

From the Desk of the Manager

Rolling Blackouts.....So Many Questions

Like for many of you, Monday, February 15, 2021 started as any other work week accompanied with very cold temperatures, but other than that, was business as usual. About 12:40 p.m. we began to receive outage calls and within a few short minutes my phone was beginning to light up with emails and messages that we were part of rolling blackouts. For the next several days we all heard a lot about “Rolling Blackouts” and the entire electrical system with Nebraska Public Power District (NPPD) as well as the Southwest Power Pool (SPP). Below are just a few of the common questions we received and the corresponding answers to them.

What is a rolling blackout outage?

Rolling Blackouts, or rotating outages, are controlled, temporary interruptions of the electrical service directed by the Southwest Power Pool (SPP) when electricity-generating resources cannot meet the electricity demand in the region. NPPD

and others must reduce demand in an amount directed by SPP and act upon this within minutes.

Why does Cedar-Knox PPD have to participate in the rolling blackouts?

Cedar-Knox is a wholesale customer of NPPD, who is part of the SPP, our regional reliability coordinator that consists of 14 states in the region. NPPD is required to respond to SPP’s emergency events and support the system as needed to prevent a larger and longer outage event. A rotating outage allows NPPD to meet energy requirements with temporary interruptions of power; however, this plan is only used in emergency situations.

When is a rolling blackout necessary?

Rolling blackouts are necessary as a last resort to maintain the reliability of the electrical grid system. SPP directs rotating outages when electricity generating resources cannot meet the electrical demand in the region. They rotate or roll to different systems and areas so we can all absorb a short outage at different times versus a long outage for one specific area. This was an extraordinary situation with an unprecedented chain of events, including historic low temperatures across the entire SPP footprint that had not been seen in the region since SPP was founded.

Won't my service simply just use more power once it is restored to catch up on temperature or load?

While your service may take a bit to catch up, it does not compare to the load shift that is required at that given time. When your service was turned back on, others were being turned off across the region. The demand at

that given time is simply shifted over time to flatten out the peak demand to the system. In this case, temperatures warming up outside throughout the region even a little bit, lowered the peak load to the system, thus allowing more load to “catch up” once power is restored. This is otherwise known as flattening the load curve.

Why didn't we receive notice before the power was shut off for the outage?

Much like you, we were taken a bit by surprise and had little to no notice from our supplier, NPPD. NPPD receives these emergency notice requirements on the amount of load to shed from SPP and has mere minutes to take action. Unfortunately, there simply is not enough time to notify customers. We will look at this scenario and work with our wholesale provider to see if we can improve this process, should it ever be needed again.

What if I have a medical need?

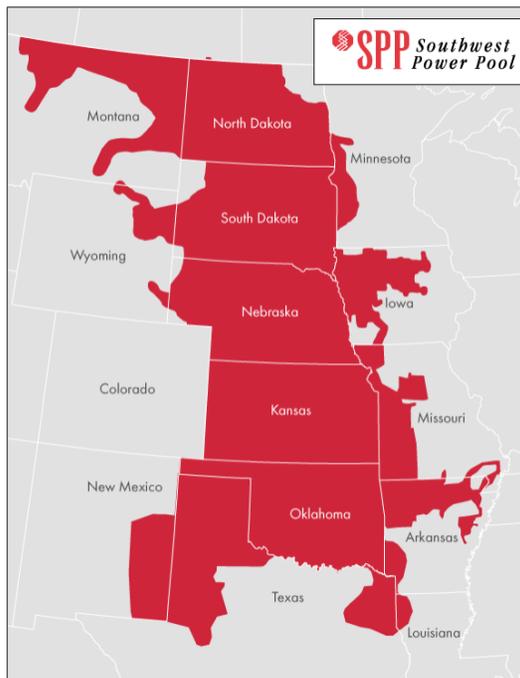
Although outages in our service territory are infrequent, they can and will happen occasionally. If you have a special medical need, you should be sure to make arrangements ahead of time for battery backup or a generator to power your medical equipment in case of an outage.

Will my bill be higher from this event?

Your electric bill may be a bit higher just from more usage to heat your home during this extreme cold weather event, but if you were curtailing your usage you may see minimal effects. CKPPD does NOT have variable rates like some are hearing about in Texas. Our Board sets fixed rates once a year and has not taken an overall rate increase since 2016.



Mike Lammers



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Return of Your Money



Starting this month, for your February 2021 usage, you will see a small decrease in the total price of your electric bills. The reduction will be the result of a change in the Production Cost Adjustment (PCA) rate credit that we will apply to the kilowatt-hours that you purchase each month. PCA is a mechanism that allows for the truing-up of the difference between the cost of producing and transmitting electricity, and the revenue generated from the sale of electricity. In recent years, Cedar-Knox PPD's power supplier, Nebraska Public Power District (NPPD), received more revenue from the excess generation and operation of its power plants and transmission system than what it cost to operate those facilities, and NPPD has returned some of the excess revenue to Cedar-Knox and other wholesale customers. Last year's credit was \$.003751 per KWH used and for the next twelve months (February 2021 thru January 2022 usage) the credit will be \$.006196 per KWH used. The CKPPD Board of Directors voted to pass the PCA credit on to you. After all, it's your money.

Rolling Blackouts.....

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In Summary

While these were unprecedented times, we still need to remain committed to reliability and look at how to prevent this situation from happening again. Many sources of generation throughout the region had complications and issues from the extremely cold conditions accompanied with snow and ice, that all contributed to the lack of generation problem across the SPP. However, we need to look at the larger picture and ask "was proper planning done" for the cold winter temperatures and "how does intermittent renewable energy play into this picture"? SPP will have to answer these questions and look into if any changes are necessary to prevent this from happening again. While wind and solar generation may have their place in the energy market; I feel we need to proceed with caution to ensure we keep a balance of our base load generation resources like coal and nuclear that are not weather dependent for reliable operation. Nebraska has a good diverse mix of generation that was very beneficial in this event, and I feel it is essential to keep this diversification to maintain reliability and sustainability. Power is a fundamental part of our lives, whether it is under extreme cold conditions or extreme hot and dry conditions. The electrical grid needs to be prepared to make sure the lights stay on 24/7/365. This will take work from all parties involved to achieve the best resolution to be sure generation resources meet demand needs, now and in the future.

Irrigation Customers:



Load Control

If you have plans to change your load control rate option, please contact us. We can help you over the phone or in person to ensure you are billed at the control level you intend for the year. The deadline to make a change at no additional cost is April 30th.

Operation Change

Let us know if a billing transfer should happen for this season. We can adjust the person to receive the billing or send out multiple copies of each statement.

Payment & Notification Options

Cedar-Knox PPD continues to offer automatic payment withdrawal out of your checking account as a payment option. However, we have deployed our app, which has payment capabilities too.

We also have new notification options you can receive, via text or email, to let you know when your bill has been generated, when your payment is due, and more. Call or stop by to sign up today!

Equipment Changes

If you have made any changes to your irrigation service (different size motor, new motor panel, new pivot panel, or added a well/pivot), please contact us. We want to ensure your service has the correct equipment in place to best serve you.

New Service

Are you considering installing a new irrigation service? Please contact our office to discuss your plans.



DAYLIGHT SAVING TIME REMINDER

Don't forget to spring forward on March 14!
Set your clocks forward by one hour.

