



# CURRENT COMMUNICATOR

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MEMBER NEWSLETTER OF CENTRAL VIRGINIA ELECTRIC COOPERATIVE

Winter 2018

"Improving the quality of your life in a quietly impressive way."

Volume 27, Number 1

## LETTER FROM THE PRESIDENT

*CVEC sees the growing need for broadband similarly to the need for electricity in the 1930's. Just like in those early days, the Cooperative has decided that if no one else will build the infrastructure to serve us all, we will do it ourselves.*

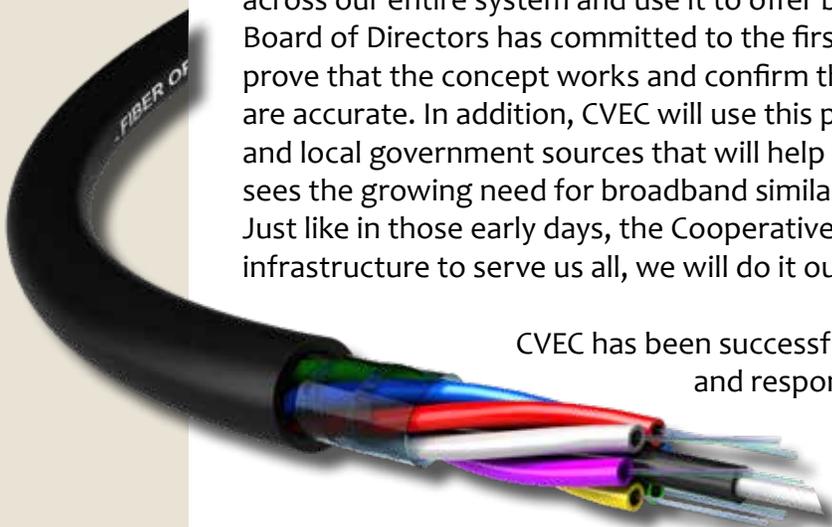
Over its 80-year history, Central Virginia Electric Cooperative (CVEC) has developed a reputation for listening to members and addressing their needs. Several projects for the year 2018 will show that we are continuing our commitment to you, our member-owners.

Three years ago, CVEC embarked on an aggressive program to **improve service reliability**. Large expenditures were made to manage tree growth in and along our rights-of-way, and more funds were invested in devices which limit the number of people affected when outages do occur. Before starting this reliability program, outage times reached averages as high as 260 minutes per member for the year. In 2017, CVEC cut that number nearly in half, averaging a total of only 143 minutes per member. While the improvement was partially due to milder weather, these investments are paying off in improved service reliability for our members.

A new project for 2018 will address the increasing demand for **renewable energy options**. CVEC will offer a community solar subscription program as soon as the Virginia State Corporation Commission (SCC) approves our rate application. This program will offer members larger portions of locally-harvested solar energy, reducing our carbon footprint. It will also offer members an opportunity to lock in the energy price for a portion of their bills, as CVEC intends to offer a 25-year flat, fixed price for solar block subscriptions.

The biggest news splash for 2018 comes from our new **commitment to Broadband**, a fiber-to-the-home internet project. CVEC needs high-speed communications to improve and expand its efficiency, reliability, and system security—measures which will help lower power costs. A feasibility study performed last year showed that CVEC can install fiber across our entire system and use it to offer broadband internet service to members. The Board of Directors has committed to the first year of this five-year project, as a pilot, to prove that the concept works and confirm the projected costs and revenues in the study are accurate. In addition, CVEC will use this pilot year to seek support from federal, state and local government sources that will help reduce the risk of this extensive project. CVEC sees the growing need for broadband similarly to the need for electricity in the 1930's. Just like in those early days, the Cooperative has decided that if no one else will build the infrastructure to serve us all, we will do it ourselves.

CVEC has been successful for 80 years by listening to our members and responding with solutions. We begin 2018 with plans to continue developing and delivering programs that meet member expectations.



# SOLAR SHARE

CVEC is prepared to launch its new community solar program, **Solar Share**, in Spring 2018. Construction has been completed on two solar generation farms, and CVEC has finalized a purchase agreement with Coronal Energy, which locks in the cost of solar power for the next 25 years. The solar farms will produce a total of 10 megawatts (MW) of energy, making them the largest solar project for an electric distribution cooperative in the state. CVEC will add 60% of the solar energy to its power supply portfolio for use by all 36,000 members, while the other 40% of the energy output will be offered to its members for subscription

through CVEC's Solar Share program.

