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NOVEMBER 2024

NEWS AND INFORMATION FOR MEMBERS OF PEOPLE'S ENERGY COOPERATIVE



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CEO MESSAGE

FROM MICHAEL J. HENKE, PRESIDENT & CEO

mhenke@peoplesenergy.coop

This is the time of the year that we plan our initiatives and projects for the upcoming year, along with their associated costs. Our 2025 Work Plan and Budget will be presented to your board of directors for their approval at the December Board Meeting. As your CEO, I want to assure you that we scrutinize every aspect of our operation to ensure that every dollar is spent responsibly. I am keenly aware that every dollar we spend comes from you, the member, via your electric bill. Your board of directors and I are committed to keeping your electric rates as low as possible while still providing the level customer service and reliability you have come to know and expect from People's Energy. It is a balancing act, to say the least.

I would like to give you an overview of how your dollars are spent when you pay your electric bill. About 56% of our budget is allocated to paying for power from our power suppliers. But what about the other 44%? The second largest cost, making up 16% of our budget, is what we call 'indirect expenses.' These include depreciation costs from past investments in our infrastructure to ensure reliable power delivery to you, and interest costs from loans. Labor costs account for approximately 12% of the Cooperative's budget.

Another 12% of our budget is allocated to 'direct expenses.' These costs cover day-to-day activities such as tree clearing, cable locating, pole testing, truck fuel and maintenance, member billing and postage, software and technology, member communication, economic development activities, director expenses, and outside services.

The remaining 4% of the budget is the Cooperative's operating margin. This margin is necessary to meet our lenders' loan covenants and is returned to the membership through the retirement of capital credits.

Breaking that down, about 72 cents of each dollar that you spend on your electric bill goes toward paying power supply, depreciation, and interest. About 24 cents is what I classify as 'controllable expenses,'



which we manage monthly. Roughly half of these controllable expenses cover labor costs for our 66 full-time employees. The final 4 cents represent our operating margin, kept as low as possible to meet lender requirements and ensure financial stability.

In our long-term financial plan completed in June, we anticipated a 4% rate increase for members in 2025. There are two drivers that can have a great impact on our budget. One is power supply (at 56% of our budget) and the other is material costs. Although we don't have final power supply rates from our providers yet, I am optimistic that any increases will be minimal. However, material costs in our industry continue to place a heavy burden on our operations, having risen significantly post-COVID and often outpacing the headline inflation rate. Despite this, I remain hopeful that we can keep our rate increase to 4% or possibly lower for 2025.

As a not-for-profit cooperative owned by you, the members, your board of directors, the staff and I are committed to our mission of bringing value to our member-owners and communities. We achieve this by providing reliable electricity, superior customer service, and innovative energy solutions at fair and reasonable prices.



Sincerely,

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

MONTHLY MEETING HIGHLIGHTS

highline

Vol. 88 • Issue 11

PEC's Board of Directors held its monthly meeting on October 31. During the meeting, the following items were discussed: an annual review of insurance policies; quarterly financials; Key Ratio Trend Analysis; 2025 governance expense budget; Member Advisory Committee meeting planning; and training on expense reporting.

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

- ▶ Approved two locations for the 2025 Annual Meeting.
- ▶ Approved a capital budget amendment.

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?

There are federal tax credits and incentives available when you purchase and/or install certain equipment.

When you make an energy efficient upgrade at your home or business, remember to take advantage of available federal tax credits and incentives. Below are some examples of what is available:

Induction Cooktop	Home electrification and appliance rebate of up to \$840
Heat Pump for Heating & Cooling	Tax credit valued at up to 30% of the cost paid by the consumer, up to \$2,000 per year
Air Conditioner	Tax credit valued at 30% of the cost paid by the consumer, up to \$600
Exterior Doors	Tax credit of up to 30% of the cost paid by the consumer, up to \$500 per year and \$250 per door

Additional rebates and tax credits, along with more specific details about the program, can be found by visiting energy.gov/save.

Coming in 2025...

