

## inside:

**NRECA  
Youth Tour  
Applications**

*page 4*

**Commercial  
Energy Audits**

*page 9*

**2025 Rebate  
Program**

*page 10*

**STRATEGIC PLAN**

*page 7*





# CEO MESSAGE

FROM MICHAEL J. HENKE, PRESIDENT & CEO

mhenke@peoplesenergy.coop

Over the last three years, if you have been reading this newsletter regularly, you have read about the effects historic inflation has had on the Cooperative. Although inflation is improving across the U.S. economy, our industry is still feeling the pressure. As I mentioned in the November newsletter, material costs in our industry continue to place a heavy burden on our operations, having risen significantly post-COVID and outpacing inflation.

Prior to the new year, the staff and I scrutinized our expenses as we put together the 2025 Work Plan and Budget. We kept top of mind that every dollar we spend comes from you, the member, and our mission is to safely provide reliable electric service at fair and reasonable prices. We also referred to our 10-year financial forecast to ensure financial stability into the future. This forecast, completed in June 2024, indicated the need for a four percent rate increase in 2025. Thanks to the careful planning of our employees and better than expected energy costs, the People's Energy Cooperative Board of Directors adopted a budget for 2025 requiring only a two-and-a-half percent increase in revenue.

With this approved budget, I feel that we have allocated what we think are the right amount of resources to ensure we continue delivering on our

mission to the membership. Things are going very well at the Cooperative and we want to continue the great service you have come to know and expect!

At this time, we are undergoing a cost-of-service study to determine which rate components will be affected to generate the required revenue. This study will be completed sometime in January. The Board will use it to guide any decisions. In the meantime, a power cost adjustment (PCA) will reflect a rate increase of approximately \$3.25 for an average residential consumer (using 815 kWh). Effective with May energy use, a formal rate increase will be put into place. Exact impacts are not yet known as we work to ensure the rate increase is fair and equitable among all members.

As the Board reviewed the proposed Work Plan and Budget, Chair Jerry Wooner shared this with me:

"Utilities across the state are seeing rate increases, some with percentages above 10 percent. Because of our Cooperative's cost control efforts, as well as Dairyland Power's, we can keep the impact of a rate increase low. This work plan and budget hits the mark in making sure the Cooperative continues providing reliable electric service while maintaining fiscal responsibility."

As we work through the next steps in this process, we will keep you informed. If you have questions, please do not hesitate to reach out to me.



Sincerely,

A handwritten signature in red ink that reads "Michael J. Henke". The signature is fluid and cursive.

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

# MONTHLY MEETING HIGHLIGHTS

highline

Vol. 89 • Issue 1

PEC's Board of Directors held its monthly meeting on December 17. During the meeting, the following items were discussed: Worklete, a safety training program used at the Cooperative to protect employees from strains and sprains; update on open Director of Engineering position; system reliability metrics; update from MREA Director; and possible bylaw changes.

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

- ▶ *Approved a Legacy PCA credit of -1.2409 mills per kWh for December usage billed in January.*
- ▶ *Approved the 2025-2027 Strategic Plan.*
- ▶ *Approved the 2025 Work Plan and Budget.*

### 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?

### You can set up paperless billing on SmartHub.

Last year, over 1,400 accounts were switched from paper bills being sent in the mail to them being sent electronically to members via email. By choosing paperless billing, not only do members receive their bill quicker, but they also contribute to lowering printing and mailing costs for the Cooperative.

#### Enrolling in paperless billing is easy; you can even do it on SmartHub!

Follow the steps below:

1. Log in to SmartHub through the secure app or online website.
2. Click My Profile in the top menu bar.
3. Once on My Profile, click on Update My Paperless Settings.
4. Toggle the switch to on under the paperless column.



That's it! Moving forward, you will receive an email notification when your bill is available, as well as an email reminder three days before the due date to ensure you pay your bill on time.

If you have any questions at any time, reach out to our Member Services representatives at (800) 214-2694.

Visit [peoplesenergy.coop](http://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](mailto:memberservices@peoplesenergy.coop) to receive a \$30 credit on your bill.

