



An Energy Conversation: Environmental Surcharge

People are asking lots of questions about energy. Here are some simple answers that co-op staff can give to questions about the environmental surcharge.

Friend: What is the environmental surcharge?

Employee: It pays the cost to meet EPA regulations on power plant emissions. All major electric utilities in Kentucky have this charge.

Friend: What kind of costs do you have to comply with EPA rules?

Employee: We've had to install expensive equipment like scrubbers. The surcharge covers operation and maintenance of this equipment, and other environmental costs.

Friend: Who decides what the surcharges are?

Employee: Our power supplier uses a formula defined by state regulation. Every penny goes to our supplier. State regulators make sure that only proper expenses are included.

Friend: Why does it go up and down so much?

Employee: Operation, maintenance and compliance costs change from month to month.

The surcharge will also increase as new emission control equipment is added.

Friend: Will it ever be taken off the bill?

Employee: With the EPA tightening regulations, the surcharge will probably be in effect for a long time.

Friend: Can I lower the surcharge?

Employee: The surcharge varies each month, and it is applied to the total bill. One way to contain the surcharge is to reduce electric consumption.

Friend: Can the co-op help me with that?

Employee: We offer efficiency programs, provide free energy audits, and you can get free energy tips from us. Go to www.simplesavings.coop to learn more.

