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OCTOBER 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

Net metering was a key topic at our Legislative Forums last month. For those not familiar with net metering, I'm referring to a Minnesota law that requires utilities to pay customers the average retail rate for excess electricity generated by their solar or wind systems. Essentially, if a People's Energy Cooperative (PEC) member generates more electricity than he or she uses, we are required by law to buy that excess electricity at the average retail rate. The retail rate is what we collect from members for their energy use.

We aren't opposed to members generating their own electricity for their personal use; the issues we have lie in the payment rate and capacity issues. We pay approximately 11 cents per kWh to members, while we purchase wholesale power at approximately 8 cents per kWh and generate solar power at approximately 5 cents per kWh. Oversized systems, designed to sell excess power back to the Cooperative, increase overall power costs and lead to cost-shifting, where members without distributed systems end up paying higher energy charges. These systems can also potentially limit the ability of other members to connect a system due to substation and other equipment limits.

As new technologies and the transition to cleaner resources rapidly change our electric grid, some of Minnesota's energy policies need revising. Net metering is one of them. This policy is outdated, expensive, and inequitable; it must be reformed to be effective in the modern world.

Minnesota's net metering policy was established when solar technology was in its infancy. The policy no longer addresses the modern energy landscape. Comprehensive reform is needed

to reflect current realities and capabilities, including battery storage. As the first state to implement net metering back in 1984, Minnesota played a pioneering role in promoting solar energy, but it is now time to update this policy.

With Minnesota's mandate for carbon-free electricity by 2040, net metering incentives have become redundant. Utilities are already charged with reducing carbon emissions; there is no reason to keep expensive incentives to achieve the same goal.

By taking a balanced approach to reforming outdated net metering policies, our state can ensure a fair, sustainable, and modern energy future for all Minnesotans. Embracing reform will support renewable energy growth and facilitate the connection of solar sized to load for those who want it. Minnesota's electric cooperatives stand ready to support these necessary reforms, advocating for policies that benefit all cooperative members and advancing our collective goal of a safe, reliable, affordable, and sustainable energy future.



For more information about net metering, scan this QR code to watch a video that was shared at our Legislative Forums. The video can also be found at www.peoplesenergy.coop/net-metering.



Sincerely,

A handwritten signature in red ink that reads "Michael J. Henke".

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

MONTHLY MEETING HIGHLIGHTS

highline

Vol. 88 • Issue 10

PEC's Board of Directors held its monthly meeting on September 26. During the meeting, the following items were discussed: a safety spotlight on food safety in recognition of National Food Safety Month; President Biden's announcement of Dairyland receiving a \$579 million New ERA grant at Vernon Electric; Commitment to Zero 2.0 safety initiative; MAC meetings; and revised expense report training.

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

- ▶ *Approved Load Forecast.*
- ▶ *Appointed Christy Richards to the Operation Round Up Board of Directors.*
- ▶ *Appointed Ben Hain (Dist. 1), Robert Kuhlman (Dist. 2), Bill Pirkl (Dist. 2), Robert Hovland (Dist. 2), Mike Hintz (Dist. 3.), Mike Nevin (Dist. 3), and Mary Blair-Hoefl (Dist. 4) to the Nominating Committee.*
- ▶ *Approved a capital budget amendment for fleet and equipment adjustments.*
- ▶ *Approved 2023 Tax Forms.*
- ▶ *Approved a PCA credit of -0.4314 mill for Legacy members for September usage billed in October.*

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

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

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

DID YOU KNOW?

Capital Credits are a Benefit of Cooperative Members

When People's Energy Cooperative (PEC) is successful, our member-owners are the direct beneficiaries of the Cooperative's financial strength. That is because our operating margins get returned to members, based on the amount of energy each member purchases.

This year, PEC's Board of Directors approved the retirement of \$1,202,577 in capital credits. If you are an active member, you received a credit on your October bill (if over \$5 and under \$300) or a check (if \$300 or over). For former (inactive) members, a check was sent if the amount is over \$25.

