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CEO MESSAGE

From Gwen Stevens, President & CEO

gstevens@peoplesenergy.coop

The 2026 Minnesota legislative session wrapped up at the end of May and although it was shaped by divided government, we saw that bipartisan agreements were still possible when legislative leaders focused on shared fiscal and operational priorities.

For the energy sector, specifically for Minnesota's electric cooperatives, nuclear energy took a meaningful step forward and several costly proposals were stopped before they could become law.

A Step Forward on Nuclear Energy

After three decades of standing still, Minnesota took its first real step forward on nuclear power with a state nuclear energy study (HF 4703 / SF 4900). This is the most significant movement on the issue since Minnesota's nuclear moratorium was put in place in 1994. The moratorium itself remains, but the study reflects a growing recognition at the Capitol that nuclear power deserves a serious look as the state works toward its carbon-free electricity goals.

Our state association, Minnesota Rural Electric Association (MREA), helped lead this effort as a founding member of the Minnesota Nuclear Energy Alliance. The Alliance brings together more than 60 organizations spanning utilities, labor, agriculture, business, and environmental groups. Its broad reach helped move nuclear into the mainstream of Minnesota's energy conversation.

The study itself will examine the costs, benefits, and tradeoffs of nuclear energy in Minnesota, including its potential role in supporting affordability, reliability, and emissions reductions. The study will also look at issues surrounding nuclear waste and storage. Its findings will give lawmakers a stronger foundation for deciding whether to lift the moratorium next year.

Holding the Line on Costly New Mandates

Just as important as what passed is what didn't.

Throughout the session, Minnesota's electric cooperatives, through MREA and the advocacy of members across the state, worked to educate legislators about how mandates from St. Paul affect locally governed, not-for-profit cooperatives differently than they do large investor-owned utilities. Bills that would reduce local governance of our operations all stalled before reaching the finish line. Cooperative priorities like net metering reform also saw little movement, leaving important work for future sessions.

Looking Ahead to 2027

The November election will reshape the makeup of the Legislature, and the political landscape next session could look very different. We look forward to inviting legislative candidates this fall to hear directly from them on issues important to the Cooperative. We will continue to focus on advocating for affordable, reliable electricity and protecting the local, democratic governance that makes cooperatives unique.



Sincerely,

A handwritten signature in blue ink that reads "Gwen Stevens".

Gwen Stevens
President & CEO
(800) 214-2694

PEC's Board of Directors held its monthly meeting on April 30, 2026. A quorum of directors was present, and the following actions were taken:

- ▶ *Approved a PCA charge of 13.8540 mills/kWh for April usage billed in May.*
- ▶ *Approved revisions of Board Guideline 04 – Productivity and related policies.*
- ▶ *Approved the Incumbency Certificate and Officer Resolution for the transition of Board Chair and President & CEO.*
- ▶ *Accepted the 2025 Safety, Reliability, and Service Quality report.*
- ▶ *Approved capital credit allocations totaling \$5,466,525 for members.*

During the meeting, the following items were also discussed: board roles and responsibilities training; quarterly financials and capital budget review; Annual Meeting review; the Cooperative's history from 1946-1956; and a safety spotlight on work zone safety.

PEC's Board of Directors held its monthly meeting on May 28, 2026. A quorum of directors was present, and the following actions were taken:

- ▶ *Approved a PCA charge of 13.5280 mills/kWh for May usage billed in June.*
- ▶ *Approved revisions of Board Guideline 05 – Member Relations and related policies.*
- ▶ *Approved changes to Policy 202 – Line Extensions and Modifications.*
- ▶ *Approved 2 RUS Resolutions for the transfer of funds.*
- ▶ *Approved the RUS Secretary Certification for REAP-ER.*
- ▶ *Approved a retail rate change to Rate Schedule H, General Service with Electric Heat.*

During the meeting, the following items were also discussed: Changes to DPC Bylaws, Red Flags Rule: Identity Theft Prevention training, IT Update, the Cooperative's history from 1946-1956; and a safety spotlight on heat related illnesses and poisonous weeds.

