

**LYON-COFFEY
ELECTRIC COOPERATIVE**

EVENTS



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FROM THE MANAGER

What is the cost of going green?

Windmills and solar panel arrays have become symbols of America's growing interest in alternative energy. Yet as Congress begins debating new rules to restrict carbon dioxide emissions and promote electricity produced from renewable sources, an underlying question is how much more Americans will be willing to pay to harness the wind and the sun.

Curbing CO₂ emissions – a central part of tackling climate change – will almost certainly raise electricity prices, experts say. And increasing the nation's reliance on renewable energy will in itself raise costs.

Fifteen months into a recession, that prospect does not sit well in rural Kansas.

Federal efforts to rein in CO₂ emissions are starting to seem inevitable. The Environmental Protection Agency has proposed that heat-trapping gases are harmful pollutants. And the Obama administration and Democratic leaders in Congress are hoping to push through a cap-and-trade bill that would force polluters to curb their

emissions or buy permits from cleaner producers.

Congress is also discussing whether to require that a certain percentage of the nation's electricity come from renewable sources.

The effect of any these measures will be to increase the cost of electricity. Regulation of CO₂ emissions will increase the cost of burning coal, a carbon-heavy energy source and currently the cheapest form of fossil fuel. Higher production costs will result in higher electricity rates.

And wind and solar power are generally more expensive than the fossil fuels they are meant to supplant. If CO₂ penalties made coal power more expensive, as some environmentalists argue is inevitable, the relative cost of renewable energy might decrease. But consumers will still pay more.

Some experts not aligned with either camp estimate that wind power is currently more than 50 percent more expensive than power generated by a traditional coal plant. Built into the calculation is the need for utilities that rely heavily on wind power



Scott Whittington

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to build backup plants fired by natural gas to meet electricity demand when winds are calm.

And yet, some in our nation's Capitol would have you believe that we can conquer global warming at virtually no cost.

Robert Samuelson recently wrote in the *Newsweek* magazine, "Here's a typical claim from the Environmental Defense Fund: "For about a dime a day (per person), we can solve climate change, invest in clean energy future, and save billions in imported oil."

This may sound too good to be true, because it is. About 80 percent of the world's energy comes from fossil fuels – oil, coal, natural gas. The goal is to eliminate fossil fuels or suppress their CO₂. A bill in the House would mandate a 42 percent decline in greenhouse emissions by 2030 and an 83 percent drop by 2050.

The trouble with the models used to make these projections for low-cost changes in the way the world energy system works is that these models embody wildly unrealistic assumptions. For instance, full employment; strong growth is assumed; the economy will accommodate major changes

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and consumers will quickly use less if prices rise and new supplies of "clean energy" magically materialize. There's no problem and cost are low, because the model says so.

Another obstacle to nailing the numbers is that prices for coal and natural gas go through market swings.

If the price of natural gas gets high enough, wind could look cheap by comparison, but right now natural gas is down sharply – a sign that the recession will not be kind to renewable energy. Organizations that profess to be neutral about what new technology gets built suggest that renewable energy probably has a steep hill to climb.

At Black & Veatch, a company based in Overland Park, analysts recently compared the costs per kilo-

watt-hour (kWh) of different energy sources for the big energy competitors. A kWh is the unit of energy that the utilities use to bill homeowners, with the current retail cost averaging around 11 to 12 cents.

A modern coal plant of conventional design, without technology to capture CO₂ before it reaches the air, produces at about 7.8 cents a kWh; a high-efficiency natural gas plant, 10.6 cents; and a new nuclear reactor, 10.8 cents. A wind plant in a favorable location would cost 9.9 cents per kWh. But if a utility relied on a great many wind machines, it would need to back them up with conventional generators in places where demand tends to peak on hot summer days with no breeze. That pushes the price up to just over 12 cents, making it more than 50 percent more expensive than a kWh for coal.

Environmentalists are not only maximizing the dangers of climate change, they are minimizing the costs of dealing with it. No one involved in the debate really knows what the consequences or costs might be.

But one thing we can be sure of, nothing is or will be free.

FEMA project underway

The Lyon-Coffey Electric line-men have begun the process of repair and reconstruction of lines damaged in Lyon County during the December 2007 ice storm.

The project includes almost 90 miles of rebuilding line and demolishing existing line. Poles and cross arms will be replaced as needed, conductor replaced, as well as some transformer and service drop location changes. Improvements in the positioning of the line are also being made where it is feasible.

This project is expected to take approximately 18 months to complete but will result in better service for our members and more resistance to the effects of weather.

2009 WildBlue Barbecue Cook-off

Join us for the fun July 17-18

Make plans to join us this year for the fifth annual WildBlue Barbecue Cook-off on July 17-18, 2009, at Kelley Park (Coffey County Fairgrounds) in Burlington.

The event continues to grow with more cook-off participants, new activities and entertainment, and community involvement each year.

All proceeds from the event are donated to an educational scholarship.

Friday night will be judg-



ing for appetizers, desserts and Kid's Que. Saturday will be the Kansas City Barbecue Society sanctioned barbecue contest along with various kid and community activities.

Come join us!