

August 22, 2012

To: JOT@wapa.gov
From: Codington-Clark Electric Cooperative
Subject: Comments related to the March 16, 2012 Secretary Chu Memo

I'm submitting comments on behalf of Codington-Clark Electric Cooperative as follow up to the workshop and listening session I attended in Sioux Falls, SD, on August 2, 2012, in regards to the Mar. 16 Secretary Chu's memo.

Codington-Clark Electric Cooperative is a retail electric distribution cooperative that purchases power for resale from East River Electric Power Cooperative a preference customer that holds contracts with the Western Area Power Administration (Western). We maintain 1,879 miles of overhead and underground distribution power lines and serve 3,124 meters sites. This equates to 1.6 meters per mile of line, indicating a very rural consumer base. The types of loads served include; rural residential, irrigation, commercial, industrial, crop drying, a tribal gaming casino and rural water pumping facilities.

While attending the listening session in Sioux Falls I was somewhat surprised at the lack of understanding by the Department of Energy as to the current efforts being made at the retail level that fit the description of what I believe Secretary Chu is trying to accomplish. DOE employees were asked several times during the workshop what the end goal was or what they were trying to accomplish. The answer we got was we're trying to move the PMA's into the 21st century. We asked for some specific examples and I believe they meant efforts should be placed on smart grid and energy efficiency programs.

At the retail level Codington-Clark Electric has implemented and maintains energy efficiency programs, smart grid technology and demand side management along with other projects we believe put us in the 21st century. We continue to be proactive with any new technologies that we feel will improve service to the membership. Following are some examples:

Energy Efficiency: We participate in the Energy Resource Conservation Loan Program. To help members use energy more efficiently; we offer a loan program for members who want to finance the various weatherization activities in existing structures through low interest loans. Working with our power supplier East River, we have a loan program available for those members who want to finance the cost of installing an electric heat pump heating system in residential dwellings or businesses through 5%, five year loans up to \$7,500 along with cash rebates up to \$700. We promote energy efficient electric water heating by rebating super insulated electric water heaters. We also offer free residential energy audits upon request.

Load Management:

- 1,628 water heaters are connected to our load management system, estimating an annual savings to the co-op of \$287,000 per year.
- We estimate a savings to the co-op of \$9,000 per month by shedding air conditioning load during the season.
- 3,500 kW of grain drying load is connected to our load management system.

- 113 irrigation sites are connected to our load management system, saving approximately \$65,000 per month during the irrigation season.

Savings through the load management program are all passed onto the membership.

We are currently installing an ACLARA TWACS two-way metering communications system (smart meters) that will gather meter readings, blink counts, demand and voltage readings. This system will eventually be used for consumer outages in coordination with our global imaging system. The system has the capability of working in coordination with smart appliances for demand reduction which will be considered in the future. We will also use information gathered for engineering studies such as loading for line upgrades etc.

During the workshop there was much discussion on the integration of renewable energy resources through the federally owned transmission system. We are concerned if this happens there could be a cost shift whereby current preference customers may end up paying more than their fair share. I felt there was consensus among all groups involved at the workshop that any proposed changes “do no harm” and the “beneficiary pays”. I’d encourage DOE to support this idea.

About 25% of the power we sell comes from Western through East River. The members of Codington-Clark rely heavily on federal hydropower. We feel the primary purpose of Western is to market affordable reliable hydropower. That’s what was originally intended when the program started years ago. The cost based rates currently offered by Western help keep electric rates affordable for our rural co-op members. We are definitely opposed to any proposals that would jeopardize the partnership our power supplier East River has with Western.

Thank You.

Dave Eide

Dave Eide
General Manager
Codington-Clark Electric Cooperative
PO Box 880
Watertown SD 57201-0880