Through **Solar Share**, residential members may purchase up to five 50-kilowatt-hour (kWh) blocks of solar energy, for a total of 250 kWh per household. The cost per 50 kWh block is \$4.50, or \$22.50 for the full 250 kWh. The subscription rate for this solar energy will be locked in for 25 years and will not be subject to rate increases during that time. Members will still be responsible for paying the distribution costs associated with their solar shares. The diagrams below compare kWh costs for a bill with and without solar shares.

The community solar rate was filed in December 2017 with the State Corporation Commission (SCC) and CVEC anticipates approval in the spring. Shares are limited to 11,000 blocks, so CVEC will offer a pre-sale to members in February to ensure they secure the maximum amount possible. CVEC is excited about this opportunity to offer solar energy to members who wish to use green energy, but are unable to install solar panels on their dwellings. Solar energy enables CVEC to fulfill its mission, offering clean, renewable energy and adding to its already diversified power portfolio. 📍



**Billing details based on 1,000 kWh usage with rates as of January 1, 2018.**

BILLING DETAILS	
Previous Balance	\$100.00
Payment Received	-\$100.00
<b>Balance Forward</b>	<b>\$0.00</b>
Basic Charge	\$28.73
Distribution Usage Charge (\$0.0269100 / kWh)	\$26.91
Energy Charge (\$0.0760300 / kWh)	\$76.03
Power Cost Adjustment (\$0.00836 / kWh)	\$8.36
Utility Consumption Tax	\$1.52
County Consumption Tax	\$3.00
> Current Charges (due 01/03/2018)	\$144.55
<b>TOTAL AMOUNT DUE</b>	<b>\$144.55</b>

BILLING DETAILS	
Previous Balance	\$100.00
Payment Received	-\$100.00
<b>Balance Forward</b>	<b>\$0.00</b>
Basic Charge	\$28.73
Distribution Usage Charge (\$0.0269100 / kWh)	\$26.91
<b>Community Solar (5 blocks at \$4.50 per block)</b>	<b>\$22.50</b>
Energy Charge (\$0.0760300 / kWh)	\$57.02
Power Cost Adjustment (\$0.00836 / kWh)	\$6.27
Utility Consumption Tax	\$1.52
County Consumption Tax	\$3.00
> Current Charges (due XX/XX/XXXX)	\$145.95
<b>TOTAL AMOUNT DUE</b>	<b>\$145.95</b>

## Capital Credit Refunds

The Board of Directors of Central Virginia Electric Cooperative (CVEC) authorized \$1.48 million in capital credit refunds to Cooperative member-owners in December. This is the eighth consecutive year that CVEC has issued capital credit refunds, reaching a total of nearly \$17 million returned to members.



CVEC is a not-for-profit cooperative that allocates any revenues above expenses to its member-owners in the form of patronage capital. Patronage capital represents the members' ownership and investment in the Cooperative for each year the member received electric service.

Ten percent of the 2016 patronage capital allocations and 100% of the allocations from 1990 were distributed to members by mailed checks if the refunds were \$100 or above, or as bill credits for refunds below \$100.

# BROADBAND

CVEC will begin construction on a broadband project in 2018 which will provide high-speed internet to every CVEC member, creating new jobs, facilitating more efficient local and E-commerce, providing more reliable, affordable energy, and connecting central Virginia's rural areas with the world of technology.

CVEC's Board of Directors has approved a one-year pilot program for this project, and CVEC will begin installing broadband equipment and making services available later this year. Contingent on Board approval, construction and installation will continue over the next five years, with completion expected in 2023. CVEC plans to install between 600 and 800 miles of fiber each year, adding 15 to 20 miles and 100 to 150 new accounts each week.

The new cable will be installed adjacent to overhead and underground distribution lines, taking advantage of the existing infrastructure to achieve economical installation.

In order to leave electricity prices unaffected, CVEC will offer broadband services through its subsidiary, Central Virginia Services, Inc. (CVSI), which will lease internet fiber from CVEC. Because CVSI is a subsidiary of CVEC, margins will be returned to the Cooperative.