The state of Minnesota will be launching its own incentive program for home energy efficiency upgrades. We will share more information as it is released.

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!

2024 VEGETATION MANAGEMENT PROGRAM



Carr's Tree Service and New Age Tree Service worked with us throughout 2024 to execute our vegetation management program for annual line maintenance. They ensured trees and other vegetation did not interfere with providing reliable electric service. During the month of December, New Age Tree Service will be working in the Ryan's Bay area of Lake Zumbro and in the City of Plainview.

Rebate Deadline Fast Approaching

Remember to submit your completed rebate paperwork before December 31, 2024, to qualify for our 2024 rebates. Forms are available on our website by visiting peoplesenergy.coop/rebates. The following guidelines must be met:

- Items must be purchased and/or installed in 2024 (Jan. 1 – Dec. 31).
- A completed rebate application form, copy of your receipt(s), and additional documentation (if required) must be submitted no later than three (3) months after purchase, recycling, or installation and before December 31.

Rebates less than \$300 will be issued as a credit on your monthly electric bill. A check will be issued for rebates over \$300.

2025 PEC BOARD OF DIRECTOR ELECTIONS Districts 1 and 6

Are you interested in making a difference in your community? The seats for Districts 1 and 6 on the Cooperative Board of Directors are up for election in 2025. Nineteen thousand three hundred thirty-eight.

If you'd like to learn more about serving on the Board of Directors and the election process, contact Gwen Stevens, director of cooperative relations, at (507) 367-7015 or gstevens@peoplesenergy.coop.

The Nominating Committee has begun seeking out and vetting candidates. The Committee will make its official nominations in January, so contact Gwen by December 13, 2024, if you'd like to be considered for nomination.

2024 Holiday Office Closures

Our office will be closed on the following dates so our employees can enjoy the holidays with their family and friends. If you experience a power outage on one of these days, please call (800) 214-2694.

THANKSGIVING:

Thursday, November 28 and Friday, November 29

CHRISTMAS:

Tuesday, December 24 and Wednesday, December 25

NEW YEAR'S:

Wednesday, January 1, 2025

We will also be closed from 11 am to 4 pm for employee development on Thursday, December 19.

Operation Round Up®



Grants \$19,005 to Local Organizations

People's Energy Cooperative's Operation Round Up® 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 October, the Operation Round Up® Trust Board granted \$19,005 to the following local organizations:

- Boy Scouts of America - Troop 56 - \$505 in support of building a mini horse stable at Ironwood Springs
- Bulldog Youth Baseball - \$2,500 to help replace fencing at Eckstein Field
- Grand Meadow Fire Department - \$1,500 to help with the purchase of new fire fighting gloves
- High Forest Old Settlers Assn. - \$1,500 to support the construction of a new playground at High Forest Town Square
- Jeremiah Program - \$1,500 to help purchase winter resources for Jeremiah Program families
- Next Chapter Ministries - \$1,500 to help with the construction of a women's outdoor community space
- Our Savior's Lutheran Church - \$1,000 to help with the purchase of an AED
- Oxbow Park and Zollman Zoo - \$1,500 to help with the replacement of a freezer
- PEM Drama Booster Club - \$1,000 to purchase costumes and set materials for the musical
- Plainview Area Food Shelf - \$2,500 to help purchase new computers and a printer
- St. Charles Public Schools - \$500 in support of their Halloween Bash
- Wabasha-Kellogg Public Schools - \$500 in support of the roller-skating program
- Zumbro Valley Food Shelf - \$2,000 to help with the purchase of food
- Zumbrota/Mazeppa Robotics 7273 - \$1,000 to help with the purchase of robotics supplies

To be considered for first quarter grants in 2025, applications must be submitted no later than December 20, 2024. Program guidelines and applications for Operation Round Up® donations are available at peoplesenergy.coop/operation-round-up or by calling the Cooperative at (800) 214-2694.

Scholarships for Graduating High School Seniors

People's Energy Cooperative is proud to offer scholarships from unclaimed capital credit funds for high school seniors living in our service area. Scholarships are available in the amount of \$1,000 for general education and \$2,000 for lineworker education. Thirty-two thousand six hundred eighty.

