



Central Florida Electric Cooperative, Inc.

~ YOUR POWER PARTNER ~

NEWS RELEASE
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Natural Gas Prices Force Another Increase to Wholesale Power Cost While CFEC Prepares for Hurricane Ian –

Due to volatility in fuel markets and record-high pricing on natural gas this summer, Central Florida Electric Cooperative has no choice but to raise the Wholesale Power Cost Adjustment once again to cover the basic cost of power from our generation cooperative Seminole Electric. Beginning with October billing cycles, members using the industry household average of 1,000 kWh will pay \$156.50, a \$7 increase from September. The additional amount each member pays each month will vary based on how much electricity is used. This increase is necessary to ensure that we have not under-recovered on the cost of power at the end of this year.

This increase in WPCA is a direct result of higher costs to generate electricity due to increased fuel costs. Natural gas is the fuel used to generate most of the electricity in Florida and is a large part of the generation mix for Seminole Electric. The price on natural gas last month was nearly triple what it was at this same time last year, making the electricity we purchase from Seminole that much more expensive.

We are finally starting to see a little softening in the natural gas market and are hopeful we will see prices continue to drop as we move into the final quarter of 2022 and into 2023. As a not-for-profit cooperative, Central Florida Electric members receive power at cost. While we work hard to maintain costs and keep electricity as affordable as possible, such significant increases to the cost to generate power make this increase unavoidable. When prices on the fuels used to generate power come down, CFEC will lower the WPCA accordingly to pass along any savings to our members.

Natural gas isn't the only battle CFEC will be fighting this week as Hurricane Ian approaches Florida. CFEC initiated its Emergency Response Plan on Sunday, September 25 and have been meeting daily in order to be proactive in our preparations for the storm. CFEC is prepared for any potential damage to electrical systems and equipment in order to expediate restoration as much as possible. In addition to our 13 CFEC line crews, we have requested an additional 20 mutual aid line crews, as well as secured another 41 contract line crews, to assist in our restoration efforts once the storm has passed. This is in addition to several contract Right-of-Way crews, both in-house and brought in from other areas, that will be on standby to help clear storm debris. Depending on the severity of the damage to CFEC systems, we have lined up several more outside crews in addition to these to be on standby to come assist if necessary.

We encourage all our members to make the necessary preparations for the storm and have a plan to keep yourself and your family safe in the event of severe weather. CFEC will do everything we can to keep outages times as short as possible and restore all members safely.