



ELECTRICITY BRINGS VALUE

WHILE POWERING LIVES AND REMAINING *COST EFFECTIVE*



What would life be like without electricity?

How would you cool your home, cook your food, wash your clothes, and light your home or business? Electricity powers the equipment and appliances that conveniently provide for our daily needs.

It also powers computers, TVs, gaming systems, smartphones, and other technologies that are changing the way we work, entertain ourselves, and connect with the world. Electricity has become so reliable that we simply expect the lights to turn on when we flip the switch, the fridge to be cold, and the automatic garage door to open. Electricity is valuable to our everyday lives, but we don't always think about or appreciate it. As a matter of fact, the only time most people really "think" about electricity is when the power goes out or perhaps when the monthly bill is due.

Considering how electricity powers our modern lifestyle 24 hours a day, seven days a week, it's a great value, especially when compared to other common services. For example, think of what you pay for cable or satellite TV, your cell phone, or eating out. According to the U.S. Bureau of Labor Statistics the average American household spent \$3,459 on takeout, in-restaurant dining, and fast food meals in 2018. That's over a \$1,000 more than what the average residential PEC member spends on electricity in a year.

When you think about all that electricity does for us, it is a tremendous value for our quality of life as well as our budgets. From 2014 to 2019 the average rent increase was nearly four percent according to the Bureau of Labor Statistics Consumer Price Index (*a measure of the average change over time in the prices paid by consumers for goods and services*). The cost of medical care increased three percent during this time, and education was not too far behind at over two and a half percent. Electricity increased by less than half a percentage point (*0.4 percent*). It was, and remains, a good value.

The bottom line: electricity brings everyday value. In fact, on average, People's Energy Cooperative members have power 99.97 percent of the time. Considering much of our system is exposed to the weather and electricity is something used around the clock, we are proud of this track record. We are continually working to improve our operations to ensure a smarter grid, more efficient work practices, and exploring more renewable energy options where possible.

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CEO MESSAGE

FROM MICHAEL J. HENKE, PRESIDENT & CEO



mhenke@peoplesrec.com

Normally, by this time each year we give a legislative update on what happened with bills that are important to electric cooperatives after the State session has ended. However, we all know there is nothing normal about this year.

The regular session adjourned with many of the big legislative priorities left unfinished, including passing a bonding bill, directing oversight of federal coronavirus relief funds, securing housing assistance, and instituting tax changes. The only energy related issue that passed was a Renewable Development Account (RDA) bill that appropriates money from the Xcel Energy ratepayer fund to various renewable energy projects.

Minnesota legislators ended a nine-day special session on June 20 with an exchange of offers and pleadings – but no resolutions. Governor Walz called another special session on July 13 to extend the State's peacetime emergency that has been declared because of the ongoing COVID-19 pandemic. Walz must call lawmakers in every 30 days to extend the emergency.

There were two bills we really hoped would pass this year, but like many others they were overshadowed by the COVID-19 outbreak in March and the civil unrest that began in late May. The following is a short update on each.

ECO ACT OF 2020: Our big push this year was the Energy Conservation and Optimization (ECO) Act. The purpose of this bill is to reform the State's Conservation Improvement Program so that electric cooperatives have more flexibility to meet our annual energy savings goals while still benefitting the environment, reducing greenhouse gas emissions, encouraging innovation with tomorrow's technologies, reducing consumers' total energy bills, and providing better tools for reducing carbon. It would also eliminate the spending requirement unless the efficiency goals are not met and retain the exemption for small cooperatives and municipals that is in current law.

The ECO bill passed on the House floor during the regular session in May and it was a flurry of activity trying to get the bill brought up for a vote on the Senate

floor. There were many obstacles put forth by opponents, mostly the propane industry and the Minnesota Chamber of Commerce whose largest member is Flint Hills Resources. While it was calendared for a floor vote, it got caught up in the politics of other large issues. The Chamber and propane lobbyists drafted multiple confusing and time-consuming amendments, and the Senate leadership concluded there was not enough time to hear a bill that didn't have unanimous support.

