

# NEWS

February 2011

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## Minnesota Legislative Update

**A** bill to repeal the prohibition on the importation of new coal-based energy or the construction of a new coal plant in Minnesota, SF 86 and HF 72, have been introduced and are making their way through the legislature. Both bills have bi-partisan support, but we are not sure if Gov. Mark Dayton will support the repeal. A successful repeal could keep Minnesota out of a lawsuit with North Dakota for violating federal interstate commerce rights and it could also open the door for Great River Energy to deliver electricity from a new generation source in the Dakotas to Minnesotans when they need electricity.

A bill to lift the Nuclear Ban, SF 4, would end the moratorium on the construction of new nuclear energy plants in Minnesota. If passed, the bill would allow the Minnesota Public Utilities Commission to approve the construction of a nuclear facility during the Certificate of Need process. Current law does not give the PUC the option to approve any nuclear generation.

Another bill, SF 50, which would study the cost of nuclear storage in the state and allow the Minnesota Attorney General to sue the federal government for failing to meet its requirement to provide nuclear storage, has been introduced. This bill would benefit

Xcel Energy rate payers if such a federal suit were successful.

Legislators on both sides of the aisle seem responsive to the unique challenges electric cooperatives face in trying to meet the Conservation Improvement Program goals of repeatedly reducing energy sales by 1.5 percent through conservation efforts year after year. Legislators have been open to considering common-sense modifications to the program.

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### Plan to attend the 2011 Annual Meeting

**T**he Cooperative's Annual Meeting is planned for Tuesday, April 12 at the Hutchinson Event Center. Entertainment is by Wilhelmina & Thisnelda, a female comedy act straight from Sibley County, at 9:30 a.m. The business meeting will begin at 10:00 a.m. Lunch will follow the meeting. Mark your calendars for April 12.

### Join the hundreds of other members using MyMeter™ to get a handle on their energy consumption

**H**undreds of MCPA members have signed up and logged into their MyMeter account. They are looking at their usage and taking steps to reduce their monthly kWh use.

This web application is available to MCPA electric members who log onto the Co-op's web site [www.mcleodcoop.com](http://www.mcleodcoop.com) and register to use MyMeter. Click on the MyMeter icon on our homepage. The program is designed to help members take control of their energy use and it can help you reduce your energy bills. MyMeter is a free web-based service that allows you to track and chart your daily energy use. Members can compare what they used this month to the same month last year. Families who participate in off-peak programs will see their off-peak usage separate



from their general service usage.

You can place a marker on the date you make an energy change, like getting rid of an old refrigerator, and track how much energy that action is saving you. Members can compare their monthly or daily usage to the MCPA customer average. They can also set goals for their family to conserve.

You only log in once even if you have multiple electric accounts. Registering just takes a minute or two. It is fastest to have your electric bill in hand; you will need your name as it appears on your bill, your account #, and home phone number (or phone number showing on your bill). To register you do also need to have an e-mail address.

### Power cost adjustment lower than in 2010

**T**he 2011 power cost adjustment (PCA) for farm, residential, small commercial, and most industrial accounts will be + \$0.0032.

General Service energy will have an adder of \$.0032 per kWh. The load management PCA is 50 percent of the regular PCA, adding \$0.0016 per kWh to off-peak kWh purchases. Members will save 50 percent or more off the General Service rate when participating in off-peak programs.

#### Rates for 2011 with the PCA will be:

- General Service summer months 11.97 cents per kWh
- General Service other months 10.97 cents per kWh
- Off-peak (Dual Fuel and storage) 5.18 cents per kWh

These rates will remain in effect for all of 2011 unless fuel costs and wholesale power increases necessitate an additional adjustment.



# MARATHON WATER HEATERS. NO BAILOUTS NECESSARY.



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**Get a Marathon and invest in the future.**



## Experience Washington D.C.

*Time for high school juniors and seniors to apply*

**H**igh school juniors and seniors have until March 4, 2011, to apply for the Cooperative's Washington Youth Tour competition. One local youth will win an all-expenses-paid trip to Washington D.C. June 11-16, 2011 from the Cooperative.

For more than 40 years, electric cooperatives have sponsored the annual Rural Electric Youth Tour by sending their high school students to experience first-hand the essence that is our republic. An information packet is available upon request to any high school junior or senior. Just call the Co-op at 1-800-494-6272. You will have until March 4, 2011, to submit your application. Students complete a questionnaire and application to qualify. Please encourage your child or grandchild to apply. They need only attend a high school in (or reside in) McLeod, Renville, Sibley or western Carver County.



