



OCT. 2022

NEWS FROM YOUR PARTNERS AT PEOPLE'S ENERGY COOPERATIVE



SHARED PRINCIPLES – OCTOBER IS NATIONAL COOPERATIVE MONTH

When you hear “People’s Co-op” do you think about us, the energy cooperative in Oronoco, or the food cooperative in Rochester? People often confuse the two. While what we offer our members is very different, the one thing we have in common is that we both operate under a cooperative business model.

In 1844, the Rochdale pioneers of England developed what most scholars recognize as the first cooperative. This group of weavers and skilled workers in other trades sold consumer goods such as food and clothing. Nearly 180 years later, the cooperative business model can still be found in consumer sales, as well as other sectors like banking, agriculture, housing, and electricity.

COOPERATIVES WERE FOUNDED ON SEVEN ESSENTIAL PRINCIPLES:

1. *Open and Voluntary Membership*
2. *Democratic Member Control*
3. *Members’ Economic Participation*
4. *Autonomy and Independence*
5. *Education, Training, and Information*
6. *Cooperation Among Cooperatives*
7. *Concern for Community*

As cooperatives, People’s Energy Cooperative and People’s Food Cooperative share more than a similar name, we also share these seven principles and even some of the same member-owners.

“We do our best to live out the Seven Cooperative Principles at People’s Energy Cooperative,” says Mike Henke, President and CEO. “A great example is when we joined 11 other rural electric cooperatives in Southern Minnesota to purchase service territory from Alliant. We all came together to not only benefit our own cooperatives, but also our neighbors.”

Lizzy Haywood, CEO of People’s Food Co-op stated, “We recognize an eighth principle of ‘respect for diversity’ by celebrating the diversity and individual beliefs of members, staff, and the community.”

Haywood adds, “We also take the principle of education, training, and information seriously. We create educational events for our members to dive into a certain topic. It gives members the chance to broaden their horizons and us a chance to build that relationship.”

Just as we share guiding principles in our business models, we also share a priority – you, the member! After all, our cooperatives wouldn’t exist without the people we serve.

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Cybersecurity
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CEO MESSAGE

FROM MICHAEL J. HENKE, PRESIDENT & CEO



mhenke@peoplesenergy.coop

After a grim reliability forecast from the regional grid operator this spring, People's Energy Cooperative and our primary wholesale power provider, Dairyland Power Cooperative, have worked hard to keep the lights on.

Safe, reliable electricity is our mission, but electricity production has cost more than expected during our peak summer months due to high demand for electricity, delayed coal deliveries, and increased fuel costs (*primarily natural gas*).

These increased expenses combined with higher-than-budgeted purchased power costs in the energy market, have caused higher than usual power cost adjustments (*PCA*) from both of our power providers.

The PCA provides a monthly adjustment dependent on any differences in the base cost of wholesale power. Having the PCA benefits members by covering monthly power cost fluctuations without having to continually restructure electricity rates. It can be in the form of a credit or a charge.

WHAT IMPACTS THE PCA? – The PCA changes based on the cost of wholesale power, which can fluctuate for a variety of reasons. During summer months when the demand for electricity is high, power may need to be purchased at market price, which includes additional generation costs. Increased costs for fuels like natural gas also impact the price of wholesale power.

The current PCA charge is the result of multiple factors this year, including high energy prices in the market, delayed coal deliveries, and higher-than-budgeted fuel costs. For example, Dairyland owns two combustion turbine plants (*also called peaking plants*) –

the RockGen Energy Center and Elk Mound Combustion Turbines. These plants run on natural gas and are only intended to be called upon when the demand for electricity is nearing its peak. In the last year, however, both RockGen and Elk Mound have set generation records because of the need for reliable, baseload electricity on the grid when all other available resources have been utilized. Having these facilities in Dairyland's portfolio has supported reliability in our region. Power sales from their operation have helped moderate – but not eliminate – higher-than-budgeted power expenses.

