



By Michael P. McMahon

An Update on Energy Tax Credits

Effective December 20, 2006, President Bush signed a bill that extends federal tax credits for certain renewable energy and energy-efficiency projects. The consumer energy-efficiency credits for tax years 2006 and 2007, however, were not extended in the recent law. Therefore, you have only a few months left of eligibility

to get federal income tax credits for specific energy-efficiency upgrades to your home. There is up to \$500 available per household for upgrading doors, windows, roofing, insulation, and heating/cooling equipment.

Ronnie Kweller, a spokeswoman for the Alliance to Save Energy, urges taking advantage of the credits while they are still available. When it comes to home improvements, it is wise to schedule your work as early as possible to help avoid delays.

Electricity Production

The 2006 legislation did extend the production tax credit through 2008 for electricity produced from wind power, geothermal power, biomass, landfill gas, small irrigation power, and trash combustion facilities. It provides a similar one-year tax credit extension for new properties that produce geothermal power or make use of solar energy:

- Homeowners who purchase solar water heating, solar photovoltaic, or fuel cell systems
- Businesses that purchase fiber-optic lighting systems, solar energy systems, or fuel cell power plants for new energy-efficient homes
- Energy-efficiency improvements to commercial buildings

For electric cooperative and public power utilities, the act extends the Clean Renewable Energy Bonds program through 2008, and it increases the total annual amount of tax-credit bonds to \$1.2 billion. It also extends special tax allowances for cellulosic ethanol facilities to include plants placed in service by 2012. The research and development tax credit, which encourages businesses to invest in new innovations, was extended as well.

For more information on energy tax credits, or to

see if a recent home improvement or new construction is eligible, visit the following web sites:

- Alliance to Save Energy:
<http://www.ase.org/content/article/detail/2654>
- IRS for homeowners:
<http://www.irs.gov/newsroom/article0,,id=154657,00.html>
- IRS for home builders:
<http://www.irs.gov/newsroom/article0,,id=154658,00.html>
- Tax Incentives Assistance:
<http://www.energytaxincentives.org>

Source: NRECA, U.S. Department of Energy, Alliance to Save Energy ■

How Much Can You Get for a NICKEL's Worth of Electricity?

Toaster	30 pieces
Electric razor	114 shaves
100-watt light bulb	8.4 hours
Washing machine (including hot water)	24 minutes
Vacuum cleaner	30 minutes
Can opener	308 uses
Clothes dryer	24 minutes
Dishwasher	18 minutes
Iron	8.4 shirts
Blender	257 shakes
Mixer	85 cakes
Food processor	114 minutes
Oven	48 minutes
Microwave oven	96 minutes
Television	4.8 hours
Video game/monitor	4.8 hours
Radio	55 hours
Refrigerator	4.8 hours
Garbage disposal	342 uses

How Your Electric Energy Dollar is Typically Spent in the Home



	Typical Wattage	Est. Hrs. Used Per Mo.	Est. Monthly kwh	Cost per Mo. At 10 ¢ per kwh
Blanket	150	120	18	\$1.80
Clock	3	720	2	.20
Clothes dryer	5,000	16.5	83	8.30
Dehumidifier	257	240	62	6.20
Dishwasher (does not include hot water)	1,200	25	30	3.00
Fan (attic)	300	360	108	10.80
Fan (window)	200	240	48	4.80
Freezer (15 cu.ft.)	440	334	147	14.70
Hair dryer	1,000	5	5	.50
Heater (portable)	1,500	120	180	18.00
Iron	1,000	12	12	1.20
Lighting (varies widely)	2,000	60	120	12.20
Microwave oven	1,450	10	15	1.50
Mixer	100	10	1	.10
Radio	25	60	2	.20
Range with oven	12,200	8	100	10.00
Refrig./freezer (14 cu. ft.)	326	291	95	9.50
Refrig./freezer (frostless)	615	250	154	15.40
Television	250	180	45	4.50
Toaster	1,400	3	4	.40
Vacuum cleaner	650	6	4	.40
Washing machine	300	3	10	1.00
Water heater (varies widely)	4,500	89	400	40.00
Water pump (deep well)	1,000	15	15	1.50

Understanding the Charges on your Electric Statement

There are several components to the retail electric bill you receive each month. To help you understand the charges on your electric bill, the various components are outlined below:

Facility Charge — This is the basic monthly fee for having an energized electric service. It reflects the electric infrastructure and administrative costs, irrespective of energy use at the service location.

