

2024 YEAR IN REVIEW

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CEO MESSAGE

FROM MICHAEL J. HENKE, PRESIDENT & CEO

mhenke@peoplesenergy.coop

Our mission is to provide value to our members through reliable electricity, superior customer service, and innovative energy solutions at fair and reasonable prices. Every day, to make that happen, we must balance affordability with reliability.

Last month, I shared how we scrutinize each aspect of our operation to ensure every dollar is spent responsibly. We go through a lengthy budgeting process to help plan our initiatives and projects for the upcoming year. This process plays a significant role in our focus to keep your electric rates as low as possible.

Just as important as affordability is reliability. As we close out 2024, I am pleased to report that our metrics are once again showing members experience excellent reliability in their electric service. Currently, members can expect, on average, to experience a power outage just once every three years. On average, members can expect to have their power restored within 41 minutes. These metrics reflect normal conditions, not something unusual like an extreme weather event. How did we get here? Through strategic planning and operational excellence.

Reliability at People's Energy is not just about responding to today's needs, it's also about preparing for tomorrow. We have a 10-year comprehensive electrical grid plan that guides strategic investments in infrastructure, technology, and system design. The plan accounts for the anticipated growth in demand, ensuring that our system has the capacity and resilience to support future members and their needs.

Operational excellence isn't anything profound, it's the important work our crews do in the field every day. To ensure our system is working in peak condition, we conduct regular line, substation, and pole inspections, and make necessary repairs; we execute a comprehensive vegetation management plan; and we analyze system outage data.

Line, Substation, and Pole Inspections

Routine inspections are foundational to maintaining a reliable system. Our team visually inspects conductors and transformers to ensure these critical components are in optimal working condition. Pole inspections are conducted using a combination of visual checks and advanced testing tools to assess structural integrity. Substations are inspected to check transformers, breakers, electrical connections, and safety features. We conduct these inspections methodically to identify and address potential issues before they escalate and cause an outage.

Vegetation Management

Vegetation management is critical to preventing outages caused by trees and other foliage contacting power lines. Trees near power lines can create significant reliability risks, particularly during severe weather. We invest heavily in a proactive tree-trimming program along our rights-of-way and regularly evaluate its effectiveness. By keeping our rights-of-way clear of branches and vegetation, we reduce the likelihood of tree-related outages and improve overall safety.

Outage Data Analysis

In addition to preventative measures, we leverage outage data to improve system performance. Outage data allows us to pinpoint specific areas or equipment that may be prone to failure. By identifying patterns in outage causes and locations, we can implement targeted improvements to strengthen reliability.

As we look toward 2025 and I reflect on 2024, I would like to say thank you. We appreciate the support we receive from our members and wish you health, happiness, and good fortune in the year to come!



Sincerely,

A handwritten signature in red ink that reads "Michael J. Henke". The signature is written in a cursive, flowing style.

Michael J. Henke
President & CEO
(800) 214-2694

MONTHLY MEETING HIGHLIGHTS

highline

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PEC's Board of Directors held its monthly meeting on November 25. During the meeting, the following items were discussed: Commitment to Zero 2.0 safety program; 2025 preliminary budget and rates; proposed 2025-2027 Strategic Plan; update on Director of Engineering opening; reliability metrics; 2024 election results; Board credit cards; follow-up from the November Member Advisory Committee; and Code of Ethics Policy.

A quorum of directors was present, and the following actions were taken:

- ▶ *Approved the 2025 Board Meeting Dates*
- ▶ *Approved the 2025 voting delegates*
- ▶ *Approved amendment to the 125 Cafeteria Plan*
- ▶ *Approved a lease agreement option for a new substation*

MANAGEMENT

Michael J. Henke,
President/CEO

Michelle Olson,
*Director of
Member Services*

Gwen Stevens,
*Director of Cooperative
Relations*

Dody Wubker, *CFO*

Nicholas Woetzel,
Director of Operations

BOARD OF DIRECTORS

DISTRICT 1:

Jon Kroening, *Secretary*

DISTRICT 2:

Jodie Tvedt, *Vice Chair*

DISTRICT 3:

John Winter

DISTRICT 4:

Tracy Lauritzen, *Treasurer*

DISTRICT 5:

Jerry Wooner, *Board Chair*

DISTRICT 6:

Art Friedrich,
Dairyland Director

DISTRICT 7:

Jeff Orth

DID YOU KNOW?

