



Despite Wholesale Power Costs Increasing, Electricity Remains a Good Value

Tim Stewart,
CEO / General Manager

The year 2010 certainly was a challenging one. We saw the economy and energy policy debates, as significant issues that dominated discussion most of last year. From a more local perspective, we experienced rising generation and transmission (G&T) cost increases, increased environmental controls, and increased regulation at the G&T level. At Clark Electric Cooperative, providing reliable, safe, and competitively priced energy remains our top priority. At the same time, we must plan and implement goals for renewable energy and energy efficiency as well as new environmental requirements, while continuing to face the challenges of rising fuel and transportation costs. As Dairyland Power Cooperative comprises an estimated 71 percent of our overall cost, any upward pressure has a dramatic effect on your energy bill.

Rising Costs in the Dairyland System of Cooperatives

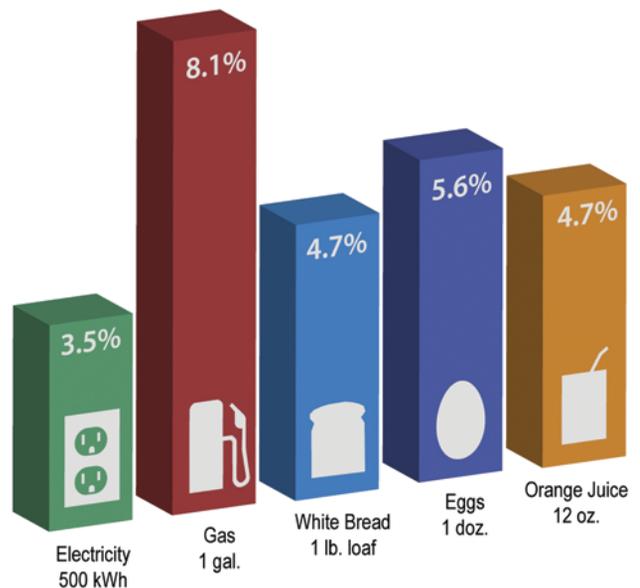
As we welcome in 2011, Dairyland Power Cooperative continues to face economic and operational cost pressures, although not all inclusive, the following are some of the major drivers affecting our wholesale power cost:

- Midwest ISO costs.** Dairyland became a member of the Midwest Independent System Operator (Midwest ISO) on June 1, 2010. The Midwest ISO energy market dispatches the generation resources of members in a manner designed to provide the most cost-effective energy available. Nonetheless, in 2011, Dairyland will encounter a full year of associated Midwest ISO membership costs.
- Significant added costs from environmental equipment additions and regulatory compliance requirements.** Dairyland is investing approximately \$400 million for emission control work at its coal-fired plants in Alma and Genoa. DPC is approximately 50 percent completed with this project.
- Stoneman Station biomass energy purchase.** In fall 2010, Dairyland began purchasing the renewable energy output from DTE Energy's new biomass Stoneman Station facility in Cassville. Renewable energy from the Stoneman Station can power 28,000 homes in the Dairyland system; however, the higher costs associated with renewable energy have an economic impact on the cooperative.
- Rail cost increases.** Dairyland benefited from a favorable rail contract for coal transportation to the Weston 4 power plant that expired at the end of 2010. The new contract, beginning in 2011, will result in higher coal transportation costs for this facility. Although not unexpected, this represents a significant cost

Electricity Remains a Good Value

Electricity continues to be a bargain, especially when compared to other consumer goods. As demand for energy rises and fuel prices increase, your electric cooperative is committed to providing safe electricity at the lowest possible cost.

Average annual price increase over the past decade:



Sources: U.S. Bureau of Labor Statistics; NRECA

increase from 2010. (WPS Corp. is the majority owner and operator of the Weston 4 plant; Dairyland has 30 percent ownership.)

Renewable Energy and Environmental Control Investments

In terms of the environmental control equipment expenditures, it is anticipated that these will be long-term investments which will likely only increase as new regulations come into place. All utilities are planning for increased renewable energy resources and increased spending on environmental control equipment far into the future. This is a business reality for all utilities, as legislators and the public embrace renewable energy resources and the growing concern for global warming potentially encourages new regulations, which add cost.

Dairyland is aggressively expanding its renewable facilities and increasing its support of energy conservation. While renewables are positive additions relating to the environment, these projects often cost more than traditional energy resources, causing immediate upward rate pressure. Dairyland also needs to add transmission and other facilities to deliver the energy.

What's Powering Your Home?

Dairyland has a diverse generation mix, which in addition to coal includes renewable energy resources such as hydro, wind, biomass, landfill gas, manure digesters, and solar. Detailed information on each of these renewable resources can be found on Dairyland's website, www.dairynet.com.

In addition to its expanding renewable energy resources, Dairyland owns and operates coal-fired power plants along the Mississippi River in Alma and Genoa to meet its members' energy requirements. Dairyland also has 30 percent ownership of the 531 MW Weston 4 coal-fired power plant (Wausau) in partnership with Wisconsin Public Service Corp. DPC coal is historically abundant, affordable, and can be used to generate electricity on a large scale for the all-important baseload power supply. Modern environmental equipment investments make coal-fired power plants increasingly clean, with new technologies on the horizon.