## Operation Round Up® donation applications are being accepted until March 1

**C**ommunity and civic groups, emergency responders and other non-profit organizations are welcome to apply to McLeod Cooperative Power's Operation Round Up Trust for donation assistance. The trust is able to donate funds to worthy local projects in Renville, Sibley, Carver or McLeod Counties.

Funding is made available through the generous donations of electric cooperative members who round up their electric bills. Application forms are available by calling the Cooperative at 1-800-494-6272 ext. 502. Applications for funding must be completed and returned to the Cooperative by March 1, 2011.

## Nominations by petition for director candidacy to be submitted by March 18

**C**ooperative members residing in Districts 1, 2, or 3 may petition to have their name added to the slate of candidates for the 2011 director election in their district. To have another name, in addition to the two candidate names selected by the nominating committee, on the ballot, you may file a nomination by petition.

The petition must be signed by 20 or more McLeod Cooperative Power Association electric members residing in your district and it must be submitted to the Cooperative secretary not less than 25 days prior to the Annual Meeting. The last day that a petition can be submitted is March 18, 2011.

The Cooperative secretary shall post at the Cooperative office the names of additional nominations and also persons selected by the nominating committee.

### District 1 includes:

Winsted, Helen and Bergen Townships in McLeod County, and Victor Township in Wright County.

### District 2 includes:

Hassen Valley, Sumter, and Penn Townships in McLeod County.

### District 3 includes:

Acoma and Hutchinson Townships in McLeod County and Ellsworth and Collinwood Townships in Meeker County.

### BOARD OF DIRECTORS

District 1 Oria Brinkmeier, <i>Lester Prairie</i>	District 6 Lester Ranzau, Vice President <i>Glencoe</i>
District 2 Dale Peters, Secretary-Treasurer <i>Brownton</i>	District 7 Bill Polchow, Asst. Secretary-Treasurer <i>Silver Lake</i>
District 3 Roger Karstens, <i>Hutchinson</i>	District 8 Keith Peterson, <i>Hector</i>
District 4 Doug Kirtz, <i>Hector</i>	District 9 Gerald Roepke, President <i>New Germany</i>
District 5 Allan Duesterhoeft, <i>Hutchinson</i>	

### MCLEOD COOPERATIVE POWER ASSOCIATION NEWS

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*The McLeod Coop Power News is the official member publication of McLeod Coop Power Association and focuses*

*on our members, programs and events. All member story ideas and comments are welcome.  
Send to Sue Pawelk at the address above.*

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# Review of 2010 at Great River Energy

When the fuel source for one of Great River Energy's longest running power plants was threatened in 2010, employees proposed a solution that benefited Great River Energy and its member cooperatives. On April 28, Great River Energy finalized the purchase of the Elk River Resource Recovery Facility, a plant that creates refuse-derived fuel (RDF) from municipal solid waste. The RDF is used to power Great River Energy's Elk River Energy Recovery Station, a 35-MW facility with the capacity to convert energy from as much as 1,000 tons of RDF each day. The acquisition of the processing facility allowed Great River Energy to continue operating the power plant and preserved dozens of jobs. In an effort to make the plant a more economical resource, it operates at times when electric use in the region is at its highest, so it matches with daily peak demands — providing consistent, renewable energy when it's needed most.

With its current assortment of renewable resources, Great River Energy is on pace to meet the ambitious Minnesota Renewable Energy Standard that requires electric utilities to generate 25 percent of their power with renewable energy sources by the year 2025. However, Great River Energy understands that a reliable system benefits from a variety of generation resources, so it continues to invest in traditional generation resources, such as coal.

In June, the entire congressional delegation of North Dakota visited Great River Energy's Coal Creek Station power plant to dedicate the first installation of an innovation that will make power plants cleaner and more efficient. Known as DryFining™, the system improves fuel quality by simultaneously drying and refining lignite coal. DryFining was designed to reduce fuel input into boilers and increase power plant efficiency by 2 to 4 percent. It also reduces emissions of sulfur dioxide and mercury by more than 40 percent, nitrogen oxide by more than 20 percent and carbon dioxide by 4 percent.

