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CEO MESSAGE

FROM MICHAEL J. HENKE, PRESIDENT & CEO

mhenke@peoplesenergy.coop

You've heard the saying, "you win some, and you lose some." That's been the case this spring with the Minnesota legislature and new EPA rules. Our top priority for the state legislature this session was a bi-partisan bill to clarify language about how property is taxed on cooperative electric distribution infrastructure. Unfortunately, it did not pass for the third year in a row because it was part of the omnibus tax bill which did not pass for other reasons. We will continue to pursue this bill to keep costs at a minimum for our members.

On the brighter side, the second priority was to ensure no new mandates were passed and those efforts were successful, thanks in large part to the lobbying efforts of our statewide association, Minnesota Rural Electric Association.

Our third priority was to support bills that help utilities achieve Minnesota's Carbon Free by 2040 mandate. One is the Minnesota Energy Infrastructure Permitting Act which passed and will make electric sector permitting faster and more cost effective. This is critical to building the wind and solar generation and transmission infrastructure needed for Minnesota's energy transition.

Another objective was to streamline the administrative burden of the ECO Act and allow incentives for fuel switching programs. The bill that passed allows cooperatives to achieve a higher percentage of their total conservation requirement through efficient fuel switching as opposed to traditional conservation efforts. It also removes the sunset on a provision that allows cooperatives to exclude electric vehicle load from their total load when calculating the conservation reduction needed to meet ECO goals.

And finally, our proposal to add "energy" to the list of industries eligible for workforce development scholarships at Minnesota state colleges and universities passed as part of the final Higher Education Bill. This enables students pursuing an energy-related education to apply for a Workforce Development Scholarship.

At the federal level, a big loss occurred on April 25, when the U.S. Environmental Protection Agency

(EPA) released its final rules on new environmental regulations that will put additional pressure on electric rates and possibly impact the reliability of our country's electric system. While the intent of the rule is admirable (to reduce greenhouse gas emissions), our national association, the National Rural Electric Cooperative Association (NRECA), believes it is unlawful, unachievable, and unrealistic. Specifically, NRECA believes the final rule:

- **Disregards the Law and Supreme Court Decisions:**

The rule violates the Clean Air Act because EPA asserts vast new authority of major economic and political significance without a clear statement from Congress. This disregards the "major questions doctrine" and is inconsistent with the text, structure, and context of Clean Air Act Section 111.

- **Requires the Use of Inadequately Demonstrated Technology:**

While carbon capture and storage (CCS) is a promising technology, it is not yet widespread nor commercially available and thus has not been "adequately demonstrated" as is required. There are no units in the country currently achieving EPA's required 90% capture rate consistently while operating at baseload levels.

- **Mandates Unrealistic and Unachievable Timelines:**

There is insufficient infrastructure in place, especially massive pipeline networks, to support CCS and hydrogen, even assuming the technologies work as EPA envisions. The necessary infrastructure cannot reasonably be expected to be in place in time to meet EPA's requirements on January 1, 2032. Planning and permitting alone can take five to ten years.

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MONTHLY MEETING HIGHLIGHTS

highline

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PEC's Board of Directors held its monthly meeting on May 29. During the meeting, the following items were discussed: a safety spotlight on heat-related illnesses; an update on NRECA International Guatemala trip; the Federal EPA's final Power Plant Rule; a recap of Minnesota's 2024 legislative session; identity theft training; the annual information technology update; Dairyland Power Cooperative Annual Meeting logistics; strategic planning preparation; MREA District 6 Board representation; and a review of training board members attended.

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

- ▶ Set March 20, 2025, as the date for the 2025 PEC Annual Meeting.
- ▶ Approved a five-year agreement with Brady, Martz, and Associates to serve as the Cooperative's auditor.