Resources are available to help if you find it hard to pay your energy bill this winter.

Minnesota's Cold Weather Rule was established to protect residential members from electrical service disconnection between October 1 and April 30. The rule applies if the disconnection will affect a member's primary heating source.

As a reminder, the Cold Weather Rule does not prevent winter disconnections. If you receive a disconnection notice, you must act promptly and contact the Cooperative to set up an agreed upon payment plan.

Members in need of energy assistance should contact the following organizations.

Energy Assistance Providers:

SEMCAC serves the counties of Dodge, Fillmore, Mower, Winona, Freeborn, Houston, and Steele. Call Toll Free: (800) 944-3281

Three Rivers Community Action, Inc. serves Olmsted and Wabasha counties. Call Toll Free: (800) 277-8418

Additional Resources:

Rochester Salvation Army Heatshare (507) 288-3663

First Call for Help at 211

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 four 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!

VEGETATION MANAGEMENT 2025

PEC hires tree contractors to execute our vegetation management program for annual line maintenance. In 2025, Carr's Tree Service and New Age Tree Service will continue to work with us to ensure trees and other vegetation stay clear of power lines.

During the month of January, New Age Tree Service will be working in the city of Plainview.



Holiday Office Closures

Please note that we will be closed on the following dates to allow our employees time to spend with their loved ones:

Tuesday, December 24

Wednesday, December 25

Wednesday, January 1, 2025

If you have a power outage during this time, please call (800) 214-2694.

2025 HIGH SCHOOL SCHOLARSHIPS

We know investing in education or training after high school can be expensive. People's Energy Cooperative is proud to offer scholarships to graduating high school seniors living in our service area. These scholarships are funded by unclaimed capital credits and are available in the amount of \$1,000 for general education and \$2,000 for lineworker education.

The application is available on our website by visiting peoplesenergy.coop/education-programs. **Applications are due to the Cooperative by Friday, January 31, 2025, at 4:00 p.m.** Scholarships will be awarded at PEC's Annual Meeting on March 27, 2025.

Thank You for Your Service to the Cooperative!



Nelle Dvorak
Engineering
GIS Mapping Technician
5 years

In addition to keeping our maps accurate, Nelle goes above and beyond, often identifying projects and initiatives that improve our mapping system. She has also served on the Safety Committee for the last three years.



Tyler Steinbrink
Lineworker
10 years

Tyler is committed not only to serving our members and ensuring they have lights on whenever they want, but also the greater electric cooperative community. Tyler has responded to mutual aid requests in both northern Minnesota and South Carolina.

Wishing You
Peace & Joy
This Holiday Season

On behalf of our employees and your member-elected Board of Directors, happy holidays!



Looking Back at 2024

The end of a calendar year provides the opportunity to reflect on all that happened and was accomplished. It has been a busy year with much to be proud of.

87th Annual Meeting

For the first time in the Cooperative's history, the Annual Meeting was broadcast to two satellite locations from the Rochester International Event Center on March 21, 2024. During this meeting, Board Directors Jodie Tvedt and Tracy Lauritzen were re-elected to their positions.



Guatemala 2024

In June, Lead Area Lineworker Eric Dessner traveled to Las Peñas, Guatemala. For 10 days, Eric and 13 other lineworkers from Minnesota and Iowa worked to bring electricity to this remote mountain village 6,000 feet above the ocean.

Best Place to Work Award

For the third year running, the Cooperative was recognized as one of the Best Places to Work in SE Minnesota. "We have a vision at People's Energy Cooperative to be an employer of choice. My hope is that all our employees love what they do and love who they do it for," shared Mike Henke, President and CEO. "Creating that environment is a strategic goal of our board and we focus our efforts on that every day."





Transformational New ERA Grant

On September 5, President Joe Biden announced the first round of grant awards from the New Empowering Rural America (New ERA) program at Vernon Electric, a fellow Dairyland Power Cooperative member. Dairyland Power Cooperative (DPC), our primary power provider, is receiving an award of \$579 million for the deployment of renewable energy.

