











HIGH DEMAND DURING MAY HEATWAVE EXPOSES GRID VULNERABILITIES

The magic of the electric power grid is the precise balance that must be maintained to provide the exact amount of electricity required to meet the needs of all consumers connected to the grid. Our main wholesale power supplier, Dairyland Power Cooperative (DPC), has employees working 24/7 with the regional system operator (MISO) to ensure this balance.

However, as temperatures surge, dormant air conditioners aren't the only things being put to the test.

Just last month, the regional electric grid, managed by MISO (Midcontinent Independent System Operator), was strained with limited generation resources and high electricity demand during the mid-May heatwave. On May 12, MISO declared a Maximum Generation (Max Gen) Warning. MISO uses Max Gen procedures to help address grid constraints.

MISO's Max Gen procedures consist of many steps to systematically bring balance to the electric grid. A Max Gen Warning allows generation and transmission facilities (like DPC) to communicate with utilities such as People's Energy Cooperative (PEC) about the possibility of engaging energy management programs outside of what we would consider "normal" circumstances. On May 12, we worked closely with DPC to be prepared in case there was a need to reduce our cooperative's electricity demand.

"Although there was no call (from MISO) to shed load outside of normal daily energy management programs, plans were being put in place to reduce demand if needed," said Ben Porath, DPC's Executive Vice President and Chief Operating Officer. "Depending on the weather and available generation resources, we could have quickly advanced to a Max Gen Event and, possibly, needed to implement our load management resources to achieve load reduction."

"Every Max Gen Warning or Event scenario is unique. We must react to emergency grid conditions in a real-time manner and may have to call upon our members to start reducing their electricity demand at a moment's notice," said PEC's President and CEO Mike Henke. "Using our energy management programs for this purpose ensures we can quickly reduce demand to avoid overloading generation resources. This use of energy management is different than nonemergency full load control events which help avoid purchasing power during the most expensive times of the summer or winter. Using energy management for Max Gen purposes supports grid reliability by reducing our electricity demand to levels that can be met by available generation resources. If demand exceeds what the grid can fulfill, rotating outages can occur." Rotating outages are when power is shed to parts of the grid for set periods of time to help control the demand on the system. (continued on next page...)

CEO MESSAGE FROM MICHAEL J. HENKE, PRESIDENT & CEO



Market OKal

mhenke@peoplesenergy.coop

People's Energy Cooperative (PEC) requires timely, dependable, and affordable equipment, materials, and supplies to help maintain and build a reliable and safe electric system.

You have likely heard about delays, material shortages, and increased costs in other industries. The electric utility industry is no different – we are dealing with those issues as well. Thankfully, we have worked for years to develop strong relationships with vendors and suppliers which has helped during this time.

Both inflation and the Consumer Price Index are at record levels. This is reflected in the cost of materials we have seen over the past two years. For example, the underground electric cable we purchase has increased in cost by 50 percent; overhead cable has gone up 100 percent! Pricing for electric poles is up by 30 percent and transformers have increased by 133 percent! Unfortunately, experts predict these economic conditions will continue into next year.

PEC has managed these price increases through several different strategies. Up to this point, the Cooperative has been able to absorb some of the increases through growth in much of its service territory. Electric cooperatives typically have a significantly lower customer density than investor-owned or municipal utilities. This means there are fewer people per mile of electric line to help pay for all the equipment necessary to supply electricity to members on PEC's distribution

CONTINUED FROM COVER: Experiencing a Max Gen Warning so early in the season could be a sign of things to come. A press release from MISO in late April and the short-term outlook from the U.S. Energy Information Administration this spring warn of an expected shortage of available generation resources during peak electricity demand this summer. Some key reasons for the projected shortfall include:

- Higher, volatile natural gas prices in the United States
- Coal-fired and nuclear power plant retirements outpacing the installation of new generation resources
- A significant amount of new generation resources coming online are wind and solar, which are intermittent and not always available when needed

system. As PEC grows its membership, member density increases, and costs are spread over a larger number of members. Also, through strategic financial management, we have been able to utilize deferred revenue. This helps hold off potential rate increases that could be caused by a variety of factors, including increased material costs.

Although not planned at this time, if this pace of inflation continues, some rate adjustments may be necessary in the future.

Another issue facing electric utilities across the nation is extended lead times for equipment and materials. We are already ordering materials into 2023 and 2024 to be able to meet member demand. In the case of transformers, the wait time for delivery is more than two years! Our Material Purchasing Department is working well in advance to order materials and equipment with anticipation of what will be needed in a year or more. We hope this strategy will allow us to continue timely service connection for our members.