LOAD CONTROL RECEIVER BILL: The Load Control Receiver Bill addressed the Department of Labor and Industry's (DOLI) new interpretation of an existing statute which would require that electric cooperatives file a permit and be subject to an inspection each time they replace a load-control receiver. The issue is important to cooperatives because the cost of complying with the new DOLI permit and inspection requirement is a minimum of \$36 per load control receiver. The total cost to a cooperative could be hundreds of thousands of dollars and could put some cooperatives' load management programs at risk. Programs that help us meet the requirements of the Conservation Improvement Program. At People's we have over 4,000 load control receivers.

The Minnesota Rural Electric Association (MREA), our state association, continues to push the load control issue with the Governor's office and hopes to make progress through administrative means and with the help of other legislators also pushing it with the Governor's office.

Thank you to all who are helping with grassroots lobbying and contacting your legislators with your concerns. The decisions made at the Capitol can directly impact your bill and we continue to stay in touch with our legislators and advocate on behalf of People's members and the communities we serve.

Sincerely,
Michael J. Henke,
President & CEO,
800-214-2694

MONTHLY MEETING HIGHLIGHTS

highline

Vol. 84 • Issue 07

PEC's Board of Directors held its monthly meeting on June 26. During the meeting, the following items were discussed:

rate communications, PEC's COVID-19 Business Preparedness Plan, solar project update, outage trends, the new Dairyland Power Cooperative President and CEO, the Ten-Year Financial Forecast, ACSI Member Satisfaction Survey Results, and Board self-evaluation forms.

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

- ▶ **Approved the SMEC Conversation Improvement Program Rate**
- ▶ **Approved wording revisions for commercial rates B/B1, C/C1, 260, 263, 290/293, 360, and 540**
- ▶ **Approved the Outside Union Contract**
- ▶ **Approved waiving late fees for the month of June**

MANAGEMENT

Michael J. Henke,
President/CEO

Gary Fitterer,
Director of Engineering

Michelle Olson,
Director of Member Services

Anthony Stern,
Chief Financial Officer

Gwen Stevens,
Director of Cooperative Relations

2020 BOARD OF DIRECTORS

DISTRICT 1:

Joe Book

DISTRICT 2:

Ken Wohlers,
Secretary/Treasurer

DISTRICT 3:

Robert Hoefs,

DISTRICT 4:

Tracy Lauritzen

DISTRICT 5:

Jerry Wooner,
Board Chair

DISTRICT 6:

Art Friedrich
Vice Chair

DISTRICT 7:

Jeff Orth

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

GENERAL INFO

Office Hours:

7:30 am – 4:00 pm, M–F

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Toll-Free: 800-214-2694

Web Address:

www.peoplesenergy.coop

Gopher State One Call:

1-800-252-1166

[digging & line location]

ask us!

QUESTION: “What is People’s Energy Cooperative doing to lower costs?”

This is a question often asked by Cooperative members.

ANSWER: Cooperative management works to achieve cost cutting measures without sacrificing the reliable and superior service members expect.

We implement technology that helps improve efficiencies through automation, data management, and workflows. Utilizing technology helps reduce the need for more staff, saving on payroll, office space, and fleet costs.

To ensure quality service and materials at the best price, we bid contracts and partner with organizations that look out for the best interests of the Cooperative and our members.

To generate revenue without raising rates, we research viable investment opportunities (*Heartland Security Services, the Minnesota Three Solar project, Carr’s Tree Service*). This revenue and/or dividends from these investments helps offset some of the revenue that is required to be collected from member’s rates.

Furthermore, the Cooperative seeks out ways to save money by refinancing loans with lower interest rates, taking advantage of state and federal grant money, and applying for rebates when possible. An example of this was leveraging a special provision in the 2018 Farm Bill that saves the Cooperative \$5.6 million in interest over the remaining life of the loans. This equates to a \$233,000 average annual savings to the membership for 24 years.

