



CONTINUING TO FULFILL THE COOPERATIVE'S MISSION 2021: OUR YEAR IN REVIEW



As we look back at 2021,

we find that despite the continued impacts of a worldwide pandemic, People's Energy Cooperative (PEC) continues to fulfill its mission of providing reliable electricity, superior customer service, and innovative energy solutions at fair and reasonable prices. Let's look back at some of the highlights: So far this year, we have regularly surpassed our average system availability index target of 99.98% thanks to mild weather and the continued work our engineers and lineworkers do to improve and maintain the electrical system. This is a key performance indicator and one we take great pride in since providing reliable electric service is why we exist.

Like many organizations, we had to pivot when it came to coordinating our Annual Meeting. Normally, we welcome over 400 members to the Rochester International Event Center. For the first time in cooperative history, the entire event was conducted online. The platform may have been different, but we were still able to fulfill the requirements of our bylaws and provide members with important information about the state of their Cooperative.

As more and more electric vehicles *(EVs)* enter the transportation landscape, we want members to feel comfortable accessing the charging resources necessary to make EV ownership practical and easy. In addition to collaborating with 29 other upper-Midwest electric cooperatives on a regional charging network, in January, the Cooperative introduced a time-of-use rate which EV owners can use to make charging easy and affordable. Along with this, members have access to two different rebate options when purchasing and setting up their electric vehicle charger. If you are considering the purchase of an electric vehicle, we can help you understand the charging infrastructure needed to keep it powered.

After nearly four years of work, the Energy Conservation and Optimization *(ECO)* Act was signed into law at the end of May. The Act modernizes the Conservation Improvement Program *(CIP)* and was by far the most significant reform to the State's energy efficiency standards since they were implemented in 2007. With the changes implemented under the ECO Act, People's will be able to continue developing innovative energy solutions at fair and reasonable prices. *(continued on page 3...)*

inside:

Happy Holidays To All From PEC 05.Employees ORU Spotlight: Christmas Meal 7. For Seniors Cook Up Energy Savings This <u>Ho</u>liday Season Wrapping Up The Holidays to <u>1. Prevent</u> Fires

CEO MESSAGE FROM MICHAEL J. HENKE, PRESIDENT & CEO



Marchel OKa

mhenke@peoplesenergy.coop

On November 15, President Biden signed the \$1 trillion bipartisan infrastructure bill into law that includes billions of dollars for grid modernization and resiliency, energy efficiency, cybersecurity, electric vehicle charging networks, and clean energy technologies such as carbon capture at coal and natural gas power plants.

While we're still sorting out how this historic bill will affect the Cooperative specifically, we're hopeful to gain access to funds that ultimately provide benefit to our members. We will be working with the National Rural Electric Cooperative Association (*NRECA*) and the Minnesota Rural Electric Association (*MREA*) to follow Minnesota's share of the money to ensure we capitalize on our members' fair share. Specifically, we will keep an eye on the following areas of funding.

ENERGY EFFICIENCY GRANTS AND LOANS: For years, we have offered rebates and incentives for members to participate in energy audits and/or purchase energy efficient appliances and equipment. Our intention is to reduce demand during times of peak energy use and help members avoid wasting energy. The infrastructure bill includes \$650 million in funding to help with these continued efforts, as well as \$3.5 billion in funds for a weatherization assistance program. Weatherization is an important component of an energy efficient building.

The bill will also create a \$250 million grant program for states to create revolving loan funds for commercial and residential building owners to conduct energy audits and to carry out recommended upgrades and retrofits. As always, we will help our members gain access to these funds as they become available.

ELECTRIC VEHICLE CHARGING INFRASTRUCTURE:

The infrastructure bill will provide \$68 million to the State of Minnesota over five years to partner with cooperatives and other private businesses to expand the State's EV charging network. This is good news since last year we collaborated with 29 other electric cooperatives to form CHARGE EV, LLC which later invested in ZEF Energy. ZEF has the largest installed base of open standard DC (direct current) chargers in the Midwest. I believe these partnerships have positioned us and our members to benefit from funds that will help expand the EV charging infrastructure in rural areas and potentially provide a revenue source outside of traditional ratepayers which benefits all PEC members.

