

A Touchstone Energy® Cooperative 

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Bluestem **NEWS**

Annual Meeting 2010



Bluestem members attending the 2009 Annual Meeting.

The Bluestem Electric Cooperative, Inc., Annual Meeting will be held on March 8, 2010, at the Riley County High School just north of Riley.

The meeting will begin at 7:30 p.m. Official notice of the Annual Meeting will be mailed approximately 10 days prior to the meeting.

We hope that you will plan on attending and take part in the business of the cooperative.

Happy New Year

Bluestem wishes all of our members a happy and prosperous new year.

Bluestem Board Considers Net Metering

The Board of Trustees will soon consider the adoption of a service rider for the cooperative to implement “net metering.” The net metering rider will be available to members operating their own renewable generation resource, such as a small wind turbine. Members must enter into an interconnection agreement with the cooperative to qualify for the rider.

Net metering, as the name implies, is a metering process designed to determine the net amount of energy provided to the member by the cooperative and the energy provided to the cooperative by the member. Net metering service is designed primarily to allow a member to offset some or all of their electrical requirements with their own generation. When the member generates some, but not all, of their requirements, net metering simply allows the meter to slow down. But in some instances, the energy generated exceeds the member’s usage. In those instances, net metering allows the meter to run backwards, either offsetting prior usage or “depositing” kilowatt-hours into the

“bank” (the meter) that the member can “withdraw” up until the end of the billing period.

At the end of the billing period, a member that has used more energy than he supplied pays the cooperative for that usage; however, a member that supplies more energy than he uses during the billing period is not compensated for the excess energy supplied under net metering.

Members desiring to be compensated for generation in excess of what they supply might gain more advantage by interconnecting under the cooperative’s parallel generation riders. Under parallel generation, the purchase rate for excess energy from a renewable resource is 150 percent of the cooperative’s monthly system average cost of energy, as required by Kansas state law. In either case, the member must pay the standard monthly customer charge required of other members.

For more details on member-owned generation, net metering, or to determine which option might be best for you, contact your local Bluestem office.

Bluestem 2010 Teller Committee Selected

Each year the Board of Trustees of the cooperative shall appoint a Teller Committee whose function is to count and verify the ballots for the election of trustees.

The Bluestem Board of Trustees met on December 21, 2009, and appointed the following members listed at the right.

The teller committee will meet on January 6, 2010, at the Riley County High School at 7 p.m. to tabulate and certify the election results. The results of the election of trustees

2010 Teller Committee

- ▶ Marc Deever—Alma
- ▶ James Palenske—Wamego
- ▶ Cindy Dougherty—Olsburg
- ▶ Dale Rippe—Linn
- ▶ Alex Gnad—Alma
- ▶ Bryson Robbins—St. George
- ▶ Eldo Heller—Riley
- ▶ Larry Sawin—Washington
- ▶ Ron Jackson—Oakhill
- ▶ John Schierkolk—Wamego
- ▶ Quentin Meyer—Linn
- ▶ Donald Umscheid—St. George

will be printed in the February edition of the Bluestem NEWS located in the *Kansas Country Living* magazine.

KEPCo Revises Rebate Program

Kansas Electric Power Cooperative, Inc. (KEPCo) Bluestem's wholesale power provider has revised its rebate program which reflects that the minimum energy star rating of air-source heat pumps which has increased from 14 SEER to 14.5 SEER with an HSPF 8.2.

Energy conservation and energy efficiency are initiatives that your electric cooperative supports. Through conservation and efficiency measures, less energy is consumed and, therefore, less energy is required to be produced. The reduction in the production and consumption of energy lowers the energy bill to your cooperative and ultimately to you, our member.

Conservation and efficiency are the emphasis of the new rebate program. To qualify for any of the rebates, the appliance must meet minimum energy efficiency performance standards detailed below. These new standards are slightly higher than the required industry minimums. Bluestem's revised rebates become effective as of January 1, 2010. If you have any questions, please give us a call.