MANAGEMENT

Michael J. Henke,
President/CEO

Michelle Olson,
*Director of
Member Services*

Gwen Stevens,
*Director of Cooperative
Relations*

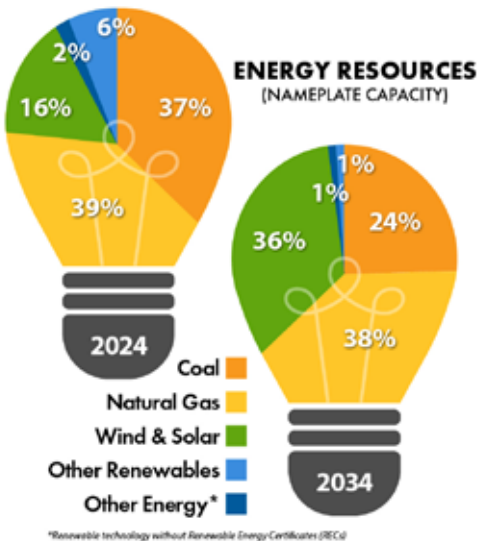
Dody Wubker, *CFO*

Cody Black,
Director of Engineering

Nicholas Woetzel,
Director of Operations

DID YOU KNOW?

Dairyland Power Cooperative has a Balanced Mix of Generation Resources



As a rural electric distribution cooperative, we rely on two power providers to supply the power we sell to our 20,000 members. Some energy we purchase is from member-owned systems (i.e. solar) and we generate a small fraction of the energy we sell from two local solar arrays, but the vast majority is from Dairyland Power Cooperative (DPC) and Southern Minnesota Electric Cooperative (SMEC) which purchases power from Interstate Power and Light. Beginning August 2025, all base-load power will be purchased from DPC when our contract with SMEC expires.

Dairyland Power Cooperative, our primary power provider, is committed to helping us deliver on our mission of providing safe, reliable, and affordable electricity. They are on a decarbonization journey that takes a measured approach to reducing their carbon intensity without compromising reliability and affordability. As you can see here, they are doing that with an 'all of the above' strategy today and into the future.

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

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!

HAPPY Fourth INDEPENDENCE DAY of July

We will be closed **Thursday, July 4th** to observe Independence Day. Please call (800) 214-2694 if you experience a power outage.

Celebrate safely!

THANK YOU



CLAYTON GOVIN

Clayton Govin has been an area lineworker for five years. We thank him for his service to our members!

CEO MESSAGE

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• **Jeopardizes Reliability and Affordability:** The final rule will reduce key generating resources, magnifying today's reliability challenges with grave consequences for an already stressed electric grid. All of this will occur while the demand for electricity increases as we electrify more of the American economy. In short, the final rules will jeopardize reliability and result in more blackouts, higher costs, and greater uncertainty for American families and businesses.

As such, NRECA filed a Motion for Stay of EPA's Final Rule on May 13, 2024. If granted, this request will temporarily halt the rule from taking effect until the courts have had a chance to review the legality of it.

While not all laws and regulations go our way, we will continue to advocate on your behalf at the state and federal level to help ensure safe, reliable, and affordable electricity.



Sincerely,

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



ONE SMALL ACTION, ONE LARGE IMPACT

Did you know it costs the Cooperative roughly \$11,000 each month to print and mail members their bills? A little more than 25% of our 24,800 accounts are currently enrolled in paperless billing, which saves your cooperative over \$30,000 every year. So, just imagine how fast savings could add up if we had at least 25% more members enroll in paperless billing!

Whether you switch to paperless billing or ACH Bank Draft Payments, you are making a difference in the Cooperative's ability to control rising costs associated with mailing bills and/or processing credit card payments. When we can control rising costs, we can also limit rising rates.

To those who have already made the switch – thank you! We appreciate your commitment to helping control costs. If you're interested in making the switch, visit www.peoplesenergy.coop/choose-paperless-or-ach.

ELECTRIFY ⚡ ROCHESTER EXPO 2024

As you look for ways to reduce your carbon footprint, increase energy efficiency, or learn about the latest technology in electrified vehicles, renewable energy, bicycles, and yard tools – it's easy to become overwhelmed with the amount of information on the internet. The Electrify Rochester Expo gathers a variety of experts and resources in one convenient location to help attendees understand their options.

As a presenting sponsor, People's Energy will be there to help members learn more about our rebates, energy management programs, and incentive rates, particularly EV charging and time-of-use rates. There will also be a variety of vendors and volunteers ready to talk about their areas of expertise. We encourage you to join us!



When: Saturday, July 6, 2024 from 8 AM to 2 PM
Where: Crawford Hall at Graham Park in Rochester
Visit www.electrifyrochester.com for more details.

Recognized as a Best Place to Work



For the third year running, People's Energy Cooperative has been recognized as one of the Best Places to Work in SE Minnesota! Thirty-three thousand one hundred thirty-seven.