By providing better communications across CVEC's power network, broadband will contribute to improved reliability and reduced power costs for CVEC members. CVSI will provide a service which is already considered an essential in urban and suburban America and other developed countries worldwide. Much like rural electrification in the 1930's, CVEC's broadband initiative will transform a distant luxury into an attainable resource by putting affordable, high-speed internet at the fingertips of CVEC members. 📍

Services and Target Pricing	
Broadband	
100 megabits per second service .....	\$49.99/month
1 gigabit per second service .....	\$79.99/month
VOIP Telephone Service (optional)	
Unlimited local and long distance .....	\$29.99/month
Installation Fee	
New Installation .....	\$100 *
<i>* Fee waived if you sign up when we build in your area</i>	

## Space Heater Safety

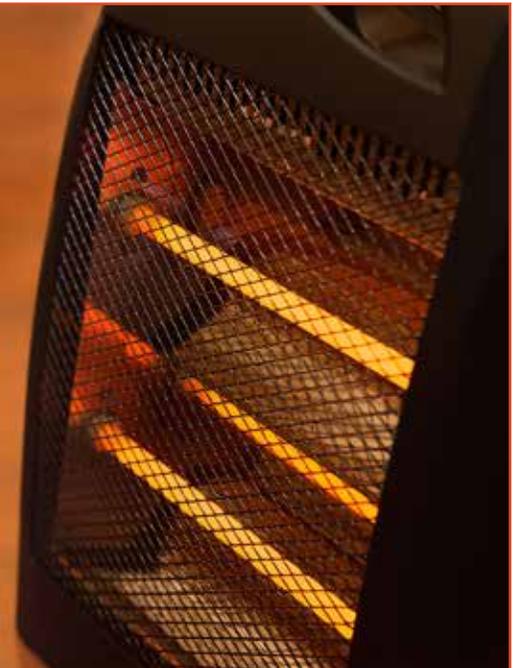
Never leave space heaters unattended.

Keep heaters at least three feet away from anything flammable.

Plug space heaters directly into a wall outlet. Do not use power strips or extension cords.

Place space heaters on a level, flat surface.

Source: Electrical Safety Foundation International (ESFI)

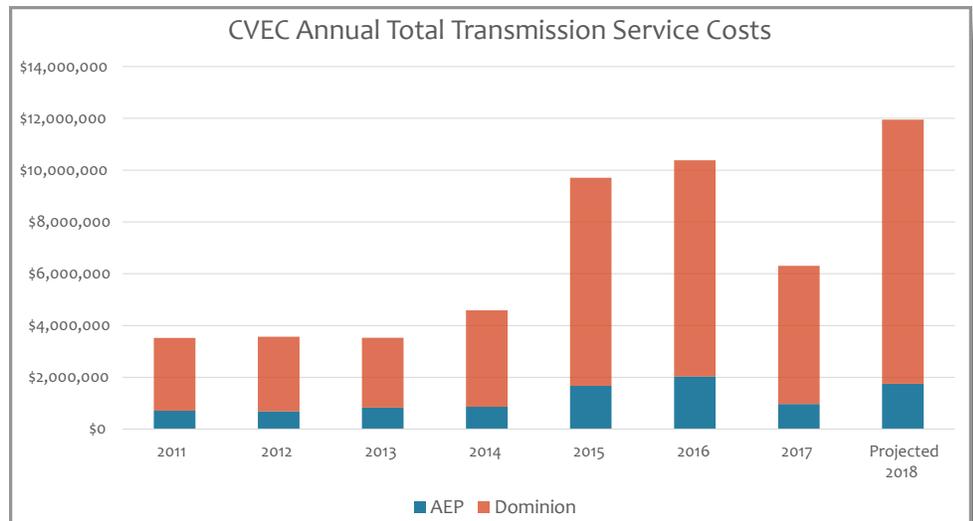


## CHANGES TO YOUR BILL IN 2018

Every winter, members see higher bills after the new year as winter weather sets in. This year, the bills are even higher because of extra money we must collect and send along to Dominion Power and AEP for electric transmission service.