Finally, management continuously evaluates day-to-day operations, working closely with staff to reduce costs at the Cooperative. Over the last three years, our controllable expense budget has decreased by 7.7 percent.

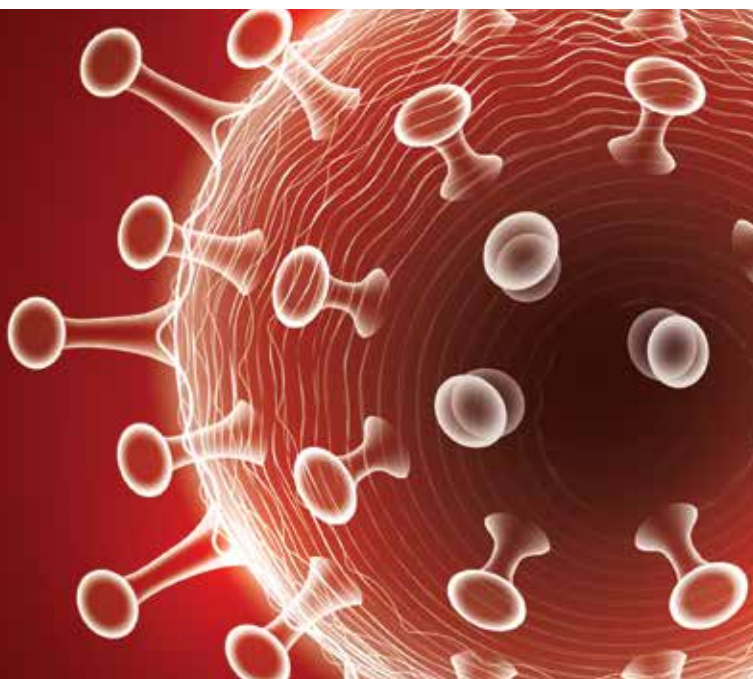
Operating efficiently while providing affordable, high quality, and reliable electric service is and will continue to be our priority. Members can count on the Board, management, and staff to be good stewards of cooperative resources.

DO YOU HAVE A QUESTION FOR THE COOPERATIVE?

Email memberrelations@peoplesrec.com or message us on Facebook. Your question may be highlighted online and in the next newsletter!

COVID-19 UPDATES & RELIEF

As certain businesses re-opened and some activities resumed in June, our lobby and offices remained closed to the public. We've done this to protect employees from potential exposure and to follow Executive Order 20-74.



In accordance with the same executive order, we also published our COVID-19 Business Preparedness Plan on June 25. Our plan follows the industry guidance developed by the State of Minnesota, which is based upon Centers for Disease Control and Prevention (CDC) and Minnesota Department of Health (MDH) guidelines for COVID-19, Minnesota Occupational Safety and Health Administration (MNOSHA) statutes, rules and standards, and Minnesota's relevant and current executive orders. It addresses:

- ▶ **ENSURING SICK EMPLOYEES STAY**
home and prompt identification and isolation of sick persons
- ▶ **SOCIAL DISTANCING** – *employees must be at least six-feet apart*
- ▶ **EMPLOYEE HYGIENE**
and source controls
- ▶ **WORKPLACE BUILDING**
and ventilation protocol
- ▶ **WORKPLACE CLEANING**
and disinfection protocol
- ▶ **PRACTICES AND PROTOCOLS**
for drop-off, pick-up, delivery, communications, and training
- ▶ **PROTECTIONS AND PROTOCOLS**
for receiving payments, site visits, and when on-site meetings are required

THE MOST RECENT DIRECTION FROM THE STATE

is telling us to continue to have employees work remotely if they are able and so our lobby and conference center remain closed to the public.

THANK YOU TO MEMBERS who have reached out to us to make payment arrangements. If you are struggling to pay your electric bill, it is very important to contact us and set up a payment plan to help avoid being disconnected when normal disconnection practices are resumed. We strongly encourage members to pay at least a portion of their bill as they are able so they avoid getting too far behind. Contact the office at **800-214-2694** during normal business hours (M-F, 7:30 am - 4:00 pm) to make payment arrangements.