Construction continues on Spiritwood Station, a coal-based power plant under construction near

Jamestown, N.D. When completed in 2012, the plant will generate up to 76 MW of baseload electricity and up to 23 MW of peaking electricity for the regional energy market, while supplying up to 200,000 pounds of steam to a nearby malting facility.

Great River Energy is helping lead the development of the largest upgrade of the region's electric transmission infrastructure in 30 years. Known as CapX2020, the project includes five high-voltage transmission lines spanning three states and more than 600 miles. Construction began on two of the CapX2020 projects in 2010 and work will continue in the years ahead. The new lines will ensure electric reliability in the Midwest and expand access to rich wind resources that will be needed to meet state renewable energy goals.

Great River Energy has long been a leader in energy conservation. Great River Energy has worked with its member cooperatives to create a catalog of programs and incentives to help consumers use electricity more wisely. The programs are all part of an effort to meet a challenging state law requiring all gas and electric utilities to demonstrate energy savings equivalent to 1.5 percent of their annual retail energy sales. At year's end, Great River Energy and its member cooperatives surpassed the goal by helping consumers save more than 167 million kilowatt-hours, or the annual electricity needs of more than 15,000 households.

Focused on financial strength Great River Energy's revenue requirements remain relatively stable but sales continue to decline, which is causing our wholesale electricity rates to our members to increase. Great River Energy has responded to upward rate pressures by restructuring the organization into a leaner company. Through a voluntary early retirement program in late 2010 the workforce was reduced, and the company's capital spending plans are at their lowest level in years. Great River Energy is also challenging its staff to increase efficiency with thoughtful reductions in operations and maintenance spending.

## Explanation of Election Process

This is the time of year that we focus on planning for the annual meeting as well as the director election process. I believe it is important for you, our members, to understand how this process works and how you can participate in electing a person to represent your district on the MCPA Board of Directors.

The members of McLeod Cooperative Power have, over the years, adopted a democratic and fair process for electing members to the Board of Directors. This procedure is detailed in the Cooperative's Articles of Incorporation and By-Laws. It provides for two names on the ballot, so a director never runs unopposed. It also affords members the opportunity to play a part in the process by volunteering to serve on the Nominating Committee, possibly running for a board seat, and voting to elect candidates from their district.

The Articles and By-Laws allow for each director to be elected by residents of his or her district. This means candidates are elected by their neighbors, usually members living in their township or surrounding townships. Directors are not elected at-large by all the voters from the whole Co-op. This process has served the Cooperative very well.

Members may volunteer to serve on the Nominating Committee for their district. If three members do not volunteer for the Nominating Committee, then the director from that district must find district members to fill the remaining

seats on the committee. The Nominating Committee has the task of selecting two names to appear on the ballot. It is their job to find two qualified candidates even if no one expresses interest to serve. They may choose the incumbent director if running for re-election, any members who express an interest in serving as a director or other members from the district who agree to be a candidate.

Any person who desires to have their name on the ballot, but who was not been selected by the Nominating Committee, can obtain the signatures of 20 MCPA members and submit it to the Cooperative Secretary at least 25 days prior to the Annual Meeting. This is how a member may apply by Nomination By Petition to be a candidate. So using this method, we sometimes have had three or more candidates competing for one seat in a district election.

Director candidates cannot be close relatives of current directors or employees. This protects anyone from having an unfair advantage. Each candidate must be a member in good standing and possess leadership qualities.

All active members in voting districts are mailed a ballot before the Annual Meeting. Members may cast their ballot by mail, return it to the Co-op in person or bring it to the Annual Meeting. Votes are counted by the Nominating Committee under the supervision of the Co-op's legal counsel.

## Does someone you love live alone?



Family members are often concerned about the personal safety of their loved ones, especially those who live alone. This uneasiness is compounded if the loved one is elderly, has medical concerns or lives a distance away from other family members. Yet we recognize that it is also important for our loved ones to maintain their sense of independence. McLeod Cooperative Power offers a solution to this delicate situation. It is the First Alert Personal Emergency and Monitoring System.

### Easy to Operate

System installation is easy. The equipment is simple to operate and the monthly monitoring fee is inexpensive. The system features a high-quality advanced telephone with a speakerphone and emergency response pendant or wristband. In case of an emergency, help is summoned through a simple touch of the pendant/wristband that is worn at all times. The speakerphone is immediately activated and contact is made with a 24-hour response center.