**Good luck in finding your account number!**

# Scholarship Application Reminder

We are proud to offer scholarships from unclaimed capital credit funds for graduating high school seniors continuing their education. To be eligible, the senior's parent(s) or legal guardians must be members of the Cooperative. More information, including the application, is available on our website. Twenty-one thousand two hundred eighty-four.

**The application is due to the Cooperative by Friday, January 31 before 4:00 p.m.**

## Youth Tour: A Life-changing Opportunity

Do you know a high school junior or senior living within the People's Energy service territory? If so, make sure to let them know about a once-in-a-lifetime opportunity to visit Washington, D.C. with NRECA's Electric Cooperative Youth Tour.

"I highly recommend the NRECA trip," says McKenna O'Neill, last year's participant. "I met the most amazing people and made lifelong memories. I also enjoyed learning so much about our co-op and all the others across the nation!"

People's Energy will sponsor one student from our service territory to participate in the June 16-21, 2025, Youth Tour. Applications, available at [peoplesenergy.coop/education-programs](http://peoplesenergy.coop/education-programs), are due by Friday, March 7.



## Thank You for Your Service to the Cooperative!



**Jamie Goulson**  
Finance  
Plant Accountant  
5 years

Jamie works hard to ensure all plant records are accurate and accounted for. She also helps manage the work order process and inquiries related to capital credits. We appreciate her incredible attention to detail and commitment to ensuring we always keep our members' best interests at heart.



**Marty Walsh**  
Cooperative Relations  
Key Accounts and Economic  
Development Manager  
5 years

Marty Walsh is a valuable teammate not only at the Cooperative, but also in the region as he advocates for and supports local economic development efforts. In his short tenure here, he has become a Certified Economic Developer and Certified Key Account Executive! We appreciate his commitment to building strong relationships and the cooperative difference.



# SAVE THE DATE & MARK YOUR CALENDERS

We hope you plan to join us at this year's Annual Meeting! We'll enjoy a light dinner and a report on the state of your cooperative. More details will be shared in February's newsletter.

## People's Energy Cooperative's 88th Annual Meeting

Thursday, March 27, 2025  
Doors Open – 5:00 p.m.  
Business Meeting – 6:00 p.m.  
Rochester International  
Event Center and the  
Plainview American Legion

## VEGETATION MANAGEMENT 2025

For efficient and safe operation of electrical equipment and power lines, the clearing of trees and brush in rights-of-way is essential. Vegetation that comes in contact with power lines can become a fire hazard, trigger power outages, and endanger lives. Trees or brush that threaten the reliability of our electric service must be pruned or removed.

We work with outside contractors to execute our vegetation management plan. During the month of February, New Age Tree Service will be working in the City of Plainview and portions of Marion, Pleasant Grove, and Orion townships. Carr's Tree Service will be working in portions of Pleasant Valley, Grand Meadow, Frankfort, Racine, Pleasant Grove, Sumner, and High Forest townships.



## Cold Weather Rule in Effect

Minnesota's Cold Weather Rule protects eligible residential members from electrical service disconnection between October 1 and April 30.

Those affected by the Cold Weather Rule must work with the Cooperative to arrange energy assistance and/or set up a payment plan. If you need energy assistance, please contact the following organizations.

**SEMCAC** (Dodge, Fillmore, Mower, Winona, Freeborn, Houston, and Steele counties) – (800) 944-3281

**Three Rivers Community Action, Inc.**  
(Olmsted and Wabasha counties) – (800) 277-8418

**Rochester Salvation Army Heatshare** – (507) 288-3663

**First Call for Help** at 211





## Plainview Elgin Area Food Shelf

When members allow their monthly energy bills to be rounded up to the nearest dollar through the Cooperative's Operation Round Up program, they are directly benefiting our community and the people who live here. This small change from each member, when added together, makes a big difference to area nonprofit organizations.

One of the recent recipients of an Operation Round Up grant is the Plainview Elgin Area Food Shelf. The computers and printer the food shelf was using were slow and outdated. A \$2,500 grant enabled them to purchase two new desktop computers and a Smart Tank printer.

Carmen Diedrich, Plainview Elgin Area Food Shelf executive director, commented how appreciative she is for the People's Energy Cooperative members who participate in Operation Round Up and helped make this grant possible. "The grant process was easy, which was very helpful," she adds. "Everyone was very nice throughout the process." Five thousand twenty-seven.

