

***You asked.***

**We're answering.**

This is the second in a series of responses to concerns expressed by members.

**Member comment:** "The cooperative should belong to Focus on Energy because they offer larger rebates for installing renewable energy sources."

**Our response:** Cooperative employees and the board of directors thoroughly evaluate the Focus on Energy program each year.

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**We analyze the components of the Focus on Energy program, the components of our own customized program, the cost of each, the return on investment of each and the benefit to the majority of our members.**

The consensus of the board after each evaluation has been that more cooperative members benefit by maintaining our own program than would benefit by joining Focus on Energy.

Focus on Energy is not a mandated program for electric cooperatives. In fact, only 12 of Wisconsin's 24 electric cooperatives are members. The cooperatives that do not belong to Focus on Energy meet energy efficiency and conservation requirements through their own customized Commitment to Community programs. The approximate cost for St. Croix Electric to join Focus on Energy is \$72,000 per year.

The members of St. Croix Electric already invest heavily in renewable energy sources through Dairyland Power Cooperative, our wholesale power provider. In 2010, Dairyland provided two and a half times as much electricity from renewable sources as is required under Wisconsin law. Included in Dairyland's renewable energy portfolio are 43 megawatts (MW) of wind power, 24 MW of hydropower, 14 MW of landfill gas-to-energy and 3 MW of animal-waste-to-energy manure digesters. The cost to our cooperative for this renewable energy was \$785,400 in higher power costs, which is the difference between purchasing power generated by fossil fuels and the cost of purchasing power generated with renewable sources. A cooperative member using 1,000 kilowatt hours (kWh) of electricity per month paid an extra \$49.44 last year due to renewable energy production and the purchases. Each member also

pays \$8 each month to fund our Commitment to Community conservation and efficiency program.

While it may seem at first glance that the cooperative is not supportive of renewable energy because we do not participate in Focus on Energy, that simply isn't true. Renewable energy is already present in the power we supply every day to our members. Those choosing to install residential systems are supported and are eligible for our rebate plus the 30 percent Federal tax credit. To wit, seven renewable energy systems are interconnected with our utility system and four more are in the planning stages. We encourage members considering the installation of renewable systems to invest in an independent site assessment and to solicit competitive bids.

The Focus on Energy rebates for renewable systems are indeed higher than the cooperative's rebates. We have chosen to offer production incentives instead of large rebates. The more electricity the residential system produces for the distribution system, the more the owner earns. Interconnected renewable energy sources on the cooperative's system earn the full retail rate of 11.2 cents per kWh for their energy production. State law mandates only 3.5 cents per kWh. During the winter, the retail rate is 9.8 cents per kWh.

Large purchase rebates benefit one member at a cost to all the other cooperative members whose rates help pay for the rebate program. Offering a production incentive encourages the owner to supply as much energy onto the distribution system as possible, benefitting everyone because supply has increased. Finally, the owner receives the incentive repeatedly instead of getting only a one-time rebate offer.

The cooperative's Cash for Conserving rebate

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program offers members rebate opportunities for a wide variety of items. Renewable energy systems eligible for rebates include wind, solar voltaic systems and solar water heaters. The amount of the rebate is dependent upon the size of the system. The maximum rebate for a solar water heater is \$750, for a photovoltaic system it is \$1,000 and for a wind system it is \$2,000. Site assessments for wind and solar systems may be eligible for rebates of up to \$300. Energy efficient lighting, Energy Star rated appliances, central air conditioning, geo-thermal heat pumps, air source heat pumps, furnace blower fans and electric water heaters may be eligible for rebates. Rebates for agricultural and commercial operations are also available. Focus on Energy no longer offers rebates for most of these.

The board of directors believes that a larger number of members use and benefit from our customized program than would use Focus on Energy's renewable energy system rebates. Plainly speaking, more people buy CFL bulbs than buy wind turbines, so rebates on CFL bulbs directly benefit a larger number of our members.

For more information about the dozens of rebates available through the cooperative, call the office or visit our website at [www.scecn.net](http://www.scecn.net).



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