

# Obama Climate-Change Plan Could Hurt Co-op Members



## MESSAGE FROM GENERAL MANAGER LEROY T. SKLOSS

**In late June, President Obama announced a series of actions to combat climate change. For members of electric cooperatives in Texas, and all other electricity users across the nation, those actions would drive up the price of electricity.**

The president wants to reduce the volume of greenhouse gases—primarily carbon dioxide—emitted from fossil fuel-burning power plants, both new and existing.

He has instructed the Environmental Protection Agency to regulate carbon emissions under the federal Clean Air Act, a law last updated in 1990 that does not contain a single line mentioning carbon dioxide. Under this sweeping mandate, the White House risks shuttering the nation's entire coal fleet—roughly 37 percent of U.S. generation capacity. That would drive up electric bills for everyone.

Karnes Electric Cooperative and our national organization, the National Rural Electric Cooperative Association, oppose using the Clean Air Act to regulate greenhouse gases. Through the NRECA, co-ops will engage the administration at every turn to inject common sense back into policy discussions. Whether you agree with the president's underlying concerns about global warming or not, the fact is that short of closing all coal-fired power plants, there are no economically viable tools available to accomplish his goals.

For several years, electric co-ops have warned the Obama administration that employing the Clean Air Act to curb power plant carbon-dioxide emissions is misguided. Without significant modifications, co-op leaders think the president's proposal will increase electric bills for those who can least afford it—our consumer-members.

Rural residents already spend a greater chunk of their income on energy than those in urban communities. One of our most important missions as not-for-profit electric co-ops remains keeping rates affordable.



**Proposed climate change actions could shut down the 37 percent of the U.S. generation capacity that comes from coal-fired plants.**

Forcing electric co-ops to shut down coal plants and switch to other fuels amounts to levying a punitive, regressive tax on rural America. Coal accounts for about 74 percent of the power produced by electric cooperatives nationally and 55 percent of all electric cooperative electricity requirements. In Texas in 2012, about a third of the total generation used in the Electric Reliability Council of Texas grid, which serves about 85 percent of the state's electricity consumers, came from coal.

Keeping the lights on 24 hours a day, seven days a week requires traditional base-load generation with a combination of all available fuels: coal, natural gas, nuclear and renewables.

The NRECA, on behalf of America's electric cooperatives, will continue to urge the administration to work with co-ops on a real, "all-of-the-above" energy strategy to keep electric bills affordable for rural Americans.



**Now's the time to take advantage of tax credits on energy-efficient improvements.**

## Time Ticking for Efficiency Tax Credits

**The deadline to apply for a 2013 federal tax credit on some energy-efficient products expires December 31, according to Energy Star.**

Credits representing up to \$500 reductions on taxes owed are expiring for these items: biomass stoves; select heating, ventilation and air-conditioning units; insulation; heat-reflective metal and asphalt roofs; some water heaters; and efficient windows and doors. The tax credit rules state that the items must be purchased and installed before the year's end. Not every product in each category is eligible, so be sure you check the details before purchasing anything.

To determine eligibility, ask a home contractor or a building-supply center or visit Energy Star's website, [energystar.gov](http://energystar.gov), and search for federal tax credits.

Tax credits apply whether you did the project yourself or hired a contractor; however, labor costs are not eligible for the tax credits.

Home improvements to increase energy efficiency can help you save money on your energy bill, and the additional benefit of reduced taxes helps you save even more.

# Weigh the Pros and Cons of Solar Water Heaters

BY BRIAN SLOBODA

**Solar hot water systems are a time-tested and efficient method of harnessing the sun's rays and saving on energy costs.**

They are relatively simple: The sun shines on a dark-colored tank or collector and heats the water inside. The systems must be matched to a heating load—how much hot water is needed for the size of your home and number of occupants.

The most common use, as the name implies, is to preheat water that goes to sinks and showers. Larger, much more complex systems can also supply hot water for a whole house.

Water heating accounts for about 20 percent of a household's energy bill. But a well-designed solar water heating system can nearly eliminate that energy use.



