

# South River EMC Communicator

February 2025

## Insulation 101

February is often a mixed bag of weather, but one of the best ways to combat that is by making sure your home is efficient enough to handle weather swings.

From almost spring like days, to days that could bring snow, having an efficient home keeps you comfortable and can help keep your energy costs down. This can be done with a few improvements, or just by verifying certain items.

The diagram below shows you the range of requirements for insulation in your attic, ductwork, crawlspace and exterior walls. For more detailed information you can visit [energy.gov](https://www.energy.gov) to check specific insulation level minimums.

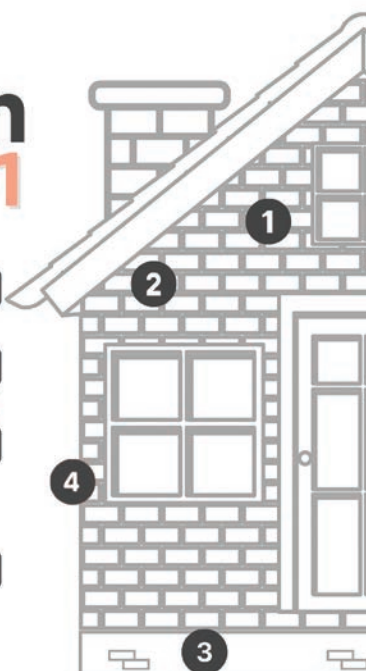
The efficiency of insulation is measured by its resistance, or R-value, which tells how well the insulation prevents heat flow into and out of a house. Higher ratings mean greater insulation performance, including better climate control.

Insulation ratings are measured in R-values per inch of thickness. R-value ratings vary based on the type, thickness and density of the insulation material.

If you're having comfort issues and feel an update or an upgrade to insulation would help, be aware of what your minimums are to make the most of your purchase.

## Insulation 101

- 1 ATTIC**  
R-30 to R-60
- 2 DUCTWORK**  
R-4 to R-11
- 3 CRAWLSPACE**  
R-13 to R-30
- 4 EXTERIOR WALLS**  
R-13 to R-21



## Mark Your Calendar!

South River EMC's Annual Meeting of Members is planned for Thursday, April 24.



South River EMC earns this award based on data modeled by the ACSI® in 2023. Award criteria are determined by the ACSI based on customers rating their satisfaction with South River EMC in a survey independent of the syndicated ACSI Energy Utility Study. For more about the ACSI, visit [theacsi.org/](https://theacsi.org/) badges. ACSI and its logo are registered trademarks of the American Customer Satisfaction Index LLC.

## Managing Cost Effective Rates

I have served as the CEO of South River EMC since May 1, 2014, and during my first seven or eight years at South River EMC, wholesale power costs were relatively stable, and interest rates and inflation were historically low. In 2015, we refinanced our debt with the Cooperative Finance Corporation and saved the membership approximately \$20 million over the life of those loans, which helped to boost our financial situation. A rate adjustment had taken place in November 2013 and margins were strong.

Under the cooperative business model, excess margins are allocated to the member and returned over time in the form of a capital credit retirement. A limited amount of revenue can be deferred, and it was, but there is not a compelling reason to end up with higher than necessary margins, which may not be returned to the member for 19 years. Because margins were more than sufficient, in 2017 and in 2018, member credits in the amount of \$2.9 million and \$2.6 million, respectively, were issued. Additionally, in 2019 we implemented a rebate in the amount of \$3 million. We also established a hybrid approach to retiring Capital Credits in 2016 and have been returning 20% to 25% of the previous years' allocation ever since.

Conditions have changed in the last few years. The COVID-19 pandemic was a challenge in and of itself along with causing significant supply chain issues. The pandemic was immediately

followed by the highest inflation in 40 years. Interest rates went up and more recently, wholesale power costs have increased much more than expected.

In 2023, the Cooperative implemented the Equalizer to make up for smaller shortfalls in revenue. It was adjusted monthly and even reduced to zero for a few months. In April 2024, the first rate increase since November 2013 was implemented and the Equalizer was reset to zero. Our original plan, which was supported by our rate consultant, was to phase in smaller rate adjustments over a three-year period to minimize the impact on the membership.

### **Inflation, Interest Rates and Wholesale Power Increases**

Inflation has impacted all of us. If you consider how much more you are now paying for groceries, vehicle repairs, housing, insurance and more, compared to what you were paying just a few years ago, it is evident that costs have risen and some of them significantly. Costs have also increased for your electric cooperative. As an example, line trucks have increased from \$241,000 in 2020 to an estimate of \$540,000 in 2025. The cost of a pole-mounted transformer has increased 80% and a substation transformer has increased by more than 220%.