DO YOU KNOW?

About Budget Billing?

People's Energy Cooperative's budget billing option takes the guesswork out of your monthly electric bill by leveling costs throughout the year. Instead of seasonal highs and lows, you'll pay a consistent amount based on your past energy use – making budgeting easier and more predictable. Take control of your monthly expenses and avoid surprise bills during peak seasons. Ready for more peace of mind? Visit peoplesenergy.coop/budget-billing to learn more and enroll.



MANAGEMENT

Gwen Stevens,
President/CEO

Dody Wubker, *CFO*

Jeff Holley,
Vice President of Engineering

Michelle Olson,
Vice President of Information & Services

Nicholas Woetzel,
Vice President of Operations

BOARD OF DIRECTORS

DISTRICT 1:
Jon Kroening

DISTRICT 2:
Jodie Tvedt, *Chair*

DISTRICT 3:
John Winter, *Secretary*

DISTRICT 4:
Tracy Lauritzen, *Treasurer & MREA Board Director*

DISTRICT 5:
Jerry Wooner, *Vice Chair*

DISTRICT 6:
Art Friedrich,
Dairyland Director

DISTRICT 7:
Jeff Orth

Visit peoplesenergy.coop for a listing of the areas covered by each district.

Business Hours:
7:30 am – 4:00 pm, M–F

\$30 SPOT YOUR NUMBER

Each month, we hide five account numbers (without the last two digits) within the text of the newsletter. If you find your number, contact the Cooperative by the 15th of the next month at **(800) 214-2694** or memberservices@peoplesenergy.coop to receive a \$30 credit on your bill.

Good luck in finding your account number!

Holiday Weekend 4th of July

In recognition of Independence Day, the Cooperative will be closed on Friday, July 3 to allow employees the opportunity to celebrate with friends and family. If you experience a power outage during this time, please report it through SmartHub or call (800) 214-2694.

Celebrate safely and responsibly!

Vegetation Management 2026

Carr's Tree Service and New Age Tree Service continue to work with us to execute our vegetation management plan in 2026. During the summer months, this includes both tree-clearing and vegetation spraying work. Members affected will receive notifications in advance of when crews will be working in your area. If you have any questions, please reach out to the Cooperative by calling (800) 214-2694.



Thank you, Kyle and Tyler!



Kyle

Kyle is a consistent and dependable member of the warehouse team. He's someone you can count on to follow through and get the job done right. He takes pride in his work, maintains a strong work ethic, and approaches his responsibilities with a positive attitude.



Tyler

Over the years, Tyler has demonstrated a strong commitment to learning and professional growth at the Cooperative. Through the various roles he has held, he has continued to strengthen our team's ability to provide reliable service to our members.

Automotive Professionals Day

On June 12, we recognized our mechanic, Nate, who plays a critical role in keeping our fleet running safely and efficiently. Reliable vehicles are essential to serving our members – allowing crews to respond to outages, complete maintenance, and carry out day-to-day operations across our service territory. Three thousand five.

Nate is a dependable team member who shows up ready to work, follows through on his commitments, and takes ownership of his responsibilities. When challenges arise, he stays calm and methodical, working through problems to find practical solutions that keep things moving forward. He also steps in wherever needed, contributing to a positive, productive work environment.



A Legacy of Service

For 90 years, People's Energy Cooperative has provided electric service to rural communities and areas around Rochester. We continue our look back with stories and details from the 80s and 90s.

Early 1980s

The Cooperative began using computers for member records and financial management.

1982

The Cooperative announced that Dairyland Power Cooperative would adopt a load management / load control program. The effort was to reduce peak demands for electricity, providing better utilization of existing power plants.