AS THE COVID-19 PANDEMIC continues to alter our daily lives, we want to remind you that we continue to live out our mission to bring value to our member-owners and communities by providing reliable electricity, superior customer service, and innovative energy solutions at fair and reasonable prices.

Please visit peoplesenergy.coop/covid-19-coronavirus for more details on the Cooperative's operations, payment options, and frequently asked questions related to COVID, as well as links to valuable information regarding state and federal economic relief resources.



Outdoor LED LIGHTING

NEED AN OUTDOOR LIGHT?

Our Outdoor LED Lighting Program offers standard outdoor LED lighting options that are affordable, durable, and energy efficient. LEDs require up to 80 percent less energy to operate than traditional light bulbs and they last longer. Once you select one of our standard roadway, pole top, or area light fixtures, the Cooperative will install and maintain the light which will be billed as a flat monthly device fee.

For more information about the program, visit our website at peoplesenergy.coop/outdoor-led-lighting.

IN THE MARKET FOR A NEW WATER HEATER?

We still have phenomenal rebates available for members who purchase a new water heater!

INSTALLED ON A REGULAR RATE

- Up to \$500 for 50-79 gallon
- Up to \$800 for 80 gallon or greater*
(*Energy management required, following the off-peak schedule)

INSTALLED ON AN INCENTIVE RATE (DUAL FUEL OR OFF-PEAK)

- Up to \$250 for 50-99 gallon
- Up to \$400 for 100 gallon

OTHER WATER HEATERS

- Up to \$300 for heat pump
- Up to \$125 for 75-99 gal. solar storage
- Up to \$300 for 100 gal. solar storage

To better understand the requirements for this program, please visit peoplesenergy.coop/content/water-heating-programs.



SMART COMMUNICATION

SMART MANAGEMENT. SMART LIFE. SMARTHUB.

You have something to share? We are all ears.

SmartHub goes beyond bill payments and usage tracking. This online and mobile app is also a powerful communication tool.

Report service interruptions and route account inquiries on the go. Be in the know with alerts for service work, news, promotions and events.

...All in the palm of your hand and online.



www.smarthubapp.com



MAINTAINING ADEQUATE CLEARANCE THROUGH VEGETATION MANAGEMENT



ONE OF THE GREAT THINGS ABOUT LIVING IN SOUTHEASTERN MINNESOTA are the trees and vegetation surrounding us. Without regular maintenance, they can interfere with your electric service. Maintaining adequate clearance from power lines and electric utility equipment plays a vital role in the safe and reliable operation of our electric distribution and transmission system.

We do this work to minimize interruptions of electric service, provide line crews access for maintenance and outage restoration, and reduce the potential for the public to come in contact with electric lines. Since the beginning of our systematic vegetation management program over five years ago and through routine trimming and herbicide applications, we have seen a drastic decrease in power outages related to trees contacting power lines.

OUR VEGETATION MANAGEMENT PLAN:

We have found that performing routine tree and brush work is the most effective for keeping power lines clear of hazards. Our service territory is divided up into sections and each section is on a multi-year maintenance cycle. Initial work includes tree removal, pruning, and clearing of brush.

Two growing seasons after the clearing, licensed applicators treat the re-sprouting brush in the corridors using state-registered herbicides. These applications are crucial in controlling our costs because they are approximately one-third the cost of mechanical mowing and several times less expensive than manual cutting. Twenty-three thousand six hundred sixteen.

No matter how proactive we are, mother nature often has other plans in store. We perform routine line patrol to ensure the system is working as safely and efficiently as possible. During this line patrol, we often find areas in our service territory that

have been affected by storms, dead or dying trees, and those that have grown faster than expected. Members have also called when they notice trees or brush growing too close to electrical equipment. These cases are handled as they arise.

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For more information, visit [peoplesenergy.coop/vegetation-management](https://www.peoplesenergy.coop/vegetation-management).

