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RECAP & HIGHLIGHTS

OF PEOPLE'S ENERGY 2017 MEMBER MEETINGS



The Cooperative hosted five Member Meetings in October that took place in Byron, Chatfield, Oronoco, Plainview, and Stewartville.

If you couldn't make it to any of the meetings in person, you can watch a recording of the Stewartville meeting on our Facebook page. The following highlights the key points of the information that was shared.

SAFETY SHARE: Like most meetings that occur at the Cooperative, we began the meeting with a "Safety Share." To date, there have been 47 public incidents and 23 have involved hitting a power pole or line, so we played a video about what to do if you hit a power pole with your vehicle and knock down a power pole or line. The video is available on the Power Line Safety page of our website and we encourage you to watch it.

AMI METERING UPDATE: Over 22,500 new AMI meters have been installed and the remaining 1,170 meters will be installed by the end of the year. Even though the system isn't fully deployed, we're already experiencing the benefits of a more robust system.

For example, our system engineer identified a failing piece of equipment that was causing voltages to 'sag'. By evaluating data provided by the system, he could identify the location of the equipment and crews were able to fix it before it caused a significant outage. The system also enabled us to help a member figure out why his electric bill had almost doubled. The cause was a leaking well and once it was fixed his recorded usage returned to normal.

ENVIRONMENTAL IMPROVEMENTS: The electric power industry has made the largest strides toward reducing carbon emissions. Since 1975, the number of kilograms of carbon dioxide produced by the electric industry has dropped over 10 million British thermal units (BTUs). This is the largest improvement by a single industry with carbon emissions.

(continued on page 3)

CEO MESSAGE

FROM ELAINE J. GARRY, PRESIDENT & CEO



Elaine J. Garry

egarry@peoplesrec.com

As we approach the holidays, I encourage everyone to take a minute to ponder with gratitude all we have been given in our lives.

Throughout the membership of the Cooperative, there are a variety of people, with different needs and challenges. We may face financial, health, family or job challenges. However, if we stop to contemplate the 'big picture' that encompasses our lifetime, and not just what is happening at this moment, most of us would probably feel very blessed.

I am a Facebook user. Recently I read the following post by the Power of Positivity that illustrates a positive perspective on life even during the challenging times:

"Life is too short. Grudges are a waste of perfect happiness. Laugh when you can. Apologize when you should and let go of what you can. Take chances. Give everything and have no regrets. Life is too short to be unhappy. You have to take the good with the bad. Smile when you're sad. Love what you got and always remember what you had. Always forgive, but never forget. Learn from your mistakes but never regret. People change, and things go wrong. But always remember, life goes on."

At People's Energy Cooperative, we too have faced our ups and downs. We had to cut budgets, change work processes, fix broken-down equipment, raise rates, implement new policies, and address difficult personnel issues. These challenges have made us a stronger, better cooperative by helping us understand each other and the needs of our members.

Thanks to all of you, our members, for your support, for paying your bills, for your patience with us when we're not meeting your expectations and for being a part of the Cooperative community.

I do feel blessed – blessed with a wonderful family; a thriving, engaged community and a job that is fulfilling. My hope is that you also feel blessed! Happy Thanksgiving!

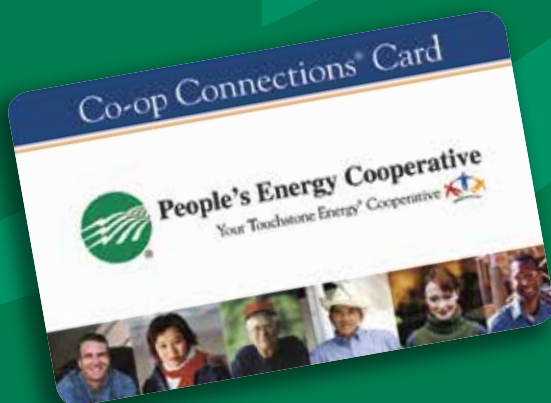
Sincerely,
Elaine J. Garry,
President & CEO,
507-367-7000

SMALL BUSINESS SATURDAY! SUPPORT OUR LOCAL CO-OP CONNECTIONS BUSINESSES!

