1850 W. Oklahoma, P.O. Box 368
Ulysses, KS 67880
620-356-1211 or 800-794-9302
www.pioneerelectric.coop

pioneer electric cooperative, inc.

PIONEER ELECTRIC COOPERATIVE
NEWS

In Case of an Outage

If your electricity is off for more than a few minutes, call 888-551-4140. After-hours calls will be answered by dispatch and forwarded to standby personnel.

What You're Missing at the Annual Meeting

BY ADAM SCHWARTZ

Did you know every cooperative is required to conduct an annual meeting of the membership? The purpose is to hold board of directors elections, share important financial information, vote on matters such as by-law changes and of course—the great door prizes!

Pioneer Electric's annual meeting is a community gathering where neighbors can meet new neighbors—or catch up with old acquaintances. As our lives become busier with the "errands of life" and more of our interactions with others are online (via social media), we must renew the value of face-to-face connections. Very few organizations are uniquely positioned like Pioneer Electric to bring together members of our local communities.

While rural Americans probably do a better job of staying connected to our neighbors (in part because we need too), it is not something we should take for granted. The simple act of smiling, saying hello and shaking someone's hand truly lifts both parties.

The annual meeting gives our members the chance to come together and take care of the important business of the co-op and the equally important business of building a real sense of community. All cooperatives serve both an economic and social purpose. While safe, reliable and affordable electric power is crucial to our mission, improving the quality of life for all members is at the core of what we do every day.

If you have not attended the annual meeting in the past or if it has been a few years, we encourage you to take the time to gather with your fellow co-op members.

Pioneer Electric is connected to you by more than just powerlines. We are your neighbors, and we look forward to seeing you at your annual meeting. The annual meeting will be hosted at Pioneer Electric's office in Ulysses, KS, on Saturday, March 17, beginning at 1 p.m.

Adam Schwartz is the founder of The Cooperative Way a consulting firm that helps co-ops succeed. He is an author, speaker and member-owner of the CDS Consulting Co-op. You can follow him on Twitter @adamcooperative.

Osmose Pole Testing and Pioneer Electric

Every year our members may notice some utility workers digging up the ground around the base of our utility poles. While Pioneer Electric tries to forewarn our members and let them know when and where this work will be occurring, you may still have some questions about what it is these workers are doing exactly.

First and foremost –what is pole testing? Pole testing is when Pioneer Electric hires contractors to survey our utility poles and physically test them for any signs of stress or decay. The contractors will dig several feet around the pole to chip away and treat any signs of decay that may be found and will mark poles in need of replacement.

While Pioneer Electric uses several different contractors as part of our pole testing process, in 2017 we chose Osmose Utility Services, Inc., to conduct our testing. Osmose and other pole testing services such as PMC, High Line Services and S and L have been used by Pioneer Electric for almost three decades, starting in 1990.

Why does your cooperative need to test their utility poles? When a contractor for Pioneer Electric tests our system's utility poles, they are helping the cooperative save money by reducing unnecessary replacement costs and adding additional years of service life of our infrastructure. This helps Pioneer Electric better manage critical factors that determine pole performance strength, load and cost.

Pioneer Electric engineering supervisor Leroy Rodriguez said, "Removing the decay and applying the pole treatment extends the life of a pole for 10 years, so we save quite a bit of money in the long run."

When inspecting poles, Osmose employees will first visual inspect the pole for any obvious signs of decay or wear. Afterwards they will use a hammer to "sound" the pole to check for any internal deformities before digging down as much as three feet around the pole. Once the earth is dug up at the base of the pole, the crew will further inspect for damage and measure the circumference of the pole to make sure it still meets industry standards.

Contractors will then physically remove any decay from insects or moisture around the base of the pole and further inspect the pole's core if need be with a drill. Once all of the decay is removed, the pole's circumference will once again be measured to ensure it still meets all standards and regulations. Finally, a special treatment will be applied to the pole's base for protection from nature and the elements before the hole is filled in.

After all of the crews have inspected their assigned territory, Pioneer Electric engineers will travel with the contractor supervisor to randomly selected poles for

An Osmose crew member visually inspects a utility pole South of Ulysses for any signs of external decay, preparing to "sound" the pole with a hammer.

Osmose crew foreman Eric Schanzenbach scrapes some external decay from a pole during Pioneer Electric's 2017 yearly pole inspection.

