

Holmes-Wayne Electric Cooperative, Inc.



*Glenn W. Miller
President/CEO*

Working together — and sharing the cost — co-ops have ensured the future power supply of members

When fledgling electric cooperatives banded together 70 years ago in a state association (Ohio Rural Electric Cooperatives, Inc.), they did so recognizing they could serve their members better collectively than apart. Many envisioned that someday the cooperatives could own a power plant, instead of depending on supply contracts that held them captive to the uncertainty and volatility of electricity markets.

From their founding in the mid-1930s and for the next 30 years, co-ops like Holmes-Wayne Electric Cooperative were vulnerable when it came to power supply. Because they were small rural utilities, their ability to purchase generation at competitive rates was limited.

The state association was able to combine the loads of its member systems to make better deals, but this still didn't provide the rate stability, affordability and reliability desired by co-op leaders. They had developed a long-range view of what was needed and how to achieve it.

In 1968 Cardinal Station Unit 2, wholly owned by the electric co-ops through their generation-and-transmission cooperative, Buckeye Power, Inc., became the source of wholesale electricity so long sought by Ohio's nonprofit, member-owned utilities. Several years later, Unit 3 came on line to meet the needs of the steadily growing electric cooperative community.

This long-range planning for power supply

became a hallmark of Buckeye Power and the state's electric cooperatives. Rather than defer investment and hope for the best, the co-ops regularly assessed their needs and planned for the future — together.

In 2004 the decision was made to embark on a project almost as important as the original power plant construction. The impact of environmental regulations had become part of the long-range planning process. Electric co-ops always have been good stewards, and this trait was put into action yet again when a massive, years-long effort was launched to make Buckeye Power's coal-fired units among the cleanest and best-performing in the world.

Seeing stricter rules in the regulatory pipeline for sulfur dioxide, mercury and other emissions, co-op leaders green-lighted the installation of "scrubbers," equipment and technology to remove most of these air pollutants from flue gas produced by the combustion of coal in the power generation process.

Eight years later, the massive undertaking is complete. Cardinal units 2 and 3 are truly "clean coal" power plants, capable of operating in the top tier of generators worldwide.

As always, there was a price for environmental compliance.

The scrubbers and related improvements cost \$1 billion, far more than the \$62 million price tag for building Unit 2 in the 1960s. Such is the change that has been thrust on power generators by the Environmental Protection Agency and government.

Rather than levy a huge one-time rate adjust-

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The power of human connections®

Small businesses are faced with numerous challenges in today's economy. The cost of energy to run a small business can be significant. ReEnergize Ohio provides a possible money-saving tool to make energy-efficient upgrades and improve energy performance.

ReEnergize Ohio is a partnership between the State Treasurer's office and eligible banks designed to invest in Ohio's small business community. Through ReEnergize Ohio, small businesses receive up to a 3 percent interest rate reduction on new or existing loans when at least 50 percent of the loan funds are used to

implement energy-efficient upgrades. Small businesses may apply the interest rate reduction on up to \$550,000 of the loan amount for a term of four years.

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efficient appliances, equipment and vehicles. Contact Treasurer Mandel's office to learn more about ReEnergize Ohio at 1-800-228-1102, option #3, or visit www.ReEnergize.Ohio.gov.



Keeping you informed

HWEC works hard to provide reliable service to all members. There are times when the cooperative must create a temporary planned outage. In order for us to contact members on such an occasion, it is important that all cooperative members maintain an active phone number on file.

A correct phone number in the HWEC system also allows for quick reference for after-hours outage reporting. If you currently do not have an active or correct phone number on file with us, please contact the office toll-free at 866-674-1055 to update your account.



Sizzling Hot Summer

As the summer of 2012 begins to heat up, it is critical for the elderly and those with medical conditions to maintain a low-humidity environment. Local agencies are offering a summer crisis program to assist with your electric bill. This program is funded through the Ohio Department of Development Office of Community Services. The program is running from June 4 through Aug. 31. Below is the local agency you can contact based on county of residency.

Community Action Wayne/Medina — 330-264-8677 (Wayne) or 330-723-2229 (Medina)

Kno-Ho-Co-Ashland Community Action — 419-281-4327 (Ashland) or 330-674-6479 (Holmes) or 740-622-9801 (Coshocton) or 740-397-0378 (Knox)

Harcatus Tri-County Community Action — 740-922-0933 (Tuscarawas)

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ment upon completion of the scrubber project, Buckeye Power has been raising wholesale power rates incrementally over several years.