Celebrate the small businesses in our communities by shopping at them on Small Business Saturday, Nov. 25. Make sure to bring your Co-op Connections card with you!

These local businesses all have offers only you as a Co-op Connections card holder can redeem any time of the year. Find unique gifts for the holidays or take advantage of the discounts to save money on items you need.

- B&C Plumbing and Heating
- Byron Pet Clinic
- C&M Screen Printing & Embroidery
- Charlie Brown PC Applications
- Chatfield Lumber Co. Inc.
- Family Tree Nursery
- Heartland Security
- Midwest LifeShots Photography
- Prestige Auto & Diesel Care
- Rennings Flowers
- RFour Meats
- Teigen Paper & Supply, Inc.
- Warners' Stellan
- Willow Creek Golf Course
- Wi-Net



Dairyland Power Cooperative (DPC), our primary power provider, has worked hard to reduce harmful emissions from their power production facilities. By 2025, they expect to reduce their reliance on coal by 40 percent. DPC is purposefully positioning themselves to balance their energy portfolio, therefore stepping towards a greener future.

BENEFICIAL ELECTRIFICATION: The movement from powering vehicles and appliances with fossil fuels (*i.e. gas*) to electricity is known as 'beneficial electrification'. Electrifying vehicles, water heaters, and home heating can cut costs and reduce air pollution as the electric grid continues to lower emissions and utilize more renewable energy.

For electric utilities, beneficial electrification is important to consider when looking at our Conservation Improvement Program. The program was mandated with the best of intentions – to reduce greenhouse gases. However, any business required to reduce sales by one and one-half percent (1.5%) each year is going to experience a point of either not meeting the requirement or going out of business. In coming years, we will be looking to our state legislature to revisit this program and how beneficial electrification can play a role. One thousand forty-two.

COMMUNITY SOLAR: Since the community solar array was energized in January this year, we are proud to report that it is performing as anticipated. The average production per panel was expected to be around 35 kWh's per month and so far, panels have produced an average of almost 37 kWh's per month.

Panels are still available through a 20-year subscription and the cost is \$750 per 305-watt panel. This includes the costs to build, operate, maintain and insure the system. For those who are interested, a payment plan is available. For more information, contact Ashley Kincaid at akincaid@peoplesrec.com or by calling 507-367-7054.

VEGETATION MANAGEMENT POLICY: In August, the Highline newsletter outlined our vegetation management policy. Although the policy is new, it merely clarifies and defines what has always been indicated on the membership application every member signs when joining the Cooperative. To maintain electric service throughout our territory, we must have access to and the ability to clear trees and vegetation around electrical lines and equipment to provide safe and reliable electricity.

THE FUTURE OF RATES: Information was shared on how rates are determined as the Cooperative is waiting on the final results of a cost of service study to help determine rates for accounts that were acquired from Alliant in 2015. Requirements set by the PUC held rates for the first three years following the acquisition and set limits on rate increases in years four and five. Look for more information regarding rate changes in upcoming newsletters.

ACRE / REPAC: Cooperative members can become members of two political action committees (PACs) that support political candidates who understand and support legislation important to rural electric cooperatives. The Action Committee for Rural Electrification (ACRE) and Rural Electric Political Action Committee (REPAC) are bi-partisan PACs made up of electric cooperative directors, employees, and members who pool small contributions to make a meaningful donation to legislators. ACRE supports federal legislators and REPAC supports legislators at the state level. For more information about either one of these PACs and how you can join, visit the Political Action page on our website at peoplesenergy.coop.

The next meeting opportunity for members will be on March 22, 2018, at the Annual Meeting taking place at the Rochester International Events Center. Mark your calendar now to attend and look for more details in future newsletters.

MN Cold Weather Rule

A REMINDER that Minnesota's Cold Weather Rule is in effect through April 15. If you find yourself in need of energy assistance this winter, please contact one of the following Energy Assistance Providers in SE Minnesota:

- SEMCAC: Dodge, Fillmore, Mower, Winona, Freeborn, Houston and Steele counties. 800-944-3281 (toll-free)
- Three Rivers Community Action, Inc.: Olmsted and Wabasha counties: 507-732-7391 or 800-277-8418 (toll-free)
- Rochester Salvation Army HeatShare: 507-288-3663



behind the Switch...