Water Heaters

- ▶ Less than 60 gallons, must have a minimum Energy Factor (EF) of .93
- ▶ 60 gallons or greater, must have a minimum EF of .91

Rebate Amounts

- ▶ \$125 for a non-lifetime water heater
- ▶ \$175 for a lifetime water heater
- ▶ \$75 for standard electric to standard electric
- ▶ \$100 for standard electric to lifetime electric upgrade

Air Source Heat Pumps

- ▶ Minimum unit size of two tons
- ▶ Must have a minimum Seasonal Energy Efficiency Ratio (SEER) of 14.5
- ▶ Must have a minimum Heating Seasonal Performance Factor (HSPF) of 8.2

Rebate Amounts

- ▶ \$100 per ton for a 14.5 SEER
- ▶ \$150 per ton for a 15.5 SEER
- ▶ \$200 per ton for 16.5 SEER and above

Ground Source Heat Pumps

- ▶ Minimum unit size of two tons
- ▶ Open loop—must have a minimum Coefficient of Performance (COP) of 3.6 and a minimum Energy Efficiency Rating (EER) of 16.2.
- ▶ Closed loop—must have a minimum COP of 3.3 and a minimum EER of 14.1

Rebate Amounts

- ▶ \$125 per one-half ton

Waterville's Whitney's Hair & Tanning Salon Receives Funds from Bluestem



Ken Maginley, Bluestem's manager, presents Whitney Andersen with a check for \$10,000 to be used toward opening Whitney's Hair and Tanning Salon in Waterville.

Whitney Andersen, from Waterville, was looking for financial assistance to begin her business, Whitney's Hair and Tanning Salon.

Andersen's banker, Bryce Porter of Citizens State Bank in Waterville, suggested contacting Bluestem Electric. Porter knew that Bluestem Electric has taken an active role in helping other businesses acquire funding through the USDA Rural Development Loan Program.

After contacting Bluestem about the financing, Porter and Andersen found that Bluestem had funds available in the cooperative's own Revolving Loan Fund. The Revolving Loan Fund was created through contributions from Bluestem and other local businesses.

Andersen submitted an application to the Bluestem's Revolving Loan Fund Loan Review Committee, which evaluated and presented the application to the Bluestem Board of Trustees where it was approved at the October 2009 board meeting.



If you are in need of a haircut, stop by Whitney's Hair and Tanning Salon at 107 East Commercial in Waterville.

This was the initial loan to be funded by the BEC Revolving Loan Fund. At the present time, there are no funds available for additional loans, but as the loan is repaid, monies will become available for new loans in the future.

Andersen received a 10-year loan in the amount of \$10,000 to assist with building and equipment purchases for her new business. Bluestem was proud to assist in the start-up of Whitney's Hair and Tanning Salon.

If you live in the Waterville area and are in need of a haircut, stop by Whitney's or make an appointment by calling 785-363-2721.

Wise Investments in Energy Efficiency

The economic uncertainty we're facing these days has many of us putting money into something we feel comfortable with: our homes. Making a few upgrades around the house generally pays big dividends. When boosting energy efficiency is one of them, the decision becomes a no-brainer.

For any energy efficiency work done at your residence during the coming year, Uncle Sam will foot 30 percent of the bill—not a bad deal! Through the 2009 American Recovery and Reinvestment Act—better known as the stimulus bill—the Internal Revenue Service (IRS) offers a personal tax credit of up to \$1,500 for energy efficiency improvements made to existing homes during 2009 and 2010.

The credit covers 30 percent of the cost of adding insulation materials and exterior doors, windows, and roofs designed to help reduce a home's heat loss or gain. It also includes efficient central air conditioners, air-source heat pumps, hot water boilers, and biomass stoves.

For weatherization-related work, the credit covers only the cost of materials. With heating, ventilation, and air conditioning systems as well as biomass stoves, installation costs also count toward the credit.