The members of Holmes-Wayne Electric know full well their electric bills have been rising. What you might not realize is that the net effect of meeting new environmental rules has added, on average, \$20 per month to your cost of electricity.

No one likes to pay more. But had we waited to add scrubbers like many utilities across the nation, I might be writing this column to apologize for power supply problems because we had to shut down our coal-fired plants. This is the decision many utilities have been forced to make.

You now can have confidence that the power generation facilities providing your electricity will operate cleanly and efficiently for years to come. We look forward not only to generation that complies with environmental regulations and enough capacity to meet our needs, but a period of rate stability into the future.



Energy Efficiency

Tip of the Month

Water heating ranks as one of the top three energy-related expenses in your home. Save energy and money by installing a water heater blanket, using low-flow showerheads and faucets, and lowering the thermostat on your water heater to 120 degrees Fahrenheit. Learn more at EnergySavers.gov.

Source: U.S. Department of Energy



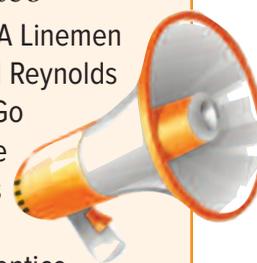
Happy 4th of July

A friendly reminder that
HWEC offices will be
closed on
Wednesday, July 4.

Holmes-Wayne Electric Announcements

Lineman's rodeo

Congratulations to HWEC Class A Linemen Mike Rowe, Darin Stefano, Daryl Reynolds for placing eighth in the Gaff-n-Go Lineman's Rodeo in Virginia. The HWEC team was only five points away from first place. Additional recognition goes to HWEC Apprentice Lineman Zach Condren, who competed in the apprentice class. Zach still has another year of training and placed 18th out of 41 apprentices.



2012 HWEC Annual Meeting of the Members

Details from the June 28 Annual Meeting of the Members will be provided in the August edition of this publication.

Cool off electric bills

Scorching temperatures and high electric bills don't need to arrive hand-in-hand this summer. At Holmes-Wayne Electric, we are committed to providing you not only with safe and reliable electric service, but also with information you need to save energy, and keep electric bills affordable, when the heat is on.

A key tool to HWEC's energy-saving arsenal is TogetherWeSave.com. The website offers nine applications focusing on different actions that, once completed, show an actual savings calculation. For example, in the "Lower Your Water Heater Temperature" application, you can virtually adjust the temperature setting on the water heater dial to see a projection of how much money you could save by doing just that.

TogetherWeSave.com

Take the Virtual Home Tour on TogetherWeSave.com to find even more ways to cut costs. You will "walk" through a home's family room, kitchen, laundry room, bedroom, basement and attic. Each area reveals at least two actions you can take to improve your home's energy efficiency. As you move through the room and complete the suggested changes, you will see a running tally of potential energy dollar savings.

The website also provides access to the Touchstone Energy® Cooperatives TV Web Portal, where you can view short energy efficiency videos. You can even connect with other energy-conscious members by sharing your story about what you are doing to be more efficient. It's remarkable that co-op members just like you from across the country have already visited TogetherWeSave.com and collectively saved an estimated \$40 million by making small energy-related changes at home.

We want to help you reach your energy-saving goals. So go ahead: flip a switch, lower the blinds, raise the temperature on your thermostat, and visit TogetherWeSave.com to find out how little changes can cool off your electric bill.

Easy summer cooling tips

If your home is too hot in the summer, there are many ways you can help keep heat out of your house. Planting trees, for instance, is one of the best ways to diffuse the hot summer sun before it enters your home. But a surprising amount of heat comes from inside your home.

The biggest sources of internal heat gain are lights and appliances. Reducing their use will save electricity and keep your home cooler. In humid climates, moisture that is released by cooking, bathing and other activities also will make it harder for air conditioners to cool your home. A drier home feels more comfortable.

Here are some easy ways to keep cool in the summer:

- Replace standard incandescent light bulbs with compact fluorescent light bulbs. The electricity used by standard bulbs produces 10 percent light and 90 percent heat. Also, compact fluorescent lights are cheaper to operate.
- Schedule heat-producing chores like baking or doing the laundry after the hottest part of the day.
- Install an insulating jacket on your water heater.
- Use kitchen and bathroom fans to remove heat and moisture during and after cooking and bathing.
- When replacing appliances, buy those with the ENERGY STAR® label. These appliances conserve energy and release less unwanted heat.
- If you are home during the day, use a room fan to create a cooling breeze.
- If you live in an area where evenings are cool, don't forget about the cheapest cooling method of all. Open your doors and windows, or run window fans. This will move cool evening air through your home for almost no cost.