**Doug Powell from the U.S. Department of Energy's National Renewable Energy Laboratory checks the piping on an experiment involving natural convection loops for pipe-freeze protection in a solar water-heating system.**

There are two main choices when shopping for a solar hot water system:

**1. ACTIVE VS. PASSIVE.**

Active systems feature circulating pumps and controls that move water. Passive systems simply use water pressure to move water.

**2. DIRECT VS. INDIRECT.**

Direct systems circulate household water through solar collectors and into the home. Direct systems can be used only in mild climates that do not experience freezing conditions. Indirect systems circulate an antifreeze

solution through the collectors to a heat exchanger, where the potable water absorbs the heat. Indirect systems can be used in any climate.

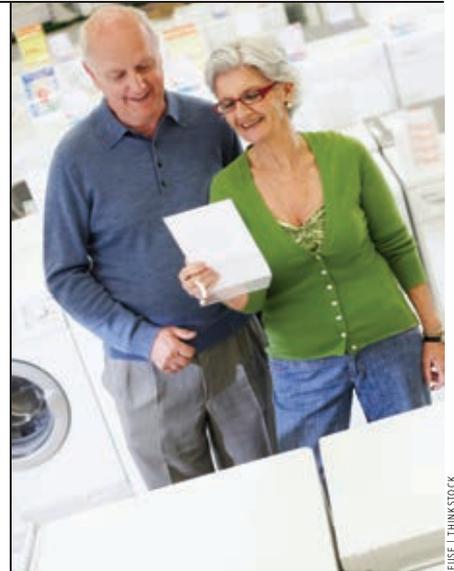
One challenge is what to do with the solar panel's excess heat when there is no demand for hot water—if you go on vacation, for example. Drainback systems, if properly designed, can solve this problem, but other options also exist. Contractors can assist in choosing a setup that best addresses these issues.

Consumers interested in going solar may want to consider the pros and cons of solar-thermal hot water versus deploying solar photovoltaic panels. Decreasing PV prices and economic and tax incentives have re-energized the debate between the two technologies. The decision depends on factors including hot water demand and climate.

For a family of four, solar-thermal hot water typically is the logical choice. However, electricity generated from the PV panels can help power the whole house when its not being used to heat water.

Economics of solar hot water depend on several things, such as the cost of the fuel that the system replaces, when and how much hot water is used, incoming water temperature, and how much sunlight your area receives. The U.S. Department of Energy provides an online tool to estimate the initial costs and payback period for a solar hot water system—read more at [energy.gov/energysaver/articles/solar-water-heaters](http://energy.gov/energysaver/articles/solar-water-heaters).

*Brian Sloboda is a senior program manager specializing in energy efficiency for the Cooperative Research Network, a service of the National Rural Electric Cooperative Association.*



## Price Isn't Only Factor in Appliance Shopping

**Before you snatch up a great deal on a refrigerator, water heater, washing machine or other major appliance, consider the other cost of that device: its operating cost.**

As with many items, you often get what you pay for when it comes to electric appliances. The purchase price, as it turns out, is really just a down payment because as long as you own the machine, you'll pay a monthly fee to use it.

Know what that monthly operating cost is before you buy.

It's not hard to figure it out. When you shop for an appliance, look for two labels: one from Energy Star, which you'll find only on appliances that meet or exceed federal standards for energy efficiency; and the bright yellow Energy-Guide label, which estimates the appliance's energy consumption.

The EnergyGuide label, required on all appliances, is especially helpful because it compares the average energy use of appliances and estimates annual operating costs.

# Notice of Capital Credit Allocations

## Capital credit allocations were allocated in August 2013 to the members' accounts of Karnes Electric Cooperative for the year 2012.

After the end of each fiscal year, cooperatives must determine what, if any, margins were made during the year and allocate these margins to members' accounts.

Your cooperative's margin is any money left after all its operating costs have been paid. Because members are co-owners of the cooperative, those margins are allocated to their accounts.

These capital credits are not available as either cash or credit on your electric bill. Refund of this amount, in full or part, in the future will be based on the decision of the board of directors when doing so will not weaken the financial condition of the cooperative.

In the meantime, the funds remain invested in the cooperative plant, credited to each member's account, even though the member may move away from Karnes Electric Cooperative. It is very important that departing members keep the cooperative informed of their current mailing addresses in the future so they can receive capital credit refunds when they are paid.

