



Cooperative Update

from

Bruce Bacon

Chief Executive Officer
Fairfield Electric Cooperative



The Increasing Sum of Our Parts

If you tried to build a home a few years back, you know how rising material prices can take a painful chunk out of your bottom line.

As you'll recall, the COVID-19 pandemic drove demand for new homes skyward. Shortages of critical home-building supplies like lumber and PVC pipe led to backlogs and price spikes, driving construction costs through the roof.

Unfortunately, we're now seeing similar trends play out in the energy industry.

Over the last few years, we've seen a drastic increase in the price, demand and wait-time for the materials needed to bring electricity to your homes. According to Stacy Shull, the vice president of sales and supplier relations for CEEUS, our materials supplier, costs rose by nearly 70% between September 2019 and May 2024. Just looking at a few important parts of our power delivery system—distribution cable, crossarms and transformers—will give you an idea of the challenges we're facing.

A spool of the cable that runs from our substations to your neighborhoods currently costs \$4,244, an increase of 70% since 2019. Transformers, which step down the voltage of electricity so that it can safely power your appliances, have seen an even greater jump. Underground transformers have nearly doubled in price over the past five years, to \$2,407 from \$1,283. Overhead transformers aren't much better, rising to \$1,360 from \$874. A single crossarm—the horizontal beam at the top of a power pole that holds the cable and other equipment high in the air—has risen in price to \$93 from \$42.

These are critical pieces of equipment that are needed along the 3,600 miles of line Fairfield Electric maintains to provide you safe and reliable electricity. We can't wait for Amazon Prime Day to purchase them at a discount, nor can we expect next-day delivery. As a matter of fact, supply chain challenges have extended the wait times for some of these materials to more than two years.

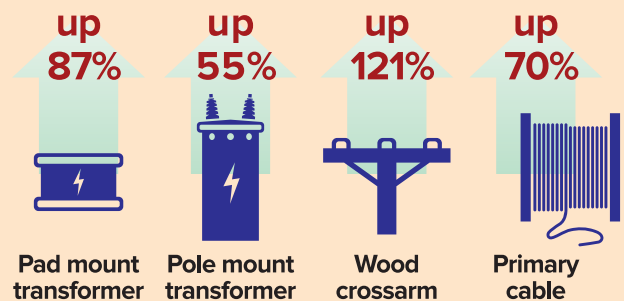
Other inflation factors like commodity prices (aluminum, copper and rubber), transportation and interest rates have a big impact as well. It all means high demand, short supply and rising costs for materials we can't do without.

Fortunately, we have an important partner to help us during this inflation crisis. Decades ago, South Carolina's electric cooperatives pooled their resources to form CEEUS, a member-owned materials and supply cooperative that allows us to purchase materials at a much lower price than if we had to do it alone.

Perhaps the next time you look at a power line, you'll see it a little differently—as the sum of parts that are increasingly expensive. If not, that's OK. Just know that Fairfield Electric is doing everything it can to soften the impact of these rising costs.

The cost of inflation

2019 prices vs. 2024 prices



SOURCE: CEEUS DATA AS OF 05/2024

Students Tour Nation's Capital During Washington Youth Tour



Four local high school students represented Fairfield Electric Cooperative on a trip to the nation's capital in June. Laney Funderburk and Kinsley Price of Great Falls High School, as well as Charlie Bonds and Grant Taylor of Richard Winn Academy, were among over 70

South Carolina rising high school seniors on the six-day trip to Washington D.C., sponsored by their local electric cooperatives. The students were selected on the basis of their academic achievements, school activities and community service.

While in D.C., South Carolina's Youth Tour delegation visited many of the major museums and memorials, including the Washington Monument, Mount Vernon, the Arlington National Cemetery, and a tour of the Smithsonian Museums. They also spent time on Capitol Hill.



Fairfield Electric's 2024 Washington Youth Tour representatives: (l-r) Charlie Bonds, Laney Funderburk, Kinsley Price, & Grant Taylor

Rising High School Juniors interested in attending the 2025 Washington Youth Tour, visit www.fairfield.coop for more information.

Are You Prepared for Dangerous Storms?

Being prepared can help you and your family minimize the impact of storms. The best way to start is before the threat is imminent.

- **Have an emergency plan and review it with your family.**
Everyone needs to know the safest place in your home and how you will contact each other. Don't forget to have a plan for your pets.
- **Make sure your co-op has your correct contact information.**
You also need to keep insurance and other important documents in a safe place.
- **Put together a survival kit.**
Have enough supplies such as, non-perishable food, bottled water, batteries, battery operated flashlight and radio, first-aid kit, pet food, can opener and medicines to be self-sufficient.
- **Use surge protectors on appliances and electronics.**
Have a system installed, like FEC's Meter-Based Surge Guard® Protection package, to help safeguard your home.
- **Keep your landscape free of debris.**
Remove threatening objects that could become projectiles. Prune your plants and trim your trees of dead limbs.

Power Out!

Call **800-499-7862**, use our **free mobile app**  or go online at **fairfield.coop** through the member portal.

For more information, visit fairfield.coop



8-24-27M-07092401