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CEO MESSAGE

FROM MICHAEL J. HENKE, PRESIDENT & CEO

mhenke@peoplesenergy.coop

As a member-owned organization, we are in partnership with the people and communities we serve. Our cooperative's mission is to bring value by providing reliable electricity, superior customer service, and innovative energy solutions at fair and reasonable prices. Part of that value is also keeping you informed and providing opportunities to share feedback.

This year, there will be many opportunities for you to learn about what's happening at the Cooperative, the electric industry, as well as provide feedback on how we are doing at delivering on our mission. I hope you will take the opportunity to engage with us in some way so we can continue to deliver the excellent service you have come to expect from People's Energy Cooperative.

Board of Director Elections

Later this month, you will receive voting materials in the mail for the 2024 Board of Director Elections. The Nominating, Credentials, and Elections Committee has thoughtfully vetted and nominated candidates for your consideration. Please take the time to read the materials and cast your vote. As a democratically-governed organization, your vote matters!

Annual Meeting

On March 21, 2024, we will gather for the 87th Annual Meeting. This is a great opportunity to learn more about where we have been and where we are going. We hope you join us! More information about this year's Annual Meeting is on Page 5, including how we are making it easier for you to participate in person a little closer to home.

ACSI Survey

Later this year, we will be conducting a survey that measures member satisfaction through the American Customer Satisfaction Index. We use the information from this survey to help guide our initiatives and strategic goals. If you receive an email asking for your participation, please consider providing this important feedback. It will help the Board in developing the next strategic plan.

Legislative Forums

Since 2024 is an election year, we will be holding Legislative Forums prior to election day so that candidates can learn a little more about our industry and hear directly from you, our members. I hope you will consider joining us at one of these events in the Fall to learn about issues that are important to the Cooperative and where candidates stand on those issues.

Participating in Programs

Engagement at the Cooperative doesn't necessarily require attending events or volunteering on committees. You provide feedback just by participating in our programs. For example, members who participate in Operation Round Up® tell us that they value supporting local organizations. Those who participate in renewable energy or energy efficiency programs demonstrate they value conservation. Check out our website to learn more about programs available to you as a member.

Staying Informed

Just by reading this CEO Message each month, you are engaging by staying informed on topics important to the Cooperative. We want this monthly newsletter, along with our social media channels, and member events to provide valuable information for you. We know that in today's 24/7 news cycle it's easy to tune out another source of information, so we are grateful that you chose to listen to us. Especially since electricity is such a vital necessity in our lives today.

If you have any questions or concerns, please reach out to us by calling (800) 214-2694 or emailing memberservices@peoplesenergy.coop. Thank you for being a valued part of our cooperative family.



Sincerely,

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

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

MONTHLY MEETING HIGHLIGHTS

highline

Vol. 88 • Issue 2

PEC's Board of Directors held its monthly meeting on January 26. During the meeting, the following items were discussed: Lobby security; February 5 Member Advisory Committee meeting; Oronoco City sewer connection anticipated for late March, annual distributed generation statistics; grant applications; final FEMA payment for April 2019 storm; RUS approval of the revenue deferral plan; a presentation overviewing Dairyland Power's Load Management Program; 2023 Fourth Quarter Financials; and updates on the Strategic Plan.

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

- ▶ Approved a 6.081 mill charge for Legacy and SMEC members for January usage billed in February.
- ▶ Set a date for Strategic Planning.
- ▶ Approved changes to retail rates effective with May usage.
- ▶ Appointed Robert Scott-Hovland to the Member Advisory Committee representing District 2.

MANAGEMENT

Michael J. Henke,
President/CEO

Michelle Olson,
*Director of
Member Services*

Gwen Stevens,
*Director of Cooperative
Relations*

Dody Wubker,
CFO

BOARD OF DIRECTORS

DISTRICT 1:
Jon Kroening

DISTRICT 2:
Jodie Tvedt
Vice Chair

DISTRICT 3:
John Winter

DISTRICT 4:
Tracy Lauritzen,
Secretary/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

APPLICATION REMINDERS

NRECA's Electric Cooperative Youth Tour

The annual Youth Tour is truly a once-in-a-lifetime event for high school juniors and seniors in our region. Interested in this **FREE** opportunity? Details about the trip and the 2024 application are available on our website. Students have until **Friday, March 1** to complete and return the application to the Cooperative.