CVEC members noticed a Power Cost Adjustment (PCA) increase effective January 1, 2018 due to increased transmission provider charges. The PCA is a mechanism that allows CVEC to pass through any increase or decrease in wholesale power costs

without markups or margins. This is not an increase in the rates that CVEC has negotiated and locked-in for 2018 with its power suppliers, but rather an increase in the charge from Dominion and AEP to move that power along their transmission lines. The average monthly residential bill will increase by around \$12.



The first factor in the increase was a winter peak in 2017 on the Dominion Power transmission system. CVEC uses the AEP and Dominion Power transmission systems to bring wholesale electricity from the markets into the CVEC distribution substations. About 85% of our electricity comes through the Dominion Power transmission lines and the rest through the AEP lines. The charges for each year for the two systems are based on the one peak hour of the previous year. When the peak hour is in the winter, CVEC has much higher loading on the transmission lines which increases the share of the system transmission charges we must pay in the next year. The impact of having the Dominion Power transmission system experience a winter peak last year resulted in an increase of over \$4 million for CVEC members to pay for power costs in 2018.

In addition to the winter peak, transmission rates charged by AEP and Dominion have increased significantly. The transmission rate increases for just 2018 are 28% for AEP and 11% for Dominion. These steep increases result in another \$2 million addition to transmission costs for CVEC. The transmission costs are regulated by the Federal Energy Regulatory Commission (FERC). These rates are submitted by the transmission providers to FERC and, when approved, all transmission customers like CVEC must pay them since we rely on the use of their system to get the electricity to our substations.

CVEC is committed to seeking ways to manage and reduce costs from transmission providers. No additional services or improved efficiency will be offered for the increased transmission costs and no money will be gained by CVEC. Having already seen a very high load on the transmission system in the first week of 2018, it appears that CVEC will again have high transmission costs in 2019 as well. Given the trend toward more winter peaks and higher transmission charges, CVEC will review options for reducing load during the peak winter hour of 7 am to 8 am on cold weekday mornings, when the typical winter peak is set.

The graph above details the change in transmission costs over the last seven years. The transmission system did not have a winter peak for 25 years before 2014. The polar vortex in that year resulted in the increase in the 2015 charges. A winter peak followed in 2015 causing the 2016 charges to be high again. The following year the transmission system peaked in the summer, dropping overall charges significantly. These lower rates were passed through last year through a lower PCA factor. This year the charges will be higher again due to the winter peak in 2017. 📍

# CVEC CELEBRATES OPEN HOUSE & ROOM DEDICATION



L to R: CEO Gary Wood, Directors: Baber, Robinson, Brown, Vest, Harlowe, Goin

Central Virginia Electric Cooperative recently held an open house and dedication ceremony for the Harlowe Vest Community Room in the new Palmyra Division office. The Cooperative invited members and community residents to join them for the dedication ceremony, during which CVEC board chairman H.T. Brown, Jr. dedicated the facility's large meeting room in honor of fellow board members Roberta I. Harlowe and Gloria W. Vest.

“Roberta and Gloria, both residents of Fluvanna County, were the first two female directors to serve on the CVEC board,” said Brown. “I can think of no better way to recog-

nize their many contributions over the years than to name a room where people will gather as a community to share ideas and fellowship.” Members were invited to tour the new facility following the dedication.

CVEC's Palmyra office is located on Salem Church Road just off Route 15. The Cooperative will permit non-profit community groups from its East District, which includes portions of Fluvanna, Louisa and Orange counties, to use the room free of charge, when available. 📍

## Quick Tips for Winter Energy Savings



The cost of heating your home typically makes up about 42% of your electric bill.

Use a programmable thermostat to set the temperature as low as is comfortable when you are home (ideally around 68°).

When you are asleep or away, turn the temperature down 10-15° for eight hours. This small adjustment can help you save approximately 10 percent a year on heating and cooling costs.

Source: U.S. Dept. of Energy

## CVEC Employees Have Holiday Spirit!

Employees from all three division offices participated in a Thanksgiving food drive to support the Thomas Jefferson Branch of the Blue Ridge Area Food Bank. In total, \$200 in cash and 220 pounds of food were donated to help area families in need.



In December, employees from the Colleen and Palmyra offices adopted families from their local Social Services departments and donated money or purchased gifts to be distributed. Employees from the Appomattox office purchased gifts for Angels from their local Angel Tree program.