1985

Cooperative Water System, owned by the Cooperative and serving members southeast of Rochester, had taxed its pumping and storage capacity to its limits. Due to the cost required to expand the water service, the water system was sold to the City of Rochester and they took over operation at the end of 1985.

1987

Pay stations were set up at area banks throughout the service territory to facilitate members paying their bills on time.

Early 1990s

Electric utilities, including PEC, began deploying software-based outage management systems that integrated customer outage calls, network models, and crew dispatching into a single system.

1991

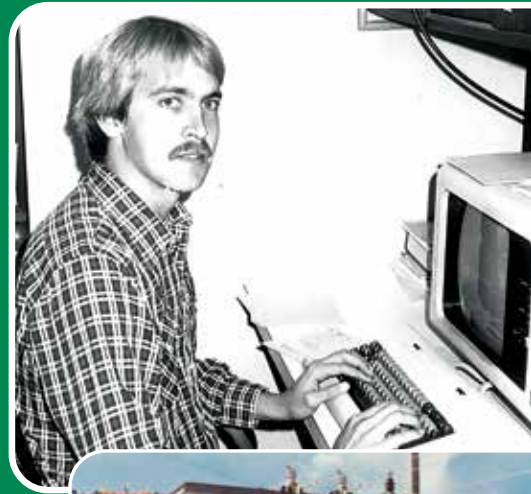
A Halloween blizzard devastated large portions of the Cooperative's system, knocking out power to 4,500 members. At least 1,500 members were without power for up to a week.

1990s

Electric utilities, including PEC, began deploying software-based outage management systems that integrated customer outage calls, network models, and crew dispatching into a single system.

1990s

The drive-up window at the Cooperative's headquarters on North Broadway in Rochester was closed to allow for an exterior 'facelift.'



Data Centers

Understanding Their Function & Local Impact

Data centers are a hot topic of conversation right now. You've probably seen plenty of news articles referencing data centers, their increasing importance in powering our technology-dependent world, and the impact these facilities have on local communities.

To help members understand that not all data centers are the same, or have the same impact, we are answering some commonly asked questions.

What are Data Centers?

A data center is a physical facility that houses computing infrastructure. Organizations use these facilities to store, manage, and process large volumes of data using servers, networking equipment, and storage systems. There are five categories of data centers – enterprise, colocation, hyperscale, edge, and modular – and each plays a different role in our country's data infrastructure. This reflects an evolution from centralized, company-owned facilities to a mix of shared, cloud-scale, and distributed computing environments.

Data centers are low-rise buildings designed to house rows of servers requiring set temperature and humidity levels. They operate 24/7 with stable power, cooling, and redundancy to avoid service disruptions. This nonstop activity is essential for services that cannot tolerate downtime, including financial transactions, cloud software, emergency communications, healthcare systems, and automated agriculture technologies.



How Do They Work?

Data centers perform several key functions that keep digital systems working reliably. First, they process enormous quantities of data every second, enabling online tools and applications to function smoothly. Second, they store information securely, often across multiple servers and redundant systems to protect against data loss. Third, they transmit data across networks, acting as hubs that route information efficiently between devices, users, and organizations.

These facilities consume large amounts of power due to their continuous operation and the energy required for computing and cooling. In many cases, a single data center can draw as much electricity as a small town or major industrial load.

Who Uses Data Centers?

Many of the digital services people rely on every day depend on the uninterrupted operation of data centers. They enable email systems, online banking platforms, and e-commerce transactions by securely housing the servers that manage these functions. Cloud storage, which allows businesses and individuals to access files from anywhere, also depends on server capacity within these facilities.

Data centers support navigation systems, weather forecasting tools, and other mapping technologies that provide real-time information critical for transportation and agriculture. Some farms depend on digital tools such as precision agriculture platforms, GPS-guided equipment, automated irrigation systems, and remote monitoring devices. All these systems rely on data being processed quickly and consistently, and data centers make that possible. Eleven thousand six hundred eighty.



