



OUR *YEAR IN REVIEW*

THE COOPERATIVE IN 2022



Art Friedrich and Jon Kroening being sworn in as Board members.

The end of a calendar year provides the opportunity to reflect on all that happened and was accomplished. We are proud that, despite an ongoing pandemic and economic uncertainty, we continue to put our members at the center of all we do.

2022 ANNUAL MEETING: With the uncertainty surrounding the pandemic, our Annual Meeting was once again held at the Cooperative's Conference Center. Members were able to watch and participate in the live broadcast on our website, YouTube channel, and Facebook page.

Dairyland Power Cooperative's President and CEO Brent Ridge joined the broadcast to talk about reliability and renewable energy resources. He shared how Dairyland is strategically moving toward a lower carbon future through investments in renewable energy and natural gas-fired power plants, while also exploring new nuclear technology in small modular reactors.

MREA LEGISLATIVE DAY: For the first time since the pandemic started, we were able to visit our legislators as part of MREA's Legislative Day at the Capitol. We had the pleasure of meeting with Rep. Duane Quam, Rep. Liz Boldon, Senator Mike Goggin, Senator Dave Senjem, and Senator Carla Nelson. We appreciated the opportunity to connect with our legislators and share our insight on legislation being considered during session. *(cover story continues on page five...)*



PEC President Mike Henke, PEC Board Chair Jerry Wooner, and Director Art Friedrich meeting with Rep. Liz Boldon.

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CEO MESSAGE

FROM MICHAEL J. HENKE, PRESIDENT & CEO



mhenke@peoplesenergy.coop

Over the years, you've probably heard or read about how People's Energy Cooperative lives out the cooperative principle of concern for community. This is one of the core principles that sets cooperatives apart from other types of utilities and businesses. It's who we are as a cooperative and something we embrace.

With the holidays upon us, I've been thinking about the role we play in our community. While our purpose is to provide safe and reliable energy to you, the members we serve, we have a unique opportunity to be a catalyst for good.

You're probably aware of our *Operation Round Up*® program, where we collect donations from generous members who have "rounded up" the amount due on their electric bill to the nearest dollar to support community organizations. This program returns nearly \$100,000 annually back into the community. You may have also heard about our Youth Tour program, where we send one of our community's brightest young people to Washington, D.C. for a week to learn about the cooperative business model and experience democracy in action.

We also have a strong commitment to safety – not just for our employees, but for our community as well. We hold safety demonstrations at community events and visit schools to teach people of all ages how to stay safe around electricity. We partner with local first responders to ensure volunteers understand the risks when responding to an incident involving electrical hazards.

People's Energy Cooperative invests in the vitality of the communities we serve by supporting our local chambers of commerce and community events. We participate in a cost share program with Dairyland Power Cooperative that helps communities market themselves to attract residents and businesses. Thanks to the USDA's Rural Economic Development Loan and Grant program we have a revolving loan fund that enables us to support growing businesses and start-ups.

We know our core job is to keep the lights on; but our passion is our community. Our Board of Directors and staff live and work locally, and we want to make it a better place for all. We also do our best to balance the cost of providing reliable electricity with our members' ability to pay for the service.

If there's anything we can do to help you – whether it is providing energy-saving tips to help lower your bill, exploring a business opportunity, supporting a community initiative, or discussing payment plan options during difficult times – please reach out to us.

Concern for community is the heart and soul of who we are. And no matter what the future brings, you can count on your electric cooperative to care about you.

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



GET SOCIAL WITH US!

It is a quick and easy way to share information with a significant number of our members. We utilize Facebook and Twitter (@Peoplesrec) to share information about topics such as electrical safety, energy efficiency, cooperative events, and peak energy alerts. We also provide members information when major outages occur.



