

COOPERATIVE REVIEW

Energy for Today, Power for Tomorrow.



NC Renewables and Energy Efficiency Mandate

In April 2009, you began seeing a new monthly charge on your electric bill called the NC Renewables Mandate. This charge will pay for costs associated with meeting the state's Renewable Energy and Energy Efficiency Portfolio Standard (REPS).

STATE MANDATE

Senate Bill 3, enacted by the NC General Assembly in August of 2007, requires electric cooperatives to ensure that a percentage of the electricity they sell is generated from renewable energy sources or energy efficiency programs. An incremental compliance schedule establishes that by 2018, 10 percent of each cooperative's energy sales must come from renewable energy and energy efficiency.

Union Power Cooperative's monthly schedule for 2009 is \$0.45 for residential consumers; \$2.27 for commercial consumers; \$22.65 for industrial consumers. The NC Renewables Mandate will be adjusted annually to reflect the anticipated costs for compliance with the REPS mandate for that year for each customer class.

The money collected through the NC Renewables Mandate covers the cost of new programs to reduce energy use. It also covers costs of participation in renewable energy projects both here in our service area, as well as joint projects with other North Carolina cooperatives.

Two of the joint renewable energy projects that the North Carolina Electric Cooperatives are part of come from wind and solar.

WIND RESOURCES

The Story County Wind Energy Center, located in Story County, Iowa, is comprised of 100 General Electric 1.5 megawatt turbines. At its maximum capacity, the facility will be capable of generating enough electricity for approximately 37,500 average size homes. This project, while located in Iowa, presents an opportunity to gain further insight into wind energy resources, an option not currently available in North Carolina. The Iowa project is an important addition to the cooperatives' portfolio of renewable resources.

SOLAR RESOURCES

On the solar side, North Carolina's electric cooperatives have partnered with QVC, one of the world's largest multimedia retailers, to install a 1-megawatt solar energy facility at the QVC Rocky Mount, Inc. distribution center in Rocky Mount. Through a 10-year agreement, NC Electric Membership Corporation, the power supply organization for the state's electric cooperatives, will purchase the energy produced by the facility, returning it to the grid for use by



North Carolina consumers. The NC Electric Cooperatives will receive the Renewable Energy Certificates (RECs) from the project.

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ENERGY EFFICIENCY PROGRAMS

Union Power has participated in two energy efficiency pilot projects during the past months. Those included an energy efficiency lighting program with the use of compact fluorescent lamps (CFLs), and a community efficiency program where several members with all-electric homes received an energy makeover that included the sealing of ductwork and attic leakage, added attic insulation, and insulating the water heater. These

programs are being developed along with others and will be implemented to the entire membership in the coming months.

FIND A BALANCED SOLUTION

None of us like to see our rates increase. This new NC Renewables Mandate charge is necessary for us to comply with the state mandated REPS. Many states are implementing REPS, which mandate that a certain percentage of that specific state's electric utilities' retail electricity sales are generated from renewable resources, or in some states, saved through energy efficiency programs. In the southeast, North Carolina is the only state with a REPS, but the implementation of a REPS in Florida is under consideration.

There are always dozens of factors that influence electricity costs, but now, in a time of economic uncertainty and environmental concern, there are more things to

consider than ever before. The rising costs of materials and fuel affect what you see on your monthly utility bill.

State- and federal-mandated renewable energy use, as well as separate climate change legislation, will have a further impact on your personal finances. And the pending construction of new generation facilities, which is necessary to help America keep up with growing energy demands, will also cost consumers more money.

Congress may not understand the breadth of these issues, but with your help, we know they can. Read more about these issues to arm yourself with the knowledge you need. Contact your Congressional representatives at www.findabalancedsolution.com or call 1-877-40BALANCE.

Find A
Balanced Solution



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Focus on Operational Excellence

Strong operational performance is important to every business, especially an electric utility. After examining workflow processes throughout the past year, Union Power staff pinpointed an area of focus—operational excellence.

Union Power focuses everyday on providing operational excellence to its members. This includes handling outages quickly and efficiently, maintaining the Cooperative's rights of way, and building infrastructure to meet the electrical needs of the membership.

The Engineering and Operations staff of Union Power have been closely examining the statistics of outage restoration times and determining what changes could be made to shorten dispatching and outage times. That's one way to improve operations.

Another way to achieve operational excellence is through well-maintained rights of way. Union Power began a new right of way program in 2005 with the help of Environmental Consultants, Inc. Since then, tree-related outages have drastically decreased. While annual miles of

right of way trimmed has nearly doubled since 2005, the cost per mile of line per year has decreased more than 50 percent from the old program.