So how does the math work out? Say you spend \$1,000 on new insulation. You would get, in the form of a tax credit, \$300 back. If you spend \$3,000 to purchase a new HVAC sys-

tem and have it installed, you'd have a \$900 tax credit to show for it.

To take advantage of the program, a home improvement must have taken place after February 17, 2009, (the day the stimulus bill was signed into law) and products must meet specific energy efficiency criteria. A few rules of thumb will help you determine those criteria.

For exterior windows and skylights, rely on the Energy Star label. For other efficiency upgrades, request what's called a "manufacturer certification statement" that the product or component qualifies for the tax credit. Many manufacturers post these on their Web sites, but be sure to verify that the product does qualify before making a purchase. You can also visit www.irs.gov/recovery to review guidelines for eligible purchases.

Energy tax credits reduce taxes owed, dollar for dollar, and can be carried forward to following years. While they can help boost any refund you receive, you won't receive a check directly for the credit amount. You can file for energy tax credits using IRS Form 5695, with a total maximum value of \$1,500 for improvements made in 2009 and 2010.

For suggestions on how you may make your home more energy efficient while taking advantage of these tax credits, please don't hesitate to give us a call. Contact Bluestem Electric with any questions you may have.

Could Your Home Benefit from an Energy Audit?

An energy audit can help homeowners prioritize energy efficient improvements for their homes,

said Bruce Snead, Kansas State University Research and Extension residential energy specialist.

Such audits use building science techniques to evaluate the energy performance of the home, such as blower door tests for air leakage, infrared cameras for heat loss, and energy usage/cost estimating software.

"The savings for a recently-constructed new house may not be the same as potential savings for an older home, which often can benefit from air-sealing and updating insulation," Snead said.

A standard residential energy audit will cost about \$350, which is usually offset by future savings, he said. The just launched Efficiency Kansas loan program requires an audit to identify projects that are cost effective. To kick off the new program, the State Energy Office will provide the first 1,000 participants a \$350 rebate to offset the costs of the energy audit. For more information on this opportunity go to www.efficiencykansas.com.



For more information visit www.efficiencykansas.com

Statement of Nondiscrimination

Bluestem Electric Cooperative, Inc. is the recipient of Federal financial assistance from the Rural Utilities Service, an agency of the U.S. Department of Agriculture, and is subject to the provisions of Title VI of the Civil Rights Act of 1964, as amended. Section 504 of the Rehabilitation Act of 1973, as amended, the Age Discrimination Act of 1975, as amended, and the rules and regulations of the U.S. Department of Agriculture which provide that no person in the United State on the basis of race, color, national origin, sex, religion, age, or disability shall be excluded from participation in, admission or access to, denied the benefits of, or otherwise be subjected to discrimination under any of this organization's programs or activities.

The person responsible for coordinating this organization's nondis-

crimination compliance efforts is Kenneth J. Maginley, General Manager. Any individual, or specific class of individuals, who feels that this organization has subjected them to discrimination may obtain further information about the statutes and regulations listed above from and/or file a written complaint with this organization; or the Administrator, Rural Utilities Service, Stop 1510, 1400 Independence Avenue, SW, Washington, DC, 20250-1510; or the Director, Office of Civil Rights, Room 326-W, Whitten Building, 1400 Independence Avenue, SW, Washington, DC, 20250-9410; or call (202) 720-5964 (voice or TDD). USDA is an equal opportunity provider and employer. Complaints must be filed within 180 days after the alleged discrimination. Confidentiality will be maintained to the extent possible.

Use Caution When Using Back-Up Generators

Professional Installation an Important Safety Step

During long-term power outages many rely on portable generators for emergency power. The growing popularity of portable electric generators has resulted in millions being placed in homes and small businesses across the nation. But it's estimated only a small percentage are hooked up correctly.

Bluestem Electric urges members to understand the proper safety steps that must be taken.

