

Why Did We Have Rolling Blackouts?



**MESSAGE
FROM
MANAGER
JERRY D.
WILLIAMS**

Folks in North Texas will likely remember the first part of February 2011 for an unusually powerful winter storm that brought another rare occurrence: rolling blackouts that affected a lot of electric customers across the state. Many will recall most of our area had more than 10 inches of snow during February 2010, but no blackouts. What changed? The difference seems to be that temperatures this year dropped to about 11 degrees in our area, while most of Texas experienced temperatures under 20 degrees.

Rolling blackouts, in which power is temporarily shut off to segments of the electric grid to reduce demand, were ordered by the Electric Reliability Council of Texas (ERCOT) to prevent overload that would have completely shut down the electric grid, or power delivery system. ERCOT is the agency responsible for operating the electric grid that serves about 85 percent of the state, including the Lamar Electric service area.

Because electricity cannot be stored, it must be generated in enough quantity to balance the demand for it. This balance must be maintained every minute of every day. Unfortunately, the days when demand is greatest, and the grid runs into trouble, are the same days when it's the most inopportune time for customers, such as during an unusually hot or cold spell. Demand spikes on those days when millions of air conditioners or electric heaters across the state are running full tilt.

Even under these extreme demands,

the ERCOT grid normally has more than enough generation to meet the needs of its electricity customers. But during the recent cold snap, it appears a couple of things went wrong.

Some big coal-fired generation plants, which provide base-load power to meet most of the grid's demand, were offline because of equipment failures. Some of these plants were only about a year old. The common issue seems to have been that the new, state-of-the-art electronic sensors froze.

And some gas-fired generators, which are brought online to provide extra power (called peaking power) when demand spikes, couldn't get enough natural gas to run, partially because their gas purchase agreement was for an interruptible supply of gas at a lower cost. They had agreed to have their gas supply cut off when demand spikes, and the unusually cold weather made the supply of gas tight. Generally, the highest demand for electricity in Texas is in the summertime, so generators using gas most likely figured there would never be a tight gas supply when they really needed to run.

Because the power grid in Texas is generally not connected to the rest of the nation, power could not be brought in from other states to help alleviate the crisis.

This left the state's grid, which was experiencing a record winter peak demand, in a power crunch. If at any moment the demand for electricity had outstripped supply, the system would have begun to automatically shut down and potentially plunge about 22 million customers into a complete blackout. If that had happened, power might have taken hours to restore.

To prevent such an occurrence, ERCOT declared a power emergency and instructed utilities connected to the grid to interrupt power to customers on a rotating basis to immediately lower the electric load (demand

for power). Many electric customers experienced at least one blackout lasting from 10 to 45 minutes. This plan helped the grid limp through the crisis until temperatures rebounded, more plants came online and demand fell to a more normal level.

Each utility was assigned a specific amount of power to curtail, based on their percentage of the total electric load. Lamar Electric was notified to reduce our customer load, but we decided to take a different approach. In addition to asking customers to conserve on their usage, we contacted some of our commercial and industrial customers who had backup generators. Some of our customers started their generators and transferred their electric load off the grid. One industrial customer was able to defer its operations for a few hours. By taking this approach, Lamar Electric was able to comply with the order from ERCOT while still serving every co-op customer, except a few who had voluntarily cut their usage or used their backup generator. Not a single Lamar Electric customer was forced to be in the dark.

In my opinion, the problem was not a shortage of electric generating plants. The problem seems to be that after wholesale electric power was deregulated, much of the retail supply of electricity was deregulated, creating a commodity market for electricity—sort of like buying corn futures. Retail electric companies appeared overnight because they could buy power from this new “electric market” and resell it for a profit. No one seems to have been given the responsibility to make sure enough generating power is available and can actually generate when called upon.

The companies supplying power for Lamar Electric had plenty of power for us, but that power had to be shipped across the grid. Many small companies have entered the Texas deregulated retail market and just

See **Blackouts**, next page

Notice of Lamar County Electric Cooperative Meeting of Members

The Annual Membership Meeting of Lamar County Electric Cooperative Association will be held at Love Civic Center, 2025 S. Collegiate Drive in Paris, on Saturday, April 9, 2011.