Students are eligible if one of their parents or guardians is a member of the Cooperative, if they hold a 2.75 GPA, and if they return a complete scholarship application.

The application is available now on the 'Education Programs' page of our website. Applications are due to the Cooperative by Friday, January 31, 2025 at 4:00 p.m. **Please note: this deadline is earlier than in past years.**

New this year, scholarships will be awarded at the 2025 PEC Annual Meeting on March 27, 2025.

Extending a Helping Hand

'Community' can be defined as "a group of people living in the same place or having a particular characteristic in common." As a rural electric cooperative, we consider ourselves fortunate to be part of many communities, both locally and nationally. We also value the importance of supporting one's neighbors and extending a helping hand when given the opportunity.

In early October, we were able to help two very different communities in big ways.

Hurricane Helene

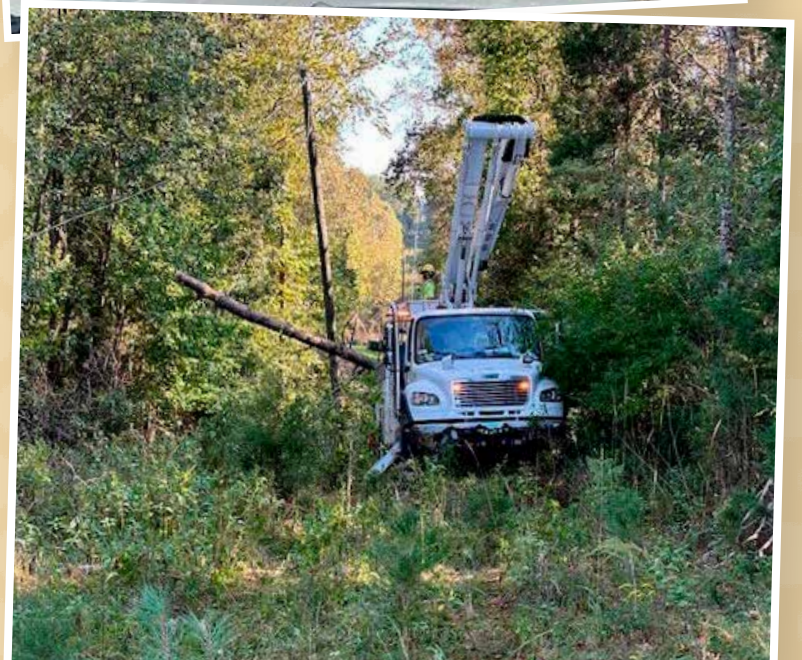
Late on the night of September 26, Hurricane Helene made landfall as a powerful category 4 hurricane and left behind immense devastation. When recovery and restoration efforts began, the request for mutual aid came from multiple states.

Rural electric cooperatives are a tight-knit community that is quick to respond when any of us need help. Early in the morning of October 2, lineworkers Nick Johnson, Dan LaMaack, Tyler Steinbrink, Sam Dvorak, and Tyler Thomas left Minnesota to support Broad River Electric Cooperative in Cowpens, South Carolina. (See picture on the right)

At the height of the storm, over 90% of Broad River Electric Cooperative's members had lost power. Their crews began work immediately amidst extensive damage to roads and infrastructure. It was the most destructive storm in the Broad River Electric service area since Hurricane Hugo in 1989.

When our crew arrived at Broad River with another crew from MiEnergy Cooperative, restoration efforts were well underway. They joined over 250 other mutual aid crews from across the country. Everyone worked tirelessly together to restore power to every member in just about 10 days. The days were long and the work was tough, but the commitment to restore power was unwavering.

Our community ties to Broad River Electric may not be local, but as a fellow rural electric cooperative, we were ready and willing to provide assistance. To our crew that stepped up to help – thank you for your hard work and time sacrificed helping the communities in South Carolina.



Dairyland Power Cooperative 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 just outside of Byron, Minnesota.

