Clinton County Connection

Your Touchstone Energy® Cooperative

Published by Clinton County Electric Cooperative, Inc. • cceci@cceci.com • www.cceci.com

Cost-based rates: Strengthening grid reliability while keeping costs under control

Bob Kroeger
President/COO

As this article appears in the September issue of Illinois Country Living, we are a little over halfway through our member education campaign explaining Clinton County Electric Cooperative's transition to a cost-based rate structure that will take effect in January 2027. Throughout 2026, we have been providing information to help members understand why this change is being made, how it may affect their monthly electric bill, and why a cost-based rate structure more accurately reflects the actual cost of providing electric service.

Our goal has been to ensure that every member understands not only how the new rate structure works, but also why this transition is important to the long-term success of our cooperative. Cost-based rates will create a fairer method of recovering the cooperative's costs, encourage more efficient use of the electric system, strengthen grid reliability, and help position Clinton County Electric Cooperative (CCEC) to continue providing safe, reliable and affordable electric service for years to come.

It is important to remember that **this transition is not a rate increase.** The cooperative will collect the same overall revenue needed to operate and maintain the electric system. What is changing is how those costs are allocated among members so that each member's bill more accurately reflects the costs created by how they use the electric system.

Because this transition is revenue-neutral overall, some members will see their monthly electric bills increase, while others will see them decrease. The difference is not the result of the cooperative collecting more money, but of allocating the existing costs more fairly based on each member's contribution to the cost of providing reliable electric service.

While fairness is one of the primary reasons for adopting cost-based rates, another equally important benefit is improving the reliability and efficiency of the electric grid.

Why peak demand matters

Reliable electric service depends on more than producing enough electricity. The entire electric system, including power plants, transmission lines, substations, transformers and local distribution facilities, must be built to serve the highest levels of electricity demand, even if those conditions occur for only a few hours each month.

Historically, most electric bills have focused primarily on the amount of energy a member uses over the course of the month. However, a significant portion of our costs, including the wholesale power costs Clinton County Electric Cooperative (CCEC) pays to Southern Illinois Power Cooperative (SIPC), are actually driven by peak demand, or the times when many members use large amounts of electricity simultaneously.

For example, on a hot summer afternoon, hundreds of air conditioners, water heaters, clothes dryers, ovens, pool pumps and electric vehicle chargers may all be operating at the same time. Although that period may last only an hour or two, it determines how much generation and electrical infrastructure must be available to serve our members reliably. That means the electric system is designed to meet the highest demand, not the average demand.

Continued on 18B ▶

"Cost-based rates" continued from 18A

Cost-based rates provide an important price signal

One of the greatest advantages of a cost-based rate structure is that it provides members with an accurate price signal. When rates reflect the actual costs of serving peak demand, members have an incentive to shift electric use away from the hours when the electric system is under the greatest strain.

Simple actions such as delaying electric vehicle charging until later in the evening, waiting to run the clothes dryer or dishwasher, or avoiding the simultaneous use of several large appliances can reduce a member's contribution to system peak demand without reducing overall energy consumption or sacrificing comfort.

Better use of existing infrastructure

When many members make small adjustments, the benefit extends beyond individual electric bills. Lower peak demand allows CCEC and SIPC to make more efficient use of existing generation, transmission and distribution facilities.

Instead of constructing additional power plants, transmission lines, substations, transformers and distribution circuits that may only be needed for a relatively small number of peak-demand hours each year, existing infrastructure can serve more members and deliver more electricity with greater efficiency.

This improved utilization of the electric system helps postpone or even eliminate the need for costly capital investments. Deferring major infrastructure projects reduces borrowing requirements, lowers financing costs, and helps control the long-term cost of providing electric service. Because those capital costs ultimately must be recovered through member rates, avoiding unnecessary system expansion helps CCEC continue providing safe, reliable and affordable electric service while maintaining lower rates for the entire membership.

Reliability benefits everyone

If many members slightly reduce or shift their electric usage during peak periods, the cooperative's overall demand can decline substantially. Lower peak demand reduces stress on transformers, substations, distribution lines and generation resources while improving voltage stability across the system. It also allows existing equipment to operate more efficiently and helps extend the useful life of valuable infrastructure.

Reducing peak demand also benefits CCEC at the wholesale level. Because a significant portion of the costs we pay to SIPC is based on coincident peak demand, lowering our contribution during those system peaks helps control wholesale power costs that ultimately affect all members.