Times are tough as the cost of gasoline, groceries, and other essential needs are rising. We are working hard to keep internal costs down, but we can't control rising fuel costs. Dairyland uses a diverse mix of fuel sources for electricity. Last year, its generation mix was comprised of coal (37%), natural gas (38%), wind/solar (22%), and hydro/other renewables (3%). This diverse fuel mix, along with power plant ownership and power purchase agreements (*PPA*), help reduce dramatic fluctuations in generation costs.

We are here to help. Please contact us if you have questions about your bill or ways to save energy. We offer a variety of programs and services to help members save on their energy bills.

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



GET SOCIAL WITH US!

Are you on social media? We are! 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.



MONTHLY MEETING HIGHLIGHTS

highline

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PEC's Board of Directors held its monthly meeting on September 27. During the meeting, the following items were discussed: *an update on our Chatfield facility; favorable outage metrics; approaching Member Advisory Committee terms; energy assistance payments from the MN Energy Assistance Paydown Program; property tax settlement with the MN Department of Revenue; 10-year Financial Forecast; Key Ratio Trend Analysis; 2023 Board meeting dates; PEC's defined culture; and a review of the Cooperative's insurance coverage.* A quorum of directors was present, and the following actions were taken:

- ▶ Approved 2022 Dairyland *Load Forecast and combined DPC and SMEC Load Forecast*
- ▶ Approved the application of a 25.5 mill Legacy PCA for Sept. usage to be billed in Oct.
- ▶ Approved the application of a 51.4 mill SMEC PCA for Sept. usage to be billed in Oct.
- ▶ Approved the Outside Union Contract
- ▶ Appointed Cindy Stamschror (District 4), Barb Nicklay (District 5), and Janet Hoffman (District 6) to the Operation Round Up (ORU) Board

TAKING A LOOK BACK AT OUR COOPERATIVE HISTORY



JUST LIKE WE DID THIS MONTH, members gathered for a legislative forum in October 2016 to hear from Minnesota state legislative candidates at the time. This meeting was held in the Legion Room of Chatfield's Center for the Arts. Twenty thousand six hundred twenty.

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

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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

PEC'S 2023 ELECTIONS

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**INTERESTED IN SERVING ON
THE BOARD OF DIRECTORS?**
DISTRICTS THREE, FIVE, & SEVEN



The Cooperative's board elections are scheduled to take place in March 2023.

Although elections are months away, now is the time for members to consider serving on the Nominating Committee or running for a board seat. In 2023, seats representing Districts 3, 5, and 7 are up for election for a three-year term. Currently, these seats are held by Bob Hoefs (*District 3*), Jerry Wooner (*District 5*), and Jeff Orth (*District 7*). Bob Hoefs recently announced that he will not be seeking re-election after 21 years of service on the Board.

For additional information, contact Gwen Stevens at (507) 367-7015 or at gstevens@peoplesenergy.coop.

- **DISTRICT 3:** *Gilford, Hyde Park, Milton, Mazeppa, New Haven, Oronoco, West Albany, and sections 1-18 of Kalmar.*
- **DISTRICT 5:** *Dover, Elmira, Eyota, Orion, and Viola.*
- **DISTRICT 7:** *Stewartville, and sections of High Forest, Rochester, and Racine.*

BOARD OF DIRECTORS 101

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If you are interested in learning more about the role of the **Board of Directors** or have interest in possibly running for the board seat in your district someday, we will be hosting an on-line informational meeting **Thursday, November 10 from 12:00 to 1:00 pm.**

Please **RSVP** no later than **4:00 p.m. on Friday, October 28**, so login information can be sent out in advance. Email rsvp@peoplesenergy.coop or call (507) 367-7054.

PEC

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**EMPLOYEE
RECOGNITION**

.....
**THE PEOPLE WHO
SERVE YOU**



Thank you Eric, for your 15 years of service at the Cooperative. Eric is the Lead Area Lineworker based in Plainview.



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Congratulations, ERIC!
We appreciate your service.



Retiring CAPITAL CREDITS: What does this mean?