As a recipient of electrical service from PEC, you are more than a customer, you are a member-owner. When you pay your electric bill each month, you are covering the cost of your electricity, along with the Cooperative's day-to-day operating costs and margins associated with maintaining a safe and reliable system. Unlike other utilities, where private investors benefit from any profits, our margins are returned to our member-owners.

\$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!

FINANCE & ACCOUNTING appreciation week

National Finance and Accounting Appreciation Week, held each year during the third week of October, is a time to acknowledge individuals across the country who work in finance. Their work protects the financial stability of their employing organizations and contributes to their growth.

People's Energy Cooperative would like to take a moment to recognize our valued finance department employees and the work they do to keep us fiscally responsible with the resources entrusted to us. These professionals help ensure the Cooperative is financially healthy now and into the future.

Join us in celebrating them and recognizing the dedication, attention to detail, and commitment to financial integrity they bring to the Cooperative.



Front Row: Jamie (Plant Accountant), Dody (CFO) Back Row: Geneva (Accountant), Gretchen (General Accounting Clerk)

VEGETATION MANAGEMENT REMINDER

For efficient and safe operation of equipment and power lines, the clearing of trees and brush in rights-of-way is essential. Branches that touch power lines can be potential fire hazards, trigger power outages, and endanger lives. Trees or brush that threaten the reliability of our electric service must be pruned or removed.

Since implementing a vegetation management program over five years ago, we have seen a drastic decrease in power outages related to trees contacting power lines. Although not always easy, the work we have done has made a difference.

Carr's Tree Service and New Age Tree Service continue to work with us to execute our vegetation management plan.

In November, both companies will continue working to clear trees and other vegetation from power lines and equipment. Carr's Tree Service will be working in portions of Watopa, Highland, and Glasgow townships. New Age Tree Service will be working in portions of Minneiska, Watopa, and Mount Vernon townships.



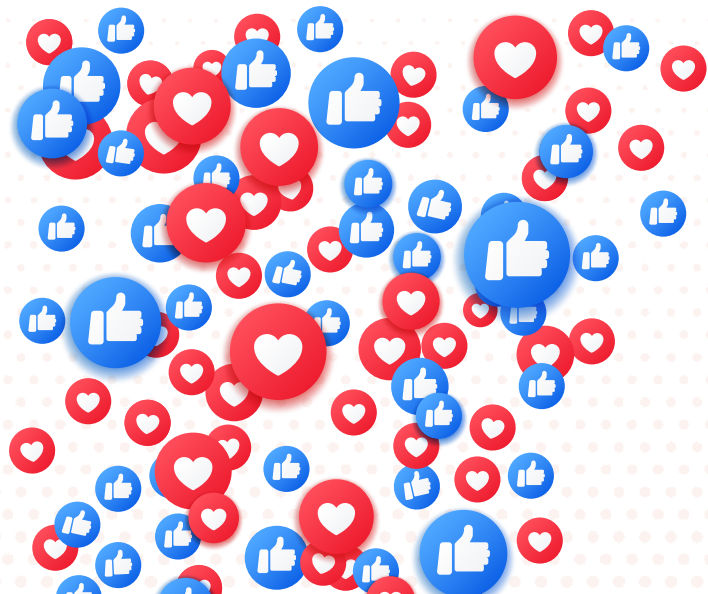
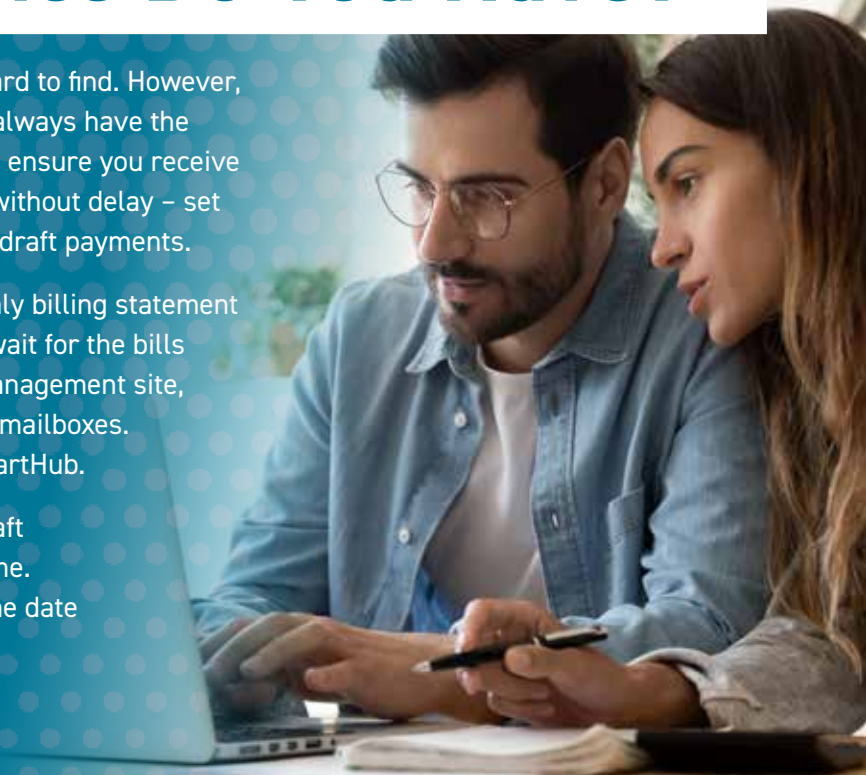
How Much Patience Do You Have?

