



More Power to You

Look for High-Flying Pancakes at Member Appreciation Day

By Shane L. Larson,
Chief Executive Officer

Each year as fall approaches, we host an event to show you—our members—how thankful we are to be your energy provider. This year, we're planning something a little different for Member Appreciation Day on Saturday, Sept. 18.

Instead of firing up the grill and cooking hamburgers, hot dogs, and brats for a picnic lunch, we're going to get started earlier in the day to provide you with a pancake breakfast. But it won't be an ordinary pancake breakfast. It will be catered by a nationally known company called Chris Cakes, which combines cooking and entertaining with its fancy pancake flipping.

Did you ever think cooking pancakes could be entertaining? Well, apparently it is. YouTube has a couple dozen videos of Chris Cakes employees flipping pancakes high in the air. In fact, one video shows presidential candidate Barack Obama on the campaign trail in South Dakota catching the flying pancakes on his plate.

Electric co-ops in the Midwest highly recommend Chris Cakes, which has catered annual meetings, Member Appreciation Days, and other co-op events. Workers at the company hold two Guinness World Records. One made and served 956 pancakes in an hour, and another had the highest pancake toss at 28½ feet in the air.

Other than having the most smiling members, I doubt that any records will be broken on Sept. 18, but we hope you'll join us to see if you're any good at catching pancakes tossed by professionals. Watch this magazine and your newsletter for more details as the event gets closer.

Climate change bill introduced in U.S. Senate

In May, Sens. John Kerry and Joseph Lieberman introduced climate change legislation in the U.S. Senate. The American Power Act, as it's called, would establish a federal cap-and-trade program for carbon dioxide and other greenhouse gases in addition to providing incentives for new energy development in the United States.

In many ways, the legislation is similar to the American Clean Energy and Security Act, which the U.S. House narrowly passed last summer. Its stated purpose is similar: "To ensure the energy future of the United States, to provide incentives for the domestic production of clean energy technology, to achieve meaningful pollution reductions, to create jobs, and for other purposes." It's difficult to argue with the first four goals, but what about that last phrase? Who knows what "other purposes" are in the bill's 987 pages?

I'll repeat the old saying that I used after the 1,500-page House bill was approved last summer: The devil is in the details. Although the Senate bill is a third shorter, do you think many senators know every last detail in those 987 pages? It's the small details that might cause big problems down the road.

With energy discussions now centered on the Gulf oil spill, it's unclear whether the Senate will take action this year on climate change legislation. If it does, the House and Senate versions would need to be reconciled before the law is enacted.

Rock Energy wins round in court

You may have read news reports that Winnebago County Circuit Judge Edward Prochaska dismissed the lawsuit that the village of Rockton had filed against Rock Energy. The judge said that the village did not have an enforceable contract requiring Rock Energy to sell utility assets to the village because there had been no agreement on the price that the village would pay for those assets.

We appreciate the judge's decision and had hoped that the matter was behind us. However, we were notified in late May that the village is appealing the decision. I will keep you informed as the case makes its way through the appeal process. We hope to continue providing safe, reliable, and affordable electric and natural gas service to residents of the village of Rockton, as we have successfully done since 2007.

(Continued on page 29 ►)



Ground Source Heat Pumps Can Cut Home's Heating, Cooling Costs in Half

Loan Program Helps Members Fund Energy-Efficient Projects

Did you know that one of the most promising solutions to high energy costs could be buried right in your backyard?

It's true. Ground source heat pumps, also referred to as geothermal technology, can significantly reduce energy costs while meeting a home's entire heating and cooling needs. It can even be used for water heating.

Dale Kessinger, energy services manager at Rock Energy Cooperative, estimated that the technology could cut a homeowner's energy costs in half. Individual savings depend on the size of the geothermal system installed and whether the homeowner is switching from natural gas, propane, or electric heat.

Just as the savings vary, the cost of a ground source heat pump and installation depends on factors such as the size of the home, available land area or lot size, and the

individual needs of the homeowner, said Clay Kohlhausen of Don-Martin Heating, Cooling & Geothermal in Janesville. He estimated that the cost for a geothermal system would be \$12,000 to \$14,000 more than for a new conventional high-efficiency furnace/air conditioning unit.

Recognizing that it might be



Workers at Don-Martin Heating, Cooling & Geothermal in Janesville install a vertical loop ground source heat pump system. The loops are fluid-filled polyethylene pipes that absorb heat from the ground and transfer it inside during the winter. (Photos courtesy of Don-Martin Heating, Cooling & Geothermal)

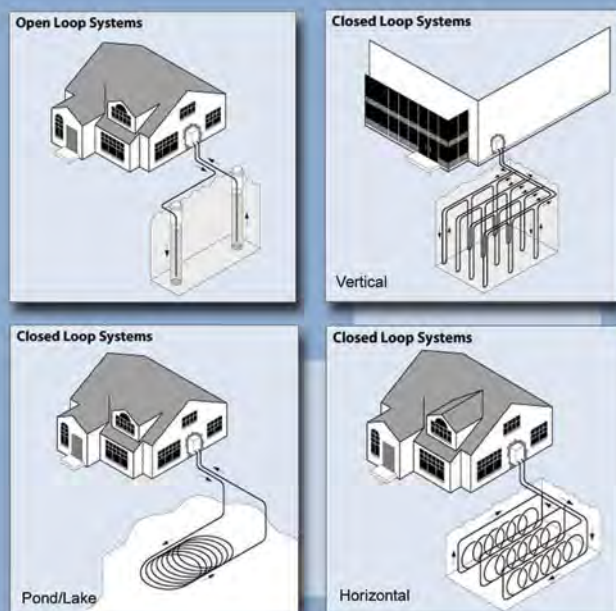
difficult for members to fund such a project, Rock Energy Cooperative's board of directors has approved a loan program that allows members to borrow up to \$7,000 for five years at a low interest rate.