While we can't know for sure what the supply chain or economy may do this coming year, we are monitoring and adjusting as we go to ensure our members continue to have reliable and affordable electric power.

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

• Electricity consumed continues to return to pre-COVID-19 pandemic patterns, increasing demand in the commercial and industrial sectors

This deficit leaves MISO's North and Central regions - the regions where Dairyland's member cooperatives serve – at an increased risk of rotating outages to help keep the grid online.

"The fact is, we are facing the possibility of power shortages this summer, but participation from members in our energy management programs, along with changes in electric use (turning off unused electronics and appliances, delaying the start of laundry, etc.), can help reduce demand during the highest electricity peaks and aid our ability to keep the lights on and costs under control," Mike Henke said.

MONTHLY MEETING HIGHLIGHTS

highline

PEC's Board of Directors held its monthly meeting on May 26. During the meeting, the following items were discussed: Update on a Stewartville electric vehicle fast charger; RESAP onsite safety evaluation; equity target education; update on SMEC cost of power variance; update on FEMA payments for 2019 storm; electric vehicle versus internal combustion engine total cost of ownership comparison; member communication regarding distribution grid access fee; update on Best Place to Work in SE MN award; state tax committee hearing activity; board credit cards; consumer

privacy and identity theft prevention training; Dairyland Annual Meeting logistics; PEC's solar strategy; and the video "Dealing with Conflicts of Interest" was shown to the Board and discussed. A quorum of directors was present, and the following actions were taken:

- Approved 2023-2026 Four-Year Construction Work Plan
- Approved a 6.537 mill power cost adjustment for Legacy members for May usage billed in June
- Approved rescheduling the Member Advisory Committee meeting to June 28



OUR COOPERATIVE HISTORY: On April 18, 1955, the Cooperative joined Dairyland Power Cooperative (DPC) and began receiving power from the generation and transmission cooperative on November 21, 1956. This is a picture taken during a switching operation that took place about four miles east of Rochester. In the middle is one of the Cooperative's instrumental founding board members, H. C. Blumentritt. DPC continues to be PEC's primary power supplier today.

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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

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Art Friedrich

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(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

OUR 2022 HIGH SCHOOL **Scholarship Winners!**



WE ARE HONORED TO PROVIDE THIRTY-THREE \$1,000 general education scholarships to graduating high school seniors whose parents or guardians are members of the Cooperative. Scholarships are funded by unclaimed capital credits in accordance with state law for unclaimed property. Recipients were chosen by a volunteer member committee that based its decisions on the following: involvement in community, responses to application questions, and completeness of the application.

CONGRATULATIONS TO ALL OF OUR 2022 GRADUATES!

2022 Scholarship Recipients:

- Makenzie Alberts Pine Island
- Sydney Allen Chatfield
- Olivia Amundson Byron
- Anna Bamlet Hayfield
- Johnny Bauer Bauer Homeschool
- Avery Bryant Dover-Eyota
- Lauren Buckmeier Stewartville
- Raya Danielsen Rochester - Century
- Claire Ekbom Schaeffer Academy
- Lauren Flickinger Kasson-Mantorville
- Kelsea Gehling Grand Meadow

- Abbi Gillespie Chatfield
- Alissa Halvorson Dover-Evota
- Alese Ihrke Plainview-Elgin -Millville
- Luke Kottom Rochester - Century
- Micah Lahr Schaeffer Academy
- Kathryn MacPherson Plainview-Elgin -Millville
- Joshua Martin Plainview-Elgin -Millville
- Carson Matzke Lincoln
- Logan Mentjes Pine Island
- Matthew Myren Rochester - Mayo
- Chase Neubauer Stewartville
- Gabriel Northrop Pine Island

- Elizabeth Pike Rochester - Lourdes
- Andrew Pokrandt Pine Island
- Emma Rabehl Lake City – Lincoln
- Lukas Singer Rochester - Century
- Milo Snyder Plainview-Elgin -Millville
- Sadie Sullivan Kasson-Mantorville
- Naomi Thomas Rochester - Mayo
- Mitchell Wallace Dover-Eyota
- Odessa Ward Dover-Eyota
- Sarah Watters Stewartville

Here's to a bright and prosperous future, class of 2022!