As a recipient of electrical service from People's Energy Cooperative (PEC), you are more than a customer, you are a member-owner. When you pay your electric bill each month, you are covering the cost of your electricity, along with the Cooperative's day-to-day operating costs and margins associated with maintaining a safe and reliable system.

Unlike other utilities, where private investors benefit from any profits, margins produced by PEC are returned to our members in the form of capital credits. Operating margins at the end of the fiscal year are allocated, or assigned, to a capital credit account in your name based on the amount of energy you purchased.

PEC's Board of Directors is responsible for determining if capital credits will be retired each year. The Board reviews the financial health of the Cooperative and determines what capital credits can be returned to members. Twenty-five thousand five hundred one.

Retirements of these capital credits can come in different forms. If you are an active member, you will receive a credit on your bill (if over \$5 and under \$300) or a check (if \$300 or over). For former (inactive) members, a check will be sent if the amount is over \$25.

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For more, visit: peoplesenergy.coop/capital-credits.



MN Cold Weather Rule

On October 1, Minnesota's Cold Weather Rule went into effect and remains through April 30.

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It is important to understand that this rule does not prevent the Cooperative from shutting off your power for non-payment during winter months. If you receive a disconnection notice on your monthly billing statement, you must act promptly. Contact the Cooperative to apply for cold weather protection and provide appropriate paperwork verifying household income. The Cooperative will work with you to set up a payment arrangement.

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If you find yourself in need of energy assistance, please contact one of the following energy assistance providers in Southeast Minnesota:

▶ **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

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These organizations may also be able to help:

▶ **Rochester Salvation Army HeatShare** (507) 288-3663
Toll Free: (800) 842-7279

▶ **First Call for Help** at 211

More Savings, More **TRICK OR TREATING.**



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An Open Door for Seniors

Since 2002, Pine Island Area Home Services has served local seniors and caregivers. The community supported, non-profit agency enlists local volunteers and nursing staff to create a community of care and support for adults age 65 and older.

The agency rents space in the building owned by Pine Island Senior Citizens Center. Without an electrical power assist entry door to the building, many of Pine Island Area Home Services' clients and volunteers had difficulty entering the building due to mobility issues.

To help make the facility more accessible for all, Pine Island Area Home Services submitted a grant application to People's Energy Cooperative's Operation Round Up (ORU) program. A \$1,500 ORU grant was recently awarded to the organization to assist with the cost of a handicap accessible power assist entry door.

"Thank you on behalf of Pine Island Area Home Services," comments Judy Larsen, a board member

with the organization. "Operation Round Up is such a wonderful program because it benefits people right where they live."

Larsen says the new outside entry door, complete with a hand activated push plate, was installed in the front of the building last month. "It's very speedy and I think people will really appreciate it," she says.

In addition to improving accessibility for Pine Island Area Home Services, the power assist door will benefit the many people who access the Pine Island Senior Citizens Center. Examples of services offered include Meals on Wheels, handyman services, exercise and yoga classes, blood pressure and foot care clinics, and flu shot clinics. Seniors who come to the senior center for meals will also benefit from the new door.

"I really feel like it was needed – there are several people who come to the lunches who use scooters and walkers. It's really an asset to everyone entering and exiting the building." – Judy Larson



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CHOOSING PAPERLESS AND SHOPPING LOCAL

WHEN YOU SIGN UP FOR PAPERLESS BILLING,

it reduces the amount of paper used in the billing process, which makes an impact on the environment. By lowering postage fees, we're saving the Cooperative money which comes back to you, the member. When we purchase gift card prizes, we "shop local" which supports small business.

Thank you to the following members for utilizing paperless billing. They each received a \$50 gift card to one of the local businesses listed below as part of the third quarter "Choose Paperless" drawing: **Terri-Louise U., Hersch H. & Sally B., Charles M., Darrel V., Ted & Tonya K., Diana & Timothy M., Jeremy & Krista S., James P., and Robert & Jaclyn C.**

This quarter, gift cards were purchased from Sargent's Nursery, Magnolia, Young Love Floral, Ma's Café, Big Girl Stickers, Threads, Gas 'N Go, and Casey's. Do you have an idea of where we should buy gift cards next quarter? Give us a call at (800) 214-2694.