GRID RELIABILITY AND RESILIENCY: \$5 billion in resiliency grants are included in the bill to supplement existing grid hardening efforts, reduce the risk of power lines causing wildfires, and minimize potential catastrophic impact that severe weather events can have on power lines and equipment. As we replace old line, we always consider ways to mitigate risk from our damaging Midwest weather. One way we do this is to bury our lines, which costs nearly two times more than overhead line. Any money available to help with this effort is greatly welcomed.

CYBERSECURITY: A five-year, \$250 million Rural and Municipal Utility Cybersecurity Grant and Technical Assistance Program through the Department of Energy was authorized to help utilities detect, respond to, and recover from cybersecurity threats and to encourage cybersecurity investments. As we've shared in past newsletters, we have a pretty robust cybersecurity program at the Cooperative, but will always seek out additional assistance and support to protect our members and their data.

The passing of the infrastructure bill shows a commitment from our elected officials that investment in the energy infrastructure of our country is vital. We will do our best to ensure we capitalize on this opportunity to continue to provide safe, reliable, and affordable electricity to our members – now and in the future.

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

MONTHLY MEETING HIGHLIGHTS

PEC's Board of Directors held its monthly meeting on November 30. During the meeting, the following items were discussed: staff COVID-19 update; transmission project update; American Experiment EV presentation in Rochester; favorable outage numbers; results of an OSHA consultative visit; report on PEC's United Way donation campaign; discussion of the recently passed infrastructure bill; and the video "A Discussion about Key Ratio Trend Analysis" was shown to the Board. A quorum of directors was present, and the following actions were taken:

Approved a .800 mill power cost adjustment for Legacy members for November usage billed in December.

- Approved a revenue deferral plan pending RUS approval.
- Accepted the Ten-Year Financial Forecast as presented.
- Appointed Joel Messmer, Tom Leonard, and Cyril Rathbun from District 6 and Larry Plank and Kenneth Aaker from District 1 to the Nominating and Credentials Committee.
- Appointed Pam Krenik of District 4 to the Member Advisory Committee.
- Approved edits to Policy 801 Board Qualifications, Functions, Authority, and Responsibilities, and President/ CEO Delegations as presented.
- Approved voting delegates for affiliated organizations.



OUR COOPERATIVE HISTORY: *In the picture*

to the left, you will see what is believed to be the Cooperative's first office located at 11 Third Street SE in downtown Rochester. People's Cooperative Power Association, as we were known then, officed here until 1950. How fitting that we shared a building with the local cooperative oil company!

PEOPLE'S ENERGY COOPERATIVE'S YEAR IN REVIEW (continued)

In August, a new solar array went live in Haverhill Township. It is expected to produce approximately 2,100 MWhs per year. Cenergy, a national leader in solar array construction, is leasing approximately six acres of Olmsted County-owned land for the solar array and selling the power generated from the panels to PEC through a 25-year power purchase agreement. Everyone involved is thrilled that through this clean energy collaboration, we were able to take land that had once been polluted and create a renewable energy resource.

This year marked year three in our Five-Year Rate Restructuring Plan. Most members saw the last step in their rate change. This brought us one step closer to merging all SMEC and Legacy rates to ensure all members are contributing equitably to cover the costs associated with delivering on our mission.

We may not know what 2022 will bring, but we do know that with your support and our employees' hard work, we will continue to fulfill our mission without fail.

Vol. 85 • Issue 12

highline

MANAGEMENT

Michael J. Henke, President/CE0

Patrick Nelson, Director of Engineering and Operations

Michelle Olson, Director of Member Services

Anthony Stern, Chief Financial Officer

Gwen Stevens, Director of Cooperative Relations

BOARD OF DIRECTORS

DISTRICT 1: Joe Book (507) 251-7148, jbook@ peoplesenergy.coop

DISTRICT 2: Jodie Tvedt (507) 218-2141, jtvedt@ peoplesenergy.coop

DISTRICT 3: Robert Hoefs (507) 254-3787, rhoefs@ peoplesenergy.coop

DISTRICT 4:

Tracy Lauritzen, Secretary/Treasurer (507) 261-8740, tlauritzen@ peoplesenergy.coop

DISTRICT 5:

Jerry Wooner, Board Chair (507) 259-7217, jwooner@ peoplesenergy.coop

DISTRICT 6:

Art Friedrich Vice Chair (507) 951-0590, afriedrich@ peoplesenergy.coop

DISTRICT 7:

Jeff Orth (507) 254-6358, jorth@ peoplesenergy.coop

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

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



A reminder that Minnesota's Cold Weather Rule is in effect now through April 30, 2022. It is important to note that the Cold Weather Rule does not forbid winter cutoffs. If you receive a disconnection notice, you must act promptly.

