them during those years will see their capital credits applied to their August electric bill.

General Manager Dan McNaul stated in his report that the cooperative's emphasis continues to be on projects that will enhance reliability, power quality, and safety for Firelands Electric's members and employees.

2020 seemed to have had more than its share of challenges in the form of a pandemic, economic distress, and community shutdowns. Severe storms also brought what the co-op viewed as a pandemic of electric outages, especially in Ashland and Richland counties. In an effort to reduce this unacceptable number of tree-related outages, Firelands Electric is planning to accelerate its annual tree trimming programs in certain areas — trimming after three years instead of the normal four-year rotation. This plan is also being expanded to include the removal of selected, potentially problematic trees that are outside of our normal right-of-way. The cooperative's board of trustees authorized an additional \$1 million for the areas most affected by storm outages. "Annual tree-trimming expenditures are very costly, but are viewed as an investment in future reliability for our members and to protect our electric lines and equipment," said McNaul.

McNaul also announced that Firelands Electric is launching its 2021–2024 construction work plan, which includes \$11 million worth of upgrades. This work is an important step in maintaining and strengthening the



co-op's distribution grid. It will replace many of the oldest and most vulnerable lines in selected areas from west of Greenwich to New London and south of Perrysville. Funds are also earmarked for the construction of a secondary transmission feed to the New London area, as well as a line replacement project near Bailey and Spring lakes, in Ashland County.

McNaul discussed how the events of 2020 impacted the electric industry throughout the state and the nation. Entering the post-COVID era is bringing many new challenges. Firelands Electric is starting to see shortages of equipment, supplies, and materials. Inflation is starting to creep into prices of durable goods used on the electric distribution system. The cooperative is also currently experiencing delays of up to six months on orders for certain transformers and other equipment. In addition, Firelands' construction and tree contractors are having difficulties hiring enough workers, which is causing their projects to take longer and cost more.

The cooperative's board of trustees and management continually assess and monitor 10-year financial forecasts, taking into consideration revenue, ongoing expenses, and inflation. "In spite of our major line construction projects and increasing maintenance costs, present forecasts show no rate increases should be needed for at least two years," McNaul announced.

McNaul closed his presentation by complimenting Firelands Electric's employees. "Our cooperative's outstanding group of employees are a dedicated, industrious, and intelligent group of workers who take their jobs very seriously. Each one of them are always willing to go above and beyond," said McNaul. "As the general manager, I am truly blessed to work with them."

At left, General Manager Dan McNaul addresses members during the cooperative's virtual annual meeting on June 19. Above, District 3 Trustee Tom Lucha leads members in the Pledge of Allegiance.





ENERGY EFFICIENCY

5 COMMON HOME ENERGY MYTHS **EXPOSED**

We've all heard the expression "You can't believe everything you hear." Some ideas are so widely held by society at large that most of us don't give them a second thought. Although sometimes factual, such common wisdom may also be based on outdated, or even false information.

Several commonplace suggestions for saving energy fall into this misleading category. Widespread misconceptions about energy use can actually increase utility bills and reduce comfort. Below are five energy myths that may be costing you in the long run.

1. Setting the thermostat higher or lower will heat or cool a room faster.

Most furnaces and air conditioners work at the same speed, no matter what the thermostat setting. Unless you have a variable speed blower, more energy may be wasted as the system continues to run to reach the higher or lower set point. In short, you can't accelerate the heating or cooling of your home beyond the HVAC system's capacity.

2. Leaving lights on uses less energy than turning them on and off.

In most cases, the small surge of power needed to turn a light on is much less than the power that is wasted by leaving it on when it's not needed. In other words, flip those switches off when you leave the room.

3. Closing off vents will reduce heating and cooling costs.

Closing vents is not a good way to save on energy costs. Heating and cooling systems are designed to distribute air evenly, so closing vents throws the system off balance. This causes pressure to build up in the ductwork, resulting in leaks that waste precious warm or cool air — and energy.

4. Leaving a fan on will cool a room.

Fans of all types circulate air, making your skin feel cooler. This allows you to save energy by raising the thermostat. However, fans do not cool the air. Leaving them on in empty rooms wastes energy.

5. Hand-washing dishes is cheaper than using a dishwasher.

It's widely believed that dishwashers are convenient, but use more water and energy than hand washing. In fact, washing a typical load of dishes in a dishwasher uses 37% less water than using the old-fashioned method.

It's worth your while to take a little time to scrutinize common energy-saving suggestions. Separating fact from fiction about home energy use can save you money and increase your home's comfort. For more cost-saving ideas, see Energy Savings at Home (www.energystar.gov/campaign/home) from ENERGY STAR or contact Firelands Electric Cooperative's member services department at 1-800-533-8658.

ENERGY EFFICIENCY

The energy efficient attic

Attics are a great place to start if you are looking to get the most bang for your buck on energy efficiency improvements. They are likely the place where warm air leaks out of the home in winter or into the home during summer, causing your HVAC system to work overtime. Trouble spots include anything that comes through the attic floor, such as the chimney, attic access, recessed lights, pipes, ducts, or wiring.

