



INDUSTRY NEWS

UNDERSTANDING WHOLESALE POWER ADJUSTMENT



Firelands Electric Cooperative is a not-for-profit electric provider that is committed to delivering reliable, cost-effective power to our members. Our electricity comes from Buckeye Power, which is owned by Firelands Electric and the other 24 cooperatives serving more than 1 million Ohioans. Firelands purchases electricity at wholesale cost from Buckeye Power every month to meet the energy needs of our members.

What is the WPA?

You may have noticed the Wholesale Power Adjustment (WPA) listed on your monthly bill. The WPA provides a monthly adjustment that reflects any difference between the base cost of wholesale power and what the market rate was during the month being billed. If the kilowatt-hour (kWh) cost to Firelands Electric is higher than the base cost of power, the WPA is applied to your bill as a charge. For example, if the difference between base cost and market rate is \$0.007 per kWh, a home that uses 1,200 kWh during the month will be billed \$8.40. If the difference between the WPA and current rate is smaller, then the member pays a smaller amount.

is much higher. Changes in the cost of materials and equipment, and upgrades to meet environmental regulations also influence the WPA.

What does the co-op do to combat these costs?

Firelands Electric is doing everything possible to keep costs down — but, unfortunately, we can only do so much to control the rising costs of fuel and other materials. However, you can rest assured that Firelands Electric does have measures in place to help limit these increases.

For starters, Buckeye Power uses a mix of fuel sources to produce power for Ohio's cooperative members. Electricity is generated by coal, natural gas, solar, hydro, and methane. This diverse group of resources allows Ohio to help reduce the dramatic fluctuations in generation costs that can occur if limited to a single fuel source.

The cooperative also participates in Ohio's load management program. The 4,182 Firelands members who voluntarily take part in this program reduce the demand for electricity during extreme weather conditions, thus helping to prevent cost increases.

Firelands Electric also offers a variety of programs and services to help members lower their electric use and save on their energy bills, including rebates for purchasing energy-efficient appliances, water heaters, and HVAC systems, as well as upgrading their home's insulation. In addition, the cooperative's energy advisors are available for free consultations to help members find ways to reduce their electricity usage.

Using a WPA covers monthly power cost fluctuations without having to continually restructure electricity rates.

What affects the WPA?

The WPA fluctuates for a variety of reasons. Increased costs for fuels like coal and natural gas play a large part in the price of wholesale power. Electricity is also more expensive to generate during extreme weather conditions, when the demand for electricity



For more information about conserving energy and reducing costs, visit www.firelandsec.com/energy-efficiency.