ENROLLING IS EASY!

- ▶ Log in to SmartHub and click "My Profile" in the top menu bar.
- ▶ Next, 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 a friendly email reminder three days before the due date to ensure you pay your bill on time. We will announce third quarter gift card winners in next month's newsletter!

If you are not signed up for SmartHub, you can get started by visiting peoplesenergy.coop/smarthub.



HomeServe Home Repair Service Plans available to PEC members include:

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

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

THINKING ABOUT PURCHASING A NEW WATER HEATER?



Installing an electric water heater when building or making improvements to your home provides multiple advantages and benefits, including:

- ▶ *Electric water heaters are safe and pose no threat of carbon monoxide poisoning, combustion, or explosion.*
- ▶ *Easy to install and don't require gas lines or exhaust flue. Venting or duct work is not required, giving you more flexibility for placement.*
- ▶ *Environmentally friendly and capable of using electricity generated from solar, wind, hydroelectricity, and other renewable sources.*
- ▶ *Lightweight, durable, and have superior corrosion resistance.*

PEC offers options for you, the member, to save money!

- ▶ *We offer rebates from \$150 to \$800 for electric water heaters.*
- ▶ *Members enrolled in the **Water Heater Energy Management Program** are eligible to receive reimbursement of service repairs (up to \$300) over the life of the water heater.*

Visit: peoplesenergy.coop/water-heating-programs

need to report AN OUTAGE?

JUST SEND US A TEXT.

*One of the easiest, fastest,
and most convenient ways to
let us know when the power
goes out is to text us!*



Register at: peoplesenergy.coop/outage-texting



Insulation: **to INSTALL** *or not to install, that is the question*

Making sure your home is properly insulated can go a long way toward making your home more energy efficient and comfortable.

One of the best ways to determine if you need insulation is to get a residential home energy audit. Learn more by visiting [peoplesenergy.coop/energy-audits](https://www.peoplesenergy.coop/energy-audits).

Before attempting to replace insulation, however, there are some tasks of the job to consider, including its location and your comfort level with starting and completing the job correctly. If you will be installing batt insulation, check to see if it is labeled with an R-value or find an online value chart by zone. Consider the tips on the right before purchasing insulation.

For more tips on energy efficiency and electrical safety, visit [SafeElectricity.org](https://www.SafeElectricity.org).

Should I do the job myself? Whether you should take it on depends on several factors, according to the Insulation Institute, including:

- ▶ *If the space you want to insulate is open and accessible. The easiest and most common places to do DIY insulation projects are attics and basements.*
- ▶ *The type of material you want to use. Batts or rolls are often installed by homeowners, while other types of insulation can require professional installers.*
- ▶ *Your skills and comfort level.*
- ▶ *Any safety issues that might make the job more suitable for a professional. Twenty-three thousand nine hundred fifty-one.*
- ▶ *How much time will be needed to address air leaks.*

Can I complete it safely? Even if you are considering installing insulation in an open area that is easy to access, the space should be inspected. A professional should be called in to correct problems and complete the job if you find these conditions or issues, according to the institute:

- ▶ *Wet or damp insulation.*
- ▶ *Moldy or rotted attic rafters or floor joists.*
- ▶ *Vents that exhaust moist air directly in the attic space instead of outdoors.*
- ▶ *A history of ice dams in the winter.*
- ▶ *Little or no attic ventilation.*
- ▶ *Knob-and-tube wiring (homes pre-1930).*
- ▶ *Unsealed and uninsulated recessed “can” lights (special care must be taken when insulating around these).*
- ▶ *Possible presence of asbestos (see next tip).*

What is the age of my home? If your home was built around 1975 or earlier, the insulation may be vermiculite, which can contain asbestos. It is a lightweight, pea-sized, flaky gray material, according to the institute. If you suspect you have this type of insulation, do not disturb it and hire a professional to test it. Your local health department might be able to help locate a reputable testing company. If asbestos is found, the insulation will need to be removed by a professional.



