



Sussex Rural Electric Cooperative, Inc.

A Touchstone Energy® Cooperative 

Currents



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A Storm is Always Ready

ARE YOU?



When Mother Nature threatens a severe storm, be ready by having an emergency kit on hand.

YOUR KIT SHOULD INCLUDE:



Bottles of water
Nonperishable food
Portable phone charger
Flashlights
Batteries
Can opener



First-aid supplies
Hand sanitizer
Prescriptions
Pain reliever
Warm clothing
Blankets



Battery-operated radio
Toys, books, and games
Important documents
Money
Baby supplies
Pet supplies

CURRENTS is published monthly by
Sussex Rural Electric Cooperative
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The Co-op's New Challenges

Part 3: Rate Increase on the Horizon

By: Chris Reese, President & CEO
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In the last two issues of *Currents*, I have been addressing the changes on many different fronts that have created new challenges for the Cooperative. This three-part series will culminate in this issue. If you've read the articles over the last two months, you've seen us cover the subjects of supply chain issues, rising material and fuel costs, storms, trees, and outages and learned how they've affected your Co-op. These all contribute to the topic of today's article: a rate increase for the coming year.

Our current residential energy rate is about 10.9 cents/kWh, which is low. In fact, our rate is the lowest in the state of NJ compared to JCP&L, PSE&G, and other investor-owned utilities. A recent article in September 19, 2022's *Wall Street Journal* stated the national average is 14.8 cents/kWh.

Part of our rate includes a System Connection Fee that is applied to all members to cover the expenses involved in maintaining an electric distribution system – our grid. The current standard System Connection Fee is \$25.59. This is a fixed rate used by the Co-op to cover the expenses of maintaining the best possible quality of electric service and investing in improvements to our infrastructure, which includes things like wire, transformers, poles, labor, insurances, taxes, and more. In simple terms, this is the cost to be connected to our system, so that electricity is always available for you to use, whether you use one kilowatt-hour or one thousand.

We have not changed our energy rate or our System Connection Fee in over three years. Even through the pandemic, we did not raise them. We kept our rates stable while many other utilities did the opposite and raised theirs. In fact, when we opted not to have a rate increase in 2022, we budgeted for an operating loss. This was a purposeful decision that we made to show support for our members during difficult times.

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The Co-ops New Challenges (pt. 3 of 3)

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Why Are Rates Rising?

As a not-for-profit cooperative, our goals are not geared around turning profits in order to earn a dividend for stockholders. We simply operate to provide reliable electricity to our 12,000 members as efficiently as possible – that’s it. In recent years we have been dealing with and absorbing cost increases and supply shortages for our materials, fuel, and equipment. Now, on top of all of those pressures, we are looking at a very large increase in the cost of power itself in 2023. Specifically, natural gas costs have skyrocketed this past year. While this only makes up about 20% of our power supply, the increase is staggering.

This rise in generation and transmission costs for 2023 makes an adjustment to our rate schedule inevitable. There is no one “villain” to this narrative, whatever you think it may be: the coronavirus, the war in Ukraine, inflation, etc. These are all contributing factors that have added up to put us in this situation.

We have a system to reinvest our margins into our company, and these funds are eventually retired as capital credits and returned to members. When making changes, we carefully consider how high our rates need to be to cover the costs of providing consistent, reliable, and safe electric service to our members.

What Is the New Rate?

You may be asking, with all this discussion of a looming rate change, what will the new rates be?

We do not yet have the final figures in place, but we still wanted to give all of you in our membership advance warning of what is to come. You should expect an overall bill increase in the range of 15-20%. At minimum you will likely see at least a \$5-\$10/month increase to the System Connection Fee, along with an energy rate increase in which, depending on how much electricity you use, the amount will be higher proportionate to your consumption.

At the time I’m writing this column, we are still working on our new rate schedule. This is an ongoing discussion amongst the Cooperative’s staff and our board of directors, and we will share more specific information with you all before the end of this year. The rate increase will most likely take effect in January 2023.

How Will This Affect Me?

We understand that any change made to our rates can have a large impact on members experiencing financial difficulties. On that front, we are sympathetic. We want to assure members that there are options like levelized billing to help qualified members catch up or keep up on their bills. You can also visit our website and review ways to save on your bill at www.sussexrec.com/ways-to-save.

There are also state-run services such as LIHEAP that exist to help citizens of New Jersey afford their utility bills. Applications for LIHEAP are open now so if you are concerned about your ability to pay your bills, I recommend you visit www.sussexrec.com/assist for more information and details on other available programs.

Our mission remains to provide the highest quality service at the lowest possible cost. We cannot continue to provide that same service to you all, or make improvements to face today’s many challenges like rising power supply costs, supply chain shortages, economic inflation, massive amounts of dying trees, or an increase in storms and their severity, without this rate increase. For better or for worse, this is literally “the cost of doing business.”

Energy Efficiency Tip of the Month

Is your home heating system ready for the winter chill? One of the easiest ways to keep your system running efficiently is to regularly replace filters. If your central air system has a furnace filter, it should be replaced about every 90 days.

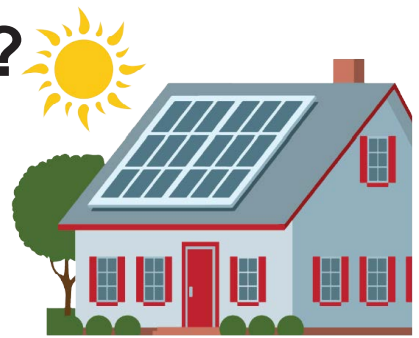
If your home is heated through warm-air registers, baseboard heaters or radiators, remember to clean them regularly to boost efficiency.