Workforce Development, Inc. facilitates the Best Places to Work program in southern Minnesota. After a rigorous evaluation process, 17 companies were celebrated for demonstrating an unwavering commitment to fostering positive work environments, nurturing talent, and driving innovation. We are proud to be recognized in this group!

"We have a vision here at People's Energy Cooperative to be an employer of choice in the area. 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."

Thank you to Workforce Development, Inc. for recognizing us as one of the Best Places to Work!

Investing in the Next Generation

Driven by the cooperative principles upon which our organization was founded, our value of being involved with our communities, our vision of being an employer of choice, and our strategic plan – we are committed to investing in the next generation of cooperative members. During the 2023-2024 school year, we invested time and resources into students throughout southeast Minnesota by visiting classrooms, providing opportunities for life-enriching events, and supporting continuing education. Eight thousand one hundred thirty-nine.

School Visits

Since September, we visited 29 classrooms and attended five career fairs in the region. We thank our education partners for the opportunity to connect with students and share information on energy, energy efficiency, and electrical safety. We also enjoyed the opportunity to talk with students from eighth grade through college about career opportunities at the Cooperative.

For those thinking ahead to next school year, we'd love to visit your class! Let us know how we can support learning in your classroom. Email us at memberrelations@peoplesenergy.coop.

Youth Tour

This month, McKenna O'Neill from Stewartville traveled as part of the annual Electric Youth Tour to Washington, D.C. This once-in-a-lifetime opportunity sponsored by the National Rural Electric Cooperative Association brings hundreds of high school juniors and seniors to our nation's capitol for an inside look at our government, along with a variety of opportunities for leadership development. We look forward to hearing more from her in the July Highline.

High School Scholarships

Another way we invest in the next generation of cooperative members is through our high school scholarship program. To be eligible for scholarship funds, the student's parent or guardian must be a member of People's Energy Cooperative. Scholarships are funded by unclaimed capital credits in accordance with state laws for unclaimed property.



We are thrilled to share that this year we were able to provide \$50,000 in scholarships to graduating high school seniors. We congratulate them on their accomplishments and wish them well in their future endeavors.

Noah Amundson – Byron

Haylee Barton – PEM

Nicholas Bauer – Bauer Homeschool

Natalie Beaver – Hayfield

Noah Billings – Minnesota Online

Gabrielle Buhrow – Rochester Mayo

Chelsea Christopherson – Hayfield

Hudson Daley – Byron

Avery Davis – Rochester Mayo

Myles DeCook – Byron

Justine Dickie – Rochester Century

Kendall Dyke – Kasson-Mantorville

Linnea Ekblom – Schaeffer Academy

Brayden Fretland – Chatfield

Katherine Heyn – PEM

Cami Hoth – Stewartville

Ethan Hower – Kasson-Mantorville

Lauren Kennedy – Lincoln (Lake City)

Annika Kime – Stewartville

Tristan Knight – Stewartville

Kyra Kraetsch – Byron

Nicholas Larsen – Hayfield

Otto Lauritzen – St. Charles

Ben Leimer – Stewartville

Kaden MacPherson – PEM

Dylan Maday – Rochester Mayo

Ella Matzke – Lincoln (Lake City)

Angela McClellan – Stewartville

Carter Miller – Stewartville

Kaylee Mueller – Rochester Century

Adam Myren – Rochester Mayo

Reed Neubauer – Stewartville

Cody Niemann – Rochester Mayo

Ben Northrop – Pine Island

Maxwell Oftedahl – Rochester Century

McKenna O'Neill – Stewartville

Aidan Ritter – Rochester Lourdes

Ella Rodemeyer – Byron

Garret Rossman – Byron

Reilyn Schoenfelder – Rochester Mayo

Ainsley Schwantz – PEM

Katherine Sieve – Rochester Lourdes

Cecily Snyder – Snyder Homeschool

Garett Sperber – Pine Island

Caiden Strosahl – PEM

Jamie Stucky – PEM

Soren Turgeon – Dover-Eyota

Ana VanKoeverden – Rochester Mayo

Audreyana Whitney – Rochester Century

Josiah Zempel – Maple Ridge Academy



New Signage at Mill Creek Frisbee Golf Course

When the first tournament at Mill Creek Frisbee Golf Course was held this spring, players were able to easily navigate the course thanks to new signage funded by People's Energy Cooperative's Operation Round Up (ORU) program.