Registration opens at 9 a.m. The business session will begin at 10 a.m. and includes any necessary reports of the officers, board members and committees as well as the election of board members in Districts 1, 8 and 9, each for a three-year term.

For a member to be nominated for the position of director of the cooperative, his or her name must be officially received at the main office of the cooperative not less than 60 days nor more than 90 days before the date of the annual meeting of the members at which board members are to be elected.

The following members have placed their name in nomination at the cooperative headquarters.

DISTRICT 1 Michael "Mike" R. Williams, 16288 FM 195, Detroit, TX 75436

DISTRICT 8 James Sam Cooper, Box 402, Roxton, TX 75477

James Dunn, 249 CR 22850, Paris, TX 75462

Derrell London, 10 CR 3060, Cooper, TX 75432

DISTRICT 9 Lyle Yoder, 13527 FM 905, Pattonville, TX 75468

You do not have to be present at the meeting to vote in the director election. Before the meeting, ballots will be mailed to members who reside in those districts. If you reside in one of the districts having an election, you may either vote by mail or in person at the meeting.

Each member in attendance at the meeting will receive a registration gift, and a drawing for other prizes will be held. You must be present at the time of the drawing to be eligible for door prizes.

Six \$1,000 scholarships will be awarded at the meeting. Entries must be received at the cooperative office by 5 p.m. on April 8, 2011. To be eligible, scholarship candidates must:

- Live in the home of a parent or legal guardian, who is a full-time resident in the Lamar Electric service area and maintains an active Lamar Electric account in good standing.
- Be a graduating senior attending a high school or a home-school program within the counties served by Lamar Electric Cooperative.

We look forward to you attending and enjoying your annual membership meeting.

BILLY R. HINES, Board Secretary

Dated: March 24, 2011

SCHOLARSHIPS To Be Given Away at LEC Annual Meeting

The deadline is approaching for high school seniors to enter for a chance to win one of six scholarships to be given away at LEC Annual Meeting on Saturday, April 9. The meeting will be held at Love Civic Center in Paris, Texas, at 10 a.m. Get your entries in by 5 p.m. Friday, April 8.

For more information and an application form go to our website at www.lamarelectric.coop and apply today.



Blood Drive

Give the Gift of Life

Given by: Carter BloodCare

Hosted by: Lamar Electric Co-op
(on our parking lot)

Date: Tuesday, April 19

Time: Noon to 4 p.m.

You will get a free T-shirt, cookies and juice. Make sure you eat breakfast that morning. Each donor will also receive a free CFL and an ice cream scoop. If you have any questions or want to schedule your appointment for that day, contact Marci Thompson at (903) 783-4911.

Blackouts *continued*

assumed there would always be enough reasonably priced power "on the market" to supply their retail customers. One of these retail electric companies promptly went out of business in one day. No one knows how many others will follow.

When blackouts were ordered by

ERCOT, the market price for electricity went from 3 cents per kilowatt-hour (kWh) to \$3 per kWh. At those prices, you could be sure anyone with an available generator was going to run it if they possibly could. The old law of price affecting supply worked, and a lot more generators were running the next day.

Can we promise that this situation will not happen again? No, we cannot. But we hope the lessons learned from this experience will help make a recurrence less likely. You can feel secure knowing your cooperative has your back and will deal with any future power emergency in a manner that affects our members the least.

2011 Director Candidate Profiles



District 1

MICHAEL "MIKE" R. WILLIAMS has been a member since 1996 and has served on the board of directors since 2005. He and his wife, Ginger, live in Detroit. He has two children, Rachel and Eric. He is a graduate of Clarksville High School, Paris Junior College and East Texas State University with a degree in agribusiness. He has worked as a chemist for TXI and has been employed

for 25 years with the Texas Department of Transportation, where he is a district environmental coordinator.



