

## Ontonagon County REA 2023 Annual Meeting Questions and Answers

1. What is REA doing to reduce noise and light pollution. Preserve dark night skies and quiet places?

Noise and light pollution are generally governed by Michigan law, ordinances, and rules. The REA is obligated to provide service to all members without discrimination. It is the member's obligation to comply with all applicable Michigan laws, ordinances, and rules. To the extent you believe a member is not complying with the foregoing, you can reach out to the individual, or the municipality within which the member is located. This type of issue is beyond the scope of services provided by the REA.

2. Where can I get a shade for my neighbor's dusk to dawn light?

Shades can be found online and at many local home improvement stores.

3. Are meter fees the same for all?

No, meter fees (Service Charges) vary by rate class.

1. Seasonal \$35.00/Month
2. Residential \$25.00/Month
3. Commercial – Varies for account type.

4. What is the estimated line loss due to vegetation touching the lines?

The total estimated line loss due to vegetation touching REA electric lines is approximately 8 to 12%. With respect to each instance where vegetation touches a line, it depends on the amount of contact, but the average is estimated at 10%.

5. How many inactive services have been discovered by crews?

We currently have approximately 1000 inactive service points. There are several reasons for these inactive service points including, but not limited to, the following:

1. Members that disconnect their service several years ago and never reconnect;
2. Seasonal members that disconnect their service during winter months; and
3. Members that have been disconnected due to the member's payment delinquency.

6. About how much energy are REA members contributing from their private renewable systems, e.g., solar/wind?

The maximum size renewable system allowed per member is 20KW. The actual amount needs to be approved based on the members' average usage. We currently have approximately 60 members utilizing net metering. The excess generation is banked as a KWH credit for future use to the member. The total anticipated amount generated from private renewable systems varies based on the system size and weather conditions.

7. I read recently that several million dollars in infrastructure funds have been released for rural areas, with special emphasis on REA's. Does the Ontonagon REA have plans to submit a proposal? Please say more about the DOE proposal for wind and solar. What is the timeline and what project is REA considering

A concept project was submitted to the DOE in April of 2023. The project included a total of 5 MW of generation including a combination of solar and wind. The concept was not selected by the DOE in July. The cooperative will continue to pursue additional grants when available. We are currently getting pricing for installation of 500 KW of solar at each of our substations.

8. What kind of projects might be submitted [for grants]?

Projects may include renewable energy installations such as solar and wind. Other projects may be infrastructure improvements.

9. What caused the significant increase of over \$400,000 from 2021 to 2022 for the distribution maintenance expense?

A large portion of this is due to the addition of Right-Of-Way Vegetation Management labor, equipment, and expenses. There are other maintenance expenses that impact this including pole inspections/replacement, equipment testing, and line upgrades that are part of our 4-year construction work plan. These costs have been offset to some extent by the decreased line loss due to improved vegetation management.

10. Does the Cooperative have members with solar panels and does the cooperative buy electricity from them?

Yes, we have members with solar panels. The cooperative does not purchase electricity from them. The members are part of our net metering program in which excess generation is banked for future use by the member.

11. Can more be done with the County or Townships government to eliminate the danger from dying trees along roads near power lines?

Our vegetation management or line clearance workers (tree trimmers) remove trees along our distribution lines right-of-way. Vegetation is normally removed from a 20-foot corridor on both sides of the power line to ensure safe and reliable power. We work with the local municipalities to obtain all necessary approvals for the foregoing work.

12. What opt out options might be available for members who have health concerns with a smart meter in their home? UPPCO offers opt out for a monthly fee. Would REA consider such an option, even though not required by law as a coop?

The cooperative currently does not have an opt out for smart meters. However, the REA can move meters to a pole away from a member's home upon request. All fees associated with moving the meter are the responsibility of the member. Please reach out to the business office for further details on this process.

13. What are the voltages we might encounter when trees come in contact with wires?

The primary voltage of a single phase is 7,200 Volts to ground.

14. Will REA have an outage map available on the web site?

We will have an outage map available on our website by July, 2024 after our vision metering project is completed.

15. What are salaries of office employees?

The combined salaries for the office staff, including the General Manager, Line Superintendent, Administrative Assistant, and Billing Clerk is \$333,093 annually.

Lead Lineman - \$85,405

Journeyman Lineman - \$82,222

Lead Tree Trimmer - \$66,206

Journeyman Tree Trimmer - \$63,232

16. What is the cost of the individual pieces of new equipment?

These vary based on equipment type. The following below is an approximate cost of recent purchases (Note: these purchases utilize a composite unit depreciation method). Typical depreciation is approximately 10% each year of service.

1. Mulcher for Tree Trimming – \$182,572
2. Trencher (Plow) - \$196,630
3. Bucket Truck - \$188,895
4. Digger Derrick (Used to dig and set Poles) - \$285,950
5. Trailer - \$23,000

17. Please discuss draft interconnection policy required by MPSC? Will current agreements be respected.

MPSC Case No. U-21481 for the interconnection policy waiver was submitted by MECA, representing the Michigan electric cooperatives. The current Electric Interconnection and Net Metering Standards are still in effect. Please contact the REA Office for copy of the current interconnection policy.

18. Do electric water heaters qualify for the \$50 rebate? What other appliances qualify.

An electric water heater qualifies for a \$100 rebate. Check our website at <https://ontonagon.coop/> to see the full list on the 2023 Residential Program Incentive Guide. To access the list, go to the main page select the Energy Tips button, select download Residential Incentive Guide.

19. We won't get 69 members next year unless you limit the time per speaker!

Next year we will create a time limit per speaker. A target for total meeting time will be set for 1 hour.

20. Next year, Q&A after the adjournment for people who want to stay.

We encourage Q&A after the meeting. The board, employees, and attorney will be available to answer any additional questions after the meeting.

21. How many E.V.s do we have power for?

We do have power available for home Electric Vehicles (EV's). The REA evaluates each household based on the charger size to determine if an upgrade in service is required.

22. What is the status of the power being purchased from the downstate cooperative with solar collection that was said to reduce our residential rate?

Our wholesale power is purchased from Wolverine Power Cooperative. The cost is fixed until the contract expires on December 31, 2025. The new power contract will determine if the rates will change. Wolverine is working on two utility scale solar arrays located in Otsego County, 2025 construction and Cass County, MI 2023 construction.

23. Transparency? Why aren't members and the media allowed to observe board meetings?

Having the meeting closed is a local decision. There is no legal reason to keep the meeting closed, but if the board really believes in transparency why not open the meetings?

The regular monthly board meetings are not closed to the members. A member can make a request to attend the meeting with questions or comments to the board during the member comment session that is on the regular board meeting agenda.