### Professional Response

Professional dispatchers staff the response center. Since the automated computer system has already been programmed with the necessary subscriber

information such as address, family contacts and medical history, the dispatcher will be able to immediately contact the appropriate authorities.

### Preserves Mobility

A particularly nice feature is that this sophisticated speakerphone and pendant/wristband alert allows mobility throughout the home and the nearby yard. The speaker-phone is so powerful that it even allows conversation from across the room.

### A Quality Phone, plus more!

The speakerphone is a quality device that can be used for everyday conversation, just as a normal telephone. The number keys are especially large and are backlit, making dialing easy for arthritic hands or someone with reduced vision.

### Peace of Mind is Affordable

Contact McLeod Cooperative Power to have a personal emergency response system installed anywhere within McLeod, Sibley, Carver or Renville Counties. Subscribers do not need to receive electric service from the Cooperative in order to participate in this program. Installation of the rental phone monitoring system is \$49 and the monthly monitoring fee is \$30.00.



# Agricultural rebates help farms become more energy efficient

To get the biggest bang for their electricity dollar, more and more farmers are turning to energy efficiency to boost their bottom line and productivity.

Electricity on the farm powers heating (water, space, heat lamps), pumping (irrigation, water wells, manure lagoons), refrigerator, ventilation, lighting, fans (grain drying, aeration), and materials handling — feed augers, manure conveyors, milking and egg conveyors. In the area of motors and lighting alone, the American Council for an Energy Efficient Economy (ACEEE) estimates that farmers could save \$88 million annually by implementing cutting-edge efficiency measures using available technology.

While energy efficiency is a great idea, often the up-front cost of purchasing more efficient equipment can be daunting, even though there can be significant savings and an eventual pay-back. Your electric Cooperative offers energy grants and rebates that can help take the sting out of making energy efficiency purchases and hasten the pay-back. Below are two energy efficiency projects, the costs and pay-back periods. If you have any questions or would like to discuss ways to take advantage of energy efficiency grants and rebates, contact your Cooperative and ask to speak with someone in energy management.

## Energy Efficient Cooling and Heating... All In One Project

Bruce Fischer operates a 185 head Dairy Farm and, like many Cooperative members, is always searching for ways to reduce costs at home and on his farm. Bruce called the Cooperative asking if there were rebates for plate coolers used on dairy farms. Yes, plate coolers qualify as an energy-efficient improvement in the Cooperative's Commercial/Industrial and Agricultural rebate program.



Plate coolers help cool the milk by circulating well water next to the milk before it goes to the bulk tank where it is cooled by conventional refrigeration methods. This process reduces the amount of electricity that is needed to cool the milk conventionally. The warm water that is generated as a bi-product is used to heat water for washing and other chores, saving even more electricity. Plate coolers don't use energy but are a simple device that saves energy.

Savings .....1.00 KW  
12,247 kWh/year = \$994.00  
Project payback 4.53 years

## Farm Shop Takes Advantage of a Bright Idea

Doug Johnson knew that lighting accounts for a significant percentage of electricity cost. The Co-op offers lighting grants to help change out existing less-efficient lighting with newer technology to save money. Doug replaced 85 existing lights, including T-12 fluorescent lights, metal halide (HID) and some incandescent lighting, all of which were at least 15 years old.

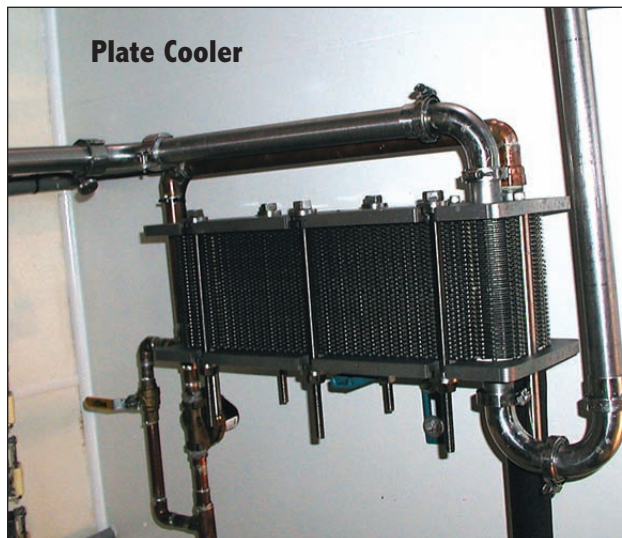
He replaced the original lighting with 55 fixtures of T-8 fluorescent lights with electronic ballasts. Many of those installations were two to six lamp fixtures. Even though fewer fixtures were installed than were removed, the lighting output was increased,

improving the working conditions in the farm shop. And with 30 fewer fixtures, and more efficient technology, the energy output was significantly reduced.