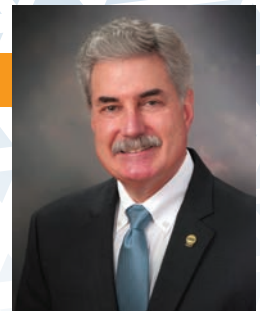
Your local cooperative is making some major investments in new infrastructure to keep up with growth and to improve upon reliability. Consequently, more

money is being borrowed. Several reductions

in interest rates were projected for 2024 and those reductions did not happen. Therefore, the cost of borrowing for our Cooperative is estimated to increase by more than \$1.6 million in 2025.

Approximately 65% of South River EMC's operating expenses are directly related to the wholesale power purchased on behalf of the membership from North Carolina Electric Membership Corporation (NCEMC). NCEMC generates approximately 40% of its power and purchases the remaining 60%, primarily from Duke Energy. NCEMC's costs have gone up more than expected as well. A year ago, it was anticipated that NCEMC would have a 1.5% increase in 2025. However, it is now estimated to be 4.82%, which is considerable.

Furthermore, under the current rate structure, operating revenue is dependent on sales of electricity and weather is the biggest driver of energy sales. Leading up to fall 2024, the weather had been mild for the year, based on average temperatures. This resulted in lower sales and a shortfall in budgeted revenue. This, in turn, led to the need to resume the Equalizer in October 2024.



*continued on page C*

### 2025 Adjustments

As we approached the end of 2024, our rate consultant recommended raising the Equalizer from \$5 per 1,000 kwh to \$11.20 per 1,000 kwh, beginning in January, until a rate adjustment is implemented.

A rate adjustment was expected in 2025, but the recommended adjustment from our rate consultant was higher than anticipated because of the reasons outlined above. Our rate consultant made recommendations for each rate class, based on revenue requirements and the 2023 Cost-of-Service Study. Those recommendations were recently presented

to and approved by the Board of Directors. The new rates are listed on page D and will go into effect with May bills.

### Conclusion

Our Cooperative is not alone in implementing rate adjustments as electric power providers throughout our state have been making rate adjustments and adding riders to cover increased costs. From 2023, 81% of the NC cooperatives have made rate adjustments. South River EMC is committed to keeping your electric service and affordable and I can assure you that budget cuts have been implemented

and that efforts have been made to limit the impact on you. As an example, controllable expenses, such as maintenance, labor costs for employees and contractors along with professional services in the 2025 budget are projected to increase only 1.2%, which is somewhat remarkable in today's environment when costs are constantly increasing and by more than 1.2%.

As always, I am here to serve you, and if I can be of assistance to you, please do not hesitate to contact me. My direct line phone number is 910.230.2990. You can also email me at CEO@sremc.com.

## Nominations Made By Committee

The committee on nominations announced the submission of incumbent directors at a meeting of the board of directors on Jan. 7:

**District 4:** Jeffrey Martin

**District 6:** Dr. Elena Sue Godwin-Baker

**District 8:** Kayla Bartley

Terms of office for directors are staggered so only three expire each year.

The ways in which directors may be elected:

**1. By petition.** Any 100 members of the Cooperative, acting together, may make nominations in writing, listing the nominees separately with

respect to the particular term and the particular directorate district from which they are nominated, by Feb. 27.

### 2. From nominations by a committee on nominations.

*\*During each director election, when the number of nominees is the same as the number of directors to be elected from a particular district, the nominee will be declared elected automatically and no balloting will be required.*



### 2025 Nominating Committee Members:

District 1 - Glenda Taylor

District 2 - Raylon Wood

District 3 - Joseph Anders

District 4 - Johnnie Baggett

District 5 - Anthony "Tony" Warren

District 6 - Carol Hudson

District 7 - Warren Paul Jones

District 8 - Glenn Riddle

At Large - Robert Earl Butler Jr.

