

FEC® POWER

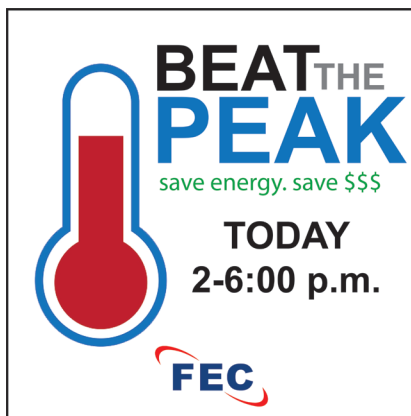
Source

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Farmers' Electric Cooperative, Inc. is an equal opportunity provider and employer

Peak Day: What Does That Mean to You?

Demand on the electric grid varies throughout the year, depending on weather patterns and other factors. This results in periods of high demand that can strain the electric grid. That's why Western Farmers Electric Cooperative (WFEC), Farmers' Electric Cooperative's (FEC) wholesale power provider,



will occasionally call a "Peak Day." Peak Days are typically called in the summer months between June 20 and September 9 (excluding July 4 and Labor Day). WFEC will send a called Peak Day notification to FEC

by 10:00 a.m. to let us know they expect that day to be a very warm day that could put a lot of pressure on the grid. Once we know a Peak Day has been declared, we try to notify as many members as possible through social media formats such as facebook.

During the peak hours of 2:00 p.m. to 6:00 p.m., we ask you take into consideration your electricity use and help us "beat the peak." You can help us control our wholesale power costs by helping to lessen the demand for electricity on the system, and if our



wholesale costs are lower, those lower costs flow down to you. Peak demand is one of our wholesale power price determinants. The lower the peak, the lower

present and future electric bills may be.

No matter what type of consumer/member you are, industrial, large commercial, small commercial, irrigation, residential, etc., you can make a difference by making small

changes in your daily routine to curb your usage during the peak hours. You might think, "whatever I do won't make a difference." Truth be known, in the aggregate, if a lot of our members would be mindful of called Peak Days and take the steps to reduce their demand on the system, you'd be surprised how much it could move the needle.



Here's a few things you can do to lower your electric use (demand) during a called Peak Day:

- Turn off lights that are not necessary.
- Raise your thermostat on your central A/C. If you normally keep it at 74 degrees, move it up to 78 degrees during those four peak hours. Use ceiling fans in a counterclockwise direction to create a comfortable downdraft. If you leave that room, turn the ceiling fan off.
- Turn off devices that are not necessary such as TVs, video games, and computers.
- Postpone using your oven, doing laundry, or running your dishwasher.
- Slow down or turn off your pumps.
- If you own an electric vehicle, program it to start its charging cycle after 6:00 p.m.

These few things, done in the cooperative spirit, can help reduce demand on the system and help save FEC and you on future electric bills.

Message from the CEO....



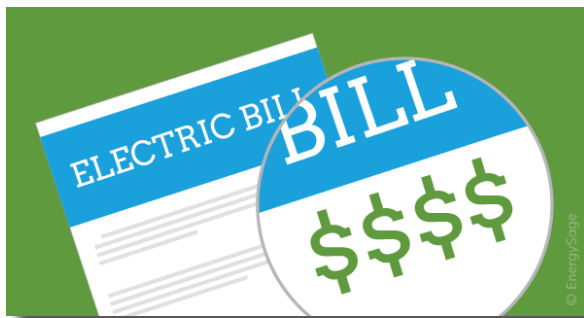
Antonio Sanchez, Jr., CEO

Gas Prices Aren't the Only Thing Going Up

Over the past several months we have watched the gas prices at the pump continuing to rise. The shelves in many of the different stores and shops are becoming bare due to the lack of inventory required to restock them and their prices are also on the rise. It should not be a surprise that the price of electricity is also increasing because the fuel components that are used to generate electricity are also getting more expensive to purchase. There are many folks out there that seem to think renewables

are the way to go; that achieving carbon-free generation is where we need to be but let's be honest, we aren't where we need to be technologically speaking, to depend solely on renewables. When it gets really cold or really hot, we rely on fossil fuels to help subsidize the generation of electricity due to the demand in the market and the availability of renewables. It's true that many days of the year, wind and solar provide an abundant amount of energy but there are also many days that the wind doesn't blow enough for the wind generators to turn and the sun only shines a portion of each day. When there is a lack of renewables, there are two choices, use fossil fuel to generate electricity or go without electricity. The problem is that most humans have become dependent on the availability of electricity. When a switch is flipped, a light is expected to come on and when it doesn't, there is dissatisfaction and people get upset.

