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Electronews

The Victory Electric Cooperative Assn., Inc.

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CEO MESSAGE

Learning from Winter 2021, Preparing for Winter 2022

It was Winston Churchill who said, “The farther back we can look, the farther forward we are likely to see.” In February 2021, the central part of the U.S. — from the northern border down into Texas — experienced frigid temperatures for an unusually long amount of time. Among other challenges, a lack of natural gas supply during this period of high demand resulted in extremely high prices for natural gas. Because natural gas is used to generate electricity, market prices for electric energy also rose to historic highs.

Storm Uri was a historic event, but now that it has occurred, we would be foolish to think it could never happen again.

In fact, there are indicators that we could be heading toward higher

energy prices in 2022. After the extremely high prices last February, natural gas prices recovered to \$2.60/MMBtu in March 2021, but they have doubled since then. Current natural gas price projections for January and February 2022 are approximately \$6/MMBtu. The increase in natural gas prices has led to a corresponding increase in market energy prices. In May, projected market electric prices for January and February 2022 (24/7 average) were \$29.50/MWh. Current projections for the same time



Shane Laws

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Our Crews are Working to Serve You Help us keep them safe

- ▶ At a job site, don't ask crews what they are working on or when power will be restored. Crew members must give the repairs their full attention to ensure safety. Diverting their attention increases the amount of time it takes to resolve the issue.
- ▶ When driving by a utility truck (or any roadside vehicle with flashing lights), please move over and give them space. In a work zone, follow all signage, including speed limits. Drivers who travel through a work zone too fast endanger workers on the ground and up in the bucket.
- ▶ If one of our employees is in your yard or on an easement to address service issues, please secure your dogs. Also keep meters and pad mount transformers (green boxes) free from obstructions.
- ▶ Please be patient as we work on an outage or other issues. Safety is our top priority, for you and our employees.



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Mail: U.S. Department of Agriculture Office of the Assistant Secretary for Civil Rights at 1400 Independence Ave., SW Washington, D.C. 20250-9410; Fax: 202-690-7442; or email: program.intake@usda.gov.

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PRO TIPS

CUT DOWN ON YOUR ELECTRICITY BILL

1. Turn down thermostats to 68 degrees if your health permits. Resist the urge to crank up the thermostat as it's unlikely to put a strain on the furnace and your energy bill. Instead, wear an extra layer or use blankets to keep warm.
2. Check and change furnace filters to ensure optimum airflow. Rule of thumb: Change filter every 3 months; 2 months if you have pets or family members have allergies.
3. Close furnace registers and doors to unoccupied rooms to keep occupied rooms warmer, which will help reduce consumption.
4. Keep vents clear. High efficiency furnaces have vents leading outside. Make sure they are not blocked with ice or debris. Inside, make sure vents are not covered by rugs or furniture.
5. Seal ducts around the joints to keep warm air from seeping out.
6. Use ceiling fans to distribute warm air by reversing the fans so the blades turn clockwise during the winter.
7. Let the sunshine in – use heat from the sun's rays to help warm your home during the day. Close blinds and curtains at night to provide another layer of insulation against the windows.
8. Turn off and unplug non-essential lights, appliances and electronics.
9. Make microwave, slow cooker or toaster-oven friendly meals to save energy.



Learning from Winter 2021, Preparing for Winter 2022

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period are \$55.50/MWh. If these prices play out, the energy cost adjustment (ECA) paid by electric consumers will increase even without a weather event.

Victory's wholesale electric provider, Sunflower Electric, with their existing generation resources — dispatchable capacity from the Holcomb unit, plus fixed-price power purchase agreements — will continue to insulate its members when energy prices rise. In late September, the Sunflower board approved additional hedging strategies. Victory Electric, as one of six member-owners with two board seats, was instrumental in this decision. A fixed price 150 MW energy block was purchased to cover the portion of member load above Holcomb's dispatchable capability. Additionally, a financial natural gas swap was purchased to lock in the price of natural gas for the quantity of natural gas expected to be consumed by Sunflower's gas-fired units.