This will serve as your official notice that capital credits have been allocated.

To calculate your allocation for 2012, your total electric bills for 2012 should be multiplied by the following factor that pertains to your particular account.

Farm & Nonfarm (Residential) . .	0.10814706
Irrigation . . . . .	0.11930524
Small Commercial . . . . .	0.10020906
Large Commercial . . . . .	0.03839333
Oil Wells . . . . .	0.13787194
Public Buildings . . . . .	0.11696651

If you have any questions concerning these calculations, feel free to contact the cooperative's office at (830) 780- 3952.

## COOPERATIVE PRINCIPLE 7

### Concern for Community

Cooperatives work for the sustainable development of their communities through policies approved by their members.

### COOPERATIVES—

Owned by Our Members, Committed to Our Communities



## Karnes Electric Cooperative

P.O. Box 7, Karnes City, TX 78118

### GENERAL MANAGER

Leroy T. Skloss

### BOARD OF DIRECTORS

- Arlon Retzloff, President, *Whitsett*
- Martin R. Harris Jr., Vice President, *Tilden*
- Larry R. Schendel, Secretary-Treasurer, *Runge*
- Frank A. Geyer Jr., Assistant Secretary-Treasurer, *Charlotte*
- Paul T. Brysch Jr., *Karnes City*
- David C. Davidson, *Poteet*
- Shirley Hofmann, *Runge*

### COOPERATIVE OFFICES

#### Main Office

1007 N. Highway 123, Karnes City

#### District Office

1824 W. Goodwin, Pleasanton

Pay your bill, submit meter readings and view your account summary at [karnesec.org](http://karnesec.org).



## Contact Us

For information and outages during office hours

- (830) 780-3952** Karnes City
- (830) 569-5538** Pleasanton
- 1-888-807-3952** Toll-free

To report a power outage after 5 p.m. and on weekends and holidays

### (830) 780-3952

Coy City, Ecleto, Floresville, Gillette, Goliad, Karnes City, Kenedy, Runge, Three Rivers, Tilden and surrounding areas

### (830) 569-5538

Charlotte, Christine, Pleasanton, Poteet, Verdi and surrounding areas

### FIND US ON THE WEB

[karnesec.org](http://karnesec.org)



BACKGROUND: © NICKMONKEY | DREAMSTIME.COM

# Karnes EC To Install New Metering System

**Karnes Electric Cooperative soon will begin deploying new Advanced Metering Infrastructure, or AMI. The project will involve changing out approximately 18,000 existing meters for new digital meters throughout the KEC service territory. The investment in new metering equipment will help us operate more efficiently, improve reliability and serve you better.**

**WHEN WILL MY METER BE INSTALLED?**

We plan to begin replacing the meters in December and expect it to take about 12 to 18 months to complete the project. We will begin with the replacement of the meters in the Tilden area, and work geographically through our system. Before replacing the meters in a specific area, KEC will notify all of our members in that area that their meters will be changed, and give the approximate date of the change. However, once the communication infrastructure that supports these meters is complete, KEC will obviously not waste any money continuing to install any of the old meters. So if you are installing a new service, or if your old meter fails, you may get one of the new meters ahead of schedule.

**WILL I LOSE ELECTRICAL SERVICE DURING THE INSTALLATION?**

Yes, for a few minutes. You will need to reset electronic clocks and other devices.

**HOW DOES MY NEW AUTOMATED METER WORK?**

With these new meters, KEC can read

the meter remotely from our central office. Information from the meter is transmitted back to the cooperative in hourly increments. For those of you who have had to read your meters, transmitting this information electronically means that you will no longer be required to send your reading in to us.

**WHY ARE WE CHANGING TO THE AUTOMATED METERS?**

The meter upgrade provides KEC members with numerous benefits. The new meters will help us:

- ▶ Improve billing accuracy by eliminating misreads or entry errors in our billing system
- ▶ Pinpoint the exact location of outages more quickly, meaning a faster response and restoration time
- ▶ Help our members troubleshoot high-bill problems by providing information about power-consumption patterns
- ▶ Improve electric service reliability and power quality
- ▶ Reduce visits to the meter locations

**WILL I BE ABLE TO VIEW MY ENERGY USAGE ON THE KEC WEBSITE?**

In the future, KEC plans to offer members “self-access” to their energy usage via the KEC website.