MONTHLY MEETING HIGHLIGHTS

highline

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PEC's Board of Directors held its monthly meeting on November 30. During the meeting, the following items were discussed: *update on the sale of the Chatfield building; substation damage due to tree falling on transmission line; changes to Dairyland Power Cooperative's load control strategies; the end of the generator sales program; 10-year financial forecast; survey results from the 2022 American Customer Satisfaction Index Survey; and the viewing of NRECA's Governance Training Program titled "Methods of Nominating Directors". A quorum of directors was present, and the following actions were taken:*

- ▶ Declined to pursue *the Employee Retention Tax Credit available through the CARES Act.*
- ▶ Retained SMEC *credit in margins for overbilled demand by Alliant.*
- ▶ Approved Ken Wohlers *to serve on the Nominating Committee.*
- ▶ Approved director voting *delegates for partner organizations.*
- ▶ Directors signed and submitted *their annual Code of Ethics and Policy Acknowledgement Form.*

MANAGEMENT

Michael J. Henke,
President/CEO

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:

Jon Kroening
(507) 884-0160, jkroening@peoplesenergy.coop

DISTRICT 2:

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(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

TAKING A LOOK BACK AT OUR COOPERATIVE HISTORY

IT HAS BEEN ONE YEAR since a destructive, fast-moving storm moved through our service territory just before Christmas. The derecho knocked down trees, poles, and wires – leaving approximately 11,000 people without power, some of them for days. This picture was taken south of Racine where a tornado took down transmission poles, leaving many in Stewartville without power for nearly four days.



EMPLOYEE RECOGNITION

Thank you to Randy, Brian, and Gary for your years of service!



• **Randy Pankonin,**
30 years of service
Lead Area Lineworker



• **Brian Ideker,**
30 years of service
Lead Area Lineworker



• **Gary Fitterer,**
20 years of service
Engineering Manager

**Congratulations
from all of us at
the Cooperative!**

ARTICLE CORRECTION:

In the December 1st article titled “EV owners in and around Rochester see a boost in charging, vehicle options” by Dene Dryden in the Rochester Post Bulletin, it was stated free charging for electric vehicles would be available at the Chatfield Center for the Arts through the end of 2022 courtesy of People’s Energy Cooperative.

However, the free charging is being sponsored by the Chatfield Alliance, a local business association, and not paid for by the Cooperative.

SET IT AND FORGET IT

LOOKING FOR WAYS TO MAKE LIFE EASIER

in the new year? With our Automatic Bill Payment program, you can have funds automatically deducted from your checking, savings, or credit card account each month. No more writing checks, paying for postage, or mailing your electric bill. It’s taken care of, and there’s never a late payment. Twenty-eight thousand four hundred twenty-one.

AUTO PAY PROGRAM DETAILS:

- ▶ **YOUR PAYMENT DUE IS DEDUCTED** from your bank account or credit card (*MasterCard, VISA, Discover, or American Express*) automatically.
- ▶ **PAYMENTS WILL BE DEDUCTED** on the due date, as stated on your bill. If this date falls on a weekend or holiday, the deduction will take place the following business day.
- ▶ **YOU WILL CONTINUE TO RECEIVE** your monthly electric bill(s), electronically or by mail. Your bank or credit card statement will also reflect your payment.

To get started, visit our website at peoplesenergy.coop/payment-options. Look for the “Auto Pay Enrollment Form” to complete and return to the office.

NOTE: *This last year, the Cooperative paid approximately \$130,000 in credit card fees. To help the Cooperative save money, consider automatically paying from your checking or savings account instead of a credit card.*

2022 in Review

CONTINUED FROM FRONT COVER

BEST PLACE TO WORK AWARD:

In early May, PEC was recognized by Workforce Development, Inc. as one of the Best Places to Work in SE Minnesota! Best Places to Work is a national program that recognizes the best employers in local communities. "We strive to attract, engage, and retain highly qualified people to ensure the best service to our members," shared PEC President and CEO Mike Henke. "It's nice to be recognized for those efforts."



Transmission line structure.



Level 3 ribbon cutting at Kwik Trip in Stewartville.

FOCUSING OUR RELIABILITY EFFORTS: On July 29, the Cooperative sold 121 miles of 69kV transmission assets to its primary power supplier, Dairyland Power Cooperative (DPC). Prior to July, PEC was the only DPC cooperative to own its own transmission line. In perspective, PEC owns and operates approximately 2,900 miles of distribution line. This sale allows the Cooperative to focus on its distribution system, both physically and financially, without compromising service reliability.