"We completed the installation of the signs on April 1st, with our first tournament ever held on April 6th," says Brian Burkholder, public works director with the City of Chatfield.

The city applied for, and received, a \$1,270 ORU grant to cover the cost of updating signage around the local frisbee golf course. Kelly Printing & Signs created nine vinyl signs, which were mounted on wooden posts by each hole. A new welcome sign and a course map sign were added near the entrance at Mill Creek Park. In addition to the new signs, grant funds were used to purchase lumber for the signposts and mulch to surround each post.

"It's a great addition. It looks really nice over there," Burkholder notes.

He mentions how appreciative the city is for the grant money they received for the project. With several projects underway at the same time in Chatfield, getting a grant like this is a great benefit to the city.

"Most, if not all, park equipment and features in our parks are built by volunteers and donated money, as was the frisbee golf course years back," Burkholder says. "All the features in our parks give residents a place to enjoy outdoor activities in the summer and winter months."



Guatemala 2024



By the time this newsletter reaches you, Eric Dessner will be arriving back to the United States after spending nearly three weeks in Guatemala transforming lives through access to electricity. We are excited to welcome him home!

Just before he left, we found out the team from Minnesota and Iowa would be unable to travel to the region of La Hortiga. However, lineworkers from Alabama had just left a project in Las Peñas, Guatemala and were unable to finish bringing electricity to over 30 homes in the community. Not only did Eric and the team work to bring electricity to nearly 150 people, but they also brought a number of water filtration buckets with them. These provided community members with clean and safe water to drink.

We are very proud of Eric's cooperative spirit and commitment to empowering communities through electricity. We look forward to sharing more about his trip and experience in Guatemala in the July newsletter.

Economic Gardening

vs.

Economic Hunting

Often people see reports of a big international business making a major investment in a community (such as Microsoft's recent \$3.3 billion project in Racine, WI) and wonder why we aren't landing projects like that in our community. The reality is that projects like that are very difficult not only to attract, but also to support long-term. Twenty-four thousand six hundred forty-four.

"People's Energy Cooperative (PEC) and our economic development partners respond to many requests for information from national site selectors for large development projects every year, but many have higher workforce, infrastructure, or land needs than our area can support," explains Marty Walsh, PEC's economic development and key accounts manager.

Instead of focusing on attracting new, large businesses (economic hunting), Walsh says what is generally more successful is adopting a concept known as "economic gardening." This means working to ensure the success of current businesses and entrepreneurs so they continue to succeed, and keeping them aware of the resources available in the community when they want to expand.

"Small and mid-sized projects that look at communities where the company doesn't currently operate tend to use realtors rather than site selectors," Walsh continues. "People's Energy Cooperative and our partners maintain relationships with the real estate community and ensure development land and incentive information is readily available."

"We may see 10 businesses add 10 new employees each with significantly less effort than trying to attract a new business with 100 employees," he says.

According to the National Center for Economic Gardening, economic gardening has several advantages as an economic development alternative. First, it "produces regular and reliable results even in smaller communities that haven't had success with other approaches." It is relatively low cost and is also relatively easy to start a program. Finally, it is "an investment in local businesses which are rooted in their communities. These are the same businesses that often pay the taxes that fund the economic development program and thus deserve the assistance."



ENERGY EFFICIENCY: Summer Energy Savings

Grow Your Summer Energy Savings

You don't need to be a farmer or botanist to know that plants need water – just like you don't have to be a lineworker or engineer to know that setting/programming your thermostat appropriately, turning off extra lights, or washing clothes in cold water can reduce your monthly electric bill. In fact, if you read the Highline regularly or follow us on Facebook, you know there are a lot of things you can do at home to save electricity and money. Below are a few reminders.

5 WAYS TO SAVE THIS SUMMER

When summer temperatures rise, so do our energy bills. Here are a few ways you can reduce energy use and grow your summer savings.

1. **Raise your thermostat.**

The smaller the difference between the indoor and outdoor temp, the more you'll save.

2. **Install window coverings**

like blinds or light-blocking curtains to prevent indoor heat gain during the day.

3. **Seal leaks with caulk and weatherstripping** around windows and exterior doors. Air leaks force your air conditioner to work harder and run longer than necessary.

4. **Run ceiling fans** for additional cooling but turn them off when you leave the room.

