



## Cooperative Update

from

**Bruce Bacon**

Chief Executive Officer  
Fairfield Electric Cooperative

### We're doing all we can

It's not going to the grocery store that I've come to dislike. It's the leaving, when I find out just how much it costs to purchase a few bags of essentials.

I don't blame my grocer, though. Costs have risen for everything. We're seeing it at Fairfield Electric Cooperative, too.

One of our most important jobs is to keep the price of electricity down. We haven't had a base rate increase since 2008 because we've trimmed expenses and saved money wherever we could. But not everything is in our control. Here are just a few challenges we're seeing:



#### Inflation

Inflation isn't just driving up the price of eggs. Utility poles cost much more than they did a few years ago. The price of electric transformers has soared from \$874 in 2019 to \$1,360 today. We also carry some of the highest property tax burdens in the counties we serve.

As you know, interest rates have risen significantly in recent years. In order to deliver the reliable power you have come to expect, we borrow money to make upgrades to our electric system. Those higher rates have caused our interest expenses to increase.



#### V.C. Summer and the Cook case

A few years ago, two South Carolina utilities tried and failed to expand the V.C. Summer nuclear power plant. South Carolina's electric co-ops buy the bulk of our power from Santee Cooper, and must share in the costs of their capital projects, successful or not.

In the wake of that project's cancellation, Santee Cooper settled a class-action lawsuit and agreed to a four-year rate freeze that kept our power costs stable. Since then, a series of unfortunate events—including major storms, a fire at a supplier's coal mine and global events that drove up the price of fuel—have added about \$680 million to Santee Cooper's balance sheet.



Those new expenses will get passed down to their consumers—including our co-op—after the rate freeze ends on Dec. 31. We are negotiating to spread those payments over a longer time, which will soften their impact on power bills.



#### Energy Policy

Recently, the federal government has pushed hard to reduce carbon emissions, requiring power providers to adopt unproven, unavailable, and expensive technologies.

They may have good intentions, but those regulations will make the cost of producing power—and buying it—go up. When it comes to energy policy, we work diligently with our state legislators and congressional representatives to make sure our voices are heard.

### What we're doing about it

Our co-op has been able to avoid raising rates because we do everything we can to keep costs down. In anticipation of the challenges I mentioned, we've deferred revenue into a reserve fund that will help ease the burden of these new costs.

Fairfield Electric is currently conducting a study to determine if a rate change is necessary to provide safe and reliable power in the future. We'll also continue to offer assistance and innovative programs to help our members save on their energy bills.

I think it's important for members to be aware of these challenges and how we'll respond. There are many important questions still to be answered, but you have my promise that we will be transparent and proactive as we work to keep your power affordable.



## WHO POWERS YOU?

We know our community is filled with unsung heroes who are making a difference. Let's celebrate them!

Grand Prize \$2,500. Entries must be submitted by July 31.

Visit [ecsc.org/WhoPowersYou](https://ecsc.org/WhoPowersYou) for full contest rules.



## The 85th Annual Meeting of Members was a huge success with a great turnout by our members.

Albert Airington (pictured above) arrived early in Chester and was the first member to register and vote for the meeting. Thank you to all our members who turned out for the week-long event.

For more details and photos go to [fairfield.coop/2024-annual-meeting](http://fairfield.coop/2024-annual-meeting).

**Membership Matters!**

## Simplify The Way You Pay Your Electric Bill By Enrolling In ... **BANK DRAFT**

This free, easy and convenient payment option allows you to pay your bill on time every month without writing a check or calling the payment line.

- When you sign up, Fairfield Electric will begin automatically drafting your checking or savings account for the amount of your monthly electric bill on the due date.
- You will continue to receive statements showing the kWh use and the amount due, but you will not have to write a check or visit the office.
- There are no convenience fees



To sign up, call (800) 628-0336 to speak to a member service representative.



## Become Energy Wise.

Learn how you can save energy and money with Fairfield Electric's **free Energy Advisor and Energy Resource Center.**

**Home Energy Advisor is as easy as**

- 1... Take a quick survey
- 2... Explore your energy use
- 3... Find easy ways to save

Just visit [fairfield.coop](http://fairfield.coop) and look for the Energy Advisor link. Energy Advisor breaks down your energy use into dollars and provides recommendations on how to save.



Our Energy Resource Center includes energy reference libraries, cost calculators and more.

For more information, visit [fairfield.coop](http://fairfield.coop)



6-24-27M-05092401