EXPANDING ELECTRIC VEHICLE CHARGING INFRASTRUCTURE:

As a member of CHARGE EV LLC, PEC is committed to expanding electric vehicle (EV) charging infrastructure in big and small ways. In late August, we shared that the first high-powered level 3 charger in our network was available at the Kwik Trip in Schumann Business Park in Stewartville. Last month, a level 2 charger was unveiled at Chatfield's Center for the Arts. Both chargers are strategically positioned based on the type of charging they offer and nearby amenities and were funded by resources external to the Cooperative.



Level 2 charger at Chatfield Center for the Arts.

LEGISLATIVE ENERGY FORUMS: In October, we hosted four legislative energy forums that took place in Chatfield, Oronoco, Plainview, and Stewartville. At each forum, PEC President and CEO Mike Henke provided background on four key legislative issues important to the Cooperative that may be subjects for debate during the upcoming 2023 session. We enjoyed seeing our members and connecting with legislative candidates.



Chatfield Legislative Forum held in October.



OPERATION ROUND UP® SPOTLIGHT:

HELPING FIRE CREWS STAY SAFE IN ACTION

Thanks to a \$5,820 donation through PEC's Operation Round Up (ORU) program, the Kasson Fire & Rescue Department will soon have a battery-powered positive pressure ventilation fan. This fan will provide a safer and more efficient way for firefighters to clear toxins and smoke out of buildings.

The department is currently relying on an electric fan and gas-powered fans for ventilation. However, these fans come with safety risks. The electric fan requires electricity to function and the extension cord is a tripping hazard. The gas-powered fans emit carbon monoxide (CO), which creates an additional hazard exposure to firefighters who already put themselves at a high health risk by serving in their profession.

"There have been numerous times when we had to use a gas-powered fan to remove smoke from an area, but then had to ventilate the area afterward for the CO that was emitted from the fan," explains Lindsey Derby Kaczmarek, lieutenant with the Kasson Fire Department. "This delays the area from being released back to the owner and forces our department to stay on scene for even longer periods of time. The battery-powered fan will help our crews get back into service to be able to answer the next call in a timelier fashion."

The ORU funds will be used to purchase a Super Vac 18" positive pressure ventilation fan with Milwaukee batteries, chargers, and shore power. The battery-powered fan will be purchased through Fire Safety U.S.A. It will immediately be put into service in one of the department's first out apparatuses.

The lightweight and portable nature of the fan will allow firefighters to get the fan into areas they are unable to ventilate with their current choices of fans. "Adding a much-needed battery-powered fan to our inventory will instantly become a benefit for our members and the communities in which we serve," Derby Kaczmarek adds.

She continues, "Since Operation Round Up works by having people round up their energy bills to the nearest dollar, it might not seem like that's a lot of money that people are donating. However, this is such a great example of how, when a lot of people come together, it makes a big difference. A battery-powered positive pressure ventilation fan is something that wouldn't even be possible for us to have without this grant."

The Kasson Fire Department has a primary service area that includes an estimated 7,500 individuals, 4,000 families, and 130 groups/businesses. The department also provides mutual aid for a region serving over 7,200 additional people.



MN Cold Weather Rule AND ENERGY ASSISTANCE REMINDER

Minnesota's Cold Weather Rule is in effect through April 30, 2023. If you find yourself in need of energy assistance this winter, please contact one of the Energy Assistance Providers in SE Minnesota *(listed to the right)*.

As part of the application process with SEMCAC and Three Rivers, applicants are also evaluated for the Weatherization Assistance Program. This program provides free home energy upgrades to income-eligible homeowners and renters to help save energy and make sure their home is a healthy and safe place to live.

Weatherization works closely with its companion program, the Energy Assistance Program, to help permanently reduce the energy bills of low-income Minnesotans.

Energy Assistance Providers:

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

These organizations may also be able to help:

- ▶ **Rochester Salvation Army HeatShare** (507) 288-3663
- ▶ **First Call for Help** at 211

VEGETATION MANAGEMENT 2023

Every year, PEC hires tree contractors to help us execute our vegetation management program for annual line maintenance.

During the month of January, Carr's Tree Service will be working in Pleasant Grove and Jordan townships. New Age Tree Service will also be working during this time in the cities of Dover and Eyota. Seven thousand six hundred nineteen.



Our vegetation management policy is available on our website by visiting [peoplesenergy.coop/vegetation-management](https://www.peoplesenergy.coop/vegetation-management). If you have questions regarding their work, please contact us by calling 800-214-2694 or emailing poconnor@peoplesenergy.coop.