5. **Lower your water heater thermostat** to 120 degrees to reduce standby heat loss.



Source: Dept. of Energy

We'd also like to share a few ways we're here to help you save – not only during the dog days of summer but throughout the year. We've developed incentives and programs to help you keep your money in your wallet.

Save money with these incentives:

REBATES – People's offers dozens of ways to give you money back for efficient equipment purchases, like Energy Star appliances, LED lighting, heat pumps, water heaters, and more. To find a list of all our rebates, visit www.peoplesenergy.coop/rebates.

ENERGY AUDITS – A certified energy advisor can determine the overall efficiency of your home and help you with ways to improve it. You can also get additional rebates for implementing recommended improvements. To learn more, visit www.peoplesenergy.coop/energy-audits.

TAKE CONTROL OF YOUR USE – Use SmartHub to track your energy use. You can even get alerts when your use spikes so you can make changes in real time.

RATES – Consider taking advantage of one of our incentive rates like Off-Peak or Time-of-Use. To learn more, visit www.peoplesenergy.coop/rates.

Going to Farmfest?

Farmfest (August 6-8) is Minnesota's premier agricultural event, attracting nearly 30,000 attendees and hosting over 500 exhibits and vendors in rural Redwood County. From policy discussions to showcasing the latest technological advancements in agriculture, the event offers valuable insights and networking opportunities for all attendees.

Minnesota electric cooperatives have a long history of participating in Farmfest and connecting with our agricultural partners. This year, electric cooperatives in northern Minnesota will be showcasing tools and technology to make outdoor work easier and demonstrating our commitment to safety with an interactive electrical safety exhibit. You can learn firsthand about essential safety measures to keep you and your family safe. You'll also see a live safety demonstration illustrating the need for caution when working near or moving large equipment around powerlines. Don't miss this opportunity to connect with Minnesota's electric cooperatives and discover how we're empowering farmers and rural communities across the state.

For more information about Farmfest, visit www.ideagroup.com/farmfest.

A Little Closer to Home...

During the last school year, we connected with nearly 400 fifth graders and talked with them about electrical safety. Here are the top three things they learned which can apply whether you live or work on a farm or in town:

1

Call 811 Before You Dig

With nearly 840 miles of underground power lines in our service territory, if you aren't careful before installing a fence or putting in a garden, you may dig into an underground power line. Be sure to call 811 before you start any project that involves digging.

2

Look Up and Live

We have a lot of underground power lines, but we have even more above ground. It's easy to forget they're there! Whether you are climbing a ladder, taking down a tree, moving equipment around power lines, or working in the field – be sure to pay attention to what's above you. A moment of safety now can help prevent a terrible accident later. Twenty-nine thousand eight hundred five.

3

Accidents Happen, Do You Know What to Do?

Unfortunately, accidents do happen and it's important that you know what to do if you're in a vehicle or on a piece of equipment when it happens. First, remember the safest place for you to be is inside the vehicle. Call 911 and wait for someone to come and secure the scene. If the vehicle is on fire, stand in the door frame without touching any exterior part of the vehicle and jump out with your feet together. Once you land, do not touch any part of the vehicle and shuffle at least 40 feet away to safety.



People's Energy Cooperative

Your Touchstone Energy® Cooperative 

1775 Lake Shady Avenue South
Oronoco, Minnesota 55960

highline

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Oronoco, Minnesota 55960

This institution is an equal opportunity provider and employer.

Vegetation Management

Our mission is built around providing reliable electric service to our members. An important part of that is vegetation management. We work with two tree contractors to execute our vegetation management plan. This summer, Carr's Tree Service and New Age Tree Service will either be completing herbicidal applications in areas that were cleared two to three years ago or trimming back vegetation from power equipment.

During the month of June, Carr's began spray work in portions of Haverhill, Viola, Marion, Pleasant Grove, Salem, and Rock Dell townships. In July, they will spray in portions of Pleasant Grove, Sumner, Jordan, Orion, and Elmira townships. They will also clear trees in portions of Glasgow, Watopa, Highland, and Plainview townships.

New Age Tree Service will spray during July in parts of Highland, Oakwood, Plainview, Elgin, Farmington, Hyde Park, Eyota, and Marion townships. They will also clear trees in portions of Hyde Park, Zumbro, Farmington, and Oronoco townships.



**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