

Electric Co-ops Are Already Practicing The Future Of Energy

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Only about one in eight American houses and businesses gets electricity from a cooperative — and on average, [they pay about \\$500 less a year](#) for the privilege.

Unregulated by public commissions and unfettered by shareholders, electricity co-ops answer to their customers, who elect the companies' boards. This structure, and their smaller size, allows co-ops to be more flexible, coming up with new and innovative ways to embrace the future of energy, advocates say.

“We’re trying to power what we call a new way of thinking,” Gary Connett, direct of member services for Great River Energy, said at a Washington, D.C. event Thursday.

Great River Energy, which provides wholesale electricity to a group of Minnesota co-ops, is helping its members take Minnesota’s renewable energy standard (25 percent by 2025) in stride, adding wind power from neighboring North Dakota, as well as facilitating community and rooftop solar. In [one project](#), customers can “subscribe” to a solar panel in a community array and receive a discounted large-scale (85- or 105-gallon) electric hot water heater. From an environmental standpoint, this program helps transition people off fossil-fuel sources. From the co-op’s standpoint, this is a way to make electricity demand more predictable.

Under the program, large hot water heaters also act as energy storage systems, helping the co-op decrease demand when electricity is at its most expensive, such as in the morning, when everyone is getting up. The co-op runs the water heaters at night, when North Dakota’s winds are howling, but air conditioners are low and lights are off.

Interestingly, the plan goes against a Department of Energy (DOE) initiative to phase out large hot water heaters — which have typically been seen as wasteful and inefficient. Sen. Amy Klobuchar (D-MN) and Sen. John Hoeven (R-ND) ushered a bill through in April to exempt electric co-ops from DOE’s plan.

“While other systems of storing energy undergo research and development, Minnesota’s cooperatives have these load management practices and technologies in place today to provide for a more reliable and economic system, and facilitate the integration of renewable energy resources,” Darrick Moe, president of the Minnesota Rural Electric Association, a Great Lakes customer, said in a [statement](#) about the bill.

The program is just one example of how electric co-ops are able to be flexible and forward-thinking in their approach to delivering electricity.

Electric co-ops are something of an American phenomenon. Still serving rural populations, the electric co-op model proliferated beginning in the 1930s, when nine out of 10 rural Americans still didn’t have power. For-profit utilities that served (and still serve) cities didn’t want to spend the money to build miles of infrastructure for just a few customers. A lending program under the Rural Electrification Administration, created in 1935 by then-President Roosevelt, allowed rural customers to band together and start their own companies. And they did — by 1953, 90 percent of U.S. farms were electric, [according to NRECA](#), a national co-op organization.

Now, as the electricity sector — pushed by state and national goals intended to decrease the country’s carbon footprint — transitions to renewable energy sources, co-ops are better positioned to help their customers.

While some large utilities are fighting back against rooftop solar, a co-op in New Hampshire seamlessly threw out a limit on the number of people who could go solar, developing what they — and their customers — think is a fair rate for continuing to provide the infrastructure and reliability that solar panels fail to provide.

Last year, New Hampshire Electric Co-op (NHEC) was rapidly approaching the state-mandated cap on net metered customers — that is, customers who received payment for the electricity they put back on the grid. The co-op knew, though, that customers wanted to go solar. It also knew that it wasn’t viable for all its customers to

be zeroing out their bills every week. Rather than enact a flat fee, the co-op analyzed transmission and distribution costs, which it will continue to pass along to customers, no matter how much electricity the customers sell back.

NHEC board member Kenneth Colburn chalked the process up to “NHEC’s willingness to take initiative — and, more importantly, the freedom that we had to take initiative that was provided by the co-op business model.”

That freedom to operate in their members interest is critical to solving the issues created by transitioning to new ways of doing things, Colburn said during Thursday’s event.

“Here we are, seven months, eight months, after the problem arose, and we have a solution,” he said.