Clinton County Connection

Your Touchstone Energy® Cooperative

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Understanding coincidental peak demand:

How CCEC's power costs are created – and how each member contributes

Bob Kroeger
President/COO

Each month, when CCEC buys power from SIPC to distribute to its members, we don't just pay for how much electricity is used over the course of a month. A significant portion of the cost is driven by **when** that power is used, specifically, how much power is needed at the same time across the entire system.

This concept is known as **coincidental peak demand**, and it plays a major role in how CCEC is billed by SIPC.

What is coincidental peak demand?

Every electric system has moments when usage is at its highest — early morning, late afternoon or during hot summer afternoons or cold winter mornings when heating or cooling systems are running at full capacity. The **coincidental peak** is the single point in time when total system demand is highest across all members served by the CCEC and SIPC.

At that moment:

- Power plants must be available and running.
- Transmission lines must be sized to carry the load.
- Substations, transformers and distribution equipment must handle the demand.

Even if that peak only lasts for a short time, the system must be built to meet it reliably. That is why coincidental peak demand drives a large share of costs to provide electricity.

How SIPC bills CCEC

Last month, I explained the difference between energy and demand. Most wholesale providers, like SIPC, bill distribution cooperatives using these two primary components:

1. **Energy (kilowatt-hours, or kWh):** The total amount of electricity used over the month.
2. **Demand (kilowatts, or kW):** The distribution cooperative's share of the wholesale provider's coincidental peak demand.

In the case of SIPC, CCEC's demand charge is based on two things:

- CCEC's total load at the exact moment the SIPC system peaks, and
- CCEC's total load at the exact moment the CCEC system peaks.

This means a cooperative may pay a substantial demand charge even if that peak only occurs once or twice a month.

Identifying each member's contribution to the peak

Thanks to modern metering technology, CCEC can now identify how much electricity each individual member was using at the exact moment the system reached its peak demand.

With advanced metering infrastructure (AMI), member's usage is recorded in 15-minute intervals. That means when the system's highest-demand hour occurs, whether it's a hot July afternoon or a freezing January morning, we can see each member's contribution during that specific time period.

This level of detail allows the cooperative to:

- Accurately measure each member's contribution to peak demand.
- Align our retail rates with how SIPC's power costs are actually created.
- Improve fairness by reducing cost shifting between members.

Continued on 18B ▶

Peak demand continued from 18A

- Provide clear price signals that encourage more efficient system use.

In short, AMI gives us the ability to assign costs based on actual usage at the moment those costs are created, not estimates, averages or assumptions.

Put another way, the cooperative can now see how much electric each member was using when the system was under the greatest strain and design rates that reflect that reality.

Why this matters for fairness

Under traditional 2-part rate structures, costs are recovered based solely on total monthly usage. That approach worked when power costs were primarily energy driven.

Today, however, wholesale power costs, including SIPC's, are being driven by:

- Capacity requirements — the amount of electricity SIPC's system must be able to provide at any given moment.
- Peak demand — the highest amount of electricity being used at one time.
- Generation and transmission facilities needed to meet short periods of very high usage.

When demand costs are recovered only through energy charges:

- Members who contribute heavily to peak demand may pay less than the costs they create.
- Members with steady, efficient usage may pay more than their fair share.

This results in cost shifting between members, something CCEC works hard to avoid.

Paying your share of the system

A cost-based rate structure aligns costs with how they are actually created.

Under this approach:

- Members pay for energy based on how much electricity they use over time.
- Members also pay for demand based on how much they contribute to system peak.

This does not mean members are being penalized. It means costs are being allocated fairly and transparently.

Members who place higher demand on the system during peak periods:

- Drive higher wholesale power costs.
- Require larger generation, transmission and distribution infrastructure.
- Should pay a proportionate share of those costs.

Members who use electricity more evenly throughout the day:

- Place less strain on the system.
- Help keep costs lower for everyone.
- Are no longer asked to subsidize peak-driven costs created by others.

Why this approach supports long-term reliability

When rates reflect real costs:

- Members receive clearer signals about how their usage affects the system.
- CCEC and SIPC can manage peak demand more effectively.
- Investments in infrastructure are more targeted and efficient.
- Overall system costs are better controlled over time.

Under CCEC's current 2-part rate structure, coincidental peak demand does not appear as a separate line item on a member's monthly bill. But even though it isn't visible, it plays a very real role in how both CCEC and SIPC plan, build and pay for the electric system.