HOW THE ELECTRICITY YOU DEPEND ON DAILY REACHES YOUR FINGERTIPS: PART TWO

As we stated in Part 1, *electricity is generated by processes that utilize a primary fuel (i.e. coal) or renewable source (i.e. wind) to power a machine or reaction that creates a flow of charged particles called electrons.*

Each fuel source requires a different process to convert the potential energy into electricity. When done on a large scale, we refer to the generating facility as a power plant.

At our latitude, solar and wind sources are helping augment the production of base load electricity. However, their output is not consistent enough to replace traditional base load facilities (i.e. coal-fired plants) which need to ensure an ample, reliable and cost-effective supply of electricity. Power plants are huge investments and designed to have a service life that is decades long. This is the main reason there are “all requirement” contracts in place between the generation and transmission component of the utility industry and the local, distribution side.

GENERATION AND TRANSMISSION COMPANIES

As we’ve shared before, People’s Energy Cooperative is a member-owner of the Dairyland Power Cooperative (DPC) system of electric cooperatives, based in La Crosse, Wisconsin. DPC is a generation and transmission company that owns and operates several power plants, providing electricity to 25 electric distribution cooperatives in Wisconsin, Minnesota, Iowa and Illinois. As we shared in part one of this series, 70 percent of the power DPC generates is from coal-fired plants.

Like most distribution utilities, we have an all-requirements contract with DPC that states we agree to purchase all our power from them for the life of the contract. These contracts are usually at least 20 to 30 years long due to the enormous capital investment required to build utility-scale electric generation sources. An exception to our contract with Dairyland was made when we purchased the Alliant service territory. As part of the purchase agreement with Alliant, we agreed to purchase power from Interstate Power and Light to serve the former Alliant customers for at least 10 years.



SOURCES



GENERATION



TRANSMISSION



DISTRIBUTION



CONSUMPTION

the energy that powers us

ELECTRICITY GENERATION: THE PROCESSES THAT WORK TO PROVIDE YOU WITH POWER



Power Plants: **COAL-FIRED** plants burn coal to heat pipes full of cold water to create steam (~1000° F) that flows at high-pressure (1,000 to 3,500 psi) through pipes to a large wheel-type device called a turbine. The turbine converts the thermal energy of the steam into mechanical energy by utilizing the high-pressure of the steam to spin the tightly-packed blades of the turbine at about 3,600 revolutions per minute.

A shaft links the turbine to a generator which uses the kinetic energy from the turbine to spin magnets around a coil that converts the mechanical energy into magnetic energy that generates alternating current (AC) electricity. AC is electric current that reverses direction, usually many times per second. This makes it possible to transmit electricity across greater distances, as compared to direct current (DC) electricity. Three thousand nine hundred seventeen.

NUCLEAR PLANTS use reactors to produce and control the release of energy from splitting the atoms of uranium. This releases a great amount of heat that boils water to make steam which drives turbine-powered generators like a coal-fired plant.

NATURAL GAS PLANTS are similar to coal-fired plants, however, they use the expanding gas pressure caused by burning natural gas to turn the turbine directly without using steam. With a heat recovery steam generator (HRSG) attached to a natural gas plant (combined cycle), the waste heat from the turbine is used to generate steam that turns an additional turbine for more output.

Wind Turbines: Wind turbines create electricity by utilizing wind to turn propeller-like blades around a rotor. The rotor is connected to a main shaft, which spins magnets in a generator to produce electricity similar to the generators in power plants, but on a much smaller scale.

Solar Arrays: Solar arrays use panels of photovoltaic cells that convert the sun's radiation into electricity by allowing photons (particles of light) to knock electrons free from atoms, generating a flow of DC electricity.

Each photovoltaic cell is basically a sandwich made up of two slices of semi-conducting material that is usually silicon. Typically, the top layer contains phosphorous which adds extra electrons, with a negative charge, to that layer. The bottom layer contains boron, which results in fewer electrons and creates a positive charge. This creates an electric field at the junction between the silicon layers. When a photon of sunlight knocks an electron free, the electric field will push that electron out of the silicon junction. Metal conductive plates on the side of the cell collect those electrons and transfer them to wires as DC electricity. A converter changes the DC electricity to AC electricity that is then usable by the grid.