NOTICE TO THE PUBLIC OF AN APPLICATION  
BY CENTRAL VIRGINIA ELECTRIC COOPERATIVE,  
FOR APPROVAL OF A COMMUNITY SOLAR TARIFF  
CASE NO. PUR-2017-00165

On December 6, 2017, Central Virginia Electric Cooperative (“CVEC” or “Cooperative”) filed an application (“Application”) with the State Corporation Commission (“Commission”) pursuant to § 56-585.1:3 (C) of the Code of Virginia for approval of a companion rate schedule for a community solar pilot program (“Community Solar Tariff”).

The Community Solar Tariff is a three-year pilot program for the development of community solar projects. The Community Solar Tariff would be available, on a completely voluntary basis, to CVEC members that are receiving electric service under a residential rate schedule (“Subscribers”). CVEC has entered into long-term contracts for the output of two recently constructed solar generating facilities (“Solar Facilities”) located in its service territory and plans to make units of energy from the Solar Facilities available to Subscribers in 50 kilowatt-hour blocks (“Solar Blocks”). CVEC states in its Application that it anticipates limiting enrollment to no more than five Solar Blocks, or 250 kilowatt-hours, per member until January 1, 2019. Subject to this limit, a Subscriber could subscribe to one or more Solar Blocks up to a level that is not expected to exceed the Subscriber’s metered monthly kilowatt-hour usage. After January 1, 2019, the Cooperative states that it will work with Subscribers to limit subscriptions to no more than the Subscriber’s expected monthly usage.

Under the Community Solar Tariff, each Subscriber would pay a flat and fixed monthly rate per Solar Block (“Fixed Block Charge”) of \$4.50. The Fixed Block Charge represents a premium to the rate available under the Subscriber’s standard tariff rate. Subscribers would be responsible for the fixed monthly charge under the Community Solar Tariff even in months in which their actual usage is less than the size of the Solar Block(s) the member purchased. Subscribers also would remain subject to the terms and conditions of the applicable standard tariff, except as modified by the Community Solar Tariff, and would remain subject to the other basic terms, conditions, and membership agreements of the Cooperative.

Subscribers would be able to cancel their subscriptions at any time after giving at least 30 days’ notice. All cancellations would be effective at the end of the billing period and the Fixed Block Charge would not be prorated.

Interested persons are encouraged to review the Application and supporting documents for further details of the Cooperative’s proposals.

The Cooperative’s Application, as well as the Order for Notice and Comment that the Commission entered in this case, are available for public inspection during regular business hours at each of the Cooperative’s business offices in the Commonwealth of Virginia. Copies also may be obtained by submitting a written request to counsel for the Cooperative, Timothy E. Biller, Esquire, Hunton & Williams LLP, 951 East Byrd Street, Richmond, Virginia 23219. If acceptable to the requesting party, the Cooperative may provide the documents by electronic means.

Copies of the Application and the public version of all documents filed in this case also are available for interested persons to review in the Commission’s Document Control Center located on the first floor of the Tyler Building, 1300 East Main Street, Richmond, Virginia 23219, between the hours of 8:15 a.m. and 5 p.m., Monday through Friday, excluding holidays. Interested persons also may download unofficial copies from the Commission’s website: <http://www.scc.virginia.gov/case>.

On or before March 15, 2018, any interested person wishing to comment on the Cooperative’s Application shall file written comments on the Application with Joel H. Peck, Clerk, State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118. Any interested person desiring to file comments electronically may do so on or before March 15, 2018, by following the instructions on the Commission’s website: <http://www.scc.virginia.gov/case>. Compact discs or any other form of electronic storage medium may not be filed with the comments. All such comments shall refer to Case No. PUR-2017-00165.

On or before March 15, 2018, any person or entity wishing to participate as a respondent in this proceeding may do so by filing a notice of participation. If not filed electronically, an original and fifteen (15) copies of the notice of participation shall be submitted to the Clerk of the Commission at the address above. A copy of the notice of participation as a respondent also must be sent to counsel for the Cooperative at the address set forth above. Pursuant to Rule 5 VAC 5-20-80 B, *Participation as a respondent*, of the Commission’s Rules of Practice and Procedure (“Rules of Practice”), any notice of participation shall set forth: (i) a precise statement of the interest of the respondent; (ii) a statement of the specific action sought to the extent then known; and (iii) the factual and legal basis for the action. All filings shall refer to Case No. PUR-2017-00165. For additional information about participation as a respondent, any person or entity should obtain a copy of the Commission’s Order for Notice and Comment.