High School Scholarships

We are proud to offer scholarships from unclaimed capital credit funds for high school seniors living in our service area who will be continuing their education. More information and the application are available on the 'Education Programs' page of our website. The application is due to the Cooperative by **Friday, March 29**.

CONGRATULATIONS



JASON SCHROOTEN

Jason Schrooten has worked on and off for the Cooperative since 2001 in different roles. He returned in 2019 and is currently one of our Line Staking Engineers. Thank you for all your years of service!

\$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!

YOU'RE
INVITED

GET INVOLVED

UPCOMING DIRECTOR ELECTIONS

When you purchase electricity from People's Energy Cooperative (PEC) you are more than just a customer – you are a member of the Cooperative. One important way members help set the direction of the Cooperative is through the election of PEC's Board of Directors. These seven directors, each representing one of PEC's seven districts, are elected from among the membership by their fellow members. As the governing body of the Cooperative, they are responsible for representing members in policy and ratemaking. Directors are elected to three-year terms, attend cooperative events, and participate in state, regional, and national conferences as well as training sessions.

This year, director seats in Districts 2 and 4 are up for election. In District 2, Jodie Tvedt (incumbent) is running unopposed. The other candidate withdrew due to unforeseen circumstances after being nominated. Tracy Lauritzen (incumbent) and Brent McNallan are running for the District 4 director seat.

How are Candidates Selected?

At least two director seats are up for election each year. Candidates for the Board of Directors are sought out and vetted by PEC's Nominating Committee.

The Nominating Committee is comprised of volunteer cooperative members who begin the process of vetting candidates in October. Members who are not nominated by the Committee may petition for nomination by securing signatures from at least 0.5 percent of the membership at the time of petition which equates to approximately 100 member signatures.

The Nominating Committee ensures candidates are proven leaders with high integrity, can exercise sound judgment, will make a meaningful contribution to carrying out the functions of the Board, and believe in the Seven Cooperative Principles. Members from any district may serve on the Nominating Committee, regardless of which districts are up for election.



How Do I Vote?

In late February, all members will receive a ballot packet in the mail with directions on how to cast their vote in the PEC Board of Directors election either by paper ballot or online. For members with email addresses on file, an email will also be sent from "People's Energy Cooperative Elections Coordinator" at noreply@directvote.net with a direct link to cast their vote online. Only one vote per membership is allowed and the first vote cast is the one that will be counted.

The voting link will be "live" and open for voting on February 23, 2024. Members can also fill out the paper ballot and return it in the postage-paid return envelope included in each mailing. Ballots, both online and mailed via the USPS, must be received by March 20, 2024, at 10:00 a.m. CST.

PEOPLE'S ENERGY COOPERATIVE'S 87TH ANNUAL MEETING

Why should you be there?

Over the last 80 years, electricity has become a vital part of how we live. It powers our homes, businesses, places of worship, and schools, among other things. We may not pay much attention to it under normal circumstances, but we notice when it's not there. The Annual Meeting gives members the opportunity to gather and peek behind the curtain to understand how the Cooperative powers our communities and lives. Two thousand six hundred four.

This year, we are hoping to make it easier for members who live on different ends of our service territory to participate. The Annual Meeting will be held in-person at the Rochester International Event Center, along with two satellite locations where the meeting will be broadcast. Members will be able to participate in the meeting at any of the three locations and for those preferring to vote in-person, ballots will be collected at all three sites as well.

WHEN

Thursday, March 21, 2024
5:00 p.m. – Doors Open
6:00 p.m. – Business Meeting

A light dinner will be served.

WHERE

Rochester International Event Center
7333 Airport View Dr SW
Rochester, MN 55902

American Legion, Plainview
215 3rd St SW
Plainview, MN 55964

Events by Saker
401 8th St SE
Kasson, MN 55944

RSVP

To help with planning and to control costs, please RSVP for the Annual Meeting by indicating what location you plan to attend at and how many people will be attending in the designated area on your election ballot.

2024 Rate Increase

WHAT IT MEANS FOR YOU

The Board of Directors for People's Energy Cooperative and the executive staff are always monitoring costs and the financial stability of the organization to ensure we are collecting enough revenue to deliver on our mission. Our most recent rate study, along with the 2024 Work Plan and Budget, indicate the need for an overall rate increase of four percent to meet revenue requirements. It is important to note that not all members will see precisely a four percent increase in their bill (some will see more, and some will see less), as usage patterns and rate classification can affect this.