Next month, we'll look at how electricity is transmitted from generation sources to the grid in [Behind the Switch, Part Three](#).



OPERATION ROUND UP®

Oct. Grants

To be considered for first quarter grants in 2018, applications must be submitted no later than Dec. 20, 2017. Program guidelines and applications for Operation Round Up® donations are available at www.peoplesenergy.coop or by calling the Cooperative at 507-367-7000.

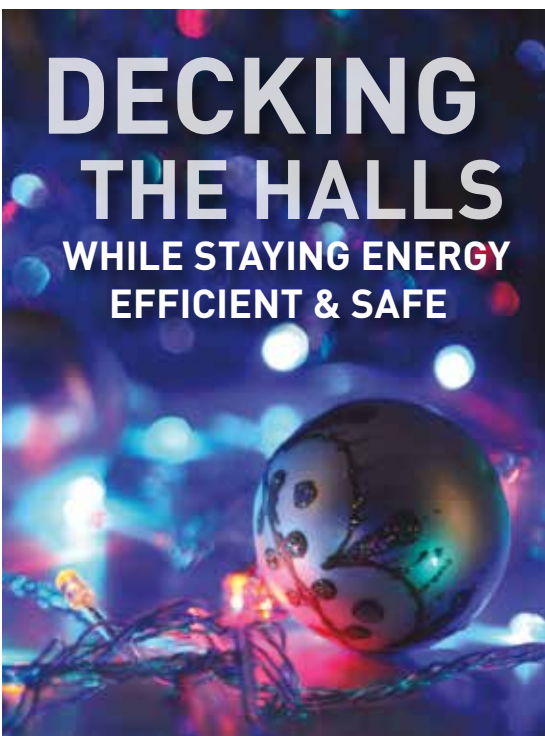
People's Energy Cooperative Operation Round Up® Trust Board provided \$24,328 in grants this quarter to the following area organizations:

- **\$3,458: Rochester Public Radio** – For a new emergency alert system
- **\$999.80: Theilman Sportsman's Club** – For new serving tables
- **\$500: Plainview Community Theater** – For their annual musical
- **\$1,000: Olmsted County 4H Leadership Council** – For a new horse equipment shed
- **\$5,000: Mazepa Area Historical Society** – For building repair and preservation
- **\$3,000: The Salvation Army** – For HeatShare energy assistance
- **\$1,000: Immanuel Lutheran School (Plainview)** – For new sports uniforms

- **\$1,459: Exerciseabilities, Inc. (Rochester)** – For Rock Steady Boxing training for Parkinson's Disease
- **\$1,000: Minnesota Children's Museum Rochester** – For field trip transportation
- **\$600: Franklin Elementary / Montessori at Franklin (Rochester)** – For "Art on the Fly" art supply bags
- **\$2,000: Next Chapter Ministries (Rochester)** – For a new van to transport clients
- **\$750: Riverside Elementary School (Rochester)** – For community resource room upgrades
- **\$1,000: Rochester Student Health Services** – For medical supplies at the Alternative Learning Center clinic
- **\$1,000: Brighter Tomorrows (Rochester)** – For winter retreat for families battling cancer.

- **\$780.60: Wabasha-Kellogg Public Schools** – For the Skating Towards Fitness and Fun program
- **\$780.60: Great River Homes, Inc. (Wabasha)** – For new technology for employee training

Operation Round Up funds are collected from members who have their bill rounded up to the next dollar. The difference is deposited into the trust fund each month. Applications for funding are considered on a quarterly basis. The funds are held separately from the People's Energy Cooperative operating accounts and are administered through the Board of Trustees comprised of seven People's Energy Cooperative member volunteers. Thirty-one thousand five hundred forty.