SIPC's generation and transmission lines must be properly sized. CCEC's substations, lines and transformers must be built to handle the system's highest demand, even if that demand lasts only a short time. Those costs exist regardless of whether they are shown separately on a bill or embedded within an energy charge.

The transition to a cost-based rate structure simply brings those costs into clearer view. It reflects each member's contribution to the coincidental peak, aligns retail rates with how wholesale power costs are created, and helps ensure that each member pays their fair share of the demand-related costs they cause.

In doing so, CCEC continues its commitment to fairness, transparency and making the most of available resources.

Looking ahead

Understanding how CCEC is billed by SIPC and how CCEC's costs are created is an important step in understanding why CCEC is transitioning to a cost-based rate structure.

In upcoming articles, I will continue to share examples, practical tips and additional details about how the new rate structure works.

As always, CCEC remains committed to open communication, transparency and fair and reasonable rates that serve the long-term interests of the membership.

In next month's ICL article, I'll discuss what impacts member demands during the summer months and some of the myths about demand rates.

If you have questions in the meantime, please contact our office at 800-526-7282.

Minutes from CCEC's 86th Annual Meeting of Members

The 86th Annual Meeting of Members of the Clinton County Electric Cooperative, Inc. was held at the Central Community High School, 7740 Old U.S. Highway 50, Breese, Ill., on Thursday, Aug. 21, 2025.

The meeting was called to order by Rob Gerstenecker, Chairman of the Clinton County Electric Cooperative (CCEC) board, at 7:30 p.m.

Secretary/Treasurer Kevin Wiegmann acted as secretary and kept the minutes thereof.

Chairman Gerstenecker reported there was a quorum present.

The invocation was given by Vernon Mohesky.

All present were then asked to stand for the national anthem.

Robert's Rules of Order governed the meeting.

Chairman Gerstenecker then recognized the CCEC Board of Trustees, Advisory Board, Association of Illinois Electric Cooperatives (AIEC) employees, veterans, along with special guests Southern Illinois Power Cooperative President/CEO Paul Furtak and Vice President of Administration and Finance/CFO Corina Horn.

Secretary/Treasurer Wiegmann read the official notice of the meeting and informed the members that proof of mailing of the meeting notices and number of members is evidenced by the receipt of mailing from the U.S. Postal Service.

Upon motion by Vernon Mohesky, seconded and a vote taken thereon, the minutes from the 2024 Annual Meeting were approved.

General Counsel Jeff Mollet gave the report of the Elections and Credentials Committee and conducted the 2025 election. Three trustee positions were up for election this year. In District 2, Justin Detmer of Carlyle and in District 3, Steve Kalmer of New Baden were elected by acclamation. Upon motion by Kristie Buller, seconded and a vote taken thereon, Trustee Kalmer was reelected, and Justin Detmer was elected by acclamation to a 3-year term set to expire in 2028.

In District 1, a contested election was held between Brad Knolhoff of Carlyle and incumbent Cary Dickinson of Hoffman. Each candidate was given three minutes to address the membership. The speaking order was determined by lot by the secretary of the Elections and Credentials Committee, with Knolhoff speaking first, followed by Dickinson.

Each member received a ballot listing the candidates seeking to represent District 1. After the speeches concluded, members were instructed to mark their ballots and place them in ballot boxes located at the back of the gym.

Chairman Gerstenecker returned to the microphone to present The Kevin Kampwerth Memorial Scholarship. The inaugural Kevin Kampwerth Memorial Scholarship, honoring longtime board member and cooperative leader Kevin Kampwerth who passed away last fall, was awarded to Bradley Huelsmann. He will attend Kaskaskia College. "Kevin's passion for cooperative values, education and community service was evident in everything he did. He was a strong believer in the importance of supporting the next generation," Gerstenecker said. "It is in his memory that we are proud to present the scholarship to a deserving young individual who shares that same commitment to growth, purpose and service."

Chairman Gerstenecker then touched on the seven cooperative principles that we are founded on. He focused on the fifth principle, Education/Training and Information and how your board puts it into action. He recognized that the board attended and participated in seven different NRECA classes for directors. An average of four attended each class. The class has about six hours of classroom time for a total of 168 hours of continuing education. Titles of a few classes include Board's Role in Safety, Understanding the Electric Business, Board's Role in Risk Management and The Road to Resilience — the Board's Responsibility. In addition, last year five directors attended the NRECA annual meeting in San Antonio, Texas. Directors also attended and interacted with our members at our area meetings around the county, participated in the SIPC Annual Meeting, represented in Springfield at AIEC's Lobby Day and Annual Meeting, NRECA's legislative conference in Washington D.C., ACES/CFC Forum in Indianapolis, Ind., and CFC Financial Conference in Tucson, Ariz.