A cooperative solution

This illustrates one of the unique strengths of the cooperative business model. Because CCEC is owned by the members it serves, every member benefits when the electric system operates more efficiently. Lower system peaks improve reliability, help manage long-term costs, and reduce the need for future infrastructure investments that would otherwise be recovered through member rates.

In many ways, cost-based rates encourage members to become active partners in managing the electric system. By responding to the price signals created through cost-based rates, members help improve the efficiency of the grid, strengthen reliability during periods of highest demand, and reduce the long-term investments required to serve future growth.

Looking ahead

Ultimately, cost-based rates are about much more than changing a billing format. They represent a modern approach to collecting the revenue needed to operate the cooperative in a fair and equitable manner while encouraging more efficient use of the electric system.

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.

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

In next month's article, we'll introduce the new electric bill format and provide a detailed explanation of each billing component. We'll explain what each line item represents, why it is included, and how each component reflects the actual cost of providing safe and reliable electric service to our members.

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

SAVE THE DATE

SAVE THE DATE

Attend one of our upcoming Area Meetings – either 7 p.m. **Monday, Nov. 16, 2026**, at the Carlyle VFW; 1 p.m. **Tuesday, Nov. 17, 2026**, at the Breese KC Hall; or 7 p.m. **Tuesday, Nov. 17, 2026**, at the Albers American Legion. All attendees will receive a $20 bill credit and attendance gift. Come out to hear updates on our 2027 rate structure.

Attention Educators and Administrators!

Have an educational project you'd like funded?

$4,000 available through Touchstone Energy Classroom Empowerment Grants

Enter Touchstone Energy's Classroom Empowerment Grant Competition and your submission could win a $500 grant for classroom and education enhancement projects!

Touchstone Energy Classroom Empowerment Grants totaling $4,000 are being funded by Clinton County Electric Cooperative (CCEC) for the 2026-2027 school year. For more information about the grant program, or to get an application, please contact your school superintendant or Katy Singler at singler@cceci.com.

Grant applications will need to include the following information:

1. A description of the project and what it will accomplish
2. The estimated cost of the project
3. An explanation of why outside funds are necessary to complete the project
4. Whether other funding options have been pursued, and if so, how
5. When project will be completed
6. The number of people affected by the project
7. If the project's goals are measurable, and how
8. How the project ties in Touchstone Energy's four core values of Integrity, Accountability, Innovation, and Commitment to Community

Photos and supporting data are optional. Grant applications must be received at CCEC by Nov. 6, 2026. Entries will be evaluated by an impartial panel of judges. Awards will be announced on Dec. 7, 2026.

Touchstone Energy®
The power of human connections

Last year's winners:

$500 – Germantown Elementary School
Submitting educator: Teacher Rose Wilken
$1,000 – New Baden Elementary School
Submitting educators: Teachers Brianne Kuhn and Tammy Kreke
$500 – Trenton Elementary School
Submitting educator: Teacher Kimberly Spanhook
$500 – Breese District 12
Submitting educator: Teacher Lacey Schrand
$500 – Damiansville Elementary School
Submitting educator: Teacher Ashley Fuehne
$1,000 – Wesclin High School
Submitting educators: Teachers Brad Burcham and Jessica Pilgreen

HAPPY LABOR DAY

OUR OFFICE WILL BE CLOSED MONDAY, SEPT. 7 IN HONOR OF LABOR DAY.

Although the office will be closed, obtain your account information and pay your bill 24 hours a day, 7 days a week by visiting our website at www.cceci.com or by calling 800-526-7282.

Energy Detective Challenge

School is back in session, and it's time to put your observation skills to work! Complete the challenges below and earn points by finding ways your family can save energy.

Goal: Score 20 points to become an Energy Detective! After you've earned 20 points, cut out the badge below and display it for all to see!

SCAVENGER HUNT — COMPLETED

- A light is left on in an empty room **(2 points)** ☐
- A smart or programmable thermostat **(4 points)** ☐
- A ceiling fan spinning in a room where no one is spending time **(2 points)** ☐
- A charger plugged in with nothing connected to it **(2 points)** ☐
- An ENERGY STAR® label on an appliance **(3 points)** ☐
- A window or door left open or cracked when the heating/cooling system is on **(3 points)** ☐

MISSIONS — COMPLETED

- Turn off the lights when you leave a room **(3 points)** ☐
- Open blinds or curtains during the day instead of turning on a light **(3 points)** ☐
- Unplug a charger that isn't being used **(3 points)** ☐
- Remind family members to close the refrigerator door quickly **(3 points)** ☐
- Help your family create a "lights out" check before bedtime **(4 points)** ☐