PowerSouth faced unparalleled challenges in 2018. Some required strategic analysis and planning. Others demanded an immediate response. Thanks to a unified, smart and adaptable team, the cooperative emerged even stronger.

Randy Brannon, PowerSouth’s Board Chairman and General Manager of Pea River EC, spoke of these challenges and accomplishments during the 2019 Annual Meeting in May. He reminded trustees of the one constant. “Yesterday, today and tomorrow, our mission remains unchanged: safely deliver reliable, economical energy to promote development of the communities we serve.”

Last year began with a challenge. On January 18, during an all-time high system peak of 2,458 megawatts, all systems performed well. A colder winter and the January peak contributed to a 5.7 percent increase in energy sales from the previous year, allowing the cooperative to lower the demand rate to its members. A drop in natural gas prices also helped PowerSouth provide members with a lower average cost of service last year.

The launch of the cooperative’s 10-year telecommunication plan will enhance reliability, as members benefit from the most current technologies.

PowerSouth was named to Site Selection magazine’s list of Top Utilities in Economic Development after helping attract $3 billion in capital investment in and around its service territory. That will create nearly 2,800 new jobs.

The cooperative also faced some difficult challenges. The strategic decision to close the Lowman Plant in 2020 required plans to replace the loss of the plant’s coal-fired generation with a natural gas combined cycle unit at the site. A purchased power agreement for 125 MW of nuclear energy from Vogtle units 3 & 4 and a planned 80 MW of solar capacity will ensure a diverse fuel mix for the future.

Hurricane Michael’s assault in October demanded an immediate restoration effort. A team of thousands worked together to rebuild the damaged transmission system and restore power to members. The cooperative also cared for members and their communities by providing food, supplies and support. Impressively, PowerSouth workers showed their commitment to safety during this time and throughout the year, with only one lost-time accident during more than 1.2 million hours on the job.

PowerSouth maintained its financial health through the year. In April 2018, the cooperative participated in its first private placement bond issue. PowerSouth secured $225 million from investors, thanks to a strong demand for its debt. The cooperative also carried forward margins of $18.5 million and locked in favorable interest rates on $287 million borrowed for construction projects.

Acknowledging that change is inevitable, Brannon said, “Tomorrow will most certainly look different from today. Tomorrow, I’m confident, we will be well-positioned to meet future uncertainties due to today’s rigorous preparations.”

President and CEO Gary Smith honored Randy Brannon, General Manager of Pea River EC, during the meeting, for two years of service as PowerSouth’s Board Chairman. Trustees whose tenure ended in 2018 were also recognized, including: Dr. Andrew Calloway of Dixie EC, Stan Wilson of Clarke-Washington EMC, Russell Dunaway of West Florida EC, Doug Birmingham of Gulf Coast EC and Ricky Jones of the Utilities Board of the City of Andalusia.
“All of us now depend on technology at home and at work. Now we have some help!” shared Technical Training Specialist Belinda Dunn. She’s excited about PowerSouth’s new online, self-guided training program. It offers ways to build skills and confidence for using computer programs both on and off the job.

The training includes courses for five Microsoft Office programs, including Outlook, Word, Excel, PowerPoint and Access. Users can choose from basic, intermediate and advanced levels in Microsoft 2016.

Other course offerings include Windows 10, Business Writing, Effective Presentations, Email Etiquette, and Managing Meetings.

Analyst Buffy Sansom praised the program. “The online training allows me to brush up on my skills at my own pace, and I’m on track to become an advanced Excel user. I love the convenience of working at my own pace and being able to pause when I need to.”

Other employees agree that the courses are easy. One even compared them to online college courses.

Dunn explained that this training is different from what PowerSouth has offered in the past.

“Previous training was held in a classroom setting and took employees away from their jobs for a day or two at a time,” said Dunn. “That was a lot to ask.”

With the new online training, employees have the flexibility to do as little or as much as they choose at a time. They can conveniently access the courses from any web browser.

The interactive program even speaks, first guiding the user through a pre-assessment test, then through the course learning steps, and a post-assessment test.

Dunn explained another benefit of the training. “The user can pause the program at any point, open a document or spreadsheet on their computer, then perform the actual steps or process there. It’s a great hands-on resource at your fingertips.”

Employees without computer access may contact Dunn to secure use of a computer in the Training Center. Also, headphones are available for users who work in close proximity with others.

“The online training allows me to brush up on my skills at my own pace, and I’m on track to become an advanced Excel user. I love the convenience of working at my own pace and being able to pause when I need to.”

- Buffy Sansom
Analyst

Follow these steps to register

Tell your department manager you would like access to the training program.

To register for the training, Belinda needs an email request from the department manager at belinda.dunn@powersouth.com.

You will receive an email to access the online training link, with a username and password login credentials. (Password can be changed.)

Explore the courses offered and select which you would like to take. Or, practice a specific skill you want to learn.

View your progress on the landing page.
Reliability is one of PowerSouth's core values. A protective relaying upgrade at a substation in Opp, Alabama, is helping to assure that core value is upheld.