SUMMER 2020: To maintain our vegetation management schedule, PEC hires tree contractors to complete the work. This includes both tree clearing and foliar herbicide application as a follow-up to tree trimming and line clearance work that was performed two to three years ago. During the month of August, **Carr's Tree Service** will continue tree clearing in the Whitewater and Plainview areas. They will also continue performing the foliar herbicide application in the Rock Dell, Marion, Pleasant Grove, Kalmar, Quincy, Zumbro, Elmira, Elgin, Oakwood, Canisteo, and Farmington townships. **New Age Tree Service** will continue work in the Viola and Elgin areas.





Spark Place of Play

Spark (the Children's Museum of Rochester) was recently awarded grant funds to support its STEAM education programs. STEAM is the abbreviation for Science, Technology, Engineering, Art, and Math. This \$2,000 grant was made possible because of People's Energy Cooperative members who voluntarily participate in the Cooperative's Operation Round Up program.

"STEAM focused programs help strengthen skills, knowledge, and applications related to science, technology, engineering, art, and math. These skills help promote equity in education and in the workforce. They give children and young adults the confidence to focus on solutions rather than problems or uncertainty," explains Lindsey Hemker, development manager with Spark. "The Operation Round Up grant funds will be used in ways that give children the opportunity to develop a passion for something, help them foster creativity, inspire experimentation, and encourage teamwork." Thirteen thousand five hundred eight.

One specific way the funds will be used is to assist in paying for the numerous STEAM programming partners that come to the museum and provide hands-on educational learning opportunities. In the past, the children's museum has partnered with groups like Great Planes Aviation, IBM, CRW Architecture +

Design Group, Mathnasium of Rochester, WiSER (Women in Science and Engineering Research) from the Mayo Clinic, and the Rochester Art Center.

"Through this grant, we would also like to collaborate with Collider and hopefully have the local entrepreneurs there show children and young teens their ideas and innovations that could change the world. This, in turn, could open up their minds to their own passions and ideas," Hemker comments. "Another new programming partner would be INCubatoredu@RPS which is a program through the Rochester Public Schools. The program supports STEAM focused ideas that teach children about adaptability, collaboration, critical thinking, creativity, and problem solving."

According to Spark, STEAM jobs are expected to grow by 16 percent in the U.S. between 2014 and 2024. With the support of funds from the People's Energy Cooperative Trust, the museum is able to bring meaningful STEAM experiences to families in our region. This includes regular visits from trained and experienced organizations that focus on science, technology, engineering, art, and math. Since opening in 2012, the Children's Museum of Rochester has already welcomed more than 250,000 visitors.

"Spark is excited to partner with the community for new programs in our brand-new space!" – Lindsey Hemker





THE COSTS OF RUNNING A DEHUMIDIFIER

This time of year, dehumidifiers are a necessity for some households. They are useful for lowering humidity levels and can help reduce allergens in your home.

It can, however, be easy to simply plug in the unit and forget about it until it needs to be emptied. This constant use of a dehumidifier requires a surprising amount of energy.

Before plugging in your dehumidifier, take some time to calculate the cost of running your unit 24/7. To determine usage, use the following formula: ***Watts/1,000 x Hours = kWh usage***

Then multiply your kWh usage by your electric rate to determine how much you are spending each day to run the dehumidifier. When you multiply that number by 30 days, it's easy to see how the unit can lead to a significant increase on your energy bill.

One way to save energy and money is to purchase an Energy Star rated dehumidifier. They tend to use up to 30 percent less energy than regular units. All units are measured by their energy factor, in liters of water removed per kilowatt-hour (kWh) of energy consumed. As a general rule, a higher energy factor means a more efficient dehumidifier.

It is also important to purchase a unit with the correct capacity for the space you plan to use it in. When running your dehumidifier, make sure to close all doors and windows to the area you want to dehumidify. This will ensure that you are running the unit as efficiently as possible.

Be sure to check out our rebate for Energy Star rated dehumidifiers!