On or before March 15, 2018, any interested person may file a written request for a hearing. If not filed electronically, an original and fifteen (15) copies of the hearing request shall be submitted to the Clerk of the Commission at the address above, and the interested person simultaneously shall serve a copy of the hearing request on counsel to the Cooperative at the address set forth above. All requests for a hearing shall refer to Case No. PUR-2017-00165.

The Commission’s Rules of Practice may be viewed at <http://www.scc.virginia.gov/case>. A printed copy of the Commission’s Rules of Practice and an official copy of the Commission’s Order for Notice and Comment in this proceeding may be obtained from the Clerk of the Commission at the address above.

- Central Virginia Electric Cooperative (“CVEC”) has applied for approval of a companion rate schedule for a community solar pilot program that would be available, on a voluntary basis, to CVEC members that are receiving electric service under a residential rate schedule.
- CVEC members that enroll in the pilot program would be able to purchase up to five, 50 kilowatt-hour blocks of energy (“Solar Blocks”) from two solar facilities located in CVEC’s service territory.
- Each enrolled member would pay a flat and fixed monthly rate per Solar Block of \$4.50.



## SHORT BURSTS

### Look out for Utility Scams...

Protecting member information is important to CVEC. If you are speaking with a member services representative and a payment is needed on your account, the representative will transfer you to our automated phone payment system so that you can input your information directly into the system. 📞

### VMDAEC Scholarships Available...

Any high school or homeschool senior graduating in 2018 whose parents or guardians are consumer-members of CVEC and whose primary residence is served by the cooperative is eligible for a \$1,000 VMDAEC Education Scholarship.

For more information or to apply, visit the scholarships page at [mycvec.com](http://mycvec.com). The application deadline is February 9! 📞

In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.

Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotape, American Sign Language, etc.) should contact the responsible Agency or USDA’s TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.

To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at [http://www.ascr.usda.gov/complaint\\_filing\\_cust.html](http://www.ascr.usda.gov/complaint_filing_cust.html) and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by:

1. **Mail:**  
U.S. Department of Agriculture  
Office of the Assistant Secretary for Civil Rights  
1400 Independence Avenue,  
SW Washington, D.C. 20250-9410
2. **Fax:**  
(202) 690-7442
3. **Email:**  
[program.intake@usda.gov](mailto:program.intake@usda.gov)

This institution is an equal opportunity provider.

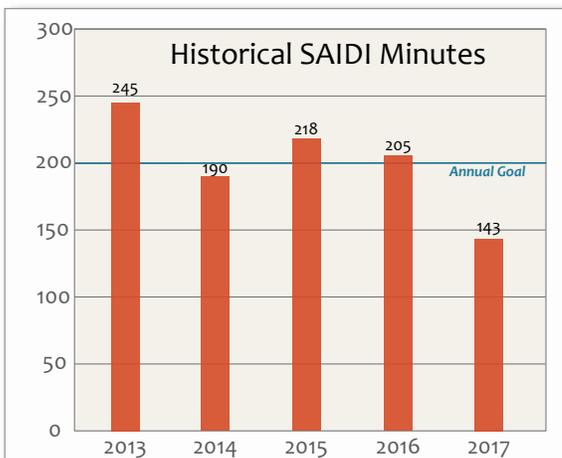


**CVEC will never ask you to purchase a prepaid card or ask you to provide payment information to a representative over the phone!**



## RELIABILITY: A RECORD YEAR

Keeping the lights on is one of CVEC's top priorities and 2017 was a record year. Three years ago, CVEC set a goal to reduce its outage time to under 200 minutes per member per year. To reach that goal, CVEC significantly increased its investment in vegetation management. As you will see from the charts to the right, the number of danger trees removed and the miles of right-of-way (ROW) that have been trimmed are increasing each year and our members are seeing the difference. Clearing the right-of-ways helps CVEC protect the electrical lines, and removing danger trees helps eliminate problems before they arise. 📍



While we patrol the lines regularly, we rely on our members to report danger trees as soon as they are spotted. To report a danger tree, call **800-367-2832** or email [forester@mycvec.com](mailto:forester@mycvec.com).