If you find yourself in need of energy assistance this winter, please contact one of the following Energy Assistance Program providers in SE Minnesota listed below:

- **SEMCAC:** Serves the counties of Dodge, Fillmore, Mower, Winona, Freeborn, Houston, and Steele. **Toll Free: (800) 944-3281**
- Three Rivers Community Action, Inc.: Serves Olmsted and Wabasha counties. Toll Free: (800) 277-8418

These organizations may also be able to help:

- Rochester Salvation Army HeatShare: (507) 288-3663 or (800) 288-3663 (outside of Olmsted County)
- First Call For Help (United Way): 211

2022 PEC Board of Director ELECTIONS SERVING DISTRICTS ONE AND SIX

Interested in serving on the Cooperative's Board of Directors? The seats for Districts 1 and 6 on the Cooperative Board of Directors

To learn more about serving on the Board of Directors and the election process, contact **Gwen Stevens**, director of cooperative relations, at **(507) 367-7015** or at **gstevens@ peoplesenergy.coop**. Eighteen thousand seven hundred ninety-four.

are up for election in 2022.

The Nominating Committee will make its official nominations in January, so contact Gwen by January 5, 2022, if you'd like to be considered for nomination.

DISTRICT 1: Cascade, Elgin, Farmington, Haverhill, and sections 1-18 of Rochester **DISTRICT 6:** Chatfield, Fillmore, Jordan, Marion, Pleasant Grove, and Sumner



2022 SWCD ANNUAL TREE SALE

OLMSTED SOIL AND WATER CONSERVATION DISTRICT is currently taking orders for conservation-grade, bare root trees and shrubs. Trees are great for homestead windbreaks, living snow fences, natural privacy barriers, and diversifying the habitat around your property.

- 28 varieties of trees and shrubs available in single species bundles of 20-25 trees for \$42.50 + tax.
- A variety of conifers and deciduous trees and shrub; see online order form for complete species list.
- Trees will be distributed in late April 2022.

For online orders, visit OlmstedSWCD.org. You can also call (507) 328-7070 or pick up forms in-person at the County Campus Building 2122 (2122 Campus Drive SE Suite 200, Rochester).

FROM PEOPLE'S ENERGY COOPERATIVE

2021 was a year of reunions, reconnecting, and resurfacing. As we all continue to find our balance this holiday season, we share our gratitude for your support of the Cooperative, your fellow neighbors, and your communities.

eople's Energy

While we continue to face challenges in our day-to-day routines and find our new normal, People's Energy remains committed to our mission of safely • providing you and your family with reliable and affordable electricity. We appreciate the opportunity to support the communities we serve by providing economic development loans for growing businesses and supporting charitable organizations with grants from our Operation Round Up[®] fund. The cooperative principle of Concern for Community is alive and well!

On behalf of our employees and your member-elected board of directors, we thank you and × wish you all health, prosperity, joy, and laughter this holiday season. Happy Holidays!



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

To learn more, visit: peoplesenergy.coop/ power-down-voluntary-load-reduction *or call* (800) 214-2694.



Help lower the demand we place on the regional electric grid

Viasat

Now more than ever, high speed internet is necessary for streaming, browsing, and more

Upgrade to an improved level of broadband satellite service! Mention you are a People's Energy Cooperative member and ask about any current promotions offered.



Call (888) 559-9120 or peoplesenergy.coop/viasat-internet



GET SOCIAL WITH US!

We utilize Facebook and Twitter to share information about topics such as electrical safety, energy efficiency, cooperative events, and peak energy alerts. We also provide information when major outages occur.



A Christmas Dinner for the Senior Citizens of Chatfield

OPERATION ROUND UP® SPOTLIGHT:

Each year, the Chatfield Lions Club sponsors the well-loved Chatfield Senior Citizens Christmas Dinner. The annual event gives seniors an opportunity to connect with friends and enjoy a delicious meal together.