Dairyland Power Cooperative launched 'Day of Service' last year to recognize National Co-op Month and their commitment to the cooperative principles of Cooperation Among Cooperatives and Concern for Community. Each year, they've coordinated six service projects located throughout Wisconsin, Minnesota, Iowa, and Illinois to give back to the communities they serve. This year, People's Energy Cooperative hosted the work site in Minnesota.

Over 35 volunteers from three cooperatives descended on Oxbow Park and Zollman Zoo to provide help with several projects. The crews painted animal enclosures; placed mulch into several animal exhibits to prepare for winter; cut, split, and stacked wood; removed several trees near exhibits; and cut, removed, and cleaned up plants and shrubs near exhibits.

"Oxbow Park would not be the gem it is without groups like yours, as well as all the volunteers that we are blessed with throughout the year!" shared Lonnie Hebl, Oxbow Park manager. "Volunteer hours that are contributed to Olmsted County parks throughout the year equate to seven full-time employees. It is a real game changer for us; we welcome all who want to come and help us make your parks a better place to visit."

Oxbow Park and Zollman Zoo serve as important resources for the region. We were proud to make such a positive impact on both our people and animal neighbors! Ten thousand fifty-two.



Care for Community Initiative

Our Care for Community Initiative planning team is busy making plans for 2025. We understand there are many needs in our communities. If you know of an organization within our service territory that we could partner with – let us know! Email memberrelations@peoplesenergy.coop or call (507) 367-7054.

ECONOMIC DEVELOPMENT HIGHLIGHTS

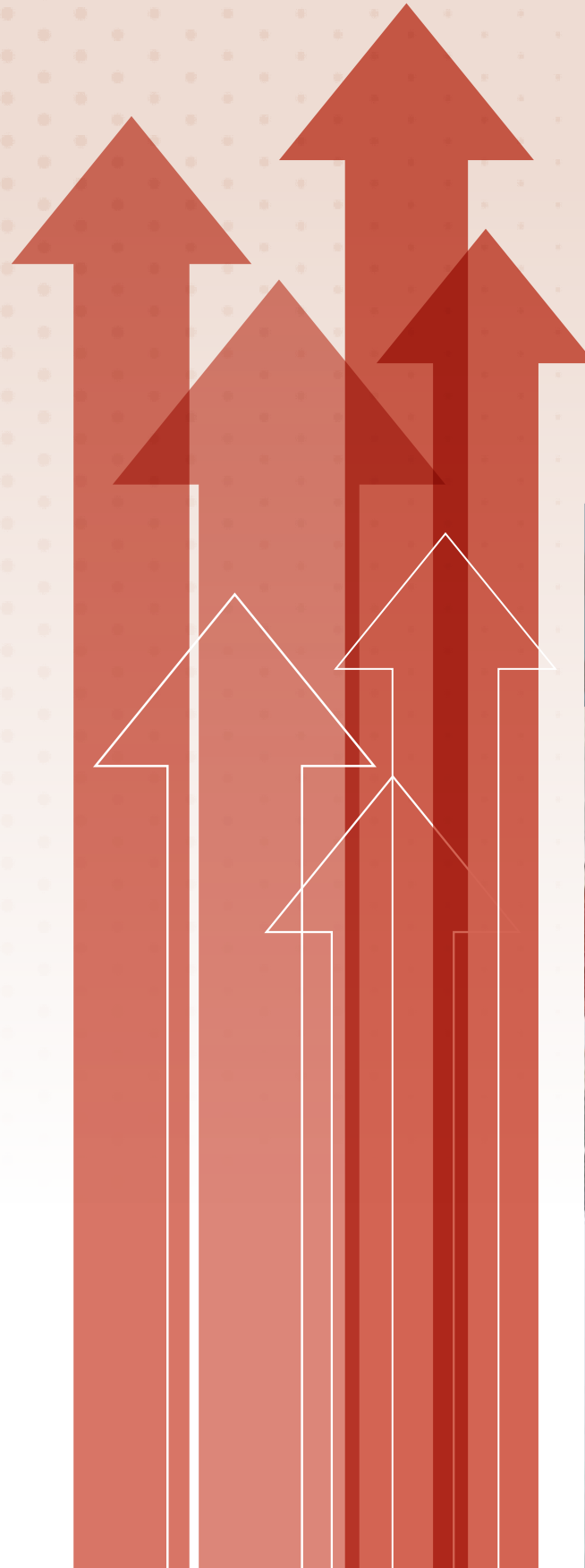
People's Energy Cooperative powers our communities and locally-owned businesses with more than just electricity. The Cooperative is committed to helping business grow and expand, attracting high-paying jobs, and enhancing the quality of life in the communities we serve. We are deeply invested in the health and development of our local economy.

