

## **POWER COST ADJUSTMENT: Everything you need to know**

A Power Cost Adjustment (PCA) helps manage the fluctuating costs of purchasing power from our wholesale provider, Dairyland Power Cooperative (DPC). When the cost to purchase power in our regional energy market is significantly more or less than anticipated, DPC passes the difference to Jump River Electric Co-op, and we pass a charge or credit to our members.

Things like fuel costs, load, demand, weather, and generation mix all impact DPC's costs to produce energy. Because the rate we charge you for energy is fixed, but the rate we pay DPC for that same energy is variable, we need to at times "true up" the difference. The Power Cost Adjustment (PCA) is a per kilowatt-hour (kWh) charge on your bill, and it can be zero, a credit, or a charge.

As a cooperative, we are a not-for-profit organization. This means that we charge you for what we need to operate your cooperative. PCAs allow us to keep rates stable, while also allowing us to fairly pass through the fluctuating cost components of electricity. Without a PCA charge, rates would be constantly changing to reflect increases and decreases in the cost of power. It is important to note that the cost for power is approximately 50% of our total annual expenses. For every \$1 we spend, 50 cents will go straight to DPC for purchasing the power we distribute to our members.

### **More on PCAs:**

- The Power Cost Adjustment is a separate line item on each bill statement.
- A PCA has been listed, as needed, on the bill statements for many years.
- The PCA charge we received from DPC in January 2026 has never been this large. To help reduce the overall impact of this cost, JREC is spreading this cost over four months rather than a single billing cycle.
- The monthly PCA kWh rate may be the same month to month, or it may vary, based on the PCA amount charged to us by DPC.
- We fully recognize that this historically high fluctuation was not anticipated. The co-op was not financially able to absorb this expense and had to pass this on to the members.

### **Why is there a PCA charge for the February to May usage bills (mailed March to June)?**

- In January 2026, the grid experienced extreme weather events. Temperatures were far below normal and Winter Storm Fern in January impacted much of the grid in the central and eastern U.S.
  - These events severely impacted regions spanning from the Rocky Mountains to the Atlantic coast
  - In Wisconsin, the month of January was one of the coldest on record
- The electric power grids operated by the Midcontinent Independent System Operator (MISO) and the PJM Interconnection were also impacted by congestion on the transmission system, which is one of the main drivers for MISO's decision to invest billions in system upgrades and new transmission lines.
  - MISO and PJM are regional transmission operators (RTOs)
  - MISO is the RTO and is a not-for-profit member-based organization that ensures reliable cost-effective delivery of electricity across central United States, including 15 U.S. states, one of which is Wisconsin, and the Canadian province of Manitoba

- On the generation side, as energy demand rose due to the extreme cold, energy supplies were constrained as a result of forced outages at power plants, either due to weather or maintenance issues. Wind generation performed as projected for a significant portion of the month; however, during the coldest periods of Winter Storm Fern, winds were low, sharply reducing wind generation across the central U.S. from Jan. 23-26, 2026.
- To put the event in context: Dairyland Power Cooperative, our wholesale power and transmission service provider, may have set a new winter record for demand (load) on its system (based on preliminary data).

### Will you be charged a PCA again?

- Yes. The PCA received from Dairyland in January will be spread over four (4) months. The first charge will be on the February usage (bill mailed in March) and then the next three bills to follow.
- As the wholesale cost of power fluctuates with supply chain, high demand and inflation challenges, Jump River members will likely continue to see more frequent power cost adjustments on their electric bills either as a charge or a credit.
- JREC is a not-for-profit organization. It is our goal to collect only what we need to cover the costs of providing you with safe and reliable electricity. Any profit at the end of the year is added to your capital credit account, based on what you paid in. A portion of the capital credits are then paid back to members when financially feasible.

### What can you do?

- Reduce energy and peak demand where possible, which will reduce the impact of any future PCA charges.
- We encourage our members to take advantage of the Energy Sense rebate program that provides money back when purchasing energy saving products. Learn more at [jrec.com/energy-sense-rebates](http://jrec.com/energy-sense-rebates).
- Find energy conservation tips below and go to [jrec.com/energy-savings](http://jrec.com/energy-savings) for more ways to save:
  - Reduce and shift non-essential energy use to outside the times when demand and cost are the highest: 2-6 p.m. during June-August and 7-10 a.m. or 5-8 p.m. from December–February.
  - Close the shades during the brightest parts of day and on the south-facing windows to buffer some of the heat from the sun and keep closed to keep heat in during the winter.
  - Lower your thermostat 4 degrees in the winter and raise it in the summer.
  - Use a microwave instead of a stove/oven to heat food.
  - Take shorter showers and install low flow showerheads.
  - Use cold water only for washing your clothes.
  - Change your light bulbs to LEDs.
  - Turn off power strips to TV's, computers, chargers, and game consoles when possible.
- Find resources and helpful links to where you may be able to get help paying your bill on our website at [jrec.com/energy-assistance](http://jrec.com/energy-assistance). Here are the phone numbers for state and county assistance agencies. State assistance – 866-432-8947 or County assistance: Chippewa County (715) 726-7840, LCO Tribal (715) 634-8934, Rusk County (715) 532-2299, Sawyer County (715) 634-4806, Taylor County (715) 748-3332, Wisconsin Rural Housing (888) 400-5974, and Farm Crisis Center (800) 942-2474 for farmers only.
- Sign up and use SmartHub, where you can monitor your usage and pinpoint where high demand happens in your home. This app helps you compare your usage month to month, annually, and even daily. You can even set usage alerts for your account.
- Find a copy of our Use Energy Wisely booklet online at [jrec.com/use-energy-wisely-guide-efficiency-tips](http://jrec.com/use-energy-wisely-guide-efficiency-tips). This book helps you determine where your usage is coming from. If you'd like us to mail you a copy, please call our office at 715-532-5524.