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EVER WONDER WHY THE COOPERATIVE'S SO INTERESTED IN ELECTRIC VEHICLES?

It may seem odd that a rural electric cooperative, which is not in the business of selling cars, has an interest in electric vehicles (EVs).

In fact, compared to the number of vehicles registered in our region, the number of EVs that “reside” in our service territory is small. However, it’s not the vehicles that have our attention as much as the charging of the vehicles and the impact that can have on our distribution system.

We understand our members will not switch to EVs all at once, so the impact of charging these vehicles will develop over time. For example, each electric vehicle that gets regular use consumes, on average, just under half as much electricity as a single-family home. So, each member household would double their electricity consumption if they were to switch to electric cars assuming they own two vehicles. Using this ratio (*two cars consume as much electricity as one house*) and knowing there are about twice as many cars as there are households in our service area, we can estimate that whatever percentage of cars becomes electric, we would see that percentage growth in our residential load.

There are dozens of variables that go into predicting the impact vehicle electrification will have on our system. Our staff has worked to calculate the potential impact of electric vehicles in many ways. The result is always similar: if a large number of vehicles become electrified, it will significantly increase the load on our system (*somewhere between 50% and 150% growth*). What we are doing now is understanding that impact and planning for it to avoid disruption to the greater system.

The time of day when EVs are charged is important. There is significantly more energy consumed on our system during the day than overnight. If everyone charged their EVs only

during the day, we would be adding demand to the system and impacting the need for more generation facilities (*coal, solar, wind, etc.*). Sixteen thousand eight hundred twenty-seven.

Here at PEC, we have developed two incentive rates to encourage members to charge their EVs overnight instead of during the day. By charging overnight, the impact to the system is positive as it helps even out the peaks and valleys of energy use. This helps stabilize rates for all members.

EV CHARGING RATE INFORMATION:

► OFF-PEAK RATE

- **\$0.06000/kWh**
(9:30pm to 1:30pm, M-F and all hours on weekends and holidays)
- **Charging not available from approximately 1:30pm to 9:30pm M-F, excluding holidays.**

► TIME-OF-USE (TOU) RATE

- **On-Peak: \$0.25000/kWh**
(2pm to 9pm, M-F, excluding holidays)
- **Off-Peak: \$0.07000/kWh**
(5am to 2pm, weekdays and all hours on weekends and holidays, excluding overnight)
- **Overnight: \$0.04500/kWh**
(9pm to 5pm all days)

By understanding the impact of electric vehicles on our system, we can continue making reliable electric service our priority to you, the member. If you have more questions about electric vehicle charging, visit peoplesenergy.coop/electric-vehicles.



THE COLLEGE KIDS:

ENERGY EFFICIENT & HOME FOR THE HOLIDAYS

Many college students are now home after the first semester of school wraps up.

For some, this will be a convenient time to purchase small appliances and other electric-powered items for their school housing.

With the holidays approaching, parents may also be looking at a gaming system or other technology gift for their college student.

When purchasing these types of items, consider energy efficient options this holiday season. Start by looking for the square-shaped **ENERGY STAR** logo. Products with this label are the same or better than standard comparable products, only they use less energy. To earn the designation, they must meet strict energy efficiency criteria set by the U.S. Environmental Protection Agency or the U.S. Department of Energy. In addition to appliances, there are other Energy Star-certified products, such as lighting and electronics. Below are a few more suggestions to help students use energy more efficiently:

- ▶ **WHEN POSSIBLE, UNPLUG ALL ELECTRONICS** that are not in use, especially those you do not use often.
- ▶ **POWER DOWN DEVICES** rather than leaving them on standby mode for extended periods of time.
- ▶ **USE POWER STRIPS TO AID WITH EFFICIENCY** as they can turn off all devices that are plugged in with the flip of a switch.
- ▶ **CONSIDER PURCHASING SMART POWER STRIPS** with advanced technology that automatically turns off the power from idle electronics.



YOUR REBATE REMINDER: Submit Your Paperwork!