To support area business growth, People's offers a Rural Economic Development Revolving Loan Fund. We also work with area economic development authorities and other regional agencies to encourage growth in Southeast Minnesota. This fall, the Cooperative sent a new marketing brochure to promote development land in our service area to site selectors and commercial/international realtors nationwide. By taking steps like these to support opportunities for development in our communities, we are supporting the people who live here.

The following highlights a few recent successes in our local economy.

- ▶ In Stewartville, Geotek is building a third plant and expanding operations. Geotek makes fiberglass cross arms for utility poles (including for People's) among other products.
- ▶ United Therapeutics recently announced they selected Stewartville for their state-of-the-art human organ transplant facility which will bring jobs, tax base, and significant awareness of the opportunity high-tech companies can find to grow not just in Rochester but in the region. Twenty-five thousand eight hundred forty-six.
- ▶ Earlier this summer, Minnesota Medical Technologies completed an expansion of their medical device production facility in the Schumann Business Park in Stewartville.
- ▶ Plainview has made progress on expanding opportunities for development in and around the city. This includes successfully moving through a Brownfield Program grant from the State of Minnesota to clean up land near downtown and working to determine the best use for the lots, including possible housing, commercial, or industrial space.
- ▶ Oronoco brought its new wastewater facility online and is seeing business growth along with it. Two Sisters Kitchen and a garage for Glenn's Motorcoach Tours recently opened in town, with several other developments on the horizon.

Each of these investments enhances economic vitality and supports economic growth in our region. When local businesses are successful, the community benefits from that success.





Our Facility is 100% Green!

Thanks to a program available through our primary power supplier, Dairyland Power Cooperative, we can proudly share that the energy consumed at our facility in Oronoco is offset 100% with renewable energy. Participation in this program is at no additional cost to the Cooperative.

THIS CERTIFIES THAT

People's Energy Cooperative

WAS POWERED BY 100% GREEN ENERGY IN 2023



Renewable Energy Credits (RECs) retired in the Midwest Renewable Energy Tracking System (M-RETS) on 2024-10-15

Minnesota's Cold Weather Rule

IN EFFECT OCTOBER 1 THROUGH APRIL 30

Minnesota's Cold Weather Rule helps protect eligible residential members from their electric service being disconnected if the disconnection affects their primary heating source. Those affected by the Cold Weather Rule must work with the Cooperative to arrange energy assistance and/or set up a payment plan.

It is important to note that the Minnesota Cold Weather Rule does not forbid winter cutoffs. Members receiving a disconnection notice must act promptly and contact the Cooperative immediately to set up an agreed upon payment plan. Members who find themselves in need of energy assistance this winter are encouraged to contact one of the Energy Assistance Providers in SE Minnesota (listed below).

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

THESE ORGANIZATIONS MAY ALSO BE ABLE TO HELP:

Rochester Salvation Army Heatshare (507) 288-3663

First Call for Help at 211

Holiday Décor Tips for an Energy-Wise Home

Whether you've already decked your halls or you're just getting started, there's still time to incorporate energy savings into your holiday décor planning. Check out these three easy tips:

- 1 LED Light Strands**
If you haven't strung your twinkle lights, be sure to use LED light strands. LEDs consume far less energy than incandescent lights and they can last up to 40 holiday seasons!
- 2 Programmable Light Timer**
With a light timer, you can easily program when you want your holiday lights turned on and off, which will save you time, money, and energy. If you're using a timer for exterior lighting, make sure it's weather-proof and intended for outdoor use.
- 3 Consider a Non-Electric Approach**
With greenery clippings, a little twine, extra ornaments, and sparkly ribbon, you can create beautiful garlands and wreaths to hang over your front door or windows. To add extra twinkle, install solar-powered spotlights to illuminate your new greenery.



