

Summer energy surge

THE POWER GRID AND YOUR COOPERATIVE

It's a scorching summer day in western Kentucky and the central United States. Millions of Americans are trying to stay cool with air conditioning and using a lot of electricity at the same time. While there is typically enough electricity for everyone, extreme weather conditions can leave the electric grid with very little energy to spare.

Big Rivers Electric Corporation, Kenergy's power generation and transmission partner, has an Energy Services team dedicated to sourcing power for homes and businesses in western Kentucky. Big Rivers' power base is formed by two Kentucky power plants it owns—one coal and one natural gas—generating 936 megawatts of electricity. In addition, Big Rivers' energy supply also includes long-term contracts for 160 MW of solar power and 178 MW of hydropower.

Big Rivers Electric and your cooperative are part of the larger, interconnected power grid called the Midcontinent Independent System Operator, which serves the central United States. MISO functions like an air traffic controller, coordinating electricity in a footprint that covers 45 million people from Mississippi to Minnesota. Additionally,

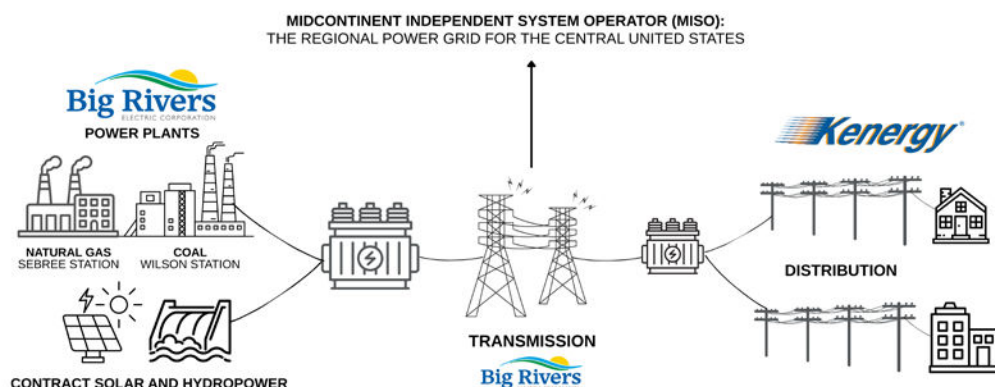
MISO operates as a marketplace where utilities can buy and sell electricity.

"MISO is responsible for reliability every hour of the year," says Mark Eacret, Big Rivers vice president of Energy Services. "Each day, MISO dispatches generation—coming from coal, gas, nuclear, hydro, solar and wind—to serve that day's projected load. The cheapest generation is typically run first, and the more expensive generation is only brought on during peak times or to address local transmission issues. The cost of running that generation can vary from relatively low-cost and always-available coal resources to higher-cost small diesel generators. MISO also integrates wind and solar generation when it is available."

Big Rivers buys all its energy requirements from MISO each hour and makes all its generation available to MISO each hour. When Big Rivers' power sources are generating electricity at a competitive market rate, the Energy Services team

can save money on required energy and sell excess energy to the MISO power grid market. In cases where market power prices are lower or local power sources are unavailable, such as out-of-service maintenance projects, the Energy Services team can buy electricity directly from the MISO power grid.

"Our coal-fired plant, hydropower contract and solar power contract run almost all the time that they are available," says Eacret. "The natural gas units run when they are competitive, during peak times, and to address transmission issues—provided natural gas is available. Our cooperatives would pay roughly \$70 million more for energy in 2026 if it were purchased in the market rather than generated at our coal-fired power plant. In addition to the value of the energy, each MISO-accredited MW from capacity owned or controlled by Big Rivers—1,274 MW—saved our members about \$30M in MISO capacity



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Henderson Operations Manager Mike Church—35 Years



Operations Assistant Nancy Johnson—15 Years



Member Service Representative Lisa Stevens—15 Years

Message from the President

Proud to be an American

It's almost Independence Day, and across the state, folks are planning cookouts, fireworks and family get-togethers. Behind the scenes, there's even more planning than usual—because the countdown has begun for July 4, 2026. Next year will mark the 250th anniversary of the Declaration of Independence.

The next 12 months are full of opportunities to explore and celebrate American history, our founding ideals and the sacrifices that have made our nation great.