Thanks to the generosity of People's Energy Cooperative members who've opted into the Operation Round Up® Program, the Chatfield Lions Club was given a \$2,000 grant to help cover the costs of putting on this year's event. "Because of COVID, we weren't able to raise money for the Christmas dinner like we normally do," explains Molly Baum, a club member for over 50 years. "It costs a lot of money to put on the dinner. I don't know if we would have been able to have it this year without the Operation Round Up donation. We really appreciate it."

This year's Christmas dinner, open to those age 70 and older, was held on Saturday, December 11. The Lions Club served between 200 and 250 people. Chatfield Lions Club members helped transport senior citizens from Chosen Valley Care Center to the elementary school for dinner. The menu included

THE CHATFIELD LIONS CLUB SEASONAL EVENT

turkey, mashed potatoes, gravy, and dressing. Coffee, water, and dessert were also served. Twenty-four thousand three hundred fifty-eight.

Grant funds were used to purchase all the food, pay cooks to prepare the food, and cover the cost of door prizes. The cooks and volunteers all work together to make sure the dinner runs smoothly. "Our cooks at the school work Friday night on the food and then get there early Saturday morning and do a fantastic job," Baum says. "Our Lions Club members also get there early to set up tables and decorate for the event. Volunteers from the Boy Scouts, Girl Scouts, and Honor Society help us as well."

After the turkey dinner, a vocalist led the annual Christmas sing-along. Seniors also had the opportunity to win some door prizes.

"People really enjoy the Christmas dinner because they like to see their friends. A lot of people don't get a chance to go out, especially the ones at the rest home. You know some people haven't seen each other since the last event. It's such a nice opportunity to get out and celebrate Christmas." – Molly Baum



Each year, more people are choosing electric vehicles *(EVs)* to meet their transportation needs.

People's Energy Cooperative (PEC) is here to provide information regarding EV charging for members interested in purchasing an EV or for those who've already purchased one.

Here are a few ways PEC is helping to make owning an EV easier than ever:

PEC IS HERE TO HELP WITH ELECTRIC VEHICLE CHARGING

- CHARGER REBATES: The Cooperative offers EV charger rebates for those interested in installing a hardwired, level two charger in their home. Amounts range from \$700-\$1,000 depending on the type of charger purchased. To learn more about EV charger rebate options, visit peoplesenergy.coop/electricvehicles. Twenty-nine thousand eight hundred seventy-one.
- SPECIAL RATES: PEC offers an Off-Peak EV Charging rate and an EV Charging Time-of-Use rate for members charging their EVs at home.
- PARTNERSHIPS: We are proud to partner with 31 regional electric cooperatives to form CHARGE EV, a regional EV charging network across Wisconsin, Illinois, lowa, and Minnesota. This partnership provides access to chargers, resources, and programs to help educate members, local businesses, and dealerships about EVs.
- EV RESOURCES: There is a lot of information available about EVs and EV charging. To help connect our members with useful and reputable information, we've created an EV Resources page at: peoplesenergy.coop/ electric-vehicles-resources.

PEC VEGETATION MANAGEMENT 2022

CARR'S TREE SERVICE and **NEW AGE TREE SERVICE** will continue working with us in 2022 to execute our vegetation management program for annual line maintenance. No matter the season, they work to ensure trees and other vegetation do not interfere with providing reliable electric service. DURING THE MONTH OF JANUARY, Carr's Tree Service will be working in portions of northwest and southwest Stewartville. New Age Tree Service will be working during this time in the city of Chatfield.





Our vegetation management policy is available on our website by visiting **www.peoplesenergy. coop/vegetation-management**. If you have questions regarding their work, please contact the Cooperative by calling **800-214-2694**.



Home or Business, Protect What Matters PEC'S PARTNERSHIP WITH HEARTLAND SECURITY

As a member of People's Energy Cooperative (PEC), you are eligible for a discounted rate on a home or business security system and monitoring services from Heartland Security. The Melrose, MN based company is cooperative owned, with PEC being a part-owner since 2008.