"We realize that the initial cost of a ground source heat pump prevents many members from switching to this highly efficient form of heating and cooling," said Shane Larson, Rock Energy's CEO. "Our loan program is designed to make owning a geothermal heat pump system easier, and the best part is that the loan payment can be offset by energy cost savings."

In fact, the average monthly energy cost savings on a typical propane furnace and central air conditioner re-

Types of Ground Source Heat Pump Systems

There are four basic configurations for heat pump systems. Three are closed loop systems, where a water and antifreeze solution is continually moved through pipes; the fourth is an open loop system, where groundwater or well water is used.



Source: U.S. Department of Energy, Office of Energy Efficiency and Renewable Energy

(Continued on page 28 ▶)

Ground Source Heat Pumps

(Continued from page 5)

placement is estimated to fully cover the installment payments on a five-year loan of between \$4,000 and \$7,000. The payback for the entire project cost is projected to be five to nine years.

A federal tax credit equal to 30 percent of the project's cost makes the switch even more affordable. In addition, Rock Energy members who live in Wisconsin are eligible for a \$250 rebate through the Focus on Energy program.

How do heat pumps work?

As the name implies, heat pumps simply move heat from one place to another. The ground is used as a heat source during the winter, and heat is transferred into the ground during the summer.

Scott Niesen, Wisconsin territory manager for WaterFurnace, explained that temperatures about four to six feet underground remain relatively constant throughout the year. In winter, fluid-filled underground polyethylene pipes, called loops, absorb heat from the ground and transfer it inside. An indoor unit then compresses the heat to a higher temperature and distributes it throughout the building. The process is reversed in summer, when heat is pulled from the home, carried through the loops, and deposited in the cooler ground.

Loan Details

- Members in good standing can borrow up to \$7,000.
- Length of loan is five years or less.
- Below-market interest rate is fixed for the loan term.
- Loan is repaid on monthly energy bills and offset in whole or in part by energy cost savings.
- Applications are available at Rock Energy offices in Janesville and South Beloit.
- If you have questions about the loan program, call (866) 752-4550.

Systems can be configured in four basic ways (see graphic on page 5), but Kohlhagen said the most common in this area is the horizontal loop, which requires at least a quarter acre of land. If space is limited, vertical loops can be installed.

Kohlhagen said each system is individually designed by determining the home's heating and cooling requirements while factoring in the family's desired comfort level.

Growing in popularity

Although geothermal technology has been around for 30 years, Niesen said its popularity has increased substantially in recent years as people try to control their energy costs as well as protect the environment.

The Department of Energy and the Environmental Protection Agency have both endorsed ground source heat pump systems as among the most energy efficient and environmentally friendly heating, cooling, and water heating systems available.

The systems also require little maintenance and are long-lasting. The indoor unit has a lifespan of more than 20 years and costs \$5,000 to \$8,000 to replace. The rest of the initial price covers design, excavation, installation, and the loop system, which are one-time costs. The underground loops are typically guaranteed for 50 years, and many think they will last a lifetime.

Experts, however, warn that the knowledge to properly design and install a system is specialized. The best way to find out if a heat pump will be cost effective for your needs is to contact a certified and qualified geothermal installer. Rock Energy can provide you with a list of qualified geothermal contractors. ■

Mark Your Calendar

Member Appreciation Day 2010

Pancake Breakfast

Saturday, Sept. 18
8 to 10:30 a.m.

REC Headquarters,
2815 Kennedy Road,
Janesville, Wis.

Watch for details!



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(Continued from page 4)

Loans available for ground source heat pumps

You might be surprised to learn that one of the answers to high energy costs could be buried right in your backyard. I'm talking about ground source heat pumps, which use the ground as a heat source in the winter and transfer heat into the ground during the summer.

These heat pumps provide clean, quiet heating and cooling while significantly reducing energy costs. To help members switch to this new energy-efficient system, Rock Energy's board of directors has approved a loan program. Members can borrow up to \$7,000 at low-interest rates to have a system installed. Loan payments will be included on the member's monthly electric bill and will be offset by energy cost savings.

If you want to learn more about how ground source heat pumps work, please read the article on page 5. This loan program is just one of the ways that we at Rock Energy are working to help you save energy and reduce your heating and cooling costs. If there's anything else we can do to improve our service to you, just let us know. ■



Have a Safe and Happy Independence Day!

Rock Energy Cooperative offices will be closed on Monday, July 5, in observance of Independence Day. We will reopen at 7:30 a.m. Tuesday, July 6. Members can make payments in the drop boxes at both offices throughout the holiday weekend. Even though our offices are closed, standby crews are always available 24 hours a day. If you need to report a power outage, please call (608) 752-4550 or toll-free (866) 752-4550.



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