Source: energy.gov



Is Solar Power Right For You?

By: Steve Sokolowski, Marketing Associate
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You might have noticed a change over recent years in our area: more and more homes are installing solar panels. You may find yourself wondering: should I consider solar power for my home? Whether the main motivation is benefitting the environment, energy self-reliance, or saving some money on your electric bill, you are not alone in wondering if solar power is right for you.

However, when it comes to solar power, there can be trouble in finding accurate information. Data available online can vary from state to state and solar companies are often incentivized to inflate numbers (both the energy you can generate and potential savings) to make a new sale. Sussex Rural Electric Cooperative offers a simple interconnection process to make the addition of solar panels to your home easy, safe, and responsible. To best look out for our members who are considering solar, we try to provide as much information as possible so you know what you may have in store.

It's important to set your expectations. Solar panels can generate extra energy for use in your home but can only operate during the daytime and in the right weather conditions. Extra energy you generate can earn you money from the state and shrink your electric bill. But according to EcoGen America, the average homeowner with solar in New Jersey only saves about \$20 per month on energy costs. Be sure to keep this in mind while negotiating payment plans to cover costs of installation. While your electric bill will never be \$0, it can be gratifying to know that you are producing some of your own energy.

How productive solar power can be also depends on your home. Solar panels on a south-facing roof will be able to generate the most electricity. West-facing orientations may also be suitable, but will primarily produce energy later in the day. Nearby trees or other objects that may block sunlight to your roof will hurt the efficiency of your panels. The age and strength of your roof must be considered to determine if it will support the weight of the system, which is typically 3-5 lb. per square foot.

Be sure to choose your installer carefully. We recommend always getting multiple quotes to ensure a good value and to be on alert for potential scammers who may be using the new field of solar energy to find easy marks.

When you speak with a potential solar company, be ready to ask them a lot of questions to make sure the process can go smoothly. Is the company familiar with SREC's interconnection process? Are they familiar with your township's requirements and the State Electrical Inspection process? Are they properly licensed or certified? What is the warranty like for their systems? Do they know of any state or federal tax credits that can help reduce out-of-pocket costs? What is the cost of a service call after your system begins operation? All these questions are important to help determine if the solar installer is a good fit for you and to prepare you for ownership of solar panels on your home.

Our interconnection process is laid out in an easy-to-follow way to make sure your system meets all of our energy requirements and safety standards. By visiting www.sussexrec.com/solar, you and your solar company can read through our process and access our interconnection application. When this process finally concludes, we can offer permission to operate your new solar system and you may begin using it to produce energy.

A poster for a food drive with a warm orange and yellow background. It features illustrations of pumpkins, acorns, and autumn leaves. The text is centered and includes the dates, the event name, the beneficiary, and contact information for donations.

TUESDAY, NOV. 1 - FRIDAY, DEC. 16

FOOD DRIVE

TO BENEFIT SUSSEX COUNTY DIVISION OF SOCIAL SERVICES

 **Sussex Rural Electric Cooperative, Inc.**

Donate at SREC's office
across from the Sussex Airport
www.sussexrec.com/collections

YOUTH TOUR RETURNS!

One week. All-expenses paid. An unforgettable trip to Washington, D.C.



www.njyouthtour.com



By: Claudia Raffay, Director of Marketing & Member Services
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One of the highlights of my career at Sussex Rural Electric Cooperative has been my involvement in Youth Tour. Each year since 1950, the Rural Electric Youth Tour has brought high school students from all over the country together for an all-expenses paid, weeklong trip to our nation's capital. Sussex Rural Electric Cooperative has taken part in Youth Tour since 1986, choosing students from our local high schools to participate. Over 1,500 students from across the country visit Washington, D.C. for Youth Tour each year.

Due to recent events (which I'm sure you can identify even if I don't name them), Youth Tour broke its streak and did not take place in the years 2020 and 2021. While the event did return in 2022, New Jersey and Pennsylvania's rural electric cooperatives, and many other co-ops around the country, did not participate due to lingering restrictions still in effect when co-ops had to sign on.



Now, as we head into 2023, I am proud to announce that Youth Tour will be returning for New Jersey and Pennsylvania! Our students will once again have the opportunity to participate in this once-in-a-lifetime journey.

If you aren't familiar with the program, you may be wondering: what exactly *is* Youth Tour? Youth Tour is a blend of education, professional development, and fun. It's the opportunity for students to forge new friendships with other students from their area and from schools across the United States. Students will get to learn about our nation and their role in our system through exploration of museums, memorials, and monuments and meetings with New Jersey's state representatives and senators. They will represent our community as they attend Youth Day, where they will meet student leaders from nearly every state and hear from dynamic industry leaders – many of whom are alumni of Youth Tour themselves. Youth Tour students join a growing group of over 50,000 alumni, whose ranks include U.S. senators and CEOs.



Youth Tour truly is the trip of a lifetime and if you're a high school junior whose home is powered by Sussex Rural Electric Cooperative, you have the opportunity to take part in this unique experience - so don't miss your chance to apply.

Students must reside in an SREC member household to be eligible for the trip. This year it will take place from June 18, 2023 to June 23, 2023. Students must submit their applications for the trip by February 17th. You can find more information on the trip and our full application at www.njyouthtour.com.

We are very excited to embark on this trip once again and share an unforgettable experience with students from our local schools. If your child qualifies for the trip, we hope you encourage them to apply!