DPC Day of Service

On October 2, our Care for Community Initiative joined forces with Dairyland Power Cooperative and MiEnergy Cooperative to spend the day volunteering at Oxbow Park and Zollman Zoo. We were proud to have such a positive impact on both our people and animal neighbors! Thirty-one thousand seven hundred sixty-four.



Hurricane Helene Relief

At the height of Hurricane Helene, Broad River Electric Cooperative in Cowpens, South Carolina had lost power to over 90% of their system. Within a week, a crew from People's Energy left to assist with power restoration efforts. We are grateful to our crew who stepped up to assist.



Neighbors Helping Neighbors

Over a decade ago, People's Energy Cooperative joined electric cooperatives from across the country in adopting the Operation Round Up[®] program. A trust was established to keep these funds separate from the general operations of the Cooperative. Since then, over 1,000 grants have been issued totaling nearly \$1.5 million.

The Operation Round Up[®] Trust is funded by members who allow the Cooperative to simply "round up" their bill to the next highest dollar. Later, these funds are granted to non-profit and not-for-profit organizations that directly serve our membership. A volunteer, member-led board directs this initiative and gathers quarterly to determine awards based on an application process.

"People's Energy Cooperative's service area has many groups that benefit from Operation Round Up[®] contributions," shared Barb Nicklay, current chair of the Operation Round Up[®] Trust Board. "A few cents per month from participating members makes these contributions possible – a win for members and the service groups."

This program has had a significant impact on charitable, educational, community, and youth-related programs in our service territory. Below is a snapshot of just some of the funding received by communities over the last decade:

STEWARTVILLE AREA

\$124,729

PLAINVIEW, ELGIN, MILLVILLE AREA

\$137,432

CHATFIELD

\$58,203

DOVER & EYOTA

\$99,605

Unfortunately, as you can see below, member participation has steadily declined over the last five years. The result is a decrease in the amount of money available to issue as grants during any given quarter. As we all know, the needs in our area are great. Just last quarter, requests for funding exceeded \$100,000. Two thousand two hundred thirty-one.



The membership's collective participation in this program does amazing things in our communities. From new playgrounds to vital first responder equipment, and much more, your donation truly makes our part of Minnesota a great place to live. Like those members who came before you, we encourage you to continue looking out for your neighbors and participate in this program if you are not already. You can sign up by calling the Cooperative at (800) 214-2694 or visiting peoplesenergy.coop/operation-round-up and completing the opt-in form.

POWER DOWN

for energy conservation

What is Power Down?

Power Down is a voluntary energy load reduction program which encourages members to reduce their energy use during times when there is high demand for energy (peak energy alert) or energy prices in the market are high. Even small actions by many members, such as turning down your thermostat a couple of degrees in the winter and delaying doing laundry or dishes, can make a difference!

Why participate in Power Down?

- You reduce the demand for energy that your home or business is placing on the electric grid.
- You help reduce the need to build additional power plants. This lessens the impact on the environment and reduces the Cooperative's overall demand charges from our power suppliers, keeping rates more stable.
- You help ensure electricity is readily available to meet the needs of all members at all times.

To participate, visit
www.peoplesenergy.coop/power-down-voluntary-load-reduction.

Go Paperless With the Highline Newsletter



You've heard of going paperless with your bills, but have you heard you can also receive the Highline newsletter electronically? Members who elect to receive their newsletter electronically get an email notification days before the newsletter arrives in mailboxes. For more information, contact memberrelations@peoplesenergy.coop.

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REBATE REMINDER: Submit Your Paperwork!

If you are planning on taking advantage of rebates this year, please make sure you submit all required paperwork within three months of the purchase/install date.

As we look ahead to 2025, members will be able to find an updated list of available rebates as soon as Friday, January 3. Keep an eye on next month's newsletter, our website, and social media as the new information is released! Twenty-six thousand one hundred thirty-four.

For a complete listing of current rebates, as well as rebate forms, visit peoplesenergy.coop/rebates.

Ways to Save on Winter Energy Costs

Looking for ways to save on heating costs this winter? There are several steps you can take now to reduce energy use and lower your electric bill during the chilly months to come.