# New Rates *(effective with May bills)*

|  |                |                |
|--|----------------|----------------|
| <b>Residential Service</b>   |                |                |
| Grid Access  | <i>Current</i> | <i>New</i>     |
| single-phase   | \$31           | \$37.50        |
| Energy   |                |                |
| Summer   | 10.85¢ per kwh | 11.61¢ per kwh |
| Winter   | 9.84¢ per kwh  | 10.52¢ per kwh |
| <b>Residential TOD Service</b>   |                |                |
| Grid Access  | <i>Current</i> | <i>New</i>     |
| single-phase   | \$34.10        | \$41.25        |
| Energy   |                |                |
| Summer   |                |                |
| on-peak  | 18.62¢ per kwh | 19.60¢ per kwh |
| off-peak   | 7.45¢ per kwh  | 7.84¢ per kwh  |
| super off peak   | 3.73¢ per kwh  | 3.93¢ per kwh  |
| Winter   |                |                |
| on-peak  | 18.62¢ per kwh | 19.60¢ per kwh |
| off-peak   | 7.45¢ per kwh  | 7.84¢ per kwh  |
| super off peak   | 3.73¢ per kwh  | 3.93¢ per kwh  |
| <b>Small General Service</b>   |                |                |
| Grid Access  | <i>Current</i> | <i>New</i>     |
| single-phase   | \$37.20        | \$45           |
| three-phase  | \$66.96        | \$81           |
| Energy   |                |                |
| first 750 kwh  | 11.67¢ per kwh | 12.50¢ per kwh |
| next 1,250 kwh   | 10.21¢ per kwh | 10.94¢ per kwh |
| next 2,000 kwh   | 9.67¢ per kwh  | 10.36¢ per kwh |
| all other kwh  | 8.94¢ per kwh  | 9.58¢ per kwh  |
| <b>Medium General Service</b>  |                |                |
| Grid Access  | <i>Current</i> | <i>New</i>     |
| single-phase   | \$99.75        | \$120.67       |
| three-phase  | \$173.25       | \$209.58       |
| Demand   | \$6.75 per kw  | \$6.80 per kw  |
| Energy   | no change      | no change      |
| <b>Large General Service</b>   | <i>Current</i> | <i>New</i>     |
| Grid Access  | no change      | no change      |
| Demand   | \$9.25 per kw  | \$10 per kw    |
| Energy   | 4.46¢ per kwh  | 4.53¢ per kwh  |
| <b>Full list of rate changes can be found on <a href="http://sremc.com/rates">sremc.com/rates</a>.</b> |                |                |

## Last Chance To Submit Report Cards

South River EMC will be holding a "Give Us An A" drawing in February.

This is your last chance to submit report cards containing at least one A for the February drawing.

Just make a copy of the student's most recent report card containing at least one A and include: the South River EMC member name, mailing address (if not already located on the report card), account number and a daytime telephone number.\*

### Send the report card with this information to:

South River EMC  
Give Us An A  
PO Box 931  
Dunn, NC 28335  
or email it to [connections@sremc.com](mailto:connections@sremc.com).

A drawing will be held for 15 names selected to receive a \$25 gift card. Please have report cards submitted by Feb. 4.

Best of luck!

\* Failure to provide this information will result in disqualification.



## Summer 2025: Basketball Camps

South River EMC is offering a chance for current fifth and sixth graders to apply for the Touchstone Energy Basketball camps offered at NC State and UNC-Chapel Hill.

The camps give boys and girls a unique experience to attend basketball camp on one of two of the state's largest college campuses.

Students statewide are encouraged to apply for one of 50 all-expenses-paid scholarships to attend the Carolina Basketball Camp at the University of North Carolina at Chapel Hill and the Wolfpack Women's Basketball Academy at North Carolina State University in Raleigh.



The Wolfpack Women's camp will be held June 15-18. The Carolina Basketball Camp will be held June 25-28.

The overnight camps are held in the summer, and campers work closely with coaches and players to develop fundamental skills, helping them perform and excel both on and off the court.

### Campers must:

- ▶ Be a rising sixth or seventh grader. This means the student should currently be in fifth or sixth grade.
- ▶ Attend a school in the Cooperative service area.
- ▶ Have permission from a parent or guardian to attend. An information



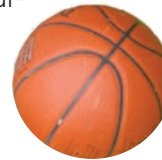
sheet must be signed.

- ▶ Provide their own transportation to and from camp.

Winners will attend the camps courtesy of South River EMC. The Cooperative funds one scholarship to each camp.

Applications are scored on academics, extracurricular activities and an essay that must accompany the application.

The application period ~~runs~~ ends March 31. Eligible students interested in the scholarship can contact the Cooperative at 910.892.8071 or visit [sremc.com/basketball-camps](https://www.sremc.com/basketball-camps).





## High Efficiency Homes Eligible for Rebate

If you know anyone considering a new home, tell them to consider a high efficiency residential option, or HERO, home.

HERO homes are meant to be 30 percent more efficient than homes built to code. That's because of improvements made

to the thermal enclosure or the building envelope.

There are two ways to receive HERO certification, prescriptive or performance. The prescriptive path is based on meeting specific requirements, while the performance path is based on meeting

the savings potential, just not so specifically.

Details on the code, as well as the rebates offered by South River EMC, can be found at [sremc.com/hero-program](https://sremc.com/hero-program).

## Making Water Heater Decisions Ahead, Helps

Having warm water is important, especially when it comes to showering! However, water heaters do need replacement periodically and the older your water heater gets, the more prepared you should be to replace.

Choosing a more efficient

option can take time, but it could help save. South River EMC offers rebates on heat pump water heaters and solar water heaters, both of which are energy efficient options if you're looking.