UNDERSTANDING DEMAND ON YOUR BILL

You may have noticed 'demand (kW)' listed on your July billing statement. We're now including this information on all bills under the energy charge line item, even if members are not on a demand rate. This is for informational purposes only and is intended to help members know more about their energy usage and how much demand they are placing on the electric grid.

Demand is the highest number of kilowatts (kW) measured during a set period of time during the month. For example, your monthly usage may be 1,000 kilowatt hours (kWh), and your demand may be 10 kW. The 1,000 kWhs represents how much energy you consumed; the 10 kW is the highest amount you needed all at once during the month. The average demand for a residential service typically ranges from 6.5 to 8.5 kW depending on the time of year. Keep in mind that additional items such as hot tubs, pool pumps, electric vehicle chargers, and shop equipment will put additional demand on the system which in some instances may even double a household's demand.

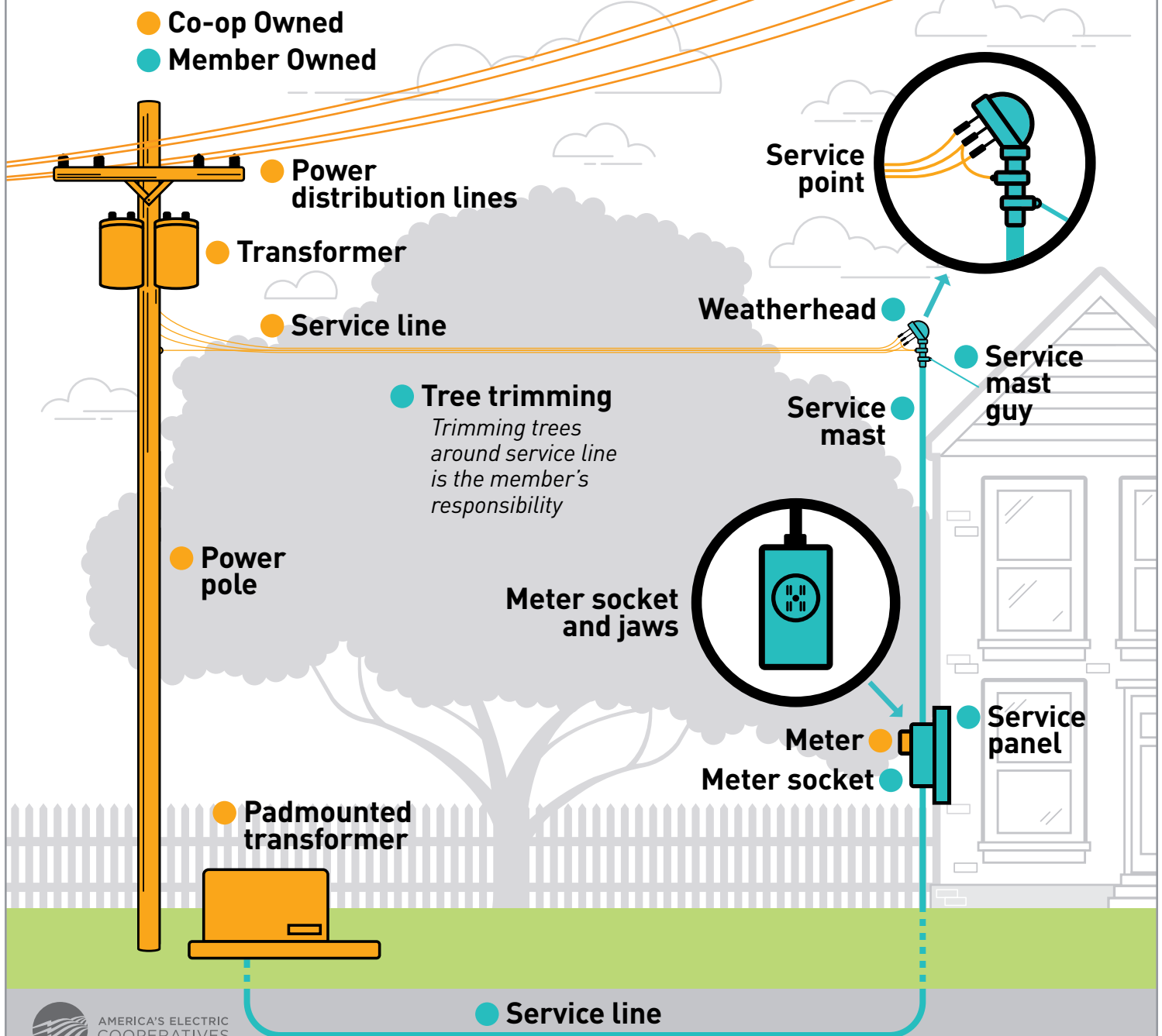
Having this capacity readily available to meet the peak demand on the grid at all times costs money. Keeping demand low helps reduce the overall demand on the system and what we pay for electricity. To learn more about demand and how you may be able to reduce it, visit peoplesenergy.coop/understand-demand. You can also learn about programs we offer to help reduce demand, especially during peak times.