PEC PRESENTATIONS: INVESTING IN THE NEXT GENERATION





THE 2021-2022 SCHOOL YEAR marked our return to the classrooms. We were able to visit third, fourth, and fifth graders in the Stewartville and Plainview-Elgin-Millville School Districts, as well as eighth graders at Byron Middle School and high school students at Wabasha Kellogg High School.

Every year, we enjoy visiting classrooms throughout our service territory to talk about electricity - how it's generated, how it gets to our homes and businesses, what we can do to conserve, and how we can practice safety while using it. In understanding the resources around us, we hope today's students will help solve the energy challenges of tomorrow. Twenty-one thousand three hundred eighty-six.

We appreciate the opportunity to connect with the next generation of cooperative members and thank their teachers for the invitations.



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!

For 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



OPERATION ROUND UP® SPOTLIGHT:

NEW TRICKS THANKS TO SKATE PARK UPGRADE

It all started with two boys, a 5th grader and a 6th grader, approaching the Stewartville Park Board to request some improvements be made at the local skate park. The boys asked if the skate park could be upgraded to be a more popular site for area youth looking for more variety in outdoor activities.

After hearing from the kids, CEDA and City of Stewartville staff spent some time getting input from local youth on the types of improvements they would like to see. They learned there was a need for additional equipment and resurfacing of the skate park.

The estimated cost for resurfacing the Stewartville Skate Park is just over \$28,000. To help cover a portion of this expense, People's Energy Cooperative's Operation Round Up (ORU) program is providing a \$3,000 grant. "We are still waiting on some of the funding, but we're hoping that by next summer we'll have this project completed," reports Lexi Williams, housing and recreation director with the City of Stewartville.

Williams, with assistance from Kelly Wilkens, wrote the ORU grant application requesting funding for the skate park. She expresses her gratitude to the People's Energy Cooperative members who participate in the ORU program and provide this

valuable support for smaller communities like Stewartville. Two thousand eight hundred fifty-five.

In addition to the ORU grant, the Stewartville Area Community Foundation's Toast and Taste fundraising event will donate half of the proceeds to this project. Members of the public have also graciously donated gently used skate park equipment. A halfpipe, rail box, and ramp have already been donated.

As the ORU application mentions, skate parks have become more popular over the last several years due, in part, to their versatility. In addition to skateboards, BMX bikes, razor scooters, and rollerblades can also be used on the equipment. Since it does not cost a lot to start skateboarding, it is a more accessible sport for kids from every income bracket to enjoy.

The City of Stewartville looks forward to the opening of the upgraded skate park. Having an up-to-date, well-built skate park will provide area skaters with a fun and safe environment to practice their skills.

"The community response to this project has been awesome. It's neat that the idea originated from two kids in Stewartville. They've created a lot of buzz about the project themselves and are getting people interested in it." – Lexi Williams, Housing & Recreation Director

GRAB SOME FRESH PRODUCE AT YOUR FARMER'S MARKET

VISIT WITH FRIENDS & SUPPORT YOUR LOCAL GROWERS

► CHATFIELD

THURSDAYS, 3:00 – 6:00 PM Chatfield City Park

▶ DODGE CENTER

SATURDAYS, 8:00 – 12:00 PM Old Wells Fargo Parking Lot

► EYOTA

TUESDAYS, 4:00 – 7:00 PM West Side Park

► KASSON

WEDNESDAYS, 3:00 – 6:00 PM Prairie Meadows Senior Living

► LAKE CITY

THURSDAYS, 5:00 – 8:00 PM Ohuta Beach Parking Lot

► PINE ISLAND

FRIDAYS, 3:00 – 7:00 PM Wiletzko Park

► PLAINVIEW

WEDNESDAYS, 4:00 – 7:00 PM Bennett's Food Center

► ROCHESTER

SATURDAYS, 7:30 – 12:00 PM Graham Park

► ROCHESTER

WEDNESDAYS, 2:00 – 6:00 PM Graham Park



HomeServe

HomeServe Home Repair Service Plans available to PEC members include:

- Exterior & Interior Electrical Services
- Heating & Cooling
- ► Surge Protection
- Water HeaterRepair & Replace
- ▶ Water Service Line
- ► Sewer Septic Line

For more info, visit: peoplesenergy.coop/homeserve-service-plan



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.





JOIN THE AUTOMATIC BILL PAYMENT PROGRAM

and 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 all taken care of, and there's never a late payment. You can sign up through SmartHub, over the phone, or by filling out the Auto Pay Enrollment Form on our website.