District 8

JAMES SAM COOPER has been a member since 1980 and has served on the board of directors since 2007. He and his wife, Kathy, live in Roxton and have two children and three grandchildren. He is a graduate of Crosbyton High School and Texas A&M University-Commerce. He is the owner of Cooper Fina and Carwash in Roxton.



JAMES DUNN has been a member since 1998. He and his wife, Stella, live in Paris and have six children. He has attended college and served in the U.S. Army. He is retired from the Texas Department of Criminal Justice and is currently employed at Walmart in Paris and the Bar D Ranch.



DERRELL LONDON has been a member since 2002. He and his wife, Phyllis, live in Cooper. They have three children and five grandchildren. He served in the U.S. Air Force for four years and is a graduate of East Texas State University with a bachelor's degree in business. He has worked for Farmers Electric Cooperative in Greenville and was manager and CEO of Hunt-Collin Electric Cooperative in Celeste. He is now retired from

the National Rural Utilities Cooperative Finance Corp. (CFC), where he was employed for 26 years.



District 9

LYLE YODER has been a member since 1998 and has served on the board of directors since 2008. He and his wife, Jinx, live in Pattonville. They have one daughter and son-in-law and one granddaughter. He is self-employed with Yoder & Sons Metal Works in Paris.

KIDS' SAFE SATURDAY 2011



A free Think Child Safety Fair for children ages 0-12 and their parents

**APRIL 30
10 a.m. - 2 p.m.**

Love Civic Center
2025 S. Collegiate Drive, Paris

**FREE T-SHIRTS
to the first 300 children**



Games and Activities

Electrical Safety

Internet Safety

Water Safety

Gun Safety

Home Safety

**Alcohol, Tobacco
and Drug Safety**

Poison Safety

First Aid

Fire Safety



JERRY WILLIAMS
General Manager
2 years on April 1

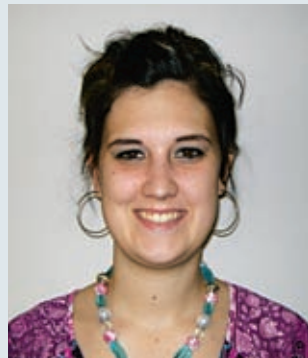
Employee Anniversaries



TESSI MCFADDEN
Customer Service Rep
4 years on April 1



BARRY MURCHISON
Operations Manager
5 years on April 10



RACHAEL WHIPKEY
Dispatcher
5 years on April 17



MARTI CHUMBLEY
Collections Manager
13 years on April 20



RICKY CRUMP
Meter Reader/Collector
26 years on April 1

COUNTRY CORNER EVENTS

April 1-2 North Texas State Tumbling and Trampoline competition—North Lamar High School gym. Contact Lamar County Chamber of Commerce at (903) 784-2501.

April 9 American Red Cross Ranch Rodeo—Mark Buster's covered arena. Contact ARC officer at (903) 737-4390.

April 9 Bogata Homecoming

April 14-15 Lamar County Junior Livestock Show—Red River Valley Fair Grounds in Paris. Contact Mike at (903) 737-2443.

April 16 April in Paris Fine Arts Festival—At Paris's beautiful downtown plaza from 9 a.m. to 6 p.m.

April 16 Delta County Fair & Livestock Show—Cooper City Park

April 23 Red River County American Cancer Society Relay For Life Event—Detroit High School. 10 a.m. to midnight. Contact Neicy Herrington at (903) 737-4857 or Kristi Lindeman at (903) 733-1465.

April 30 Big Brothers Big Sisters Bowl for Kids—Paris Lanes. Call (903) 784-7388, ext. 503, or visit www.bbbsstx.org.

April 30 Kids Safe Saturday—Love Civic Center. 10 a.m.-2 p.m. Contact Rodney Jones at (903) 517-2633 or e-mail rodney@parisems.com.

April 30 Cuthand VFD Annual Fundraiser & Pie Auction—Contact Phillip Andrews at (903) 219-2557.

If you have any events that you would like listed for Delta, Lamar or Red River counties, please contact Marci Thompson. Information must be submitted two months in advance for the magazine. E-mail marci@lamar-electric.coop or call (903) 783-4911.