Factoring in the increase in projected market energy prices, the mitigating impact of Sunflower's current hedge policy and the additional mitigation of the fixed energy block and the financial gas hedge, we are projecting the January and February ECA to be approximately \$0.006/kWh higher than previously projected. This equates to

approximately \$5.40 on the average residential bill — not too bad given the impact winter storm Uri had on residential bills earlier this year. However, monthly ECAs during the remaining months of 2022 are also projected to be higher than previously projected due to the expected long-term duration of the increased natural gas prices.

When utilities develop strategies to hedge against the market price of energy, the concept is similar to purchasing an insurance policy. The more you're willing to spend on an insurance premium, the more protection you will get. The additional hedging products that Sunflower purchased for January and February 2022 will reduce the risk of high market energy price spikes (insurance protection), but it will also add cost if market energy prices don't spike (insurance premium).

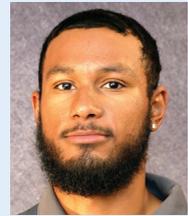
No one can predict what will happen this winter, but we must learn from what history has taught us. Victory Electric and the other Sunflower board members have taken steps to protect our members from events like last February, one more way your electric cooperative is looking out for your best interest.

THANKS, SHANE

Banuelos Hired as Third-Class Lineman

Born and raised in Dodge City, **MANUEL BANUELOS**

cultivated a passion for working outdoors during the many hours he spent maintaining his family's land and



Manuel Banuelos

livestock near Wilroads Gardens. As Banuelos entered his teenage years, he also began working at Wilroads Feed Yard. In 2016, he graduated from Dodge City High School with dreams of a career in public service as a police officer. Before committing to this career path, Banuelos opted to spend another summer working at the feedlot.

"I have been working outside my whole life and I really enjoy it," Banuelos said. "I can't imagine spending all day in an office in front of a computer — I think I would fall asleep. This made me begin to consider other careers. Ideally, one that involves working with my hands in the fresh air."

During this time, one of Banuelos' friends suggested he consider a career as a lineman. Banuelos began researching the career and transitioned his plans by enrolling in the electrical power line technology program at Dodge City Community College.

While receiving his education, he completed an internship with Sunflower Electric Power Corporation in Garden City.

After Banuelos concluded the electrical power line technology program in 2018, he accepted an apprentice lineman position at J&J Powerline Contractors.

"When the opportunity to work at Victory Electric opened up, I didn't hesitate to submit an application," Banuelos said. "I am excited to work for a company that places an emphasis on supporting the communities it serves beyond just keeping the lights on."

He lives with his girlfriend and their three children. In his free time, he enjoys spending time with his family, cheering on the Philadelphia Eagles and playing video games.

Victory Electric is excited to welcome him to the team. Congratulations, Manuel!

**COULD YOU
USE \$1,000
FOR SCHOOL?
LIGHTNER COMMUNITY
SPIRIT SCHOLARSHIP**

**DEADLINE: MARCH 18, 2022
APPLY AT VICTORYELECTRIC.NET**

Annual Dodge City Parade of Lights and Chili Cook-Off Makes Its Return



The Annual Christmas Parade of Lights and Chili Contest made its return and was held on Nov. 29 in Dodge City.

The parade and chili contest are sponsored by the Dodge City Globe, City of Dodge City, Main Street, Boot Hill Museum, Southwind Broadcasting, Dodge City Convention and Visitor's Bureau, and Victory Electric. The events attracted hundreds of visitors to Boot Hill and the Convention and Visitor's Bureau. Several local organizations entered the chili contest with 16 entries judged. The lucky winners in the Judge's Choice category were Ford County Sheriff Master Deputy Thomas' team, first place; Cargill, second; and United Wireless Arena, third.

Those who impressed the crowd won the People's Choice category. Winners were Arrowhead West Inc., first place; Ford County Fire & EMS, second; and Cargill, third. All winners received an engraved chili ladle sponsored by Victory Electric. The parade attracted 17 entries, ranging from classic cars, to Dodge City school bands and floats decked out in lights. Thanks to all who attended. We hope to see you next year!



Judges' Choice Chili Cook-Off first place went to the Ford County Sheriff Master Deputy Thomas' team.



Judges' Choice Chili Cook-Off second place went to the Cargill team.



The Arrowhead West Inc. team won first place in the Peoples' Choice category.



Mikey Goddard, Victory's vice president of safety, serves up chili for attendees.



The Dodge City Drivers ride down Front Street during the 2021 Parade of Lights.