That's why, in this issue of *Kentucky Living*, I want to invite you to share on a very special topic: **what makes you proud to be an American?** It might be a story, a memory or a photo: but whatever it is, we want to hear from you. *Kentucky Living* will collect and review your responses, and next July, many of them will be shared online at KentuckyLiving.com, and some will be printed in the magazine. Learn more about this special opportunity at KentuckyLiving.com/250.

In a nation of 340 million people—and a state of 4.5 million—each of us will answer that question a little differently. But it's no coincidence that many of the same things that make me proud to be an American are also things I love about our co-op family. Here at Kenergy every voice matters. In the communities we call home, we look out for our neighbors. When tragedy or disaster strike, we learn once again just how much we rely on each other—and we celebrate sacrifices for the common good.

It's not hard to find examples of service and self-sacrifice in our communities. We see it in our first responders, who put themselves in harm's way, and in our teachers, who invest so much in the next generation. We see it in our lineworkers, who brave challenging conditions to maintain and restore power. And we see it daily in you, our members, through countless acts of kindness and generosity. The examples could go on and on.

What is greatness, after all? It's not prestige, wealth or power. True greatness is found in serving others.

Our co-op community makes me proud to be an American. How about you?

By Tim Lindahl
President & CEO



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costs in the upcoming planning year.”

Electricity is generated and delivered at the moment it is used. On the hottest summer days, when electricity usage spikes, MISO must ensure that power is available for everyone while also preventing congestion on the grid. Locally, the 2024 peak usage for Big Rivers and the more than 120,000 cooperative members was 800 MW.

“MISO’s 2024 summer peak was 122,000 MW on August 26,” says Eacret. “MISO has cautioned that 2025 summer peaks could reach as high as 130,000 MW in July. However, they expect to see a similar summer 2025 peak of 122,000 MW. That is enough capacity to power over 12 million average households. According to the United States Department of Energy, that would be enough power to light 12.26 billion LED lightbulbs.”

MISO has access to approximately 203,000 MW of generation capacity from various power sources. However, both planned and unplanned outages can quickly reduce this available capacity. The North American Electric Reliability Corporation is the regulatory organization tasked with ensuring the nation’s energy reliability and security. In recent years, NERC has warned that MISO and other regional grids face an elevated risk of insufficient resources to meet demand during extreme summer weather.

“Reliability risk and maintaining reliability are becoming more expensive,” says Eacret. “The margin for error is shrinking.”

The risk is tied to a couple of factors. First, electricity demand is growing while more traditional power plants retire yearly, resulting in less stable, 24/7 energy to go around. Data centers are large power consumers, and the increasing number of data centers continues to drive up future energy forecasts. Second, although large solar and wind farms are rapidly being integrated into the grid, they often cannot provide the full power output when it is most needed. On peak demand days, MISO will operate with nearly 70%

of electricity coming from coal and natural gas.

MISO takes proactive steps to prevent summer energy shortages and to plan for backup sources during times of high demand. Big Rivers and your cooperative do not anticipate grid outages in the summer of 2025, but preparation and awareness are essential.

“Big Rivers focuses on having its generation available during the peak summer and winter seasons,” says Eacret. “Maintenance outages are planned years in advance to ensure that material and manpower are available as soon as needed to minimize downtime. Those outages are always planned for the spring or the fall.”

If the grid’s demand starts to exceed the energy supply, the public may be asked to reduce electricity usage quickly. Simple actions, like raising the thermostat a few degrees or turning off unnecessary appliances, can help ease the pressure if enough people participate. If these measures don’t resolve the issue,

a grid emergency could be declared, requiring utilities to reduce usage through coordinated outages that prevent long-term grid damage.

You can also reduce energy consumption in your home to help save money on your summer electric bills. Decrease usage by installing energy-efficient appliances. Since HVAC systems account for a significant portion of a home’s electricity, try raising the temperature on your air conditioning system when you’re not at home. For more summer energy-saving tips, visit kenerycorp.com.

Midcontinent Independent System Operator: The regional power grid for central United States



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6402 Old Corydon Road

Owensboro: 7:30 a.m. – 4:30 p.m.
3111 Fairview Drive

Hanson: 9 a.m. – Noon, 1 p.m. – 4 p.m.
2620 Brown Badgett Loop

Hawesville: 9 a.m. – Noon, 1 p.m. – 4 p.m.
315 Hawes Blvd

Marion: Tuesday and Friday, 9 a.m. – Noon,
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All Kenergy offices
will be closed Friday,
July 4, in observance of
Independence Day.