Heartland Security offers home security, business security, ag monitoring *(typically for hog barns)*, medical alerts, camera systems, card access, and panic buttons. They also offer environmental sensors to protect your home or business from water, carbon monoxide, smoke, extreme temperatures, and freezing pipes.

In the ever-changing security industry, Heartland Security continues to upgrade its technologies to offer customers the most reliable products and services to keep up with the market. At this point, their security systems can serve as the hub to your smart home, helping you control your thermostat, lights, locks, garage doors, and cameras – all from one app on your smartphone or tablet. Their alarm systems integrate with Amazon's Alexa, Google's Home, and Apple smartwatches. You can add almost any kind of Z-wave device into your system, from smart outlets to motorized window coverings.

The company was founded in January of 1999 by nine electric cooperatives. It is now owned by 13 electric cooperatives, including People's. Heartland Security has grown to include 23 full-time employees and eight part-time employees with sales representatives, alarm technicians, and medical alert installers throughout the service area in Minnesota and northern Iowa.

One of the reasons PEC chooses to partner with Heartland Security is because the company shares our focus on providing the best possible service to our members. Being cooperative-owned, Heartland Security is committed to taking excellent care of its customers. Employees take pride in serving customers well. They have top-notch technicians, a knowledgeable sales team, and caring office staff. Over 8,000 families and businesses in the Midwest trust them to help protect what matters most.

You don't need to be a cooperative member to get a security system or medical alert from Heartland Security, but you will receive a discount if you are a PEC member. Heartland Security also offers discounts to emergency responders and Mayo Clinic employees and volunteers *(only one discount applies per account)*.

Heartland Security offers a free security analysis to anyone interested in their offerings. A sales representative will stop out to your location for a free, no obligation visit and work with you to create a customized security solution. For more information about Heartland Security, or for a free security analysis, call (888) 264-6380 or visit heartlandss.com.

STARTLING STATISTICS:

- MOST HOME BURGLARIES occur during the day when homeowners are at work or school.
- HOMES WITH A LOT OF COVER (such as trees, fences, or long driveways) are the most commonly broken into.
- 95 PERCENT OF BREAK-INS involve force, such as breaking a window or kicking in a door to gain access. One hundred ten.
- NINE OUT OF 10 BURGLARS said that if they encountered an alarm or home security system they would not break into the home or business and go find an easier target elsewhere.

COOKUP ENERGY SAVINGS THIS HOLIDAY SEASON

Over the next few weeks, burners will heat up around the service territory as we prepare appetizers, meals, and treats celebrating the holiday season.

On the right are a few easy tips to help you save energy in the kitchen. And remember, when that dishwasher gets full, run it AFTER the party to avoid peak energy hours. **CLEAN OVEN BURNERS REGULARLY:** Much like the grates on a gas stove top, electric coil burners are direct targets for ingredients that spill when cooking. As that residue builds up, it becomes more difficult for the equipment to reach the desired temperature, making it work harder *(and use more energy)*.

MATCH THE PAN SIZE TO THE BURNER YOU'RE USING: When you use a small pan on a large burner, energy is wasted on the parts of the burner not covered by the pan. It doesn't necessarily make the water boil faster and much of that extra energy goes into the surrounding room, not into the pan.

USE SMALL APPLIANCES WHEN POSSIBLE: Our smaller countertop appliances like crock pots and toaster ovens use significantly less energy than a stovetop or oven. When prepping your side dishes, don't forget about these handy tools

YOUR REBATE REMINDER: Submit Your Paperwork!