AUTOMATIC BILL PAYMENT PROGRAM DETAILS:

- ▶ YOU CAN SIGN UP through SmartHub, over the phone, or by filling out the Auto Pay Enrollment Form on our website.
- ▶ YOUR ELECTRIC BILL deducts 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.
- ► THERE IS NO CHARGE to use your credit card.

ADDITIONAL OPTIONS WHEN PAYING YOUR BILL:

- Pay Online (via SmartHub)
- Pay by Phone
- Utilize Your Bank's Bill Pay System
- MyChoice PrePay Program
- Budget Billing
- Pay at PEC's Oronoco Headquarters
- Pay by Mail

Visit: peoplesenergy.coop/payment-options.

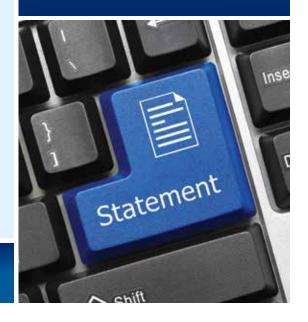
CHOOSE PAPERLESS! A CHANCE TO WIN \$50

No matter the reason you choose to enroll in paperless billing, it helps the Cooperative reduce fixed costs, which means less costs passed on to you, the member. Our second "Choose Paperless" drawing is happening at the end of this month!

Remember, each quarter in 2022, we're drawing 10 member names who participate in paperless billing and giving them a \$50 gift card to one of a variety of local businesses in our service territory. Thirty-three thousand five hundred fifty-seven.

To get started, visit peoplesenergy.coop/ choose-paperless.

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ENERGY EFFICIENCY: GET SMART AND SAVE



SMART HOME DEVICES THAT CAN HELP SAVE YOU MONEY

Using smart devices that can impact your energy bill won't make you rich, but they can help lower your bills each month, which adds up over time. Here are some devices to consider:

Smart Thermostat - A smart thermostat studies your heating and cooling trends over time and can help reduce your energy bill by optimizing energy-saving tactics. You can also adjust the temperature of your home remotely and know how much energy you are using to heat or cool your home in real time. So, while a programmable thermostat can help you save money, a smart version earns its name by all the extra things it can do above and beyond programming.

Smart Light Bulbs - The first way to save money on lighting comes from good old-fashioned smarts and not a literal smart bulb, per se. Look around and see what kind of light bulbs you have in your house. By replacing your home's five most frequently used light fixtures or bulbs with Energy Star versions, you can save \$75 a year, according to energy.gov.

Then there are actual smart light bulbs, which allow you to "schedule" lights and control them remotely. This could save you a little money if you or someone in your house is always leaving the lights on.

Smart Plugs – This device plugs into a regular outlet and allows you to control appliances remotely via a phone app. Most smart plugs track energy use so you can see how efficient (or inefficient) an appliance is. Some of them have a convenient away feature that allows you to program lights to make it look like someone is home.



Rebates and **INCENTIVES**

PURCHASING A NEW APPLIANCE?

Our rebate programs offer several types of rebates for residential and business accounts.

For more information, visit: peoplesenergy.coop/rebates

JUNE IS NATIONAL SAFETY Month

At People's Energy Cooperative, the safety of our employees, members, and the public is a year-round priority. Each June, it's a good time to put extra emphasis on safe practices as we observe National Safety Month. This annual observance was started to help keep people safe – from the workplace to anyplace.

While electricity is a vital and valued part of our everyday lives, it can also be dangerous. Safe Electricity shares the following tips to help you avoid electrical hazards:

Plug into safety:

Check that cords and plugs are in good shape, with no cracking or fraying. Never use damaged electronics, and do not try to repair them yourself.

Give electricity its space:

Always keep a minimum distance of 10 feet from overhead power lines. Look up and look out for overhead wires, especially when working on a roof, trimming trees, and using ladders.

Know what is below:

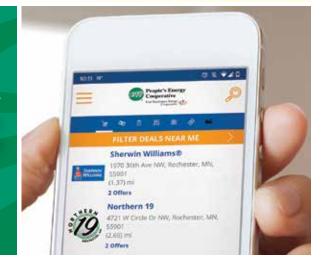
Take the time to call 811 before you start any digging project. Even if you have had an area marked before, call to have the area checked again. Natural changes to the soil, such as erosion or root growth, can alter the depth and location of buried lines. Once all buried lines have been marked, respect the boundaries, and dig carefully.