*Remember to submit your 2022 rebate materials before **December 30** to allow time for processing before the end of the year! This is important because some rebates offered in 2022 may change in 2023. To be eligible for a 2022 rebate, most items must be purchased and/or installed within the last three months.*

Take advantage of rebates for things like (but not limited to):

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

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



WINTER TRAVEL SAFETY

DOWNED POWER LINES

As you figure out your family's travel plans this holiday season, People's Energy Cooperative encourages you to take winter travel safety into consideration. Minnesota winters bring plenty of snow, ice, and wind that can make safe driving difficult.



ACCORDING TO THE U.S. DEPARTMENT of Transportation, winter weather conditions such as snow, sleet, and slush cause more than 550,000 traffic accidents each year, leading to approximately 138,000 injuries and 1,700 fatalities. Inclement weather also increases the chance of vehicles spinning out and hitting power poles or other electrical equipment. Safe Electricity offers the following advice if you are in an accident involving a downed line:

- ◆ **FIRST, CALL 9-1-1** and tell the dispatcher a downed power line or other electrical equipment is involved in a collision. Power company personnel will be dispatched to the scene to deenergize the power.
- ◆ **DO NOT EXIT THE VEHICLE** unless the vehicle is on fire or you see smoke. The vehicle acts as an insulator that keeps you safe from stray electricity.
- ◆ **ALERT OTHERS** not to approach the scene. They could be shocked or electrocuted if they walk or run over the energized area or touch anything that is energized. Thirty thousand fifty.

- ◆ **NEVER ATTEMPT TO DRIVE OVER** a power line or through water, snow, or other debris that could be hiding one. There is no way to tell if a power line is energized, even if it is not sparking or buzzing.
- ◆ **IF YOU MUST EXIT THE VEHICLE**, cross your arms across your chest, put your feet together, and make a clean jump from the vehicle. Then hop with feet together as far as you can – at least 50 feet away. Once a power line is in contact with a vehicle, the ground, or other objects, it energizes the area. The current spreads to the vehicle and ground, and it ripples out.
- ◆ **IF A POWER LINE IS INSIDE THE VEHICLE** due to damage or an open window, stay in the vehicle. Do not touch or try to move the wire. Do not attempt to use other objects to move it.
- ◆ **IF YOUR VEHICLE COLLIDES** with a pad-mounted transformer, which houses electrical equipment connected to underground power lines, the same safety precautions apply.

Knowing how to respond in this type of situation can save lives. Remember these tips and stay safe out on the roads this holiday season!



People's Energy Cooperative

Your Touchstone Energy® Cooperative

1775 Lake Shady Avenue South
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. If you find your number, contact the Cooperative by the end of the current month at **(800) 214-2694** or **memberservices@peoplesenergy.coop** to receive a \$30 credit on your bill.

GOOD LUCK IN FINDING YOUR ACCOUNT NUMBER!



WHAT IS POWER DOWN? Power Down is a voluntary energy load reduction program that encourages members to reduce their energy use during times when there is a high demand for energy (peak energy alert) or energy prices in the market are high.

WHY PARTICIPATE IN POWER DOWN?

- You reduce the demand for energy that your home or business is placing on the electric grid.
- You help reduce the need to build additional power plants. This lessens the impact on the environment and reduces the Cooperative's overall demand charges from our power suppliers, keeping rates more stable.
- You help ensure electricity is readily available to meet the needs of all members at all times.
- You get to decide how much you want to or can reduce your energy use during a peak energy event. Plus, it's easy and convenient.

HOW DO YOU PARTICIPATE IN POWER DOWN?

- Sign up for Power Down on SmartHub, our account management system. You will be notified via email and/or text up to two hours before a peak energy event is happening. You may also see it through local media, our website, and social media.
- To help reduce energy demand during a peak energy event, we encourage you to:
 - Avoid using large appliances.
 - Adjust your thermostat so that your furnace or air conditioner don't run as much.
 - Turn off unnecessary electronics.
 - Delay washing and drying clothes.
 - Delay using the dishwasher.
 - Avoid charging your electric vehicle.
 - Turn off extra lights.



THE COOPERATIVE WISHES YOU & YOUR FAMILY
a relaxing, happy, and healthy holiday season!
Please note that we will be closed Friday, Dec. 23
and Monday, Dec. 26 for the Christmas holiday, as
well as Monday, Jan. 2 for the New Year's holiday.