



## Power Cost in Focus:

As we move into the cooler months and heating season, home energy costs tend to rise as we consume more energy to meet our needs. Your Cooperative has secured the majority of its power requirements through long-term hydroelectric power contracts to help keep your energy costs low. However, when additional power is required, it is purchased through supplemental power agreements with the New York Power Authority and New York ISO. Electricity prices have been impacted greatly by Covid-19, inflation, and geopolitical factors like the war in Ukraine and actions by OPEC. New York State relies heavily on natural gas for electricity generation and experts predict wholesale electric costs will increase sharply this winter. These variations in wholesale power costs show up on your electric bill as a Purchased Power Cost Adjustment or PPA.

## How your PPA works:

Otsego Electric's energy rate on your electric bill has a built-in base cost of power to recover estimated wholesale energy costs. When actual wholesale power costs fluctuate above or below this level, a PPA is applied to recover additional costs or give back excess collections.

Example 1: Actual Power Cost: 5 cents per kWh used. Base Cost of Power: 2.5 cents per kWh = PPA of 2.5 cents per kWh used to catch up.

Example 2: Actual Power Cost: 1.5 cents per kWh. Base Cost of Power: 2.5 cents per kWh = PPA of 1 cent per kWh returned as excess.

## How you can help:

- Consider doing laundry, running your dishwasher, or charging your EV during off peak hours which are: 9:00 a.m.- 5:00 p.m.; and 8:00 p.m.- 5:00 a.m.
- Follow OEC's website, newsletter, and social media for energy saving tips.
- Check out OEC's Clean Heat rebate program if you are considering upgrading your fossil fuel heating system.
- If you have a beat-the-peak device, consider using your power when the red peak load light is off.
- Try not to use space heaters or other electric appliances during peak hours.

Otsego Electric Cooperative  
P.O. Box 128,  
Hartwick, NY 13348

Office Hours  
7:30 – 4:00  
Monday – Friday

Phone:  
**607-293-6622**

Pay-by-Phone  
**1-844-843-6842**

After Hours and Outages:  
**1-866-591-3192**

Call **UDig New York** before  
you dig at **811** or  
**1-800-962-7962**

## Board of Directors

**Gary Potter**  
*President*

Charles Arnold  
*Vice President*

Edward Clarke  
*Treasurer*

Steve Child  
*Secretary*

Fred Braun, Jr.  
*Director*

Amy Parr  
*Director*

Patrick Hooker  
*Director*

**Timothy R. Johnson**  
**CEO**

**[www.otsegoec.coop](http://www.otsegoec.coop)**

**[www.oconnect.coop](http://www.oconnect.coop)**

## Studying Energy Demand Costs



Historically, OEC's revenues have primarily been based on energy purchases because meters could not measure demand and a monthly service charge. Now it is possible to measure peak energy demand so our bills could reflect these costs. Demand-related costs can account for over 50% of our costs of service. Three-part billing for demand, energy usage, and a monthly service charge is the fairest and most equitable way to bill for electric usage. Many cooperatives have already set up 3-part rates so members receive bills that more accurately reflect the real cost of their service. Commercial accounts have been billed on demand for many years but not residential services. Demand can vary widely with the introduction of fast electric car chargers and other high capacity appliance demands. OEC is currently studying implementation of this rate structure. Members will have the ability to save money on their bills by reducing their demand during our peak usage times which are usually from 5 to 9 in the morning and 5 to 8 at night. OEC system peaks can occur in the summer and winter. Each service's demand is based on your highest usage over a 60-minute interval during peak hours over the past 12 months.

## Preparing for Winter & Potentially Higher Energy Costs

As we begin to prepare for Winter and colder temperatures, we are also preparing to see our energy cost prices rise. As we use more energy, especially in times of low temperatures keeping warm, the more the cost of that electricity rises. If you are able, we suggest trying to plan ahead for this. If you have any extra funding to put toward your electric account, you could begin to build a credit on your account. Any time we receive a payment that is more than your current charges, that money gets added to your account here as a credit. When the next billing cycle runs, we will apply the credit on your account against your usage charges. This would allow you to help offset higher bills that you may see throughout the Winter. You can also sign up for our Budget Billing Program to help prepare for your higher billing months. If you have any questions, please call our office at 607-293-6622.



## HEAP Assistance

We understand that situations arise when it can be difficult to pay your bills, especially as costs rise with lower winter temperatures. If you need assistance paying your bills, there are programs, such as HEAP, that are available to assist you. In order to find out if you qualify, you can visit [www.mybenefits.ny.gov](http://www.mybenefits.ny.gov) or call one of the following numbers for assistance:

Otsego County Department of Social Services 607-547-1700  
Chenango County Department of Social Services 607-337-1500  
Madison County Department of Social Services 315-366-2211  
Herkimer County Department of Social Services 315-867-1220  
Opportunities for Otsego 607-433-8000  
Catholic Charities 607-432-0061  
Office for the Aging 607-547-4232