**WILL THIS REQUIRE A RATE INCREASE?**

There is no rate increase anticipated in association with this project. This project will improve the efficiency of KEC’s operations and improve the accuracy and timeliness of our billing, which

will help offset the cost of this project.

**WHO WILL BE CHANGING OUT THE METERS?**

KEC has not yet selected the contractor that will assist us in this process. Once the contractor is selected, the contractor’s employees and vehicles will have cooperative identification so that our members will know they are acting on behalf of KEC.

**DO MEMBERS HAVE A CHOICE IN GETTING A NEW METER?**

New meters will be installed on all accounts. The cooperative is embarking on a systemwide program that will change 100 percent of existing residential and commercial meters to acquire more accurate information, without the need to enter a member’s property.

With the current system, if members have a question about their energy usage, the cooperative must send operation personnel to the member-owner’s property to read the meter. With the new system, our customer service representatives will be able to access the meter information and obtain the reading almost instantaneously.

The new system will give the cooperative hourly meter readings, instead of monthly readings. Other features of the new system will provide new data that will enable us to better monitor the electric distribution system and correct inefficiencies.

**WHAT’S THE DIFFERENCE BETWEEN THE NEW METERS AND THE OLD METERS?**

The biggest difference is that the new meters will have an electronic circuit board module installed. The module receives and stores the kilowatt-hour and demand consumption recorded by the electronics in the meter and is able to securely transmit this and other system data back to the cooperative's computers.

**WILL I KEEP THE SAME RATE AFTER THE CONVERSION?**

Yes, members will continue to stay in the same rate class as they have had in the past.

**WHAT IF MY BILL REPORTS MORE KWH USAGE THAN NORMAL OR I THINK MY METER IS NOT WORKING CORRECTLY?**

The new meters installed have been tested and meet American National Standards Institute regulations. The new meters allow for accurate readings and a consistent billing period.

**WILL KEC EMPLOYEES EVER NEED TO COME READ THE METER MANUALLY AGAIN ONCE THE NEW METER IS IN PLACE?**

KEC employees currently read specific meters monthly. Once the new meters are installed, this will no longer be necessary. All meter reads will be digitally transmitted back to the cooperative headquarters. As in the past, KEC personnel will need to access the service and meter as a part of our routine system inspections.

**WHAT INFORMATION DOES THE NEW METER RECORD?**

The new meter records the kWh reading, the date and time of energy usage, the overall peak demand of the electric account, whether the meter has rotated backwards, and the number of times the meter has experienced a loss of power for any reason. In fact, the meter will record the date and time of power blinks and the length of the power outage.

**WHAT DAY OF THE MONTH WILL THE METERS BE READ?**

All of the cooperative's new meters can be read at a variety of times to obtain a history of account information. However, for billing purposes, the meter will be read on a monthly schedule.

**ONCE COOPERATIVE EMPLOYEES NO LONGER NEED TO READ THE METER, CAN OBSTACLES BE CONSTRUCTED THAT MAY**

**MAKE THE METER INACCESSIBLE?**

No. Reasonable access to equipment still must be maintained. This allows for KEC's personnel to either read or maintain the meter if necessary at reasonable times.

**HOW WILL THE COOPERATIVE READ THE METERS?**

The meter reading is sent back to the cooperative via a licensed, secure network.

**WILL SOMEONE OTHER THAN THE COOPERATIVE BE ABLE TO READ THE NEW METER?**

The new metering system utilizes a licensed, banking data-quality encrypted 900MHZ radio frequency system to transmit meter data from the meter to radio receivers on KEC towers, so it is extremely secure against unauthorized access. Our goal is to upgrade our electric distribution system to make it safer, more secure and more reliable. The new digital meter is part of this effort. Once the new digital meter is installed, KEC will be able to tell if someone "tampers" with your meter because the meter will report any tampering attempts to the cooperative.