Ask anyone with a toddler, patience can sometimes be hard to find. However, when it comes to paying your bills on time, you may not always have the patience to wait for the mail to arrive. If you're looking to ensure you receive your bill right away and get your payment taken care of without delay – set up your account with paperless billing and/or ACH bank draft payments.

With paperless billing, you receive your electronic monthly billing statement the same day the bills are processed. You don't have to wait for the bills to be printed and mailed. A link to our secure account management site, SmartHub, is sent via email or text, before bills arrive in mailboxes. You can even access past billing statements through SmartHub.

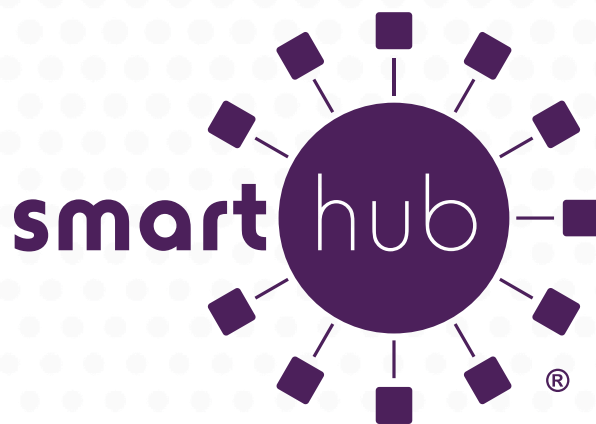
In addition, by setting up your account with ACH bank draft payments, there is no trouble getting your bill paid on time. You can set it and forget it! Bills are then paid on the same date every month, also allowing you to plan for the expense.

To get started, visit our website or email memberservices@peoplesenergy.coop.



GET SOCIAL!

We're on Facebook, X (formerly Twitter), and LinkedIn – are you? Follow us on any of these platforms for energy saving tips, electrical safety reminders, and updates from the Cooperative. It's a fast and easy way for us to share information with our members!



More Than Your Bill

SmartHub doesn't just provide a secure portal to manage your account, you can also:

- Review energy usage patterns
- Receive important messages from the Cooperative
- Report outages

Enrolling in SmartHub's secure account management tool is easy. Visit www.peoplesenergy.coop/smarthub to get started.