At FEC we purchase all of our electricity from our Generation and Transmission provider, Western Farmers Electric Cooperative, Inc. (WFEC). We are contractually obligated to purchase all of our generation from them making it impossible to purchase from community solar entities or other sources of generation. All of the power we purchase from WFEC comes from the Southwest Power Pool (SPP), a regional transmission organization (RTO). The SPP is a nonprofit corporation mandated by the Federal Energy Regulatory Commission (FERC) to ensure reliable supplies of power, adequate transmission infrastructure and competitive wholesale electricity prices on behalf of its members. Energy that is purchased from the SPP is the most cost-effective electricity available at the time of purchase. This energy portfolio is composed of both renewable and fossil fuel generated electricity and each day the amount purchased is dependent on what's available in the market and the cost is associated with its generation. In order to be eligible to purchase from the SPP, WFEC has to be able to satisfy the demand of all their members plus twelve percent of reserves through their owned and operated generation resources and through their purchase power agreements (PPAs). This implies that as the demand increases from members of WFEC, WFEC has to make accommodations to ensure they have



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POWER SOURCE

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sufficient capacity resources available.

FEC's rates are filed at the New Mexico Public Regulation Commission (NMPRC) and most rates contain a Fuel and Purchased Power Cost Adjustment (commonly referred to as the PCA) that is implemented in accordance with the NMPRC Rule No. 550. In a nutshell, the fuel cost is a direct pass through to the member who is connected to a specified rate dependent upon the type of service they're using. Therefore, when we purchase energy from WFEC, the cost of this fuel component for this energy is passed onto our members and as the cost of fuel goes up, so does the PCA component of our members' monthly invoice (and vice-versa). The member's actual billing rate doesn't change but the PCA component (itemized on each member's monthly invoice) associated with each of our rates, does. FEC's PCA is a rolling, six-month average, so when there is a large increase one month (or a large decrease), the net effect is not immediately realized but is rolled into a six-month process of calculations.

Something that seems so simple is really a complex ordeal. There is a lot that goes into the ability to flip a switch and a light to come on. FEC is a not-for-profit, member-owned cooperative and its board of trustees is comprised of members who reside on FEC's system. FEC isn't in the business to make profits and any profits made are returned to the members of the cooperative in the form of capital credits.

We realize the frustration many of our members have with the recent, higher amounts on their monthly invoices, but there is not much we can do. Every electric utility consumer in this area and in general, at a national level, are seeing these higher costs associated with electricity. From recent conversations with WFEC, these higher costs are expected to remain for a few months because of the cost of the fossil fuels (coal and natural gas) that are needed to subsidize renewable generation (lower cost resources at a utility scale) where there is not a sufficient amount available in the market.

Anyone needing additional information or that may have questions can reach out to FEC.

Until next time,

Antonio Sanchez, Jr.

LOOK OUT FOR POWER SOURCES

- 10'** Do not get within 10 feet (in any direction) of a power line.
- Be aware of power lines when working on the roof.
- Do not trim branches or limbs near power lines.
- Be careful when carrying long or tall objects such as ladders or poles. **Look up**
- Before you dig, call 811 to have underground utilities marked.
- Do not dig near padmount transformers or other utility equipment.

FEC

Always on Call

24 Hours a Day

How to Beat a Heat Wave

- Never leave children or pets in enclosed vehicles.
- Stay hydrated by drinking plenty of fluids even if you do not feel thirsty. Water is best. Avoid drinks with caffeine or alcohol.
- Eat small meals and eat more often.
- Avoid extreme temperature changes.
- Wear loose-fitting, lightweight, light-colored clothing. Avoid dark colors because they absorb the sun's rays.
- Postpone outdoor games and activities.
- Slow down, stay indoors and avoid strenuous exercise during the hottest part of the day.
- Use a buddy system when working in excessive heat.
- Take frequent breaks if you must work outdoors.
- Check on family, friends, and neighbors who do not have air conditioning, who spend much of their time alone, or who are more likely to be affected by the heat, especially the elderly.
- Check on your animals frequently to ensure they are not over-heated and have plenty of water.



New Member Portal Coming Soon!

By the middle of August, for those that use our website or mobile app to access online account information and payments, be looking for information regarding our new "Member Portal." Prior to August 15, information regarding "next steps" will be posted under "News and Events" button on our website at fecnm.org.

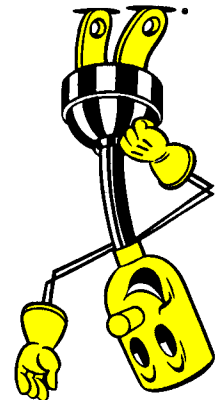


Bass Club Ute Lake Open Team Tournament

Logan, NM
Saturday, September 10, 2022

- Entry fee: \$100 per team
- 50/50 Payback!
- Big Bass pot \$20 per team - 100% payback
- This team tournament is a **fund-raiser for the Melrose Senior Citizen Center.**

For more information call Mark Latham at
(575) 309-4496



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