Why Build Data Centers in Rural Minnesota?

Minnesota's rural communities attract data center projects due to land availability and utility infrastructure proximity. Interest in data center development in our state has expanded significantly as both private and public entities look to strengthen digital capabilities. Rural communities are often considered for these developments due to a combination of open land, local interest in economic opportunities, and proximity to existing utility infrastructure.

Data centers can boost rural economies through property tax revenue and economic diversification, though zoning and permits are critical. Job opportunities are also created, although this is primarily a benefit during the construction of a facility.



What is Project Skyway?

Project Skyway, located north of Pine Island, encompasses approximately 482 acres. Ryan Companies US, Inc. is a developer working with the City of Pine Island to prepare the land for future development. Currently, a technology campus, in partnership with Google, is under consideration.

Any necessary electrical infrastructure for this project will be paid for by the developer. Xcel Energy is the energy provider for the proposed project site. If a data center is built on the site, there should be no impact on People's Energy Cooperative (PEC) members' electrical service because the regional transmission line is not part of PEC's distribution network.

Updates and additional information on the project can be found at pineislandmn.gov/skyway.

How Would PEC Respond to a Potential Data Center?

When we receive an inquiry for any large load, data center or otherwise, we work first with our engineering team. If the project is large enough, we may also utilize Dairyland's (our wholesale power provider) engineering team to determine the potential impact to their transmission system and the cost before interconnections can be made. This interconnection process includes understanding the strain it may put on the broader grid. If the work goes beyond introductory considerations, the developer will have to pay deposits and other fees to account for staff time and other costs we incur. Additionally, we engage very early with our community partners to identify what the interest in, or resistance to, any projects considering the area would be.

Protecting grid reliability and rate stability remain top priorities for PEC. It is important that we make sure data center growth does not compromise reliability for the homes, farms, and businesses already served by the Cooperative, while exploring opportunities for long-term power usage that enhance rate stability for the future.



Celebrating 90 Years *with you!*

We're celebrating a legacy of service in 2026, and we're excited to bring the celebration to communities across our service area! We've already connected with members at Viola Gopher Count and Elgin's Cheese Days, but the fun continues all year long. Join us at upcoming events like Eyota Days and Byron's Good Neighbor Days to celebrate 90 years of reliable service, community partnerships, and cooperative pride. Stop by our tent to visit, learn more about your cooperative's history, and enjoy a treat.

We look forward to seeing you as we celebrate this milestone together!

OPERATION ROUND UP®



\$38,450 in Local Grants

People's Energy Cooperative's Operation Round Up® (ORU) Trust is funded by members who allow the Cooperative to simply "round up" their electric bills to the next highest dollar. That monthly contribution is put into a trust fund that is later granted to charitable, educational, community, and youth-related programs and events.

In late April, the People's Energy Cooperative Operation Round Up® Trust Board provided \$38,450 in grants to the following area organizations:

American Red Cross: \$2,000 in support of the Home Fire Program

City of Chatfield: \$2,000 to help purchase snow removal equipment

Civil Air Patrol / SE MN Squadron 047: \$1,200 in support of cadet programs

Eyota Days: \$6,000 in support of a community lighting project

Grand Meadow Fire & Rescue: \$5,000 to help build a new brush truck

Inconceivable Robotics: \$1,300 to help purchase a new computer

KM Softball Booster Club: \$1,000 to help fix field fencing

Leadership Greater Rochester: \$1,000 in support of the Cascade Lake Adaptable Bike Station

Mazeppa Senior Citizens: \$300 supporting fellowship for seniors

North Star Honor Flight: \$2,000 in support of the Veteran's Honor Flight

Olmsted County 4-H: \$1,000 to help with the cost of beef bedding

Olmsted County Homeless Community Network: \$1,000 in support of Project Community Connect