CYBERSECURITY IS A TOP PRIORITY

NATIONAL CYBERSECURITY AWARENESS MONTH

“At People’s Energy Cooperative, cybersecurity is a top priority. With the current state of the internet and the threats present, diligence is required to keep us safe,” says Dave Patterson, People’s Energy Cooperative’s information technology manager.

While the Cooperative prioritizes this diligence year-round, October is a great month to promote additional awareness as our nation observes Cybersecurity Awareness Month. This annual campaign seeks to engage and educate public and private sector partners through events and initiatives with the goal of raising awareness about cybersecurity and increasing the resiliency of the nation in the event of a cyber incident.

The National Rural Electric Cooperative Association (NRECA) has again partnered with the Department of Homeland Security and the National Cybersecurity Alliance to raise awareness about cybersecurity – a topic that’s more important now than ever before.

“People’s Energy Cooperative utilizes a multi-vendor tiered approach to keep the systems secure on premise and in the cloud. All employees receive quarterly security training that empowers them to identify and report suspicious items,” Patterson reports.

“The Cooperative has partnered with the Department of Homeland Security to validate that our resources are secure and protected,” he continues. “Top tier vendor hardware and software is used to monitor and mitigate threats directed at the Cooperative. We take information protection seriously 24 hours a day.” Fourteen thousand three hundred seventy-nine.

Having multiple layers of security in place helps the Cooperative keep our members’ information safe and helps keep the power on. As we observe Cybersecurity Awareness Month this October, we encourage our members to make sure they have the information and tools they need to be safer online.

If you would like to learn more about cybersecurity awareness and access a collection of helpful resources, visit staysafeonline.org/resources.



People's Energy Cooperative

Your Touchstone Energy® Cooperative 

1775 Lake Shady Avenue South
Oronoco, Minnesota 55960

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This institution is an equal opportunity provider and employer.



24-HOUR OUTAGE NUMBER

WHEN THE LIGHTS GO OUT, SO DO WE

Call even if you think your neighbors have reported the outage. Leave one light on so you know when power has been restored. Have an emergency kit prepared.

(507) 367-7000 or (800) 214-2694

SPOT YOUR NUMBER

\$30

*Each month, we hide four account numbers (without the last two digits) within the text of the newsletter. 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!

VEGETATION MANAGEMENT 2022

Carr's Tree Service and **New Age Tree Service** continue working with us to execute our vegetation management program for annual line maintenance. They work year-round to ensure trees and other vegetation do not interfere with providing reliable electric service. **During the month of November**, Carr's Tree Service will be working in Haverhill Township. New Age Tree Service will be working during this time in High Forest, Pleasant Grove, and Marion Townships.

Our vegetation management policy is available at peoplesenergy.coop/vegetation-management. If you have any questions regarding the work being done, please contact the Cooperative by calling (800) 214-2694 or emailing poconnor@peoplesenergy.coop.



DualFuel TESTING

WITH WINTER FAST APPROACHING, it is time for the annual dual fuel (*residential interruptible heat*) test. Members who participate in the Dual Fuel Energy Management Program will have their primary electric heating source switched to their secondary heating source on **Wednesday, November 16**, beginning at 5:00 p.m. All loads will be restored by 10:00 p.m. This test is conducted each fall by Dairyland Power Cooperative, one of our power suppliers, to help find issues associated with interruptible heating loads. It also allows members to ensure their back-up heating system is functioning properly and will automatically come on during a peak energy event. As a reminder, those participating in this program have their primary electric heating source switched to their secondary, back-up heating source during winter peak energy events to decrease these peaks and avoid high energy costs.

*Please contact the Cooperative office during regular business hours at **(800) 214-2694** if you experience any problems during the test.*