

Watt's New

January 2025



Vernon Electric Cooperative

"Information for our member-owners."

Monthly Co-op Trivia

December Trivia:

At this time of year, we often use extension cords for things such as plugging in holiday lighting, engine block heaters, or animal waterers. What should you NOT do when using extension cords:

- Use extension cords that are frayed
- Plug in devices that exceed the wattage rating of the extension cord
- Lay extension cords in areas where there is often foot traffic
- Use the extension cord as a permanent connection
- All the above

Answer: All the above

January Trivia:

Do you know what the device is located near your home that transforms the 7,200-volt electricity from the distribution power line to 240 volts so your home appliances can safely run?

(See next month's newsletter for answer.)

New Tax on Public Electric Vehicle Charging

Electric vehicle (EV) drivers in Wisconsin may be paying a little more at public charging stations from January 1, 2025. The state legislature passed a law that implements a new 3-cent per-kilowatt-hour tax that will go to the state's transportation fund. The revenue will help make up for money that would have come from the gas tax and will help pay for road improvements and other expenses. The state was required to include the tax in legislation in order to secure federal funds for charging station infrastructure.

Under the new law, charging stations built on or after March 22, 2024, as well as all current and future Level 3 chargers in the state, must charge for power by the kilowatt-hour and collect the excise tax. Residential chargers are exempt.

The Wisconsin Department of Motor Vehicles estimates the excise tax will generate about \$3.35 million in revenue in 2025 and about \$3.85 million in revenue in 2026.

Wisconsin registration fees for electric vehicles are now \$175, compared to \$85 for gas-powered vehicles.

Vernon Electric Cooperative provides public charging to two locations in its service territory. One location is at the Sleepy Hollow Ford dealership along Highway 14/61 on the north side of Viroqua, which has two Level 3 chargers. The other location is the Kickapoo Creekside Restaurant in Readstown, which has one Level 3 charger and one Level 2 charger. The current energy charge at both locations is \$0.25 per kilowatt-hour (kWh). This is equivalent to gasoline at \$2.00 per gallon (assumptions: EV gets 3.5 miles per kWh; gas vehicle gets 25 miles per gallon). The Level 2 charger at the Kickapoo Creekside Restaurant was installed before March 22, 2024, so it is exempt from the tax.



2024 Food Pantry Donations



Energy Rates Remain Stable, Small Increase in Facility Charge

Inflation continues to affect every sector, and the energy industry is no exception. Over the years, materials and operational expenses have steadily risen. Even though Vernon Electric remains in the top quartile amongst electric cooperatives across the nation on having low controllable expenses, a slight increase is needed in 2025 to help our not-for-profit cooperative maintain a strong financial position and continue to provide the reliable service our members have come to expect. Members will see an increase in the monthly Facility Charge.

The Residential Facility Charge will increase \$1. The Three-Phase Facility Charge will increase \$2 and the Peak Alert Facility Charge \$5.

Residential and Small Commercial

Single Phase Service

Facility Charge - \$45.50 / month

Readstown and Four-Plex Units

Facility Charge - \$41.74 / month

Three-Phase Rate

Facility Charge - \$84.50 / month

Peak Alert Rate – Over 50 kW Demand

Facility Charge Three-Phase \$125.00 / month

Facility Charge Primary Metered \$125.00 / month

Facility Charge Single-Phase \$95.00 / month

The infrastructure that delivers power to our homes and businesses demands constant maintenance and occasional upgrades to meet evolving technological standards and safety regulations. The expense of obtaining and maintaining this sophisticated equipment has seen a notable increase, prompting us to reassess our fee structure to accommodate these essential expenses.

It's crucial to recognize the pivotal role facility upgrades and maintenance play in sustaining the reliability and safety of our infrastructure. Investing in these improvements ensures our community receives consistent, high-quality electrical services. Upgrading facilities isn't merely about meeting the current demand; it's about fortifying our infrastructure

to withstand future challenges and technological advancements. This foresight is crucial for adapting to new energy-efficient technologies and integrating renewable energy sources into our grid, paving the way for a sustainable future.

What affects the cost of the Facility Charge?

Vernon Electric Cooperative, like other electric cooperatives, serves the rural area. Investor-owned utilities (IOUs) and municipal utilities (Munis) typically serve more urban areas. The result is a huge discrepancy in how many consumers we have per mile of line. The lack of consumers in the countryside is the reason IOUs refused to serve sparsely populated rural areas, and why not-for-profit rural electric cooperatives were formed. IOU's such as Xcel Energy or Alliant Energy average around 40 consumers per mile of line. Munis such as Westby, Cashton, La Farge and Viola may serve up to 50-60 consumers per mile of line. Vernon Electric serves about 5 consumers per mile of line. It is interesting to note that compared to electric co-ops, IOUs have 6 times the revenue per mile, due to having more customers per mile and having more commercial and industrial loads. Because Co-ops have more infrastructure and less consumers to pay for it, the Facility Charge is higher. Our rate philosophy is to cover most of our fixed costs in the Facility Charge, so everyone pays their fair share. If Vernon Electric lowered its Facility Charge and included more costs in its kWh charge, full-time residents would be subsidizing the rates of members that may only be in the area part-time. Costs included in the Facility Charge are:

- On-going operation and maintenance of the electrical distribution facilities (hence the name "Facility Charge") required to bring you electricity at the flip of a switch
- Annual depreciation of these facilities
- Principal and interest payments
- Expenses related to customer accounting, meter reading, and billing

2025 Energy Efficiency Incentives

Vernon Electric's incentives may be used in conjunction with Wisconsin's Focus on Energy incentives, and Federal tax credits. Before making a purchase, review each form's eligibility requirements and incentives on our website, or request forms from our office.

Ag, Commercial, & Industrial

Dairy Plate Cooler/Well Coolers; Circulation and Exhaust Fans; Variable Frequency Drives (VFD); Scroll Refrigerant Compressors; Electric Forklift Battery Chargers; Dairy Refrigeration Heat Recovery w/ Electric Backup; Low/Zero Energy Livestock Waterers

Appliances & Appliance Recycling

Clothes Dryers; All-in-One Washer/Dryer Combos; Clothes Washers; Dehumidifiers; Dishwashers; Freezers; Inductive Ranges; Refrigerators; Recycling of a working Freezer, Refrigerator, or Room A/C



Electric Vehicle Charging Station Enrolled in Load Management

HVAC (Heating Ventilation & Air Conditioning)

Heat Pumps – Air Source, Mini Split, and Geothermal; New Furnaces with ECM Blower Motor

LED Lighting Fixtures and Lamps

Electric Water Heaters over 50 gallons enrolled in the Load Management Program and Heat Pump Hybrid Water Heaters

Electric Heat enrolled in Load Management Program on separate meter

**Watt's
New**

The information in this newsletter has been prepared for you by Trevor B. Clark, Manager of Communications & Member Relations. Comments or questions regarding information contained here should be directed to:

VERNON ELECTRIC COOPERATIVE
110 Saugstad Rd; Westby, WI 54667
Call (608) 634-3121 or 1-800-447-5051.

www.vernonelectric.org • E-mail: info@vernonelectric.org
This institution is an equal opportunity provider and employer.



VERNON
Electric
COOPERATIVE — WESTBY, WISCONSIN
Your Touchstone Energy® Cooperative