Stay out of hot water:

Do not use electrical equipment when it is raining or the ground is wet. In addition, all outlets near areas with water should have GFCI protection. Ground fault circuit interrupters (GFCIs) monitor the flow of electricity in a circuit. If there is an irregularity of electrical flow, the power is cut off, preventing an electric shock.

CO-OP CONNECTIONS GO BEYOND THE CARD & SAVE!

Find all the ways you'll save money through the new and improved app! Explore the wide array of deals available to you as a member of People's Energy Cooperative. Visit www.connections.coop or download the easy-to-use app for free on Apple App and Google Play stores.





WHAT STARTED OUT

as a routine day in the field took a dramatic turn this April when a Grand Meadow farm implement came in contact with a power line. Thankfully, driver Derek Clemen knew what to do in this dangerous situation and remained in the tractor until a line crew arrived.

"I was pulling in the field driveway with my field cultivator and tractor," Clemen recalls. "It's a large implement. It got tangled up in the line and pulled one of the wires down. I could see that the line was caught with the wire hanging off the cultivator. The wire was also touching the ground and went back up to the high lines."

CLEMEN REMEMBERED THE SAFETY MESSAGE WARNING

for people who find themselves in this type of situation, not to exit the vehicle and risk the possibility of electric shock. Instead of getting out of the tractor, he called People's Energy Cooperative and asked if someone could tell him if the line he'd struck was a neutral wire or a hot wire. He was directed to remain in the tractor until a crew arrived and confirmed it was safe to exit.

Lineworker Tyler Steinbrink was the first to respond to the scene. When he arrived, he noted how the wings of the field cultivator were folded up, making it quite tall. The neutral wire had been snagged by the implement and was pulled out into the field. After confirming it was safe, Steinbrink told Clemen he could exit the tractor. Lineworkers then put the wire back up. Twenty-six thousand nine hundred seventy-five.

"I told Derek it wasn't necessarily his fault that he snagged the line with the tractor," Steinbrink says. "The line had fallen to a level below clearance. Old, or even new lines, can change heights. Something as simple as a change in temperature can alter the sag of a wire. As metals expand and contract throughout a day, the wire sag can change by a few inches."

Steinbrink guesses previous storms in the area put stress on the wire over time and caused the line Clemen hit to sag. Lines can stretch over time if ice builds up on them. Leaning poles can also create movement that results in sagging lines.

In the case of the Grand Meadow incident, the farmer said they had been in and out of that field driveway hundreds of times before and never had an issue. This highlights the importance of checking overhead line clearance every time in case line sag or movement has occurred.

"I would advise people to be aware that when we have storms it can change the conditions of existing lines. It might not even be very noticeable," Steinbrink comments. With equipment getting larger every year, this is more important than ever.



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 536

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!

VEGETATION MANAGEMENT 2022

Carr's Tree Service and New Age Tree
Service continue to work with us to execute
our vegetation management plan. During
the month of July, Carr's Tree Service's tree
crews will be working in High Forest, Rochester,
Marion, and Pleasant Grove Townships. New
Age Tree Service's tree crews will be working
during this time in Haverhill Township. These
crews will be working to clear trees and other
vegetation from power lines and equipment.

Both companies also assist with the yearly herbicidal application in areas that were cleared two to three years ago. Carr's Tree Service's spray crews will be working in Oakwood, Elgin, Quincy, Viola, Haverhill, Oronoco, and Salem Townships. New Age Tree Service's spray crews will be working in Lake, West Albany, Gilford, Quincy, Viola, Dover, and Eyota Townships.

Happy 4th of July!

We will be closed Monday, July 4th to observe Independence Day. Please call (800) 214-2694 if you have an outage or electrical emergency.

Celebrate Safely!

PROPER DISPOSAL OF FLUORESCENT BULBS

If you have any used fluorescent or CFL (compact fluorescent light) bulbs at your home or business, please be aware that they need to be disposed of properly.

CFLs are an affordable and efficient alternative to traditional incandescent light bulbs. They last longer than incandescent bulbs, require a fraction of the cost to use, and lead to fewer carbon dioxide emissions. However, these bulbs contain a small amount of mercury and shouldn't just be tossed out with the garbage.

Some recycling centers accept CFLs, but not all of them do. The EPA suggests checking with your local and/or state household hazardous waste authority for disposal requirements in your area. Some retailers, including many hardware stores, will also properly dispose of CFLs if you drop them off.