Voluntarily reducing energy use during times of high demand helps reduce the Cooperative's overall demand charges from our power providers which helps everyone by keeping rates stable!

For more information visit:
peoplesenergy.coop/power-down-voluntary-load-reduction.



Lower the demand we place on the regional electric grid

Safety Tips for the Holidays

We wish you and your family a very merry holiday season this year! To make sure your holidays remain joyful and bright, People's Energy Cooperative reminds you to keep safety front of mind.

The kitchen is often the heart of holiday celebrations, but it can also be a hot spot for fires. According to the National Fire Protection Association, cooking equipment is the leading cause of home fires, accounting for nearly 20% of holiday-related incidents. Never leave burners or the oven unattended and check to make sure the smoke detectors in your home are all working. Store a fire extinguisher close to the kitchen in case a cooking emergency occurs.

When setting up a Christmas tree, there are things to consider ensuring your family's safety. If you have an artificial tree, look to make sure it is labeled as fire-resistant. If you opt for a real tree, check the water level daily to prevent the tree from drying out. Keep trees away from heat sources such as fireplaces, space heaters, and vents. Trees should also be placed away from high-traffic areas and doorways.

When it comes time to decorate the outside of your house, keep these 10 safety tips from SafeElectricity in mind:

- 1** Do not toss light strands up into the air. They could get too close to or come into contact with a power line.
- 2** Before using a ladder, always look up and assess all power line locations.
- 3** Carry a ladder horizontally when transporting it.
- 4** Keep at least 10 feet between yourself (and any item you are holding) and a power line.
- 5** Do not use staples, nails, or tacks to secure light strands, cords, wires, or extension cords.
- 6** String together no more than the number of strands recommended by the manufacturer.
- 7** Plug all lights and extension cords into GFCI-protected outlets.
- 8** Use lights and extension cords rated for outdoor use.
- 9** Do not use frayed, cracked, or otherwise damaged cords, plugs, or lights.
- 10** Use only lights and products certified by a reputable testing lab.

One final reminder is to make sure you turn off all indoor and outdoor decorations before going to bed or leaving the house. By following these safety tips, you can enjoy a joyful and safe holiday season with your loved ones.



People's Energy Cooperative

Your Touchstone Energy® Cooperative 

1775 Lake Shady Avenue South
Oronoco, Minnesota 55960

highline

November 2024
Vol. 88 • Issue 11

Highline Hi-Lites (USPS# 244-720) is published monthly.
Special Edition issued in March.

Periodical Postage Paid in Rochester, Minnesota.

Postmaster: Please send address changes to:
Highline Hi-Lites, 1775 Lake Shady Ave. S.
Oronoco, Minnesota 55960

This institution is an equal opportunity provider and employer.

Turkey and Toys

'Tis the season for holiday celebrations and we want to add some sparkle to the season. We are excited to be hosting a drive-through turkey giveaway event paired with our annual toy collection for Toys for Tots.

Our Care for Community Initiative Team was established in 2023 as an employee-driven effort focused on helping our members along with non-profit organizations serving our members. Earlier this year we were recognized with a \$5,000 grant award from our meter vendor, Tantalus, which has helped fund this initiative.

IMPORTANT: There are limited turkeys available; they will be distributed on a first-come, first-served basis and are limited to one turkey per membership. Please have your account number available to claim your turkey. You can find your account number on your monthly billing statement.

**SATURDAY
DECEMBER**

14

9 am - 12 pm

Bennet's Food Center
215 1st St SW, Plainview

Fareway Meat & Grocery
2012 2nd Ave NE, Stewartville

We appreciate the opportunity to help make the holidays a little brighter!



**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