"With this upgrade, PowerSouth can remotely monitor the substation equipment and communicate with it through the Energy Control Center, which wasn’t possible at this substation before," said System Protection Transmission Supervisor James Hogg. He explained that the upgrade will extend the time intervals between required system maintenance, since the newer equipment can be remotely monitored for problems. When issues with the equipment arise, Energy Control staff will quickly know about them and can contact field crews to correct them.

As part of the cooperative’s transmission grid, the substation helps connect equipment and transmission lines in the Opp area and plays a vital role in supporting other substations and lines that serve Covington EC, CHELCO, Wiregrass EC, and the City of Andalusia.

According to T&D Technical Services Engineering Lead Colton Sims, the project required a year of engineering and planning in advance of the onsite project work. Coordination also went smoothly among PowerSouth engineers, the onsite team and Energy Control Center personnel throughout the process.

To ensure that the necessary three-week station outage would not adversely affect the normal power flow or reduce system reliability during the station upgrade, Energy Control Center personnel performed reliability studies to identify potential risks to the transmission grid and coordinated the station outage with neighboring systems. Then, equipment testing was conducted by the Technical Services group before the job began.

Sims added, "It’s a continuous effort to update the cooperative’s protection systems to improve power system reliability." With protective relaying equipment in all of the 301 substations on the PowerSouth system, there are always opportunities to upgrade aged and outdated equipment.

Manager of T&D Technical Services Jonathan Ellison explained how new protection relays will help. “Their primary purpose is to detect and respond to electrical faults,” he said. “They open and close breakers that function much like the breaker in a home’s electrical panel, isolating the affected equipment until it can be repaired,” he continued. “This prevents equipment damage from becoming worse while keeping the power flowing.”

Upgrades like this equip PowerSouth to deliver safe and reliable power well into the future. Some would say the cooperative made the best of this opportunity.

Crews have to manually lift and place relay panels in the existing substation control house. Working together, the team gets the job done safely. The substation’s updated equipment continuously monitors the system for power disruptions caused by lightning, animals, trees and other threats. If there’s a problem, the newly installed devices protect the substation and connected power equipment.
Jared Campbell, Abigail Griffin, Amber House, and Cameron Woodard gathered with 1,800 high school students representing electric cooperatives across the nation in June. They met U.S. Representatives, Senators and student leaders from nearly every state, while learning about cooperatives and government.

They also explored museums, memorials and monuments throughout Washington, D.C., including the Lincoln Memorial, Washington Monument, Martin Luther King, Jr. Memorial, as well as the White House. Of course, they toured the Franklin D. Roosevelt Memorial, honoring the President who helped electrify rural America.
The Solar Tax | Part 1

This article is longer than usual, so I have broken it into two parts. I start this month with a discussion on a utility’s fixed costs incurred to provide service to all customers when they need it and how those costs are recovered. I will conclude the article next month with a discussion on how solar customers are subsidized by non-solar customers without a specific solar charge.

Mr. Gore criticized Alabama Power for what he called a “solar tax” on residential customers who install solar panels on their houses that is higher than what other utilities charge. He said, “We ought to sharply reduce, if not eliminate, the solar tax here in Alabama. It’s really a disgrace that this southern state, with abundant sunshine, is deprived of the advantages of the solar revolution being enjoyed by people all over the world simply because the monopoly electric provider has dominance, and total political control over the policy makers and law makers in the State of Alabama. It’s sad.”

Mr. Gore’s “solar tax” is a reference to Alabama Power Company’s Capacity Reservation Charge for customers that have solar generation at their home. He and environmental groups argue that the Capacity Reservation Charge inhibits the use of solar power by Alabama homeowners and businesses. The Capacity Reservation Charge is being challenged at the Alabama Public Service Commission by the Southern Environmental Law Center (SELC) as “…unreasonable, unjustly discriminatory, contrary to the public policy, and otherwise unlawful because it makes it more difficult for solar customers to recover their investments in solar panels.”

Mr. Gore and environmental groups know better, but are more interested in advancing their renewable energy agendas than in protecting the poor people in Alabama. Their arguments ignore the fact that there are real costs associated with making electricity available to all customers 24 hours a day, 7 days a week, even if a customer gets a majority of their electricity from rooftop solar panels. Without Alabama Power’s Capacity Reservation Charge, the people in Alabama who do not have solar panels or cannot install them on their houses would pay more for their electricity because someone has to pay for the on-demand electric service for Alabama Power’s solar customers.

To understand that fact, and understand that Alabama Power is not profiting from the Capacity Reservation Charge, you need to understand the electric utility cost structure and the electric utility rate structure.

About one-third of an electric utility’s cost goes to repay the utility’s investment in its distribution system. That investment is in the distribution poles, transformers, wires and equipment you generally see along the roads and in your yard or neighborhood. That expense is a fixed cost. Those costs are incurred regardless of how much electricity any customer uses or how much electricity the utility sells.

A second third of the utility’s cost goes to repay the investment in electric generating plants and high-voltage, cross-country transmission lines, substations, and other transmission facilities needed to move large amounts of electric power from the generation plants to population centers where people live and electricity is used. Those expenses are also fixed just like the distribution expenses and are not dependent upon how much electricity any customer uses or any amount the utility sells.