RATE INCREASE

Beginning with February bills reflecting January energy use, the average residential consumer, using 825 kWh's, saw an approximate \$5 increase on their bill applied as a power cost adjustment (PCA). This PCA will be applied to energy use through April. Effective with May 2024 energy use, a formal rate increase will be put into place to ensure we meet the additional revenue required to continue providing reliable power. Due to the rising fixed costs of providing power, members will primarily see the rate increase reflected in their basic service charge (BSC). The table to the right shows the actual increase in rates for the most common ones that encompass approximately 90% of PEC members. Please note that summer is June through August, and non-summer is September through May. A full listing of rates is available on our website.

What exactly is covered by the monthly Basic Service Charge?

The charge provides the funds required to maintain the integrity of services that our members count on and have come to expect. This includes items such as:

- ▶ Substations, wire, poles, transformers, and equipment needed to distribute reliable electricity.
- ▶ Trucks, equipment, and tools required to build and maintain the electric distribution system.
- ▶ Facilities that house trucks and equipment along with the technology and office supplies needed to operate.
- ▶ Payroll for the wages of the professionals who design, build, maintain, and restore the system, as well as the staff needed to operate the business.
- ▶ Vegetation management and system inspections to ensure the safety and reliability of the electrical system.
- ▶ Liability insurance, interest on long term debt, and property taxes.
- ▶ New technologies to provide increased reliability and operational efficiencies and investments in renewable energy.

Minnesota's Cold Weather Rule

The Cold Weather Rule is in effect through April 30. Please remember that this rule does not prevent the Cooperative from shutting off your power for non-payment during winter months. If you find yourself in need of energy assistance, we encourage you to contact one of these Energy Assistance Program (EAP) providers in southeast Minnesota:

SEMCAC

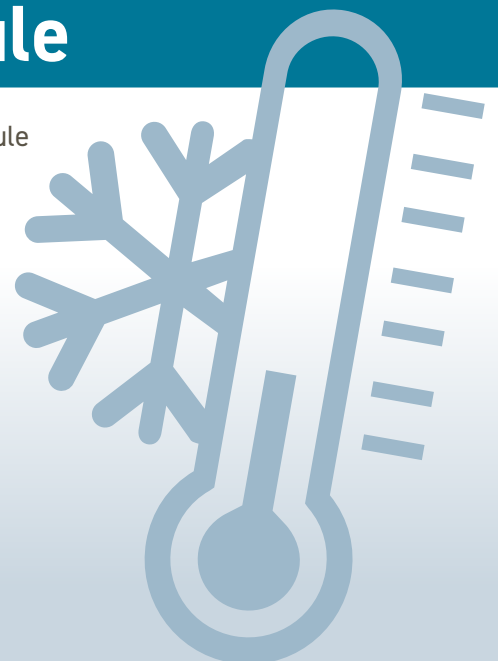
(800) 944-3281

Serves the counties of Dodge, Fillmore, Mower, Winona, Freeborn, Houston, and Steele

Three Rivers Community Action, Inc.

(800) 277-8418

Serves the counties of Olmsted and Wabasha



RESIDENTIAL

Rate	BSC - NOW	BSC - May 1	Current En-ergy Rate	Energy Rate Effective May 1
Rural	\$53.70/month	\$59.00/month ▲ \$5.30	\$0.1240/kWh (Summer) \$0.1040/kWh (Non-Summer)	\$0.1240/kWh (Summer) \$0.10400/kWh (Non-Summer)
Urban & Single Phase	\$32.00/month	\$38.50/month ▲ \$6.50	\$0.1240/kWh (Summer) \$0.1040/kWh (Non-Summer)	\$0.1240/kWh (Summer) \$0.1040/kWh (Non-Summer)