**ARE THERE ANY POTENTIAL HEALTH IMPACTS FROM A METER THAT CAN RECEIVE AND SEND DATA?**

No. Research conducted by the Electric Power Research Institute, the Utilities Telecom Council and others has revealed no health impacts from this type of meter. The radio frequencies emitted by the meter falls well below the maximum recommended in federal guidelines. Contrary to some misconceptions, the new meters emit radio frequencies (RF) only when responding to a request for data from the cooperative office—either once every 15 minutes or once every hour, for less than a second. Compare this activity to a laptop with a wireless connection, which is constantly sending and retrieving data. A digital meter equipped to send and receive data has an RF density hundreds of times less than the RF density of a cellphone—and the meters are installed on the outside of your house, not next to your ear!

**WILL THE COOPERATIVE CONTINUE TO DO SERVICE INSPECTIONS?**

Routine inspections of all meters and services will continue in order to look for

safety hazards, theft or other problems.

**HOW SECURE WILL THE NEW METERS BE?**

The meter display is visible for members to be able to check their consumption. All other information and data stored in the meter is secure and the meter is sealed.

**CAN THE COOPERATIVE REMOTELY DISCONNECT ELECTRIC SERVICE USING THE NEW METERS?**

Yes, depending upon the location. Some meters will have remote disconnect capabilities.

**HOW WILL I KNOW IF MY METER HAS BEEN CHANGED?**

The cooperative employee or contractor will leave a door hanger on your front door to let you know they have changed the meter. We will work with businesses to minimize any inconvenience. You do not have to be present during the meter change.

**WILL THE COOPERATIVE NOTIFY ME BEFORE INSTALLATION?**

Yes. We will be using two methods of member notification of pending meter exchanges. They are:

- ▶ Postcard reminders sent to members one to two weeks before the specific area deployment.
- ▶ KEC website (karnesec.org)—AMI meter deployment information and maps will be updated as the meter deployment moves forward.

**WHERE CAN I OBTAIN ADDITIONAL INFORMATION ABOUT THIS PROGRAM?**

Karnes Electric Cooperative will hold member information meetings regarding this project in Jourdanton and Karnes City. Questions can be asked and answered in an informal "come-and-go" setting between 5 and 7 p.m.

**JOURDANTON MEETING:**

**October 28, 5-7 p.m.**  
St. Matthew's Catholic Church Hall  
1608 Campbell Ave.  
Jourdanton, TX 78026

**KARNES CITY MEETING:**

**October 29, 5-7 p.m.**  
Karnes Electric Cooperative  
Karnes City Office  
1007 N. Highway 123  
Karnes City, TX 78118

# Time To Check Your Heating System

**Winter is just around the corner. Is your heating system ready for the season? Fall is a good time to get your heating system inspected.**

Heating and air-conditioning contractors' work often picks up in the winter as people discover problems with their heating systems, so schedule a visit from a technician now while appointments are still available.

Here's what should be included in a typical heating-system maintenance checkup, according to Energy Star:

- ▶ A thermostat test to ensure it is working properly.
- ▶ Tightening of all electrical connections and measuring voltage and current on

motors. Faulty electrical connections can cause unsafe operation of your system and reduce the life of major components.

- ▶ Lubrication of all moving parts. Friction in motors increases the amount of electricity used.

- ▶ A systems-control check to ensure proper and safe operation.

- ▶ Inspection of the condensate drain in your central air conditioner, furnace and/or heat pump. A plugged drain can cause water damage in the house and affect indoor humidity levels.

Once it gets cold enough to run the heater regularly, remember to:

- ▶ Inspect, clean or change air filters once a month. A dirty filter can increase energy costs and damage your equipment.

- ▶ Vacuum heat registers and cold air returns regularly. Remove any objects or debris that may have fallen through floor registers.