Building infrastructure such as new substations and transmission lines also contributes to operational excellence. Union Power has had to build two new substations within the last two years and is in the process of building another substation along with a transmission line. All of these facilities are located on the western side of Union County where the growth in that area was 29 percent during the years of 2004-2007. New infrastructure had to be built to maintain safe and reliable service to all Union Power members.

As a part of providing reliable service to our members, operational excellence will always be an area of focus for Union Power Cooperative.

Being Good Environmental Stewards



Hal Setser, vice president of marketing and energy services, explains the proper way to dispose of CFLs to participants at the Earth Day event in Monroe.

With the ever growing concerns about our environment and climate change, Union Power had an opportunity to educate the public on CFLs and about a new campaign called Find A Balanced Solution during two Earth Day events held on April 25 in Union County. For the

third year, Union Power participated in the Stallings Earth Day celebration and also a new one that was held in downtown Monroe.

Earth Day participants who visited the Union Power tent learned that they can start a dialogue with Congress concerning rising electric rates and that cost does matter when it comes to creating a national energy policy. All they have to do is visit

www.findabalancedsolution.com to contact their House Representative or Senator. They can also call 1 (877)-40Balance to express their concerns.

In demonstrating our stewardship to the community, as well as working towards meeting our state mandate, (Senate Bill 3), participants received CFL bulbs as a way to promote energy efficiency and help to prevent greenhouse emissions from being emitted into the environment. More than 1,400 bulbs were distributed to

Union County residents.

Throughout the day, ECI, our vegetation management department, gave away a total of 60 shrubs and plants.

Union Power and ECI were proud to be a part of these two Earth Day celebrations to further demonstrate our commitment to the communities we serve.



An Earth Day participant in Stallings gets valuable information from System Arborist Wil Ortiz on the type of trees suitable for planting in this area.

PLAY IT SAFE



Cooperative Review is published monthly by

Union Power Cooperative

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Energy for today, power for tomorrow.

Union Power Cooperative provides safe and reliable power with exceptional value to over 65,000 members in Union, Stanly, Cabarrus, Mecklenburg, and Rowan counties.

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Lightning Storm Safety

North Carolina is known for its intense summer thunder and lightning storms. According to The Ready Campaign, an emergency preparedness program developed by the U.S. Department of Homeland Security, lightning kills approximately 300 people each year, which statistics show is greater than the number of people killed each year by hurricanes, tornadoes, or floods. By following a few simple tips, you can reduce unnecessary risks during a lightning storm.

- Use the correct light bulbs in all lamps and light fixtures. Look inside the light fixture and you will find a label that will tell you what wattage is right for that fixture. If you are using a compact fluorescent light (CFL) bulb, look at the package to determine wattage equivalents.
- If a thunder or lightning storm is forecasted, monitor conditions regularly by a radio or television. Be sure to keep extra batteries for your radio in case the power goes out.
- Stay alert. Typical signs of an oncoming lightning storm are towering clouds with a “cauliflower” shape, dark skies, and distant rumbles of thunder and flashes of lightning.
- Seek shelter. The best place to be during a lightning storm is in a large, enclosed building. Once you are inside, stay a few feet away from windows, sinks, electric boxes, outlets and appliances. Current from a lightning strike can travel through any of these objects.
- Never shower or take a bath during a lightning storm. Utility lines and metal pipes can conduct electricity.
- Do not use a corded telephone during a lightning storm. If lightning hits the telephone line, it could possibly flow to the phone. Avoid using computers, too.
- If you get caught in a lightning storm while you are in a car, stay in the car with the windows rolled up.
- If you get caught outside, try to find a spot away from trees, metal fences, pipes and tall or long objects. Crouch down to the ground and try to make yourself shorter than other objects in the area.
- If you are on a golf course during a lightning storm, seek shelter if possible. Stay away from your clubs, and if your shoes have metal spikes, take them off.
- If you are in a boat during a lightning storm, get to land immediately. If you cannot get to land, crouch down in the very center of the boat.
- Never swim during a lightning storm. The energy produced from lightning can be transmitted through the water to the people in it.

Lightning storms are extremely dangerous and can often be very frightening.

However, if you practice proper safety measures during a lightning storm, you can avoid becoming a statistic.

Visit www.union-power.com for more information on electrical safety and learn how to protect your sensitive electrical equipment from lightning strikes by using PowerGuard.