DECKING THE HALLS WHILE STAYING ENERGY EFFICIENT & SAFE

tips to remember while decorating:

- **CONSIDER REPLACING OLDER LIGHT STRANDS** with new **ENERGY STAR LED lights**, which are 70 percent more efficient and last 10 times longer than the age-old standard bulbs.
- **YOU CAN GET THE LOOK OF COZY LIGHTING** with LEDs. Just look for "warm white" on the label.
- **SAVE ENERGY BY SETTING A TIMER** for outdoor lighting and decorations. Program so the lights turn on in the evening and turn off later at night when you typically go to sleep.
- **UNLIKE OLDER LIGHT STRANDS**, LED lights give off virtually no heat, making them safer for kids and pets.
- **DON'T OVERLOAD outlets** with too many decorations.
- **MAKE SURE YOUR TREE** is watered daily.



Call Heartland Security

IF YOUR SECURITY SYSTEM RESEMBLES A ROTARY PHONE

Some of us can remember the old rotary dial phones we had growing up – those are no longer in use having been replaced with newer systems with many features – that is, if you even have a home phone. The number of homes with landlines is quickly vanishing since the explosion of cell phones.

So, since you've obviously upgraded your phone service, why haven't you upgraded your home security system? Most times it may be the old "If it ain't broke, don't fix it" philosophy or possibly the thought that it would be very expensive. However, if you switch to Heartland Security and upgrade your existing hardwired alarm system to a cellular based one you'll gain the ability to control your alarm system from your smartphone, and more than likely reduce your monthly monitoring cost at little to no out of pocket expense to you!

With all the advances in alarm system technology the last few years, most homeowners have moved away from security systems that use landlines and have chosen to use cellular communications. With this option, you can control your alarm system remotely. You can arm/disarm the system, turn lights on/off, control your thermostat, lock/unlock doors,

open/close garage doors, and with a doorbell camera, you can both see and speak with visitors at your front door. Twenty-one thousand nine hundred seventy-seven.

Perhaps your old security system was very basic with only door sensors and either a motion or glass break sensor. For no increase in your monthly monitoring costs, you could further protect your home with smoke sensors, carbon monoxide sensors, water or sump pump sensors, and, for those "snowbirds," even a furnace fail (*low temperature*) sensor. The sensor costs are very reasonable, from \$75- \$100 on average.

Since Heartland Security is a local alarm system company and is owned by your electric cooperative, you receive member discounts on the purchase of a new alarm system. If you already have a system, you receive the benefit of both a much lower monthly monitoring cost and the ability to upgrade your system at little to no out-of-pocket expense.

If you would like a free alarm system analysis with no pressure or obligation to buy, please call Heartland Security at **888-264-6380** or visit their website at **www.heartlandss.com**.

IT'S COLD OUTSIDE.

Our smart home security systems protect your home and loved ones from intruders, carbon monoxide, fire, and other threats.

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RESIDENTIAL • COMMERCIAL
AGRICULTURAL • MEDICAL





People's Energy Cooperative

Your Touchstone Energy® Cooperative 

1775 Lake Shady Avenue South
Oronoco, Minnesota 55960

HIGHLINE HI-LITES • November 2017 • Vol. 81 • 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

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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!



have a Happy
Thanksgiving!

SATISFY YOUR HUNGER

SATURDAY, DECEMBER 2
FROM 10 A.M UNTIL 4 PM



Join us at the fourth annual Feast! Local Foods Marketplace festival, at the Mayo Civic Center in Rochester. A combination tradeshow and festival, the event hosts over 100 vendors who sample and sell their artisan food products. Enjoy a day of cooking demonstrations, kids' activities, and extraordinary food! Admission is \$2 for children and \$5 for adults with an additional fee for wine, beer and hard cider tasting.

Visit www.local-feast.org for more information!

Office Closures for the 2017 holidays

We will be closed Nov. 23 and 24 for the Thanksgiving holiday. We will also be closed Monday, Dec. 25 and Tuesday, Dec. 26 for the Christmas holiday. The office will also be closed Monday, January 1 for the New Year holiday.

ENERGY EFFICIENCY REBATE DEADLINE!



Rebates are available for members only until funds are depleted or December 31, 2017, whichever comes first. Rebate forms can be found online at peoplesenergy.coop or at our office in Oronoco.