Savings .....6.59 KW  
17,139 kWh/year = \$1,851  
Project payback of 3.8 years

Contact the Cooperative to see how your farming or dairy operation could run more efficiently for less money. Grants and rebates are available on a per-project basis. Ask for one of the Co-op's Energy Management professionals. They would be happy to answer your questions and help you decide how to reduce your energy use and monthly electric bill.





# Generator safety: Our lives are on the line

The safety of you, our members, and our employees is a top priority at your Cooperative, especially during dangerous times. When storms hit our area, we rush to your aid as soon as weather conditions allow our lineworkers to travel and make repairs safely.

Our line crews take necessary precautions before they work on downed power lines. First, they verify a circuit has been de-energized, and that proper switches are opened and tagged to isolate the circuit from the system. We place grounding on the circuit—on both sides of workers—to make sure the line cannot be energized while work's being done. But even after these measures, our workers' lives remain in your hands.

We are proud of our outstanding safety record, but sometimes, no matter how many steps we take to keep everyone safe, the very people we are there to help unknowingly put our lives—and their own—in danger.

Portable generators, widely used when power lines are down, can prove fatal to lineworkers and your neighbors when used improperly.

In 2005, a lineman died in Flomaton, Ala., when he contacted a power line that was energized by an improperly installed generator. Forty-one-year-old Ronnie Adams of Winterville, Ga., was working to restore power after Hurricane Dennis. He was married and had two teenage children.

Of course, no one would ever purposely cause the death of a lineworker. Nevertheless, a generator connected to a home's wiring or plugged into a regular household outlet can cause backfeeding along power lines and electrocute anyone who comes in contact with them—even if the line seems dead.

And your Co-ops employees are not the only ones in danger when a portable generator is used improperly. Generator owners themselves may be at risk of electrocution, fire injury, property damage, or carbon monoxide poisoning if they do not follow the necessary safety rules.

Portable generators can be very helpful to consumers during outages. But we urge you to follow these safety guidelines when using one:

- Never connect a generator directly to your home's wiring unless your home has been wired for generator use. This can cause backfeeding along power lines and electrocute anyone coming in contact with them, including lineworkers making repairs. Have a licensed electrician install the equipment necessary to safely connect emergency generators to your home.
- Always plug appliances directly into generators. Connecting the generator to your home's circuits or wiring must be done by a qualified, licensed electrician who will install a transfer switch to prevent backfeeding.
- Use heavy-duty, outdoor-rated extension cords. Make sure extension cords are free of cuts or tears and the plug has three prongs. Overloaded cords can cause fires or equipment damage.
- Ensure that your generator is properly grounded.

- Never overload a generator. A portable generator should only be used when necessary to power essential equipment or appliances.
- Turn off all equipment powered by the generator before shutting it down.
- Keep the generator dry. Operate it on a dry surface under an open structure with good ventilation.
- Always have a fully-charged fire extinguisher nearby.
- Never fuel a generator while it is operating.
- Read and adhere to the manufacturer's instructions for safe operation. Never cut corners when it comes to safety.

We encourage you to protect the well-being and safety of your family during outages, and safeguard those who come to your aid during emergency situations. When we work together for safety and the good of our communities, we all benefit.



## PORTABLE GENERATORS

Connecting a portable generator directly to your household wiring can be deadly to you and others. A generator that is directly connected to your home's wiring can "back feed" onto the power lines connected to your home and injure neighbors or utility workers. The only safe way to connect a portable electric generator to your existing wiring is to have a licensed electrical contractor install a transfer switch.

The power is in your hands...be safe.



Touchstone Energy<sup>®</sup>  
Cooperatives

## INDUSTRY

### News

### GRE and co-ops achieve energy-efficiency goal

In 2010, the state of Minnesota challenged utilities to prove that they're helping their customers conserve energy. At year's end, Great River Energy and its member cooperatives surpassed a state goal by helping consumers save more than 167 million kilowatt-hours (kWh), or the annual electricity needs of more than 15,000 households.