But research, find the best option for your home. You might

find that you don't have space for a heat pump water heater, or enough solar resource to make a solar water heater cost effective.

For details on rebates offered by South River EMC visit [sremc.com/energy-efficient-water-heating](https://sremc.com/energy-efficient-water-heating).

## Window Replacement- Make Sure It Is Necessary

Replacing windows in your home can improve comfort and cost. They are also eligible for a rebate.

If you have some discomfort in your home that weatherization and insulation improvements

haven't fixed, and if your heating cooling and unit has been serviced and is running efficiently, windows might need replaced.

It's not an inexpensive endeavor, so investigate costs and needs

to make the best choice for your home. South River EMC has a rebate of up to \$200 for window replacement. For details visit [sremc.com/energy-star-windows](https://sremc.com/energy-star-windows).

## Heat Pump Efficiency Pays Off

Heating and cooling your home is the largest portion of your electric costs each month.

That's why using your HVAC system efficiently is important, and by beginning with efficient practices, when you replace the unit, you can start with savings.

Speaking of replacement, how

old is your heating and cooling system? While most units last up to 10 years, some last longer and others, not as long. Being prepared for that day helps you also to save.

For example, looking at the seasonal energy efficiency ratio, or SEER, rating, can help you find an

efficient unit as SEER 2 measures the cooling efficiency of a system. The higher the SEER 2 rating, the more efficient the unit.

South River EMC offers rebates on high-efficiency units, air source, geothermal and central A/C. For details visit [sremc.com/energy-star-heating-cooling](https://sremc.com/energy-star-heating-cooling).

## Weatherization Work Could Mean Rebate

Weatherizing your home can improve comfort, as well as energy use.

Be it weatherstripping around doors and windows, and caulking around door frames and window frames, plumbing penetrations among other things.

However, being able to make those repairs and maybe even do more work to improve comfort

might not be in your budget, or your ability.

That's why South River EMC offers a rebate for individuals or families who receive the weatherization package from Community Action. The weatherization package for single family or manufactured low-income homes includes: air/duct sealing, improved insulation, an HVAC tune-up or

replacement, and a programmable thermostat in a home with a heat pump or an electric furnace/central AC.

In order to qualify for the rebate the entire package must be completed. For details visit [sremc.com/weatherization](https://sremc.com/weatherization).



Message from Advise Guy Aaron Jackson



## Was It Really The Christmas Lights?

There's really nothing like North Carolina weather. As I write this, the temperature is 63 degrees when just eight days ago the high recorded was 41! If you've lived in North Carolina for any length of time you're used to this kind of temperature fluctuation from week to week.

You may also be used to seeing your electric bill fluctuate this time of year, especially around the holidays. Many members associate these changes with Christmas lights and family gatherings. Today, I want to address the likely cause of this yearly change in energy use and provide you with tips to mitigate it.

### Energy Use is Weather Driven

The largest energy user in the average home is the heating ventilation and air conditioning (HVAC) system. If your home is all electric, the HVAC system and your electric water heater account for 50% or more of your bill monthly.

During the extreme winter temperatures (i.e. December-February) the HVAC system and water heater work overtime to produce heat for your home and for your water. Why are these systems so expensive

to operate? Because they create heat and, when you are doing that with electricity, it takes a significant amount to accomplish the task.

### Resistive Heating

If you have an electric furnace and/or an electric water heater, then your primary heating sources use the process of resistive heating, which use electricity passing through a conductive material (i.e. a heating element) to generate heat. When temperatures dip and we use our heating systems, our electricity use increases noticeably because these systems require large amounts of energy to produce heat.

If you have a heat pump, your system uses less electricity the majority of the winter because those types of systems only employ resistive heating when the temperature outdoors falls below 35 degrees.

Still, whether you have an electric furnace or a heat pump, you see an increase this time of year that gets your attention. This increase is solely due to additional energy needed to heat your home.

### Solutions for Savings

The systems we've been discussing have two things in common: they produce heat and are controlled by thermostats. Therefore, the best way to minimize impact on your bill is through thermostat settings.

For water heaters, the recommended setting is 120 degrees. For all electric HVAC systems we recommend setting it to 68 degrees. If you have a heat pump, it's best to set the thermostat and leave it. But, if you have an electric furnace, don't be afraid to drop the thermostat setting a couple of degrees when you leave for work in the morning, then return it to normal when you get home.

Air sealing and insulation upgrades are also very beneficial. These improvements help hold the heat your system is producing inside longer.

Lastly, consider installing an insulation blanket over your water heater.

If you would like more advice about how to reduce energy use this winter, reach out to us at [adviseguys@sremc.com](mailto:adviseguys@sremc.com).



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