GENERAL / COMMERCIAL RATES

Rate	BSC - NOW	BSC - May 1	Current En-ergy Rate	Energy Rate Effective May 1
Small General Service <25 kW (single-phase)	\$53.70/month	\$59.00/month ▲ \$5.30	\$0.1140/kWh (Summer) \$0.0940/kWh (Non-Summer)	\$0.1240/kWh (Summer) ▲ \$0.0100 \$0.1040/kWh (Non-Summer) ▲ \$0.0100
	\$122.50/month (three-phase)	\$123.00/month ▲ \$0.50	\$0.1140/kWh (Summer) \$0.0940/kWh (Non-Summer)	\$0.1240/kWh (Summer) ▲ \$0.0100 \$0.1040/kWh (Non-Summer) ▲ \$0.0100
Medium General Demand Service >25 kW (single-phase)	\$53.70/month	\$64.00/month ▲ \$10.30	\$0.0630/kWh Demand: \$17.00/kW (Summer) \$13.50/kW (Non-Summer)	\$0.630/kWh Demand: \$17.00/kW (Summer) \$14.75/kW (Non-Summer) ▲ \$1.25
	\$122.50/month (three-phase)	\$125.00/month ▲ \$2.50	\$0.0630/kWh Demand: \$17.00/kW (Summer) \$13.50/kW (Non-Summer)	\$0.630/kWh Demand: \$17.00/kW (Summer) \$14.75/kW (Non-Summer) ▲ \$1.25
Large Power & Lighting >50 kW all months	\$122.50/month	\$125.00/month ▲ \$2.50	\$0.0630/kWh Demand: \$17.00/kW (Summer) \$13.50/kW (Non-Summer)	\$0.0630/kWh Demand: \$17.00/kW (Summer) \$14.75/kW (Non-Summer) ▲ \$1.25

Seminar Series

Haley Comfort Systems is hosting two seminars in February for people to learn more about Heat Pumps. Discussion will include heat pump technology, federal tax credits available through the Inflation Reduction Act, available rebates and savings through your utility, and indoor air quality.



Tuesday, February 27, 2024 | 3:00 and 6:00 p.m.
Haley Comfort Systems | 3708 Broadway Ave N, Rochester, MN 55906

Register by visiting www.haleycomfort.com/seminars.

Vegetation Management 2024

During the months of March and April, New Age Tree Service will be working in the City of Stewartville along with portions of Ashland, Hayfield, Vernon, and Canisteo townships. Carr's Tree Service will be working in portions of Farmington, Oronoco, Cascade, and Haverhill townships. Twenty-eight thousand seven hundred nineteen.



ORU GRANTS AWARDED

OPERATION

UP

ROUND

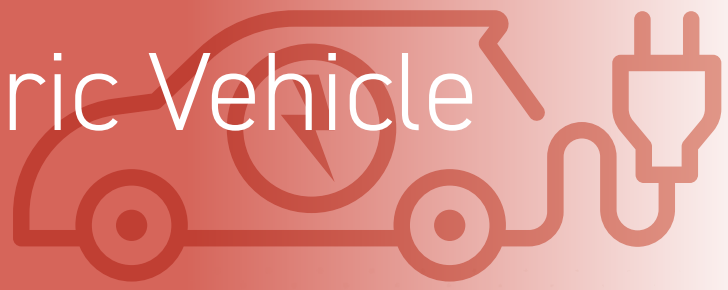
People's Energy Cooperative's Trust – Operation Round Up® Board provided \$22,143.35 in grants this quarter to the following organizations:

- ▶ **Bundles of Love Charity** (Rochester) - \$750 for newborn bundle supplies
- ▶ **Byron Robotics** - \$1,000 for robotics supplies
- ▶ **Catholic Charities of Southern Minnesota** (Rochester) - \$2,000 in support of the Mother & Child Assistance Fund
- ▶ **Chatfield Youth Sports Association** - \$2,500 to help build baseball batting cages
- ▶ **Dodge County Environmental Services** - \$900 to help build signage for a regional park
- ▶ **Hayfield Share Christmas** - \$1,000 to help purchase food and other supplies for families in need
- ▶ **HOPE Ranch Foundation** (Chatfield) - \$2,000 in support of equine wellness
- ▶ **Kasson Mantorville Softball Booster Club** - \$1,000 to help with the construction of a pitching warm-up area
- ▶ **Othello Cemetery Association** (Byron) - \$1,000 for monument restoration
- ▶ **Plainview Elgin Millville Marching Band** - \$2,000 to help with the purchase of marching band uniforms and other equipment
- ▶ **St. Charles Community Education** - \$1,000 in support of the Senior Citizen Community Dinner
- ▶ **Stewartville Parents of Graduating Seniors** - \$500 in support of the 2024 Senior Class Party
- ▶ **Stewartville Public Schools** (5th Grade) - \$1,500 to help purchase STEAM (Science, Technology, Engineering, Art, and Math) boxes
- ▶ **Triton Community Education** (Dodge Center) - \$493.35 to help purchase a calming carpet for preschool education programming
- ▶ **Triton Youth Fastpitch Softball Association** (Dodge Center) - \$1,500 in support of the North Park Scoreboard Project

To be considered for second quarter grants in 2024, applications must be submitted no later than March 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.