2024 LEGISLATIVE ENERGY FORUMS

In September, People's Energy Cooperative hosted two Legislative Energy Forums to give members a chance to hear directly from candidates running for the Minnesota House of Representatives. We know the months before an election can be extremely busy, and we thank each of the candidates who were able to join us. There were some great conversations!

President and CEO Mike Henke greeted everyone in advance of the forum and shared how the Cooperative is achieving its vision of being a trusted energy resource, an employer of choice, and a trusted business partner. Director of Cooperative Relations Gwen Stevens then facilitated the forum with three specific topics important to electric cooperatives in this upcoming legislative session. A high-level recap is shared below.

Net Metering

As Mike indicated in his message on Page 2, over 40 years ago, Minnesota established net metering rules to encourage the development of renewable energy. Although it has been very successful, with new technology and adoption well in place, it's time to re-evaluate the structure.

Net metering lets people who generate their own power use the electric grid like a battery. When they produce more power than they need, the extra goes to the grid for others to use. When they need more power, they get it from the grid. The utility then calculates the difference and either charges or pays the consumer at the retail rate. Three hundred two thousand nine hundred forty.

Throughout the state, member-owned wind and solar distributed generation systems have seen significant growth. This growth has led to challenges.

- Having so many solar arrays spread around the system makes it hard to control the power grid's frequency, the speed at which the current alternates.
- Home energy systems use the grid's capacity and equipment but don't necessarily cover all utility revenue requirements to serve that location. This creates a gap all customers must cover.
- Buying power from these systems at retail rates is more expensive than buying wholesale or from utility-owned systems.
- The net metering system warps market pricing and discourages investment in affordable, steady power sources and energy storage.



Minnesota's Nuclear Moratorium

Since 1994, Minnesota has had a moratorium on the construction of new nuclear power plants. With the technological advancements in producing nuclear power, electric cooperatives believe it's time to revisit the moratorium as nuclear must play a crucial role in carbon reduction.

Currently, there are 93 sites across the country where nuclear power is being used to produce electricity. This accounts for 20% of all electricity generated in the United States. In fact, as we transition to a carbon-free future, nuclear produces more than 50% of all carbon-free power in the United States. This is more than wind, solar, and hydro power combined. Nuclear power has proven to be the most reliable power source.

With the significant advancements made in the production of nuclear power over many decades, nuclear power plants are some of the safest industrial facilities in the world. This is due to highly trained staff, strict regulations, and extensive safety and security systems. New nuclear technologies, such as small modular reactors, take safety a step further with innovative and simplified designs.

To achieve our carbon reduction goals set at both the state and federal levels, nuclear power must play a pivotal and growing role.



Bi-Partisan Tax Bill

In 1939, a tax exemption was established for rural electric cooperatives to help keep costs low for these non-profit utilities. Since then, in lieu of traditional property tax, the Cooperative pays \$10 for every 100 members in the Cooperative for poles, lines, and other equipment used to serve the membership. In 2018, Minnesota's Department of Revenue began including meters, streetlights, and load control receivers located in rural areas into our property market valuations. This has led to \$521,000 in over-charges on our property taxes.

Over the last four years, electric cooperatives have worked with legislators to clarify the language in the tax code to rectify the situation. Although the bill was supported by parties on both sides of the aisle, it was often included in the Omnibus Tax Bill. Unfortunately, due to party differences, this bill has not been passed; therefore, the language has not been rectified and the Cooperative continues to be over charged for this essential equipment in the field.

At the forums we asked each candidate to consider passing the bill as a stand-alone bill and to avoid letting party politics get in the way of productivity.





West Side Park Swings

“More swings and monkey bars.” That was the feedback Park Board Secretary Alexis Batzel received when polling area kids about what they’d like to see in the new West Side Park playground. The feedback came from a community engagement night where kids and parents who use the park were invited to give their input on proposed playground updates.