A qualified vendor or electrical professional can help you select the best equipment for your situation or needs. A reliable vendor will know existing safety codes and your utility's safety requirements. Installed and operated correctly the use of a standby or portable electric generator poses little danger, but improper installation or use could be dangerous to you and threaten the lives of your family, friends, neighbors and electric utility crews trying to restore power.

Properly connecting the generator into the system is a critical step for safe and effective use. A licensed professional should install a permanent, standby electric generator and can help with proper equipment for safely using a portable generator.

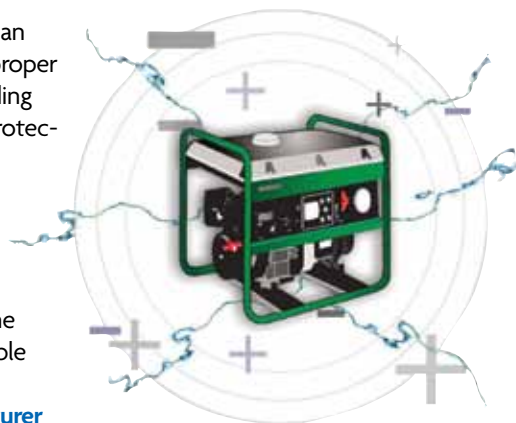
Have a qualified electrician or Bluestem install a double throw-double pole transfer switch. The transfer switch breaks the path of electricity between the power lines and your main electrical panel. This is the best way to protect you, your neighbors and repair crews from 'back feed.' Back feed occurs when an improperly connected generator begins feeding electricity "back" through the power lines. It is your responsibility to take necessary steps to prevent the injury of anyone near lines, especially crews working to restore power.

Safety for the operators and users of a generating system in the home and utility crews cannot be over-

emphasized. A qualified electrician should be consulted to ensure proper installation and electrical grounding requirements, circuit overload protections and local codes are met.

Some homeowners choose smaller, portable generators to power essential electrical equipment during outages. Bluestem offers these tips for the safe operation and use of portable generators.

- ▶ **Read and follow all manufacturer operating instructions to properly ground the generator.** Be sure you understand them before hooking up the generator.
- ▶ **Maintain adequate ventilation.** Generators emit carbon monoxide. It is against fire code to operate a generator in your home, garage, or other enclosed building. Place it in a dry, outside location.
- ▶ **Never plug a portable electric generator into a wall outlet or connect directly to a home's wiring.** This can energize utility power lines and injure you or others working nearby. Electrical back feed also can damage the generator and home electrical equipment.
- ▶ **Turn off generator and allow cooling before refueling.** Gasoline and its vapors may ignite if they come in contact with hot components or an electrical spark. Store fuel in a properly designed container in a secure location away from the generator or other fuel-burning appliances, such as water heaters. Always have a fully charged, approved fire extinguisher located nearby.
- ▶ **Protect your appliances.** Turn off or disconnect all appliances and lights before you begin operating the portable generator. Once the generator is running, turn your appliances and lights on one at a time to avoid overloading the unit. Remember,



generators are for temporary usage, prioritize your needs.

- ▶ **Keep children and pets away from portable generators at all times.** Many generator components are hot enough to burn you during operation.
- ▶ **Use proper extension cords.** Use only safety-tested, shop-type electrical cords designed and rated for heavier, outdoor use to connect appliances. Many generators are equipped with twist-lock connects to reduce the chance of accidental disconnections due to vibrations.
- ▶ **Shut down generator properly.** Before shutting down a generator, turn off and unplug all appliances and equipment being powered by the generator.

Remember maintenance between uses. It's important to drain the gasoline from the generator while it is being stored. It's also a good idea to inspect the fuel and oil filters, spark plug, oil level and fuel quality and start the generator on a regular basis before an emergency situation happens.

Bluestem suggests that these safety guidelines and basic operating instructions be posted in the home and with the generator. For additional electric generator and safety information, visit the Safe Electricity Web site at www.SafeElectricity.org.