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SANTEE ELECTRIC COOPERATIVE NEWS
Joanna Hayes, *Editor*
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SANTEE ELECTRIC IS AN EQUAL OPPORTUNITY PROVIDER AND EMPLOYER.

A Touchstone Energy® Cooperative



Over nine decades since its founding, Santee Electric's primary job remains the same—to provide electricity safely, reliably and at the lowest cost possible.

PHOTO PROVIDED BY SANTEE ELECTRIC COOPERATIVE



Growing together

MANY OF YOU KNOW I grew up on Santee Electric's lines in a rural corner of Georgetown County. I went to public school in Pleasant Hill and met my wife here in the fifth grade. I had the honor of coming home 11 years ago to lead this cooperative.

This place is special. I love its natural beauty and its people, and part of me is reluctant to see any bit of it change. But the truth is...the secret is out about South Carolina. People and businesses are flocking here, and communities like ours are grappling with growth like we've never seen before. This is stirring up strong feelings on all sides, and I understand why. I want to explain how your cooperative views this growth. It's a big topic, so I asked our editor Joanna if I could have two pages for this month's column.

One job

First, we only have one primary job here at SEC—to provide electric service. That's it. To borrow a bit from the famous Field of Dreams quote, "If you build it, we will come...and provide power." It's our obligation. As long as (1) the local government says your home or business is safe to electrify, (2) we have the capacity to serve it and (3) you pay for your service, we must deliver electricity to you. It's that simple.

Of course, three very important secondary jobs are to do so safely, reliably and at the lowest cost possible. Although safety is always No. 1, this month's topic—growth—has much more impact on reliability and cost.

Reliability

It is our job to make sure there is enough capacity on the system to serve all our members all of the time. Most of the time, this is fairly easy. But did you know that 40% of the investments we make to serve homes are only used 10% of the time? We need those investments to make sure you have power when it is the hottest and the coldest all year, but the majority of the time we have to pay the bank for those investments even though they aren't earning you any money.

The purpose of nearly every program we have had at SEC (the rate structure, Beat The Peak and programs involving

water heater switches and smart thermostats are just a few examples) has been to help us ease that burden a little bit.

The majority of that burden, however, is addressed by building new and bigger infrastructure. It takes generating plants, power lines, gas lines, substations, solar farms and battery storage facilities to get the job done. Sometimes these projects evoke strong emotions, but that's what we need to keep the lights on.

Cost

The two best ways for an electric utility to manage costs are to serve more homes and to serve more businesses.

Start with homes. Adding houses to our lines helps us solve a math problem we call "density," or the number of meters we serve per mile of power line. More density means more members sharing the cost of building and maintaining that line.

Santee Electric has about eight meters per mile compared to roughly 30 for a typical for-profit utility and 50 for municipal utilities. That difference makes it tougher in the communities we serve, and it's why cooperatives were formed across this country nearly 90 years ago.

When homes and subdivisions go up along our lines, our density improves, and the cost burden on every member gets a little lighter. Santee Electric doesn't approve or reject growth, but we do know the density that subdivisions bring to our system is good for electric rates.

Now let's talk about businesses. They don't use electricity like we do. Our household energy use fluctuates throughout the day, and it spikes on cold winter mornings and hot summer afternoons when our HVAC units work hardest to keep us comfortable.

Those spikes are expensive. They force us to build power plants and upgrade lines so we can meet demands on the hottest and coldest days of the year, even though we don't need all that capacity most of the time.

Businesses are different. Whether it's a big box store or a factory, they consistently use a lot of electricity, and they don't drive the demand spikes that cost us so much.

Businesses purchasing energy around the clock allow us to spread the cost of infrastructure over more kilowatt-hours—costs that would otherwise land on residential members like you and me.

I'm sometimes asked why Santee Electric and other utilities get involved in economic development, or why we own buildings in industrial parks. This is why. Just like your county or our state, SEC is doing all we can to bring jobs and investment into our communities to improve the quality of life. But beyond that, your cooperative has an additional goal to manage rates.

I say all of this not to tell you how to feel about growth, but to explain how it impacts our system and your power costs.

I need a favor from you

If you've read this far, I hope you will come away from this column knowing that we—you, me and our co-op—are all in this together. While we don't get to control every aspect of the future, we can influence it for the better by working hand-in-hand to solve the complex challenges that come with growth. I think that starts with listening to each other, caring about our neighbors' needs and keeping an open mind.

People need homes, so we should be okay with a new subdivision. People need jobs, and children need good schools, so it seems like economic development opportunities that come our way are a good thing.

People need the cooperative to deliver electricity, so property owners tolerate inconveniences like rights-of-way for power lines, just as someone else tolerated those things on their property so our homes could have power. People need electricity to be generated as well. We haven't figured out how to build the arc reactor that powers Iron Man's suit yet. Until we do, we need to be able to build infrastructure.

The future is coming. Some might say it's already here. Let's make the best of it for our community.



ROBERT G. ARDIS III
President and Chief Executive Officer



PHOTOS BY JOANNA HAYES

Santee Electric has more than 5,900 miles of electric lines across it's service territory. More meters served means more members sharing the cost of building and maintaining that line.



Santee Electric's job is to make sure there is enough capacity on the system to serve all our members all of the time. Substations like this one regulate the flow of electricity to homes and businesses.



The two best ways for an electric utility to manage costs are to serve more homes and to serve more businesses. Here, an SEC crew prepares to set a new transformer for an area under development.