



## SIERRA ELECTRIC COOPERATIVE, INC.

MEMBER NEWSLETTER April 2009

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He, who is good for making excuses, is seldom good for anything else.

Franklin

We had our annual meeting on April 6, if you were able to attend, I hope you found the information provided useful and helpful, if you couldn't make it, then we hope to see you next year.

We had a good conversation about the changes coming from our legislative bodies that will impact all of us as consumers of electrical energy. The Waxman / Markey bill introduced in the House of Representatives envisions a cap-and-trade system as a means to control CO<sub>2</sub> emissions. A cap-and-trade system really puts us all at a disadvantage as it makes the emission a negotiable product to be bought and sold on the open market plus it makes us pay for achievement of the cap levels. Not a good deal.

Let's talk a little about renewable energy projects and how they might impact you as the consumer and us as a consumer supplier. Solar or wind projects sized for use at your home can effectively reduce the amount of electricity purchased from Sierra. There are several members operating solar PV (photovoltaic) systems which provide most of their own energy requirements and then rely on Sierra to furnish electricity during times their PV system cannot meet the total load requirement, or is inoperative, or when there is no sunshine. Folks are sometimes disappointed in what Sierra can pay for any energy put back onto the grid as excess from what they produce to what is needed at their residence. The value Sierra pays for excess energy put onto the grid by a member connected renewable source is set by regulations and modified each year to reflect changes in costs and operational expenses. This is called "avoided costs" and is in essence the value of purchased power offset by that which the consumer produces above their own electrical load. This is power that Sierra did not have to purchase from our power supplier. The pay-back rate is not the retail price that consumers pay to Sierra but is that cost which is avoided in the purchase and delivery of electricity to your meter. Costs for operations, maintenance and metering expenses for Sierra to have the facilities in a ready mode to furnish the total amount of electricity needed at an instant's notice are a part of the energy charge per kilo-watt-hour and part of the monthly service charge. These costs continue regardless of a member having or not having a renewable source connected to the grid.