Open Hearts Food Shelf: \$2,000 to help with food purchases

Oxbow Park / Zollman Zoo: \$1,500 to help with purchasing a new freezer

Pine Island Baseball Association: \$1,000 to support student access to equipment and programming

Plainview Community Theater: \$1,500 to rent microphone equipment

SCORE Association: \$500 in support of business mentoring & education

SPARK: \$2,000 in support of STEM education

St. Charles High School: \$1,000 in support of the Peer Helper Advance Training

St. Felix Elementary School: \$650 to upgrade physical education equipment

Stewartville FC: \$3,000 in support of startup training equipment

The Grace Foundation: \$1,500 in support of school safety upgrades



To be part of this incredible initiative and opt-in, visit www.peoplesenergy.coop/operation-round-up.

What is **DEMAND?**

The word “demand” can have different meanings depending on the context. When a toddler “demands” a cookie, he or she wants it right away. If you “demand” your teenager turn off his or her phone, it’s not optional. In terms of electricity, demand refers to the amount of power that must be available at any given moment. This is typically measured in 15-minute intervals.

Another way to think about it is: if you run your laundry, dishwasher, and oven all at the same time, you’re placing a much higher demand on the electrical grid at that moment than if you spread those activities out over time. This is true whether it’s home appliances or equipment used on a farm or business only during certain times of the year. Twenty-six thousand four hundred seventy.

Power Down for Energy Conservation

One way you can actively participate in our efforts to reduce demand on the regional grid is to sign up for Power Down. This program will notify you when PEC is asking members to voluntarily reduce their electricity usage during periods of high demand. Visit [peoplesenergy.coop/power-down](https://www.peoplesenergy.coop/power-down).



WASHING MACHINE
can draw up to
2 KW
of electricity



DISHWASHER
can draw up to
1.5 KW
of electricity



ELECTRIC OVEN
can draw up to
5 KW
of electricity

People’s Energy Investment in Oronoco Spurs Growth

When People’s Energy Cooperative relocated to Oronoco, the move included a strategic investment through development of commercial property along Lake Shady Avenue South. In the years since, regional growth has increased demand for commercial real estate, positioning Oronoco as an attractive location for business expansion.

Today, that investment has come full circle. The Cooperative recently sold the remaining Energy Lane lots to retail and trades-focused businesses,

strengthening the local tax base for Oronoco and Olmsted County while supporting long-term energy sales. The project also helped retain two Rochester-area businesses and attract a third from outside the region. Thirty-four thousand one hundred nineteen.

We are hopeful that growth continues as the Oronoco Crossings Housing Project advances following the City’s updated zoning approval this spring.



The Tale of 3 Refrigerators

Understanding energy use can be complicated, but your refrigerator is a simple place to start. Just this one appliance can help you find ways to reduce household bills and lower your environmental impact.

The "I Still Have Life in Me" Fridge

You don't need a new refrigerator to see meaningful savings – small changes can cut energy use noticeably.



- ▶ Set your fridge to the optimal temperature – about 37–40°F for the fridge and 0°F for the freezer – to avoid unnecessary energy use while keeping food safe.
- ▶ Keep the coils clean, as dust buildup forces the appliance to work harder and use more electricity.
- ▶ Check the door seals regularly to ensure they are tight, since even small air leaks increase energy use.

The New Fridge

If a new refrigerator is needed, keep these things in mind:



- ▶ ENERGY STAR®-certified refrigerators meet strict efficiency standards and use less energy than standard models.
- ▶ Bigger isn't always better; larger refrigerators generally use more electricity. Mid-sized models (around 16–20 cubic feet) often provide the best balance of efficiency and capacity.
- ▶ Don't forget about rebates! PEC offers a \$25 rebate for new refrigerators and a \$25 rebate for appliance recycling. Visit peoplesenergy.coop/rebates to learn more and apply.