Sealing

It's best to properly seal any trouble spots before adding or improving the insulation. Improving both is estimated to save homeowners 10–15% on their annual heating and cooling bills. It only takes a small investment in the necessary supplies, like caulk, expanding foam, or weatherstripping, to seal any air leaks in your attic.

Ventilation

Many attics are under-ventilated, allowing moisture and heat to build up. Moisture causes harmful mold and wood rot. During the summer, a poorly ventilated attic is prone to overheating, which can bake shingles and shorten their lifespan. In winter, a warm attic can melt snow on the roof, allowing it to run into your gutters and refreeze, causing ice dams.

Proper attic ventilation allows air flow from a low point to a high point. This is usually done by installing soffit vents and insulation baffles around the perimeter, plus vents near the peak of the roof. If there's no way to install these, an attic fan can be installed to provide mechanical assistance for removing overheated air.

Insulation

The three main types of insulation for attics are loose-fill, batt, and rigid. Whichever type you have, it needs to provide a high enough level of insulation, which is measured in R-value. For Ohio, an R-value between 49 and 60 is recommended.

Batt and rigid insulation will often have the R-value printed on them. Loose-fill, which is blown in, is the most common type for attic floors. Its R-value is approximately its depth in inches multiplied by 2.8. Generally speaking, your attic should have 14 to 24 inches of loose-fill insulation.

If you have loose-fill insulation that is less than the recommended amount, you should be able to simply add more on top of it, as long as there aren't any moisture, rodent, ant, or termite problems. If your existing loose-fill insulation was installed before 1990, it could be vermiculite. It may be contaminated with asbestos, so it's a good idea to have the insulation tested. If it is contaminated, have it removed by a professional before beginning work.

Some of these steps can be challenging, so consider hiring a professional contractor. If you're a DIY pro and decide to do some of the work on your own, be aware of potential hazards. Disturbing old wiring can cause shorts in your electrical system, and roofing nails will often pierce the attic ceiling. Always keep safety in mind when working in the attic, especially when it comes to balancing on rafters.

For additional tips for a more energy-efficient attic, visit energy.gov or contact Firelands Electric Cooperative at 1-800-533-8658 and speak to an energy advisor.



IN THE COMMUNITY

COMMUNITY *connections*

Youth programs make a comeback





After 15 months of COVID-19 precautions, Firelands Electric Cooperative was excited to once again take part in local youth events this summer.

On June 9, the cooperative participated in New London High School FFA's Safety Town. Following a short presentation, approximately 40 students in kindergarten through third grade played electrical safety bingo, learned about the dangers of overhead powerlines, and experimented with plasma balls. The participants also had the opportunity to check out a bucket truck and lineman equipment.

On June 10 and 16, the cooperative assisted campers at Huron County's 4-H Camp Conger with the construction of table lamp and extension cord projects. Firelands Electric Cooperative has a long-standing relationship with The Ohio State University Extension Office and the camp. For more than three decades, Firelands has worked with Camp

Conger to make this program possible. Between 30 and 60 campers typically take part in the projects. "Helping at Camp Conger and interacting with the kids during camp is something we always enjoy," says Director of Communications and Information Technology Andrea Gravenhorst.

In addition to promoting safety education for local youth, Firelands Electric offers more than \$10,000 in annual scholarships, sponsors opportunities to visit our nation's capital, and holds youth contests. "Our cooperative's electrical safety and youth outreach programs educate and empower our future members and leaders," says Gravenhorst.

Additional information on Firelands Electric's youth programs can be found on the cooperative's website at www.firelandsec.com/community. To view more photos from Firelands' youth events this summer, visit www.flickr.com/photos/firelandsec/albums.



In June, Firelands Electric Cooperative participated in New London FFA's Safety Town and returned to its long-standing tradition of helping campers at Huron County's 4-H Camp Conger.





COOPERATIVE CONTEST

Back-to-school PHOTO CONTEST



A new school year is just around the corner — and Firelands Electric Cooperative wants to see those back-to-school photos!

Send us your most creative back-to-school photos for a chance to win a grand-prize package worth up to \$100. The package will include a fun selection of books, games, and other activities focused on electricity and energy. (We have a few other surprises in store, too!) A runner-up will also be selected to receive a \$30 prize package.

Official rules

1. Members of Firelands Electric Cooperative with school-aged children living in the home are eligible to enter. (Note: Prizes will be especially geared toward 8- to 12-year-olds, but all ages are welcome to enter.)
2. Back-to-school photos may be submitted one of three ways:
 - Email to members@firelandsec.com (maximum file size of 10 MB).
 - Send via Facebook Messenger.
 - Mail to Back-to-School Photo Contest, Firelands Electric Co-op, P.O. Box 32, New London, OH 44851.
3. Make sure to include your name, service address, and contact information with your entry.
4. Entries must be received by 4 p.m. on Friday, Sept. 10, and are limited to one per member family.
5. The most creative photo will be selected by a panel of judges to receive the grand-prize package, worth up to \$100. A runner-up will also be selected for a \$30 prize package.
6. Winners' names and photos will be published in a future issue of *Ohio Cooperative Living* magazine.
7. All entries may be used on the cooperative's social media or in its printed publications.