Pioneer Electric staking technician John Ledesma inspects Osmose's work with Osmose supervisor Jerry McCarthy during Pioneer Electric's quality control inspection.

quality control inspections. This process ensures, through random sampling, that the work was completed to industry and Pioneer Electric standards.

The records of every pole inspected by Osmose are tied into Pioneer Electric's digital system. This technology allows Pioneer Electric to quickly recall any information about a specific pole and update records on when poles were installed and years of service left, something that saves the cooperative even more time and money.

Another aspect of the pole testing is how it saves the cooperative time. A pole that was previous inspected takes about half as much time to replace - meaning if a pole goes down due to a storm in the middle of the night for example, it will be up and running in short order.

Using three crews, Osmose spent two weeks inspecting over 3,000 poles in the Ulysses area. Every year Pioneer Electric tries to complete over 7,000 pole inspections, but due to a late start in 2017, only half those numbers were inspected.

The reason Pioneer Electric contracts out the inspections is because companies like Osmose have decades of experience in the field. With that experience comes the specific training techniques to complete the task, as well as the equipment and materials.

"Osmose have the material and equipment needed, as well as the skills and training associated with that type of work," said Rodriguez.

Osmose was founded in 1934 in a storefront of East Huron Street in downtown Buffalo, New York. The company started with a single wood preservative patent and has emerged into one of the Nation's leading service provider for utility infrastructure.

For future information relating to Pioneer Electric pole testing and inspections, please follow us on FaceBook.

An Osmose employee finishes up with one pole and moves to the next. The crew members work in all sorts of weather year round, with this day being in the low 30's with 15-25 mph wind speeds.

An Osmose employee applies treatment to an inspected pole, helping prevent further decay and wear, the final step before closing up the hole and moving on to the next inspection site.

Coal still plays an important role in electricity

For many decades, coal was the number-one fuel source for electricity generation. This changed when lower natural gas prices, proposed environmental regulations and the explosion of renewable technologies relegated coal to the number-two spot in 2015.

Despite factors that have caused a drop in coal use, coal's stability and affordability still make it a valuable resource. Currently, Sunflower has 349 MW of coal capacity from Holcomb Station, while Mid-Kansas has 173 MW from Jeffrey Energy Center through a power purchase agreement that will expire in early 2019.

What follows are ways coal helps Pioneer Electric Cooperative provide reliable electricity at the lowest possible cost to our members:

- One of the greatest advantages of coal generation is its availability. When intermittent energy sources, namely wind and solar, are offline due to a lack of wind or sunlight, coal units can be dispatched to meet energy demands economically.
- The price of coal is very stable compared to the volatility of natural gas pricing. Price stability allows for coal generation to provide an effective hedge against the price of market energy, which is usually correlated to the price of natural gas.
- Capacity from coal assets helps Sunflower and Mid-Kansas meet the minimum required capacity margin established by the Southwest Power Pool (SPP). The capacity margin requirement helps maintain reliability by always having more generating supply available than is required at any given time.
- Coal is widely available and abundant. Based on U.S. coal production in 2015, recoverable coal reserves will last about 283 years, according to the U.S. Energy Information Administration.
- The use of domestic coal as an energy resource allows the United States to achieve and maintain energy independence.
- Sunflower's and Mid-Kansas' coal units are equipped with environmental controls that meet state and federal requirements.

The significant influx of wind generation in the region and the implementation of the SPP Integrated Marketplace have reduced the amount of energy generated by Holcomb Station and Jeffrey Energy Center. However, these resources continue to contribute to reliability and price stability. An example of the important role played by Holcomb Station took place in June when the Energy Cost Adjustment (ECA) portion of Sunflower's wholesale power supply rate jumped by more than 80 percent compared to previous months. The ECA, which covers variable costs for fuel and market energy, was significantly impacted in June because Holcomb Station was offline due to a maintenance outage.

Having Holcomb Station offline during a summer month when electric demand is typically at its highest and wind generation is at its lowest resulted in significant shifts in transmission congestion patterns, which increased market energy prices. Without having Holcomb available to generate energy and sell it into the market, Sunflower did not have a hedge against the shifting market energy prices. As a result, Sunflower was fully exposed to the market volatility and experienced the significant ECA increase. When Holcomb came back online in late June, the ECA in July dropped back down to near normal levels.

Diversity in electricity generation helps produce reliable energy at the lowest possible cost for the Members of Sunflower and Mid-Kansas, including Pioneer Electric and the thousands of Kansans they serve.