The chairman's report ended with Gerstenecker talking about all the opportunities that teach the directors how to make the most educated decision for you, our members. He also recognized the amazing staff at CCEC, saying he does not ever want to take for granted the hard work and dedication put forth by all employees while they represent CCEC at the highest level.

Secretary/Treasurer Wiegmann gave the treasurer's report. He reported that CCEC remains financially strong, with $19 million in revenues and nearly $18 million in expenses in 2024. The cooperative generated $1 million in margins, with approximately $488,000 from operations and $507,000 from SIPC and associated organizations.

Over its history, the cooperative has returned more than $11.2 million in capital credits to members, including $450,000 in March 2025. Total assets now stand at nearly $39 million, with equity of $17.7 million, meeting the co-op's target equity ratio of 40 to 50 percent.

Next, CCEC President/COO Bob Kroeger gave the president's report. He addressed challenges facing the cooperative and the broader energy industry, including inflation, rising demand for electricity, and state and federal legislation that could affect reliability and affordability.

"Unlike investor-owned utilities, CCEC is owned by the people we serve," Kroeger said. "Every decision we make is with our members in mind. You're more than just a customer. You're a member and an owner."

Continued on 18D ▶

Minutes continued from 18C

Kroeger ended his report highlighting the cooperative's safety record, noting employees have worked more than 625,000 hours without a lost-time accident since April 2009. He also emphasized CCEC's investments in local infrastructure, ongoing legislative advocacy and the development of demand response programs to help members manage energy use and lower bills.

Chairman Gerstenecker returned to the microphone to accept a motion from Ron Becker. The motion was seconded, and following a vote, all reports presented by the officers and the president were approved.

General Counsel Jeff Mollet returned to the microphone to announce the election results. Following the member vote, Brad Knolhoff was elected to represent District 1, defeating incumbent Cary Dickinson.

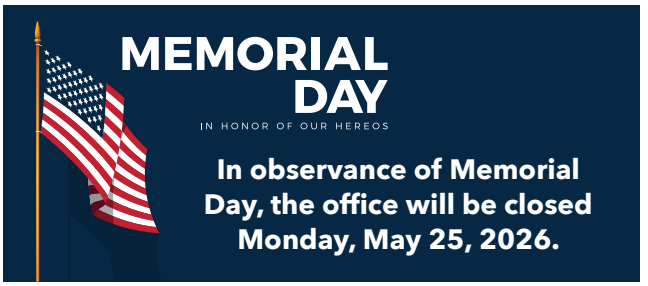
The final portion of the meeting was dedicated to recognizing employees and trustees for their years of service, as well as celebrating a couple of retirements. Honorees included Member Service Representative Katy Singler (10 years), Field Services Technician Mike Korte (10 years), and Lineman Leadman Doug Vonder Haar (35 years). The cooperative also recognized the retirement of Billing Coordinator Brenda Knolhoff after 15 years of service and welcomed new employee Member Service Representative Jenna Rickhoff.

Trustees were also acknowledged, including Chairman Rob Gerstenecker (10 years) and Trustee Steve Kalmer (15 years), along with the recognition of retired Trustee Joe Voss for his 41 years of service.

There being no further business to come before the 86th Annual Meeting of Members of the Clinton County Electric Cooperative, Inc., upon motion by Ken Walthes, seconded and a vote taken thereon, the meeting was adjourned by Chairman Gerstenecker at 8:39 p.m.

After adjournment, four cash prizes were awarded. The winners were Leroy Hoh, $100; Jeffrey Range, $50; Mark Wiese, $50; and Ray Schneider, $50.

Clinton County Electric Cooperative, Inc. will host the 2026 Annual Meeting of the membership on Thursday, Aug. 20, 2026.



Celebrating the retirement of Lead Lineman Doug Vonder Haar

After nearly 36 years of dedicated service, Lead Lineman Doug Vonder Haar is retiring from Clinton County Electric Cooperative (CCEC). Doug has been an integral part of CCEC, contributing his expertise, commitment and leadership to our team for decades. His presence, knowledge and camaraderie will be deeply missed by all of us.

Doug's retirement marks the start of an exciting new chapter. Whether it's spending time on the farm, exploring new travel destinations, enjoying moments with his grandchildren, or simply relaxing without the interruptions of late-night outage calls, we know he will embrace this well-earned break.

From everyone at CCEC, we wish Doug nothing but the best in retirement. Thank you for your years of hard work, dedication and friendship — you have truly made a lasting impact.