**Grand-prize
package
worth up
to \$100!**

2021-2022 Member Programs

**EXTENDED
THROUGH
JUNE 2022**

| PROGRAM TYPE | AMOUNT | GENERAL REQUIREMENTS |
|---|--------------------------------|---|
| HVAC SYSTEM & LOAD MANAGEMENT REBATES | | |
| All-Electric geothermal systems | \$800* rebate | Installation of a new or replacement all-electric geothermal or heat pump system with a <u>Cool Returns</u> load management device installed . Communicating systems that are incompatible with the load management device will receive the rebate, less \$100*. |
| All-Electric heat pump systems | \$500* rebate | |
| Dual fuel geothermal and air-source heat pump systems | \$300* rebate | New or replacement geothermal or air-source heat pump unit added to any fossil fuel furnace. Communicating systems that are incompatible with the load management device will receive a \$200* rebate. |
| All-Electric ductless or mini-split heat pumps | \$300* rebate | New or replacement all-electric ductless or mini-split heat pump system. Limit of 3 outdoor unit installs/program year. |
| LOAD MANAGEMENT INCENTIVES | | |
| Central air-conditioning systems | \$100* bill credit | Installation of a <u>Cool Returns</u> load management device on a new or existing central cooling unit that does <u>not</u> qualify for other member program incentives. |
| ELECTRIC WATER HEATER INCENTIVES | | |
| New standard electric water heaters (no existing switch) | \$300* bill credit | Installation of a new or replacement electric water heater that has a 50-gallon or larger tank capacity, with an E.F. of 0.91 or higher that <u>does not already have a load switch</u> . |
| Replacement electric water heaters (existing switch) | \$150* bill credit | Same as above, except tank has an existing load management switch installed. |
| Electric heat pump or communicating water heaters <i>(only available on units incompatible with RCS switch)</i> | \$150* bill credit | Installation of a new or replacement electric heat pump or communicating water heater that meets the energy efficiency standards above. |
| | \$50* bill credit | Installation of load management device on an electric water heater that doesn't meet the cooperative's energy efficiency standards. Solar and on-demand/tankless water heaters do not qualify for this incentive. |
| ENERGY STAR APPLIANCE REBATES | | |
| Refrigerator & freezer | \$100* bill credit | Purchase of an ENERGY STAR®-certified appliance to replace an existing appliance. Purchase receipt, proof of removal of old appliance, and proof of ENERGY STAR certification required. |
| Dishwasher & clothes washer | \$50* bill credit | |
| Dehumidifier | \$25* bill credit | Installation of an ENERGY STAR®-certified dehumidifier with a minimum capacity of 70 pints/day. Purchase receipt for the new appliance and proof of ENERGY STAR certification required. |
| WEATHERIZATION REBATES | | |
| Air-sealing upgrades Insulation upgrades | \$400* Rebate \$800* Rebate | Air sealing and insulation upgrades must be installed by a licensed contractor. All qualifying upgrades must be installed in an electrically heated residential home and meet or exceed required energy specifications. |
| ELECTRIC VEHICLE (EV) REBATES | | |
| Electric Vehicle (EV) Level 2 Charger | \$250* Rebate | Installation of a new, UL-listed electric vehicle (EV) Level 2 (240-volt) charger. Maximum of two rebates per residential member or six per commercial/industrial facility. |

*A complete listing of specific eligibility requirements for all incentives is available on Firelands Electric Cooperative's website, www.firelandsec.com.



COOPERATIVE UPDATE

BOARD MEETING *highlights*

Firelands Electric Cooperative's board of trustees met May 25 and covered the following items:

- Board President Dan Schloemer reported that the cooperative received 27 membership applications for approval by the board.
- General Manager Dan McNaull reviewed the cooperative's member satisfaction survey results and reported that Firelands had received an 88 in the latest survey.
- McNaull reviewed the tree trimming and outage reports.
- Director of Finance and Accounting Tabi Shepherd reviewed the April financials and reported on recent accounting and billing department activities.
- McNaull reviewed Buckeye Power's average firm rate, which is the cost of power. He reported that the greatest change over the past five years was in transmission costs.
- Director of Operations Don Englet reviewed recent activities and projects in the operations department, including an update on the status of work being performed at the Steuben substation.
- McNaull advised that an ACRE Co-op Owners breakfast has been scheduled for Sept. 17 at 9 a.m. in the cooperative's warehouse.
- Director of Communications and Technology Andrea Gravenhorst reviewed a report on recent activities involving the member services and IT department, including the recently completed 2020 annual report.
- McNaull advised that the 2021 annual meeting would be prerecorded. Members will be able to participate through a Webex video broadcast or via an audio-only telephone option. Questions can be submitted by members through a specially designated VIP mailbox.
- McNaull and Trustee Kevin Reidy reviewed statewide meetings they had attended virtually and in-person.

The cooperative's next board meeting is scheduled for Tuesday, Aug. 24. 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

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OFFICE HOURS

Mon.-Fri. 7:30 a.m.-4 p.m.
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Dan McNaull

HAVE A STORY SUGGESTION?

Email your ideas to:
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