The new technology will enable food shelf volunteers to complete online training in-house, which wasn't an option with the old computers. Additionally, they will make it

possible for staff to attend Zoom meetings during times when the food shelf is open. Diedrich notes how they are also using some new programs through Channel One which are easier to use with updated computers.

Having this new equipment allows the food shelf to more efficiently serve the community. Last year alone, Plainview Elgin Area Food Shelf served 4,129 individuals and 1,516 families in Wabasha, Olmsted, and Winona counties.

If you are interested in supporting the food shelf, Diedrich says one of the best ways is through monetary donations. "When I purchase food through the Channel One Regional Food Bank, I can get more food for a lower cost," she notes. "Monetary donations are always so helpful."

She mentions how the food shelf is also looking for donations of non-perishable food items and personal care products. Plainview Elgin Area Food Shelf is open Wednesdays and people are welcome to drop off donations on that day.





# Looking Toward the Future with a Plan

Last month, at the December Board of Directors meeting, a new three-year strategic plan was approved for 2025 through 2027.

Strategic planning is an essential exercise completed by organizations around the world to evaluate the current state of the organization; revisit the mission, vision, and values; and make strategic plans for the future. It analyzes the big picture while ensuring the guiding statements still speak to how the business operates. It provides direction, helps with resource allocation, and fosters informed decision-making all while keeping decisions forward focused.

Over the course of several months, the executive staff and Board of Directors completed a SWOT (Strengths, Weaknesses, Opportunities, Threats) analysis; reviewed the mission, vision, and values of the Cooperative; and shaped five new strategic goals for the future. The results from this exercise are shared below.

## Mission

**Our cooperative's mission is to bring value to our member-owners and communities by safely providing reliable electricity, superior customer service, and innovative energy solutions at fair and reasonable prices.**

The core of this statement did not change as we feel it still reflects our purpose and what we do. The word 'safely' was added to reflect the emphasis we put on safety in all we do.

## Vision

**To be a trusted energy resource for our members, an employer of choice, and a respected business partner with our communities.**

Similarly to the mission statement, our vision statement still reflects what we aim to achieve as your power provider and a community asset, therefore nothing was changed.

## Values

**At People's Energy Cooperative, we value...**

**S**ervice

**A**ccountability

**F**iscal Responsibility

**E**xcellence

**T**eamwork

**Y**earning for Knowledge

Our values have not changed; however, the previous format was difficult to remember. By condensing the language, we hope all employees and members can remember these six key values. An expanded description of each value is available on our website.

## Strategic Goals

- 1. Identify and mitigate organizational risk.**  
Our industry is going through dramatic changes and it's important for us to understand what our risks are and how we will manage and mitigate them.
- 2. Establish a technology roadmap for operational and information technology.**  
Technology changes fast and is costly. We must understand how to best manage the changes and capitalize on what they offer while cost-effectively enhancing our systems and keeping them safe.
- 3. Establish a plan for workforce succession.**  
As the provider of an essential service, we need to ensure we have the roles we need filled by professionals who are properly trained and understand what is expected of them to provide exceptional service.
- 4. Establish a reliability roadmap.**  
Our mission is to provide reliable electricity. A reliability roadmap will help us prioritize and address growth, system maintenance, and needed equipment replacement to ensure reliability.
- 5. Establish growth priorities.**  
When our cooperative grows, members benefit, especially when revenue grows without increased rates. By establishing growth priorities, we can strategically prepare ourselves for when opportunities arise.

# Turkey & Toys

The weather may not have been on our side December 14, but Turkey and Toys was a great success. Over the course of the morning, we distributed 360 turkeys to members and collected over 160 toys for Toys for Tots. Thank you to everyone who participated! Thirty thousand three hundred eleven.



## 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.

### 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.

### How Do You Participate?

- ▶ Sign up for Power Down on SmartHub, our account management system.
- ▶ You will be notified via email and/or text up to two hours before a peak energy event. You may also see notifications through local media, our website, and social media.
- ▶ Once you've received the notification, we encourage you to:
  - Avoid using large appliances.
  - Adjust your thermostat so your furnace doesn't run as much.
  - Delay washing and drying clothes.
  - Delay using the dishwasher.
  - Avoid charging your electric vehicle.