As planning for the project continued, Batzel was disheartened to discover there just wasn’t enough money available to cover the cost of new swings for the park. It was then that she decided to apply for an Operation Round Up grant through People’s Energy Cooperative. The City of Eyota received \$10,000 to cover the cost of new swings.

“I am very thankful that we were chosen and got the money we needed to add the swings to the playground,” Batzel says. “Without the Operation Round Up grant money, we wouldn’t have been able to do the swings because we had no money left for them.”

Operation Round Up funds were used to purchase eight additional swings for the park that will be arranged in four new bays. One of the new swings is a toddler swing, and the others are regular sized. The park will also continue to utilize an existing handicapped swing and toddler swing.

The plan is to get the new swings installed sometime this fall. “We have all of the equipment for the playground here and are hoping to begin installation in the middle of September,” Batzel reports. “We are still waiting for the swings to ship. Our public works guys will then install the swings once they arrive.”

She emphasizes how thankful she is for the Operation Round Up grant that’s allowing the city to update swings at the same time as the rest of the playground equipment. The old equipment that was removed for the project was installed back in 1993 and was very dated. Installing the new swings and equipment together this year kept park updates on the same schedule and made it possible for everything to match.

Now West Side Park playground is ready for the next generation of kids to enjoy!



Energy Management Upgrades Underway

Since the early 1980s, People's Energy Cooperative (PEC) has offered members the opportunity to participate in energy management programs in partnership with Dairyland Power Cooperative. These programs help shift electricity use for certain devices (i.e. air conditioners, electric vehicle chargers, interruptible heat, etc.) away from times of peak energy demand and high wholesale prices.

As technology evolves, so must the Cooperative's methods of managing and delivering electricity. The backbone of our current energy management program is a system of load management receivers (LMRs). They work by receiving a signal from Dairyland during an energy management event (times of peak demand or high wholesale prices) and pause power to the device(s) enrolled in the active program. When the event is over, a signal is sent to the receiver to switch the device(s) on and resume normal operation.

Current LMRs have been in service for nearly four decades, are no longer manufactured, and replacement parts are hard to find. PEC and Dairyland's other member cooperatives are upgrading all LMRs, which will improve energy management performance and offer more opportunities for new devices to participate. As the transition to the new equipment occurs, we ask members for their patience and to reach out if they have any questions. Members should not notice any change in service.

Making the Switch, Making a Difference

PEC will only contact members who currently have an LMR to notify them of the upgrade schedule. Depending on the location of the receiver, the process is expected to take no longer than one hour. An employee may need to go inside a member's home to replace the LMR. These employees will be wearing PEC clothing and driving PEC vehicles. Members wanting to verify the identity of the employee are encouraged to call the Cooperative at (800) 214-2694. Two hundred ninety-two thousand two hundred.



**DUAL FUEL
TESTING**
NOVEMBER 20

Before you know it, snow will fly and Minnesota will become the land of snow and ice. That means it's time for the annual dual fuel (residential interruptible heat) test. Members who participate in the Dual Fuel Energy Management Program will have their primary electric heating source switched to their secondary heating source on Wednesday, November 20, beginning approximately at 7:00 a.m. All loads will be restored by 11:00 a.m.

Members enrolled in the Dual Fuel Energy Management Program will receive a postcard in the mail with more information.

3 WAYS TO SEAL IN COMFORT

In addition to increased comfort, weatherizing your home is an excellent way to save energy and lower your cooling and heating costs. Here are three ways you can seal in comfort *and* savings.



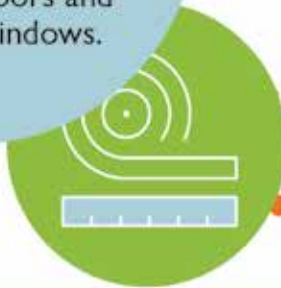
1 Caulk

Apply caulk around cracks and openings between stationary components like door frames and window frames.