The final third of the utility’s cost is spent to make or generate electricity. That cost is used to buy or convert a fuel, such as natural gas or coal, to electric energy that can be transmitted across transmission and distribution lines to keep the lights on and businesses running. Those generation costs are variable because they are dependent upon how much electricity is used or generated.

Think of the fixed costs as your car payment. The more you drive, the more gasoline you pay for and use. Just like your car payment, the fixed costs of electric service must be paid regardless of how much electricity is used.

Utility rates are not generally structured to collect fixed costs in a monthly fixed customer charge. They are based more on the amount of electricity consumed rather than the fixed costs required to serve the customer. Fixed costs are recovered over time through the usage charge so long as all customers participate and use electricity from the utility. However, when a customer reduces the amount of electricity they buy from the utility, for instance with installed solar panels, they do not pay their share of the fixed costs incurred to provide their service. Other non-solar customers have to pay more to make up the difference. It is like you paying part of your neighbor’s car payment because he uses Uber.

I will continue the article next month by discussing why a utility’s Capacity Reservation Charge prevents the subsidization of solar customers and actually helps the poor people the utility serves.

I hope you have a good month.
Service anniversaries

POWERSOUTH
Monthly Board Meeting

Headquarters employees should wear business casual attire.
Welcome

C.J. Capps, Communications Intern in Communications, effective May 28.

Trent Carnley, Environmental Science Specialist in Environmental Services, effective May 28.

Georgia Dean, Environmental Intern in Environmental Services, effective May 28.

Matthew Fleming, Co-op Engineer in the Engineering Division, effective May 16.

Lydia Grissett, Co-op Engineer in the Engineering Division, effective May 16.

Collin Holloway, Co-op Engineer at Central Generation, effective May 29.

Landon Hughes, Engineer III in the Engineering Division, effective May 29.

Jennifer Plummer, Administrative Clerk in Human Resources Services, effective May 31.

Matthew Trest, Economic Development Intern in External Affairs, effective May 28.

Promotions
Kim Bowers was promoted to Human Resources Coordinator from Human Resources Assistant in Human Resources Services, effective May 20.

Matt Diamond was promoted to Bulk Power, Fuels & Energy Resources Manager from Fuels & Energy Resources Manager, effective April 1.

Johnny Wilson was promoted to Programmer/Analyst II from Information Technology Specialist I in Computer Information Services, effective May 6.

Goodbye and good luck
Cale Carter, Work Study at Central Generation, effective May 3.

Kayci Donald, Work Study at McIntosh, effective May 23.

Jordan Hardy, Work Study in Environmental Services, effective May 9.

Anna Hughes, Work Study in Computer Information Services, effective May 3.

Caleb Whitehurst, Work Study at Central Generation, effective May 2.

Todd Watson, Groundskeeper in Safety Services, effective May 23.

Help save lives at the upcoming blood drive
When: July 8, 11 a.m. to 4 p.m.
Where: Board Room

Please participate. Each donation makes a world of difference for recipients!

Blood and platelets cannot be manufactured, they can only come from volunteer donors.

Happy Birthday!

July 1............................... Billy Rogers
Ashley Sasser
Fred Smith
Kent Younge

July 2............................... Mike Barton
July 3............................... Scott Brooks
Bo McKathan

July 5............................... Edward James
Fred Pringle
Chuck Reeves

July 7............................... Tyler Gomillion
July 8............................... Morgan Rogers
July 10............................. Chris Harwell
Jim Helms

July 11............................. Tracy Simpler
July 13............................. Dan Gant
Randy Reid
Aubrey Serpas
Adam Sowell

July 14............................ Chris Dunbar
Jordan Whitman

July 17............................. Mike Blocker
Kenny Nixon
Michael Stewart
Russ Vickery
Rob White

July 18............................. Mitch Beasley
Kim Springer

July 20............................. Wesley Arnold
Jeff Kidd
Dale Martin

July 21............................. Jason Henderson
Earl Strong

July 22............................. Michael Murphy
July 23............................. Lynda Carnley
Landon Hughes

July 24............................. Ralph Gunter
July 25............................. Heather German
Jennifer Plummer
Brenda Rodgers

July 26............................. Jason Busby
Chris Flood

July 27............................. Scotty Henderson
July 28............................. Michael Byrd
Rickey Cochran
David McDuffie
Kenny Weaver

July 29............................. Mike Pollock
July 30............................. Matthew Bush
Ronne Chapman

July 31............................. Dawn Carnley
Angela Crittenden

When: July 8, 11 a.m. to 4 p.m.
Where: Board Room

Blood and platelets cannot be manufactured, they can only come from volunteer donors.
July photo contest winner: Bill Blount

Congratulations to Bill Blount (Lowman) for winning this month's photo contest. July's photo contest theme was “Fun in the Sun.”

August’s photo contest theme is “All in a Day’s Work.”

IMPORTANT: When sending photos taken with a mobile device (cellphone), be sure to send the highest quality possible.

The submission deadline for the August contest is July 15. Please submit only one entry per employee per month.

Send entries to Christi Scruggs at christi.scruggs@powersouth.com or via interoffice mail.