Dairyland's Elk Mound combustion turbine facility is powered by natural gas. The plant, which can be brought online quickly, is crucial to maintaining a reliable and affordable energy supply for Dairyland's members, especially during peak operating times (typically the hottest days of summer and coldest days of winter). ■

Adler-Clark Electric Community Commitment Foundation

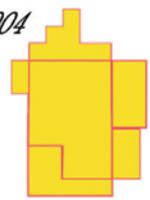
The Adler-Clark Electric Community Commitment Foundation recently awarded \$23,250 to 18 different community-based projects and charities located throughout the Clark Electric Cooperative service area.

Tim Stewart, chief executive officer of Clark Electric Cooperative and one of the trustees of the Adler-Clark Electric Community Commitment Foundation, indicated that "The purpose of the ACE-Community Commitment Foundation is to support programs and events which enrich the lives of people of Clark County and the surrounding area communities. Our mission is to invest in the future of the Clark County area by helping create opportunity for philanthropy and community enrichment. We are pleased to be a part of these community enrichment programs."

The ACE-Community Commitment Foundation was established in 2004 by Clark Electric Appliance



Founded 2004



Community Commitment Foundation

and Satellite Inc. to strengthen local communities by aiding not-for-profit and community organizations in funding projects that will enhance the quality of life of local residents. To date, the foundation has awarded \$162,750 for community enrichment projects.

Clark Electric Cooperative is a not-for-profit electric utility that serves 7,900 members in Clark, Chippewa, Jackson, Marathon, Taylor, and Wood counties. ■

Resolve to Lose Some Kilowatts

This year, instead of or in addition to resolving to lose weight or commit to an exercise program, resolve to lose some kilowatts and shape up your energy efficiency level. You will be taking steps to not only conserve energy, but to save money on your energy bill. As you know, conserving energy is good for you and the environment, and it will help keep your cooperative's demand for electricity as low as possible. Here are some things you can do to "lose some kilowatts":



- Reduce your water heater temperature from 140 degrees to 120 degrees.
- Add caulk at the windows and other places where heat escapes from your house. By most estimates, a dollar spent on caulking can save more than \$5 on heating costs the first year.
- Use weatherstripping where it can stop heat loss. Every dollar spent on weatherstripping can save twice that much off a heating bill in one year.
- Check the wiring on your heating system and have a qualified contractor repair inadequate or faulty wiring.
- Clean or replace furnace filters and dust baseboard heaters. Dust can leech away heat that should be spreading around a room.
- Lower the thermostat to 55 degrees when you're not home for four or more hours and lower your thermostat by 5 degrees when you are there. For every degree you lower your heat in the 60-70 degree range, you'll save up to an additional 3 to 5 percent.
- Use the sun's energy! Open drapes on the south-facing windows during the winter months to gain the sun's natural heating.
- Fix your leaky faucets.
- Install water-flow restrictors on shower heads.
- If possible, run the washer and dryer and dishwasher after after 8 p.m. Power plants are built to supply all the electricity necessary at peak-use hours. Avoiding peak hours helps keep power costs down not just for you, but for all members.
- Use CFL bulbs, which are 75 percent more energy efficient than incandescent bulbs.
- Replace appliances with Energy Star® models. Get rid of that old refrigerator in the garage. Set your refrigerator to 37-40 degrees and 0-5 degrees for freezers. Take advantage of our Energy Sense program for additional rebate savings.
- Use the air-dry cycle on your dishwasher.
- Wash full loads of clothes in warm or cold water, and rinse all in cold water. Dry as many loads as possible consecutively to take advantage of the heat generated in the dryer.
- Don't use the microwave oven to defrost food; it's a waste of energy.
- Turn your oven off a few minutes before food is to be removed. A well-insulated oven will continue to cook food at nearly the same temperature for several minutes after being turned off. Also, don't peek at your food while it's baking; every time you open the oven door, you release 25 percent of the heat. ■

CLARK ELECTRIC COOPERATIVE-FEDERATED YOUTH FOUNDATION SCHOLARSHIPS ARE DUE SOON



Scholarships Available for Graduating Seniors
Applications must be at the cooperative office by March 4, 2011.

Applications are available at your school guidance office or online at www.cecoop.com.

These scholarships are financed through the Federated Youth Foundation Scholarship Program, which is funded from unclaimed capital credits. Federated Youth Foundation (FYF) is a non-profit charitable foundation serving cooperatives across Wisconsin.

If the Lights Go Out... So Do We!

The snow, ice, and blustery winds of this season make winter one of the most treacherous and busy times of year for your electric cooperative. The harsh winter weather can tax even the best maintained system, downing poles and lines. Getting the lights back on quickly—and safely—is our number one goal. If your lights go out, check your fuses and breakers first. If no solution is found there, call Clark Electric Cooperative to let us know.

Our crews will be out to find and repair the problem. Don't forget to stay well clear if the problem is a downed line. Even though the line may appear dead, it may in fact not be. Downed electric lines are extremely dangerous. Never touch or try to move a downed power line. If you should come across one, stay away, keep others away, and call Clark Electric Cooperative to let us know. ■



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MARK YOUR CALENDARS



Clark Electric Cooperative's 74th Annual Meeting will be held on Wednesday, April 13, 2011, at the Loyal American Legion.

Watch for more information as the date gets closer.



Energy Efficiency

Tip of the Month

Ninety percent of the energy it takes to wash clothes is used to heat water. If you wash in cold water, you could save \$40 per year if you have an electric water heater and \$30 annually if you have one powered by natural gas.

Source: U.S. Department of Energy