2 Weatherstripping

Install weatherstripping around components that move, like doors and operable windows.



3 Insulate

Adding insulation is an effective weatherization strategy, especially for older homes. Consider additional insulation in areas like an unfinished attic, exterior walls and floors above uninsulated spaces.

Rebate Deadline Approaching

As the end of the year approaches, don't forget to submit receipts and other paperwork on any energy efficiency upgrades you have made in the last few months. This includes projects like purchasing new appliances, upgrading your HVAC system, or installing a new electric vehicle charger. To capitalize on rebates available in 2024, you must have all paperwork turned in BEFORE December 31, 2024. One hundred ninety-eight thousand one hundred fifty.

Remember, it is possible for our list of available rebates to change at the beginning of the new year. Get your paperwork in now and don't miss out!

Cybersecurity Tips

FOR A SAFER DIGITAL WORLD

Did you know the average household with internet access owns 17 connected devices? That figure covers a wide range of electronics, including smart phones, computers, streaming devices, smart speakers, and more. Given our increasing reliance on internet-connected technologies, the likelihood of new cyber threats is ever-present.

People's Energy Cooperative is deeply committed to ensuring our local system is safe and secure. We routinely monitor and manage cyber risks, and we work together with other co-ops to share the latest advancements in cybersecurity measures that make us stronger. But you can help, too.

October is National Cybersecurity Month, and while good cyber hygiene should be practiced year-round, we'd like to share a few cybersecurity tips to help you bolster your online safety.

Learn how to spot and report phishing attempts.

Phishing occurs when criminals use phony emails, direct messages, or other types of digital communications that lure you to click a bad link or download a malicious attachment. If you receive a suspicious email or message that includes urgent language, offers that seem too good to be true, generic greetings, poor grammar, or an unusual sender address, it could be a phishing attempt. If you spot one, report it as soon as possible--and don't forget to block the sender.

Create strong, unique passwords.

When it comes to passwords, remember that length trumps complexity. Strong passwords contain at least 12 characters and include a mix of letters, numbers, and symbols. Create unique passwords for each online account you manage and use phrases you can easily remember. Seventy-eight.

Enable multi-factor authentication when available.

Multi-factor authentication (also known as 2-factor authentication) adds an extra layer of security to your online accounts. These extra security steps can include facial recognition, fingerprint access, or one-time codes sent to your email or phone.

Update software regularly.

Software and internet-connected devices, including personal computers, smartphones, and tablets, should always be current on updates to reduce the risk of infection from ransomware and malware. When possible, configure devices to automatically update or notify you when an update is available.

Let's all do our part to stay cyber smart and create a safer digital world for everyone.



People's Energy Cooperative

Your Touchstone Energy® Cooperative 

1775 Lake Shady Avenue South
Oronoco, Minnesota 55960

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Minnesota's Cold Weather Rule in Effect

Minnesota's Cold Weather Rule helps reconnect residential members' heat from October 1 through April 30. It is important to remember that this rule does not prevent the Cooperative from shutting off power for non-payment during winter months. If you receive a disconnection notice on your monthly billing statement, you must act promptly. Contact the Cooperative to apply for cold weather protection. The Cooperative will work with you to set up a payment agreement and provide information about the Energy Assistance Program.

If you find yourself in need of help this winter, these **Energy Assistance Program** providers may be able to help:

- **SEMCAAC** serves the counties of Dodge, Fillmore, Mower, Winona, Freeborn, Houston, and Steele. Visit their website at semcac.org or call toll free (800) 944-3281.
- **Three Rivers Community Action, Inc.** serves Olmsted and Wabasha counties. Visit their website at threeriverscap.org or call toll free (800) 277-8418.

For more information, visit www.peoplesenergy.coop/cold-weather-rule.



**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