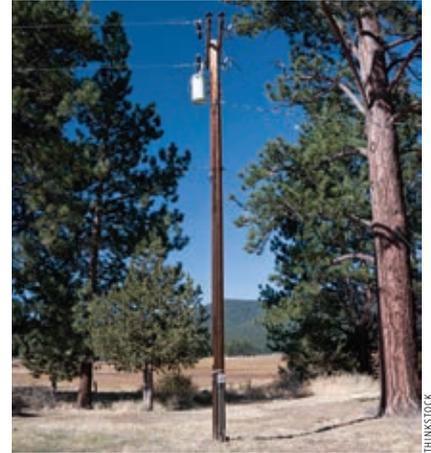


**Regular maintenance and an annual inspection by a professional can help keep your home comfy all winter. If your home uses a heat pump, be sure the outside unit receives a little attention, too.**

- ▶ Keep drapes, furniture and other objects from blocking registers, interrupting airflow and lowering your system's efficiency.

- ▶ Listen to your furnace and the rest of your system. If you hear unusual noises, follow the appliance manual's directions or consult with your professional heating contractor.

- ▶ Examine exposed supply ducts for gaps or leaks allowing heated air to escape. Look for gaps and run your hand along exposed supply ducts with the blower running to feel for escaping air.



## Beware Power Line Hazards

**When you see something every day, sometimes it's easy to look right past it. Take, for example, the power lines in your neighborhood. When was the last time you noticed them?**

Those lines strung high above your roof, along property lines and roadways or near trees are easy to take for granted. But power lines can pose serious electrical hazards.

Trees can be a power line's worst enemy. Strong winds can topple trees or break branches that pull down power lines and cause outages. Sometimes, even if heavily damaged, lines remain energized with the potential to electrify trees and nearby objects.

Arcing and flashovers between power lines and trees are also dangerous. In winter, extra weight from snow and ice can bend or break tree branches, bringing them close to power lines. During warm weather or when power lines are carrying heavy electrical loads, they can heat up and sag as much as 15 or 20 feet, dropping them toward nearby vegetation. Electric current caused by arcing or flashovers between power lines and trees in either situation can easily injure or even kill an individual nearby.

If you notice anything such as trees or branches that might interfere with power lines or pose a serious threat, notify Karnes Electric Cooperative.



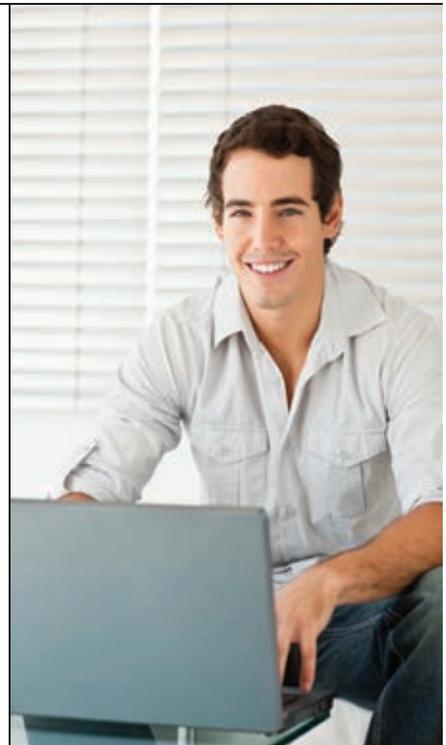
## Only Crackpots Take Potshots

**It doesn't take a crack shot to hit an electric insulator or transformer, just a crackpot**

**During hunting season, careless shooters taking potshots at electric equipment can cause major problems for your electric company. Here's why:**

- ▶ You are inconveniencing your fellow member-customers whose electricity has been disrupted.
- ▶ It could even be a matter of life and death to someone on a life-support system or to someone who is hit by a stray shot.
- ▶ Damage to electrical equipment is very expensive to repair. Lines may be cut or weakened from a shot, and they may sag or break, becoming a severe hazard for anyone who comes in contact with the line.
- ▶ Broken insulators can cause power outages that are hard—and expensive—to find. An insulator cracked by a bullet can remain online for a long time before it finally fails.

**Enjoy your sport, but be a responsible hunter. Teach your children to respect power lines, electrical equipment and guns so that they, too, will be responsible hunters.**



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**WE ARE ALL WORKING TOWARD THE SAME GOAL.** Using energy wisely is the job of every electric co-op member. And when we work together, our combined strength is more than enough to accomplish anything. Learn more about the power of your co-op membership at [TogetherWeSave.com](http://TogetherWeSave.com).



[TOGETHERWESAVE.COM](http://TOGETHERWESAVE.COM)