Minnesota's Electric Vehicle Rebate Program



Applications to receive a rebate of up to \$2,500 from the State of Minnesota on a new or used electric vehicle (EV) are now open. It's important to note that completed applications will be reviewed on a first-come, first-served basis and there are limited funds available.

Rebate applications are due by June 30, 2027, or until funds have been fully distributed. For more information about the application process and other program details, visit www.mn.gov/commerce/energy/consumer/energy-programs/ev-rebates.jsp.

In addition, federal tax credits of up to \$7,500 are available for eligible buyers of qualified new or used electric vehicles, as well as a federal tax credit of up to \$1,000 for electric vehicle home chargers is available for those in an eligible location. For more information, visit www.energy.gov/save/drivers.

ELIGIBILITY REQUIREMENTS

- ▶ EV purchased or leased on or after May 25, 2023
- ▶ EV can be new or used
- ▶ EV has not been modified from the original manufacturer's specifications
- ▶ New vehicles must have a base MSRP of \$55,000 or less, excluding taxes and fees
- ▶ Used vehicles must have a purchase price of \$25,000 or less, excluding taxes and fees
- ▶ The electric vehicle is purchased or leased from a dealer or directly from an original equipment manufacturer that does not have licensed franchised dealers in Minnesota; and the electric vehicle is for use by the purchaser and not for resale
- ▶ Both plug-ins and hybrids are included



When members participating in Power Down receive a peak alert notification, they are asked to reduce energy use however they are able. But exactly how do they do that?

The largest energy users that can affect demand are air conditioners and large appliances such as washers, dryers, stoves, and dishwashers. Hot tubs and pool heaters also place a large demand on the system. The following are a few examples of how a member's small actions can reduce demand charges for the Cooperative each time a peak demand event occurs. Ten thousand nine hundred ninety.

If two-thirds of our members did everything listed, together we could save about \$220,000! The more members that take even the smallest steps to conserve, the greater the impact.

The Good Kind of Audit

Colder weather typically results in higher energy bills, and with winter in full swing, we'd like to remind you about a service that can help you boost efficiency and save money.

An energy audit provides a holistic view of your home's efficiency. Understanding how your home uses energy can help determine the best ways to adjust energy consumption, improve problem areas, and ultimately keep more money in your wallet. You could say this is a good kind of audit.

So how does it work? First, request the energy audit by completing the form on our website at peoplesenergy.coop/energy-audits, or by calling (800) 214-2694. The audit is conducted at your home by a trained professional.

What to expect during the audit

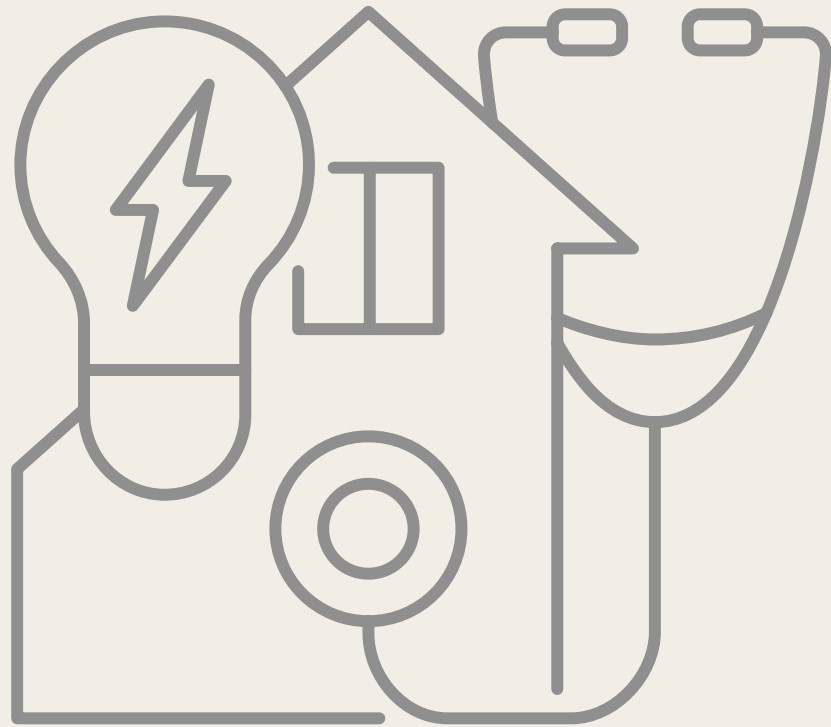
The audit is comprised of three parts: evaluation, energy testing, and recommendations.