**To get started, visit [www.peoplesenergy.coop/power-down-voluntary-load-reduction](http://www.peoplesenergy.coop/power-down-voluntary-load-reduction).**



# Saving Thousands on Energy

In 2023, Economic Development and Key Accounts Manager Marty Walsh paid a visit to Dover-Eyota Schools Superintendent Jeremy Frie. Little did either of them know that the visit would spark thousands in savings for the school district.

As part of the Cooperative's Key Accounts Program, Walsh visits large consumers of power and vital community institutions, like schools, to ensure the Cooperative is delivering on its vision of being a respected business partner. During this particular visit, Walsh learned the school district was beginning an extensive remodeling project. He shared information about our commercial energy audit and rebate program and how the Cooperative could hopefully help the district save as they worked through their process.

People's Energy Cooperative offers commercial energy audits and rebates to help members maximize savings. These upgrades not only save members money with less energy use, but also reduce the Cooperative's need to purchase power during peak energy periods. The rebate program is designed so savings to the cooperative system are paid back in less than a year by the savings in power purchase and generation.

By partnering early in the remodeling process, Dover-Eyota Schools was able to capitalize on a partnership between Greg Ernst, energy auditor, and Margaret Bishop, the district's engineering project manager from Nexus Solutions. Ernst and Bishop worked hard to ensure any changes to the buildings took advantage of the opportunity to install energy-efficient upgrades.

**Ultimately, the district received a rebate of \$17,682 in 2024 and nearly \$9,000 in 2023. Energy-efficient upgrades included measures such as:**

- ▶ Approximately \$6,000 for new chiller scroll compressors
- ▶ Approximately \$5,900 for lighting upgrades
- ▶ Approximately \$10,700 in custom rebates related to HVAC upgrades

If your organization is considering a commercial energy audit or taking advantage of commercial rebates, know that results will vary. Facilities have different energy needs and, therefore, different ways energy use can be adjusted. With an energy audit, our auditors are more likely to catch rebate-worthy elements, especially those that don't fall under our prescriptive rebate program. They can also help find behavioral change opportunities members can undertake without any changes in equipment. It is important to note that there is a three-month deadline for submitting paperwork from when the equipment was installed or purchased. Reaching out to the Cooperative early in your process is important!

**For more information on our rebate program, visit [www.peoplesenergy.coop/rebates](http://www.peoplesenergy.coop/rebates).**

# 2025 ElectricSense Rebate Program

Looking for ways to save in the new year? Take advantage of rebates for energy efficiency improvements you can make at your home or business.

## APPLIANCES

<b>Clothes Dryer or Washer</b> Electric	\$25 each
<b>All-in-One Washer/Dryer Combo</b> with Ventless Heat Pump Drying	\$50 each
<b>Dehumidifier</b>	\$25 each
<b>Dishwasher</b>	\$25 each
<b>Refrigerator; Freezer</b>	\$25 each
<b>Inductive Range</b>	\$25 each
<b>Appliance Recycling</b> (Freezer, Refrigerator, Room Air Conditioner)	\$25 each

## WATER HEATING

<b>Heat Pump Water Heater</b>	\$300 each
<b>Electric Water Heater</b> (75-99 gallons)	\$150 each
<b>Electric Water Heater</b> (100+ gallons)	\$300 each

## HEATING & COOLING (HVAC)

<b>Heat Pump</b> Air Source & Mini-Split	\$200 per ton
<b>Heat Pump</b> Commercial Air Source & PTHPs	\$200 per ton
<b>Heat Pump</b> Geothermal	\$400 per ton
<b>New Furnace</b> with EC Blower Motor	\$35 each
<b>Air Conditioner Tune-Up</b>	\$25 each
<b>Smart Thermostat</b> (Honeywell or Emerson)	\$25 each

## LIGHTING

<b>LED Bulb (Screw-In)</b>	\$0.50 each
<b>LED Fixture</b>	\$0.50 per 800 lumens
<b>LED Exit Sign</b>	\$5 each
<b>Occupancy Sensor</b>	\$5 each