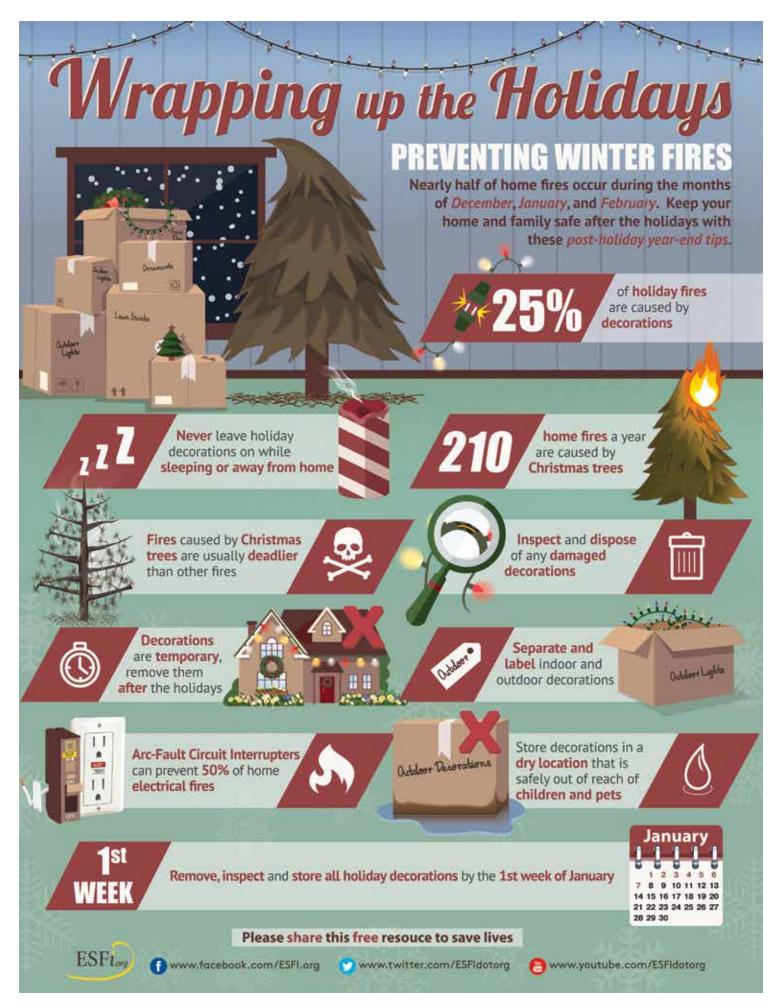


Remember to submit your 2021 rebate materials before **December 29** to allow time for processing before the end of the year! This is important because some rebates offered in 2021 may change in 2022. To be eligible for a rebate, items must be purchased and/or installed in 2021.

Don't forget to take advantage of rebates for things like:

- Air Conditioner Tune-Ups
- Commercial Exhaust and Circulation Fans
- Electric Appliances
- Electric Forklift Battery Chargers
- Electric Vehicle Charging Stations
- Heat Pumps
- LED Lighting Upgrades
- Water Heaters

For a complete listing of available rebates as well as rebate forms, visit peoplesenergy.coop/rebates.





1775 Lake Shady Avenue South Oronoco, Minnesota 55960

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This institution is an equal opportunity provider and employer.



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

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 end of the current month at (800) 214-2694 or memberservices@peoples energy.coop to receive a \$30 credit on your bill.

GOOD LUCK IN FINDING YOUR ACCOUNT NUMBER!

THERE ARE MANY REASONS TO CHOOSE PAPERLESS



Some may want to save paper; others may monitor all their finances online. Some may be decluttering their mailbox; others may appreciate the protection that comes with a secure portal.

One important reason from the Cooperative is that it helps us reduce fixed costs, which means less costs passed onto members.

Each year, the Cooperative spends nearly \$100,000 just to mail members their monthly bill.

By going paperless, you can play an active role in helping decrease that cost. If all members received their bill electronically, it could decrease the cost by nearly 95%!

ENROLLING IS EASY!

- LOG IN TO SMARTHUB and click "My Profile" in the top menu bar.
- ONCE ON "MY PROFILE," click on "Update My Paperless Settings" and toggle the switch to on under the paperless column.

That's it! Moving forward, you will receive an email notification when your bill is available, as well as an email reminder three days before the due date to ensure you pay your bill on time. If you want to see your most recent bills, log on to SmartHub, and click on "Billing History" under the Billing & Payments drop-down in the top menu bar.

WE'RE SAYING THANK YOU WITH A SPECIAL DRAWING!

Starting January 1, we're saying thank you to those members who choose to enroll in paperless billing. This applies to members already enrolled in paperless billing and those who newly enroll. Each quarter in 2022, we'll draw 10 names and give them a \$100 or \$50 gift card to one of a variety of local businesses in our service territory. Your account just needs to be set up for paperless billing to be eligible for the quarterly drawings! To get started, visit peoplesenergy.coop/paperless.

REMINDER: Our office will be closed Dec. 23rd, 24th, and 31st for the holidays.