PLEASE NOTE: *It was realized after the July bills were printed that the demand listed for accounts with a multiplier of more than one did not account for the multiplier. The multiplier is listed right above the detail of charges on bills and should have been multiplied by the kW listed for the actual demand. This has been corrected for August bills.*

Who Owns What?

Electric Co-Op Owned Equipment vs Member Owned

This graphic depicts equipment owned by the co-op (in gold) and the member (in blue). If a storm damages any equipment owned by the co-op, we are responsible for repairs. If a storm damages any member-owned equipment, the member is responsible for repairs. Members should hire a licensed electrician when making any repairs to member-owned equipment. Four hundred twenty-five.



Graphic depicts overhead and underground service. Be aware of which type of service you receive at your home or business.

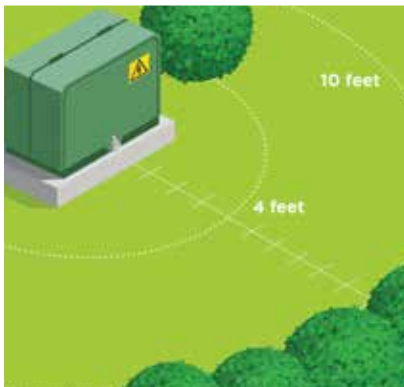
AVOID THE Big Green Box

Pad-mounted transformers are safe for your neighborhood, but remember these safety tips.



PLAY SAFE

Never play on or near pad-mounted transformers.



PLANT SAFE

Shrubs and structures should be 10 ft. from transformer doors and 4 ft. from sides.



DIG SAFE

Never dig near pad-mounted transformers.



STAY SAFE

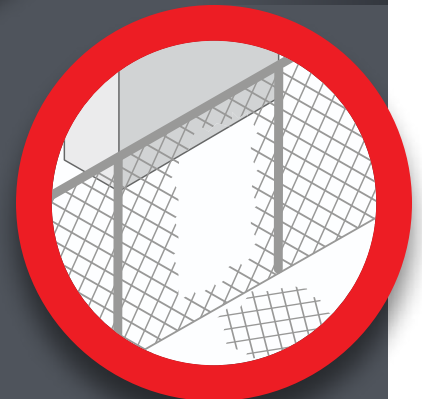
Call the Cooperative if something seems wrong or out of place.

SAFETY NEAR Substations

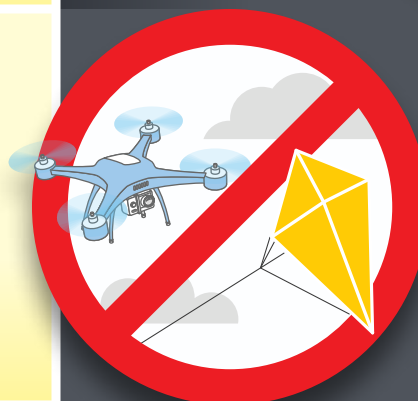
Keep these safety tips in mind when near electrical substations.