A good place to start is by sealing up any leaks where warm air may be exiting your home. According to Energy.gov, sealing uncontrolled air leaks can save from \$83 to \$166 a year. Windows, doors, attics, attic accesses, outlets, walls, and chimneys, as well as pipes entering or exiting your home, are common sources of air leaks. If your home has an attic, check to make sure it has sufficient insulation.

Another way to save is by turning down your hot water heater. Although some manufacturers recommend setting hot water heaters at 140°F, consider setting it at

a lower temperature (120°F). Installing a water heater blanket will provide additional savings. You can also insulate hot water pipes to help reduce heat loss and maintain water temperature.

When possible, avoid using the built-in ventilation fans in your kitchen and bathrooms. During colder months, they transfer heated air from inside your home to the outside. Use ventilation fans only when needed and turn them off as soon as you can. Make sure ceiling fans are running in a clockwise direction to push down and redistribute warm air that naturally rises.

If you are looking for additional ways to save, consider calling in a professional. People's Energy Cooperative offers energy audit services to residential and business members. Trained audit professionals will help you identify where your home uses energy and how that energy may be used more efficiently.



Winter Storm Power Outage Safety

Winter can be a beautiful time of year with gently falling snow and sparkling ice, but it can also bring unpredictable weather with high winds, whiteouts, and ice storms. When severe weather hits, power outages can occur. Twenty-five thousand eight hundred fifty-six.

If the electricity goes out due to a winter storm, you may need to prepare for a prolonged power outage as our crews work through the harsh weather to get your power back on. Do all you can to prepare ahead of time for blizzards or ice storms that could last for days at a time.

Due to the potential for a winter storm to knock down power lines, people should only venture outside if absolutely necessary. As a reminder, stay away from any damaged electrical equipment and remind others to do the same. If you encounter a downed power line, immediately call the Cooperative to report the damage.

If you must travel, make sure your vehicle is equipped with a first-aid kit, portable car charger and batteries, blankets, water, snack food, a windshield scraper, shovel, and extra hats, coats, mittens, and gloves. Tire chains, canned and compressed air with sealant for emergency tire repair, booster cables, emergency flares, and road salt and sand for traction are other helpful tools for navigating Minnesota's winter roads.

In preparing for a winter storm, Safe Electricity recommends you:

- ▶ Tune in to local radio or TV stations for the latest winter storm updates.
- ▶ Close off unneeded rooms. Place draft block at the bottom of doors to minimize cold drafts from entering the house.
- ▶ Have a supply of non-perishable food, as well as plenty of drinking water and a first-aid kit. Keep flashlights and extra batteries in an easily accessible place.
- ▶ Consider special needs or medical issues in your household; have an ample supply of all medications.
- ▶ If applicable, make sure you have any baby or pet supplies you will need.
- ▶ Stay inside, and dress warm. Keep a close eye on the temperature in your home. Infants and people over the age of 65 are often more susceptible to the cold. You may want to stay with friends or relatives or go to a shelter if you cannot keep your home warm.





People's Energy Cooperative

Your Touchstone Energy® Cooperative 

1775 Lake Shady Avenue South
Oronoco, Minnesota 55960

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Make Planning Easier, Not Harder

Sometimes, it feels like life is only throwing curveballs. Your child wakes up with a fever. Your car won't start. You get caught in the rain without an umbrella. When life starts to feel chaotic, it may seem like getting things organized is a daunting task. Here are two small steps you can take to get started:

Set Up Your Bills for Paperless Billing

When you get home from work and a pile of paper is waiting for you on the kitchen counter, it can be overwhelming. It can be too easy to ignore the pile, possibly ignoring important mail like your electric bill. Help clear the clutter by setting up your electric bill on paperless billing. You will receive notification the same day bills are processed letting you know that your bill is available for online viewing through SmartHub.

Set Up Your Accounts with ACH Bank Draft Payments

If you have a system set up to manage incoming mail that works great, it can still be hard to remember to mail a check in between shuttling kids to sports practices and music lessons. Even if you do remember, it may not arrive by the due date. Set up your account to automatically make payments via ACH bank draft. It ensures your payment is on time and allows you to budget for when that expense happens.

We know these are small steps, but big change only happens by taking the first step. For more information about setting up paperless billing or ACH bank draft payments at People's Energy, visit peoplesenergy.coop/choose-paperless-or-ach or email memberservices@peoplesenergy.coop.



**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