The Garage Fridge

For some, a garage fridge isn't a nicety – it's a necessity. Here are a couple of things to remember before installation:



- ▶ Garages typically aren't climate controlled, so they can get very hot in the summer and freeze in the winter. Because this can cause issues for the fridge, consider a "garage-ready" model to help with efficiency and reliability.
- ▶ A garage fridge often costs more to run than one inside the home, especially if you move your old kitchen fridge to the garage. In hot weather, the compressor runs longer and uses more electricity. In cold weather, efficiency drops and performance can suffer.

Ready to upgrade your comfort this summer?

Take advantage of People's Energy Cooperative's rebates on high-efficiency heat pumps and HVAC systems. You'll save on upfront costs, reduce energy use, and enjoy reliable, year-round comfort. Don't miss out on these valuable savings - visit peoplesenergy.coop/rebates to get started today.



If you feel a shock, swim away from the dock!

"If you feel a shock, swim away from the dock," is a good thing to remember when swimming. It can help swimmers avoid an invisible hazard called electric shock drowning (ESD).

Outdated wiring and a lack of proper safety equipment on boats and docks can cause situations where electricity seeps or leaks into the water. It is a particularly dangerous hazard because it is impossible to tell with your eyes if water is energized. According to the Electric Shock Drowning Prevention Association, between 10 and 15 milliamps, which is just 1/50 the wattage of a 60-watt light bulb, can cause drowning. The association also reports that most ESD deaths have occurred in public and private marinas and docks.

Safe Electricity recommends that individuals do not swim around docks with electrical equipment or boats plugged into shore power. If you are in the water and feel electric current, shout to let others know, try to stay upright, tuck your legs up to make yourself smaller, and swim away from anything that could be energized. Do not swim to boat or dock ladders to get out. Seven thousand six hundred eighty-five.

If you see someone who you suspect is getting shocked, do not immediately jump in to save the person. Throw a float, turn off the shore power connection, or unplug shore power cords. Try to eliminate the source of electricity as quickly as possible; then call 9-1-1 for help.

Safe Electricity, along with the American Boat and Yacht Council (ABYC) and International Brotherhood of Electrical Workers/ National Electrical Contractors Association, recommends adhering to these steps to enhance water recreation safety and accident prevention:

- ▶ All electrical installations and maintenance should be performed by a professional electrical contractor familiar with marine codes and standards and inspected at least once a year.
- ▶ Docks should have GFCI breakers on the circuits feeding electricity to the dock.
- ▶ The metal frame of docks should be bonded to connect all metal parts to the alternating current (AC) safety ground at the power source.
- ▶ Neighboring docks can also present a shock hazard. Make your neighbors aware of the need for safety inspections and maintenance. Marinas should comply with NFPA and NEC codes.
- ▶ Have your boat's electrical system checked at least once a year. Boats should also be checked when something is added to or removed from their systems.
- ▶ Boats with AC systems should have isolation transformers or equipment leakage circuit interrupter (ELCI) protection, comply with ABYC standards, and be serviced by an ABYC Certified® Technician.

For more electrical safety information, visit safeelectricity.org.





People's Energy Cooperative

Your Touchstone Energy® Cooperative 

1775 Lake Shady Avenue South
Oronoco, Minnesota 55960

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*This institution is an equal opportunity provider,
employer, and lender.*

Outage Notification Service

Are you interested in real-time information when the power goes out in your area?
You can register for our Outage Notification Service to receive alerts not only when
the power goes out, but also when power is restored.

When registering through SmartHub, you have the control to determine
whether you receive notifications through text message and/or email. Please
note: if you opt out of these messages by responding STOP, you will affect all
notifications that you receive from the Cooperative, including billing alerts.

To get started, visit
peoplesenergy.coop/outage-notification-service.



 **24-HOUR**
OUTAGE NUMBER

WHEN THE LIGHTS GO OUT, SO DO WE

Call even if you think your neighbors have reported the
outage. Leave one light on so you know when power has
been restored. Have an emergency kit prepared.

(800) 214-2694