

Rachel Johnson, Cherryland Electric Co-op CEO ([00:15](#)):

Welcome back to Co-Op Energy Talk. I'm your host, Rachel Johnson, and you are listening to the board meeting brief for the board meeting from Monday, June 26th. This meeting is, uh, the meeting where our board holds their annual officer elections. So we started with that, uh, not a lot of change. Dave Schweitzer was reelected as president of the board, and then Gabe Schneider was elected as Vice president. Tom Bael is treasurer and Val Handy as secretary. You can find all of that information on our website, including their contact information. In addition to that, we talked to the board about kind of four, four things that I wanted to update you on. First, we gave 'em a little recap of our annual meeting, which was on June 15th. Thank you to all of you who came out. We had almost 800 attendees and we also had fairly good participation in our election.

Rachel Johnson, Cherryland Electric Co-op CEO ([00:54](#)):

3,111 votes were cast. Uh, this is the first time in a really long time. I can remember this happening, but we did have two incumbents running uncontested in this election. So Tom Van Pelt and Dave Schweitzer were reelected. The, uh, second thing we talked to the board about was an update on our finances. For those of you who are loyal, board meeting brief listeners, a little bit more of the same, my friends. So weather, weather, weather continues to be mild, and that means we continue to have below average sales. Uh, that said, we did see a little bit of a shift in May. Our net operating margins were positive for May, just by a little bit, and our rate restructure that we put into place in April has helped to, to kind of right size our revenue and make us a little bit less weather dependent.

Rachel Johnson, Cherryland Electric Co-op CEO ([01:33](#)):

That said, we have a big hole to dig ourselves out of in terms of our year to date margins, and we are still in the negative, but we'll continue to monitor that we're managing our expenses really carefully. The, uh, th uh, other thing I wanna talk to you about, the board approved a new tariff in our offerings for net metering and solar. So we already have three programs in place. I won't go into all the details of those. You can find that information on our website. But a gap we had identified over the last couple years is, uh, an opportunity that would allow a larger commercial member to install a larger array and use most of that power behind the meter. We just didn't have a really good predictable tariff for them. So this tariff was designed for those people in mind. It's for a raise larger than 20 kw up to one megawatt.

Rachel Johnson, Cherryland Electric Co-op CEO ([02:14](#)):

It needs to be a sized to match the load of that business. There's not a lot of compensation for, um, excess generation that gets paid, that gets sold back to the utility, but it allows them to size that for their load and have most of that power used behind the meter and basically offset their retail rate. If you have any questions about that, something might be of interest to you. Check out our website where you'll find information about this additional tariff, or you can give us a call and our member services department can pass you onto our energy use advisor. The last thing that I wanted to give you a little update on, uh, our, uh, the board approved a staff rep recommendation to opt out of charging the, it's called the MEEP funding factor on our bill. But basically the way that works, the state of Michigan, this has probably been about 10 years ago, created a, uh, law where basically it's a tax on the electric bill and the tax on the electric bill gets forwarded to the state, and then the state uses it to fund low income energy assistance inside the state of Michigan.

Rachel Johnson, Cherryland Electric Co-op CEO ([03:06](#)):

On the surface, an incredibly important and admirable thing to do something we support. We had a problem with that law and with that process because what was happening originally is we were paying about \$400,000 a year into the Meep fund, and then when we looked at the amount of assistance our members were getting back, it was about \$150,000 a year. And so we kept asking the state like, Hey, this isn't very cool. We're paying into this and you're not able to show us that this money is coming back to the members who are paying for it. And they agreed that that was true, uh, and that there isn't a way for them to, to, to ensure that the money comes back to the community that pays it. There is a provision in that bill that's on the books today that allows a utility to opt out of charging that, that tax on the electric bill.

Rachel Johnson, Cherryland Electric Co-op CEO ([03:48](#)):

And so we decided to take advantage of that provision. One of the things you commit to as a utility when you do that is you are no longer able to disconnect people in the winter, and that's why we don't disconnect our members from November 1st through April 15th, because we choose not to charge the meep tax on our bill. Um, so that, that is a decision we have to essentially, um, confirm annually. So we confirmed with our board that we will continue to opt out of charging the Meep tax on our bill, and that means we will not disconnect members from November 1st through April 15th. And again, the reason behind that is not because we don't think we should all be supporting energy assistance for income qualified members. It's because of the fact that the state is not able to show that that money comes back to the community that pays it.

Rachel Johnson, Cherryland Electric Co-op CEO ([04:27](#)):

So the, the board said, let's continue the course for now. We do anticipate that law will be a part of the energy package that will move through the House and Senate this fall, and we anticipate that, um, we could see some changes in what options are available to us as a utility going forward. So I'll continue to keep you up to speed on that. But that's where we're at for now with the meep surcharge for the 20 23 20 24 winter season. And then that kind of wraps up the board meeting for this month. Just a quick reminder, our next board meeting is Monday, July 24th, and as always, we'll start with member input at 9:00 AM So swing by if you have any feedback for the board, join us next time for more co-op energy talk.