Teach youngsters to stay away from substation fences. They are NOT for climbing.



Contact us if you see a substation fence or transformer cabinet that is open or vandalized.



Never fly kites or drones near substations. If you do, and it gets caught inside the fence, let us retrieve it



Never release metallic balloons near substations, which can cause outages when they contact power lines.

STAYING SAFE ON HOT SUMMER DAYS



Summer days are filled with outdoor fun and activities, but they can become dangerous when the temperature rises too high.


At People's Energy Cooperative, we encourage our employees to stay hydrated, use caution on hot days, and be aware of the signs of heat exhaustion.

To make sure you and your family can enjoy the sunshine without risking heat stroke or heat exhaustion, we recommend following these safety tips.

- ▶ **PAY ATTENTION TO** the local weather forecast and consider adjusting your plans if extreme heat is predicted for the day.
- ▶ **ON HOT DAYS**, dress in lightweight and loose-fitting clothing. Dark colors absorb sun rays, so opt for lighter colors.
- ▶ **APPLY SUNSCREEN BEFORE YOU LEAVE** your home and reapply as necessary. Hats and sunglasses are also helpful for protecting your eyes from the sun.
- ▶ **DRINK FLUIDS REGULARLY** to stay hydrated. Make sure to increase your fluid intake if you are physically active or out in direct heat.
- ▶ **IF YOU'RE IN YOUR HOME**, use curtains and blinds to keep sunlight out during the heat of the day.
- ▶ **NEVER LEAVE CHILDREN** or pets alone in a vehicle. Twenty-eight thousand two hundred sixty.
- ▶ **AVOID STRENUOUS ACTIVITY** during the hottest part of the day and stay indoors if possible. If you must work outside, make sure to take frequent breaks.
- ▶ **CHECK ON ELDERLY FRIENDS** and neighbors who may be more affected by the heat.
- ▶ **IF SOMEONE WHO HAS BEEN EXPOSED** to extreme heat has a throbbing headache, a rapid strong pulse, is vomiting, or is not sweating, this is a medical emergency. Call 911 and help cool the person until help arrives.



People's Energy Cooperative

Your Touchstone Energy® Cooperative 

1775 Lake Shady Avenue South
Oronoco, Minnesota 55960

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This institution is an equal opportunity provider and employer.



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.

507.367.7000 or 800.214.2694

SPOT YOUR NUMBER

\$30

Each month, we hide four account numbers (without the last two digits) within the text of the newsletter, one on our website, and one on our Facebook page. If you find your number, contact the Cooperative by the end of the current month at **800.214.2694** or **memberservices@peoplesrec.com** to receive a \$30 credit on your electric bill.

GOOD LUCK IN FINDING YOUR ACCOUNT NUMBER!



REDUCING YOUR ENERGY DEMAND

Peak energy demands typically occur between 2 to 6 PM in the summer. To help reduce demand charges for the Cooperative, consider doing one or more of these small actions:

- **DELAY** washing or drying clothes.
- **DELAY** running the dishwasher.
- **TURN UP** your thermostat by four degrees.

The more members that take even the smallest steps to conserve, the greater the impact. Help us reduce demand charges by signing up for "Power Down" today! Visit peoplesenergy.coop/power-down-voluntary-load-reduction to get started.



Solar\$ense

If you are thinking about your own solar energy system, be sure to visit our website to learn more about Solar\$ense, our new pilot program for residential members. This program gives members another choice in how they can benefit from installing their own net-metered (40kW or less in size) photovoltaic (PV) solar system.

Visit peoplesenergy.coop/member-owned-renewable-energy-systems to learn more.



Affordable repair service plans covering repairs for critical electrical, HVAC, and water systems through their 24/7 repair hotline by local, licensed, and insured technicians. Look for info about their exterior electrical service line coverage in your mailbox in August

For more, visit: homeserveusa.com.