Energy Charge — This is the total for the electricity you have consumed during the billing period. It is billed on a rate per kilowatt-hour, or kwh. The per kwh energy charge directly relates to the costs associated with the generation and transmission of electricity. However, the amount of electricity used, and therefore billed to the consumer, will depend on the appliances and equipment used at the service location. The kwh energy consumption is measured by watt-hour meters that are maintained within accuracy tolerances set by the Wisconsin Public Service Commission guidelines.

Power Cost Adjustment — As wholesale power costs to Vernon Electric Cooperative fluctuate above or below a preset base level, the corresponding Power Cost Adjustment automatically adjusts the per kwh energy charge rate. The Power Cost Adjustment is usually a mill rate assessment because it is billed as a partial cent per kwh.

State and County Sales Tax — Your electric bill is subject to the collection of state and county sales tax

between the months of May through September.

WI Public Benefits — This is a State of Wisconsin-mandated, and non-taxable, collection of funds earmarked for public benefit programs such as energy-conservation services, energy efficiency, home weatherization, and bill assistance for low-income persons. Because Vernon Electric provides its own energy-conservation program, the state allows Vernon Electric to give back part of this charge to our members. This credit is called the Program Credit.

General Plant Fund — Members at our annual meeting voted to establish a General Plant Fund in 2007. This charge replaces the fulfilled Storm Fund, which has reached its maximum of \$1 million. The General Plant Fund will be used to replace antiquated facilities such as office and heavy equipment space.

Security Lights — There is a monthly fee for dusk-to-dawn security lighting that is owned and maintained by Vernon Electric.

Late Fee — A late payment fee of 1 percent per month is added to bills that have not been paid in full by the due date. Avoid late payment penalties by paying your bill on or before the due date.

If you ever have any questions regarding your electric bill, please call Vernon Electric Cooperative, (608) 634-3121 or (800) 447-5051. You can also e-mail us at vec@mwt.net. We will be happy to answer your questions for you. ■

Common Causes of Bill Variations

Conditions Beyond Your Control

- Seasons of the year
- Weather extremes
- Number of days between meter readings sometimes varies
- Light variations
- Defective house wiring

Changes in Normal Living Conditions

- Size of family
- Visiting relatives
- Changes in living habits
- Vacations
- Repairs or renovations
- Hired help
- Special diets
- Guests and entertainment
- Average age of family
- Children — new babies
- Major cleaning
- Holidays
- Roomers

- Sickness or convalescence
- Therapeutics
- Special TV events

Appliances

- New appliances
- Frost on refrigerator unit
- Oven use for house heating
- Leaking hot water faucets
- Excessive house heating
- Use of older appliances
- Defective appliances
- Excessive use of hot water
- Clogged air filters in furnace



Are Phantom Loads Invading Your Home?

Many devices in your home consume electricity even when they appear to be turned off. These phantom energy wasters include instant-on television sets, microwave clocks, VCR displays, telephones, and computer peripherals. Phantom, or standby, loads add up to a huge waste of electricity in the United States that costs consumers more than a billion dollars per year and many billions of kilowatt-hours. The total phantom load in most American homes varies from 1.5 to 4 kilowatt-hours per day, or several dollars per month for most families.

One way you can eliminate phantom loads like TVs,

stereos, VCRs, and computer externals such as printers is by plugging them into a plug strip that is equipped with its own power switch. Simply switch the power strip on and off when you need to use the appliance. For appliances that have remote controls, this method will disable the unit's remote control until you turn the power on, though it will operate normally after you turn the power on. Note also that any appliance that has a cube-shaped transformer on the end of its cord is creating a phantom load. That's why these transformers feel warm even when the device is off.

In July of 2001, President Bush signed an executive order directing federal agencies to buy appliances that consume less than 1 watt of standby power. In doing so, the federal government hopes to stimulate manufacturers to produce appliances with minimal phantom loads. Consumers can benefit from these low-consumption appliances by always looking for the ENERGY STAR® label when buying appliances. ■

Typical Phantom Loads in U.S. Households

How Many	Type of Appliance	Phantom Load (Watts)	Consumption (Watt-hours per day)
1	Instant-on TV	28	672
1	Video Cassette Recorder	14	336
1	Microwave Oven with Clock	8	192
2	Wall Cube Power Supply	5	240
1	Stereo with Remote Control	8	192
1	Stove with Electronic Ignition	14	336
Total		77	1,968 (1.9 kWhs)

Courtesy of Home Power Magazine, www.homepower.com



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