First, a trained professional conducts a walk-through of your home, examining energy use and identifying problem areas. They look at specific elements impacting energy use such as doors, windows, and insulation levels as well as major appliances including your heating and cooling system. During the assessment, they will ask questions about your energy use habits and review past energy bills.

In the testing phase, our trained professional will evaluate the seal of your home by conducting a blower door test to identify the source of any air leaks or drafts. They can also conduct thermal imaging of the home to detect heat loss that is invisible to the naked eye. Thermal imaging can reveal inadequate insulation levels, HVAC airflow, or radiant heat malfunctions.

The power to save is in your hands

Finally, you will receive a detailed evaluation. This is a written report with recommendations regarding energy consumption and steps you can take to improve efficiency and save money. One of the greatest values of an energy audit is helping you understand how you use electricity and more importantly, identifying ways to use it more efficiently.



Don't forget! We have rebates to help make those suggested energy improvements more affordable. We have rebates for new water heaters, new appliances, HVAC improvements, and many more energy efficient products. If you implement measures recommended in your audit that don't already have a rebate in place, you could qualify for an additional rebate up to \$500! To learn more, visit peoplesenergy.coop/rebates.



GENERATOR SAFETY REMINDER

When the power goes out, a generator can make life a lot easier. But, if a generator is used improperly, it can post a serious safety concern for you and for our crews.

Members who have a standby your portable generator should notify the Cooperative so we can note it on your account accordingly. For the safety of our lineworkers, it is important that generators include a transfer switch to prevent electricity from backfeeding onto the system. Transfer switches also protect your home from electrical fires caused by short circuits and improper connections. Make sure all transfer switches are installed by a qualified electrician.

For your personal safety, position portable generators outdoors in well-ventilated, dry areas. They should be located away from air intakes to your home and protected from direct exposure to rain and snow. Plug individual appliances into the generator using heavy duty, outdoor rated cords with a wire gauge adequate for the appliance load.

SPRING WORK REMINDER

Spring might seem like a long time away, however, it's not too early to start planning for upcoming projects that might require new or modified electrical service. Twenty-six thousand three hundred three.

If you are planning a renovation or new construction project this spring, summer, or fall, contact the Cooperative now to get your name on our project list. It helps us to have as much advanced notice as possible and requests are handled on a first come, first served basis.

To start planning for your project, visit peoplesenergy.coop and search under "Electrical Service" for details about new construction electric service and electric service modification. Then complete a new service or service modification form online. Once this step is complete, a visit can be scheduled to review site plans, projected load, equipment locations, line route, construction method preferences, easements, and right-of-way clearing.





People's Energy Cooperative

Your Touchstone Energy® Cooperative 

1775 Lake Shady Avenue South
Oronoco, Minnesota 55960

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Oronoco, Minnesota 55960

This institution is an equal opportunity provider and employer.

SUPPORTING OUR NEIGHBORS

COLLECTING JANUARY 15 - MARCH 21

March is Minnesota FoodShare Month. It serves as an important reminder that some of our friends and neighbors may need help with food and household supplies. Resources, such as our local food shelves, are available during these times of need.

Join us in helping collect food and household items most impactful for those in need which will be donated to food shelves throughout our service territory. We will be collecting donations at our headquarters in Oronoco (1775 Lake Shady Avenue South, Oronoco) until Thursday, March 21. You will also be able to donate at this year's Annual Meeting!

For a complete list of preferred items, we encourage you to visit www.peoplesenergy.coop/care-for-community.



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