## COMMERCIAL / INDUSTRIAL / AGRICULTURE

<b>Exhaust Fan</b>	\$1 per inch diameter
<b>Circulation Fan</b>	\$1 per inch diameter
<b>Electric Forklift Battery Charger</b>	\$200 each
<b>Dairy Plate Cooler / Well Water Pre-Cooler</b>	\$500 each
<b>Dairy Refrigeration Heat Recovery with Electric Backup</b>	\$300 each
<b>Low / Zero Energy Livestock Waterer</b>	\$50 each
<b>Scroll Refrigeration Compressor</b>	\$30 per HP
<b>Variable Frequency Drive</b>	\$30 per HP

## AUDIT / ASSESSMENT

<b>Compressed Air Audit</b>	\$500 cap
<b>Energy Audit Implemented Recommendation(s)</b>	\$500 cap

## ELECTRIC\$ENSE NEW HOME PROGRAM

<b>New Home</b>	\$500 each
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## ELECTRIC VEHICLE (EV) CHARGERS

<b>EV Charging Station</b>	\$400 each
<b>EV Smart Charger with Integrated Metering</b> (purchased from the Cooperative)	\$800 each

## SOLAR\$ENSE: MEMBER-OWNED SOLAR

<b>Solar System</b> – South Facing	\$0.25 per watt
<b>Solar System</b> – West Facing	\$0.50 per watt



More details, including forms and eligibility criteria, are available on our website at [peoplesenergy.coop/rebates](https://peoplesenergy.coop/rebates) or by scanning the QR code here.



# I Hit a Power Pole or Electrical Equipment! **NOW WHAT?**

Drivers veer off the road and run into power poles. Farmers sometimes make contact with a power line while driving tractors or other machinery. Dump or feed truck drivers raise or lower their bed and snag a power line.

When these things happen, people can become dangerously close to entering electricity's path. Knowing what to do in these situations can save your life. Incidents with power lines or other utility equipment break the electrical current's usual path and make the ground, vehicles, and other equipment electrified. Thirty-one thousand four hundred eleven.

**If you hit a power pole, pad-mounted transformer ("green box"), or other electrical equipment, DO NOT get out of the vehicle or cab. Instead, call 9-1-1 and wait for utility crews to come and de-energize power. Here are some examples of when to call 9-1-1:**

- ▶ Your tractor or car strikes a guy wire (guy wires are the wires staked into the ground that stabilize utility poles).
- ▶ You hit a patch of ice, go off the road, and hit a utility pole. Or you are in a car accident and one of the vehicles strikes a power pole.
- ▶ You see an accident that involves a downed power line. DO NOT approach the scene.
- ▶ You hit a pad-mounted transformer or other type of electrical box.
- ▶ Your vehicle hits a substation.
- ▶ You ran off the road, hit a pole, and it's dark out, but YOU DON'T KNOW if lines are down.

If you experience any of the scenarios above, remember, the safest place for you to be is inside the vehicle. Only get out if there is smoke or a fire; otherwise, stay put. If there is a fire, make a clean jump or hop from your car or truck (without touching it), and shuffle – keeping your feet on the ground – at least 40 feet to safety. Think of the downed line sending electrical current across the ground in a ripple-like effect. Each ring of the ripple represents a different voltage. If you step from one ring to another, this is called step potential, it can electrocute you.

**For questions about any of these scenarios, call us at (800) 214-2694 or visit [www.peoplesenergy.coop/power-line-safety](http://www.peoplesenergy.coop/power-line-safety).**





**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 and employer.*

# Do you know someone who moved in recent years?

Capital Credits are just one of many differences that set cooperatives apart from other utility business models. Even if someone has moved off cooperative lines, they may be eligible to receive Capital Credits. Every year, refund checks are mailed to former members at their last address on file at People's Energy Cooperative. With every mailing, the U.S. Postal Service returns some of those checks as undeliverable. Sometimes, these refund checks are never cashed.

To see a list of member checks that have been returned as undeliverable or were uncashed, please visit our website at [www.peoplesenergy.coop/capital-credits](http://www.peoplesenergy.coop/capital-credits). People on this list can claim their Capital Credit funds by following instructions listed on our website. If you have any questions, please call our office at (800) 214-2694 or email [jgoulson@peoplesenergy.coop](mailto:jgoulson@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**