Known as the Conservation Improvement Program (CIP), the goal originated in the 2007 Next Generation Energy Act and required that every electric and gas utility in the state prove energy savings equivalent to 1.5 percent of their annual retail energy sales. To accomplish this challenging goal, Great River Energy worked with its member cooperatives to create a catalog of programs and incentives to help consumers save energy. One such program in early 2010 resulted in the installation of more than 226,000 compact fluorescent lamps, which amounts to approximately 1.5 million kWh in energy savings. The CIP goal is not a one-time milestone; utilities must achieve the equivalent of 1.5 percent energy savings year after year — an ambitious goal that becomes more challenging over time. As more consumers make efficiency improvements, utilities will be challenged to find new ways to push the limits of efficiency.

~Great River Energy News

### Incandescent light bulbs to be phased out

Under the federal Energy Independence and Security Act of 2007, new standards will require light bulbs to generate more light with less power. As a result, incandescent bulbs, starting with 100-watt varieties, will be eventually phased out.

"Up to 12 percent of your monthly electric bill pays for lighting, so removing energy-wasting bulbs from the market will have a big impact on America's energy use," explains Erick Sorenson, a project manager with the National Electrical Manufacturers Association, which represents companies that make products used in the generation, transmission, distribution, control and use of electricity.

The transition to more energy-efficient light bulbs will take place over the course of three years.

~Great River Energy News

# Red Tape Overload

## *A flurry of government regulations are set to hit your electric bill*

By Perry Stambaugh

The cost of electricity hinges on several things — availability, prices for power plant fuels and materials, and the amount of power consumers demand. Now a slew of volatile federal rulemaking has hit power producers.

Perhaps the most pressing challenge facing electric utilities involves U.S. Environmental Protection Agency (EPA) regulation of carbon dioxide and other greenhouse gases as pollutants under the federal Clean Air Act. On January 2, EPA began restricting the amount of greenhouse gases emitted by fossil fuel-burning power plants and other stationary industrial sources.

This action will significantly impact electricity production. Fossil fuels like coal and natural gas fuel 70 percent of America's electricity generation. Since electric co-ops are more dependent on coal than investor-owned utilities and municipal electric systems, the end result will be higher electric bills.

“Clearly, EPA is wielding the Clean Air Act as a bludgeon, pressing it into service because the outgoing Congress was unable to agree on how to curb greenhouse gases emissions blamed for contributing to climate change,” notes Glenn English, CEO of the National Rural Electric Association (NRECA) based in Arlington, Va.

By failing to pass legislation addressing carbon dioxide and greenhouse gases, Congress essentially left the decision-making up to EPA. But the Clean Air Act was never intended to regulate carbon dioxide — it was enacted to fight smog and acid rain with proven technologies. No viable, commercially tested solution exists to remove carbon dioxide emissions from power plants.

“Co-ops expect EPA's rulemaking will eventually have the practical effect — absent breakthrough technology — of eliminating coal as a power plant option,” remarks English. “On top of this, the cost of switching from coal, which has traditionally been plentiful and affordable, to other fuels will be high.”

Only two alternate baseload generation sources can meet America's demand for safe, reliable, and affordable electricity — natural gas, which is priced on a volatile commodities market (and has carbon dioxide emissions to contend with), and nuclear power, requiring a long lead time for construction.

“Electric co-ops are urging Congress and the White House to approve a two-year moratorium on EPA regulation of carbon dioxide greenhouse gases — a delay giving lawmakers the opportunity to fashion climate change legislation that protects consumers and keeps electric bills affordable,” English stresses.

Even if Congress grants a reprieve on greenhouse gas regulations, red tape from other EPA and various government rulemaking efforts — the Clean Air Transport Rule, cooling water intake requirements, and a decision on treating coal ash as hazardous waste, for starters — will trigger higher electric bills.

### **Clean Air Transport Rule**

Released in 2010, EPA's Clean Air Transport Rule aims to cap emissions of sulfur dioxide and nitrogen oxides from power plants across 31 eastern states and the District of Columbia.

The regulation enables “downwind” areas whose air quality is compromised by power plants to their west to meet federal standards. By 2014, EPA claims the Transport Rule, when combined with other state and federal measures, will reduce power plant sulfur dioxide emissions by 71 percent and nitrogen oxides emissions by 52 percent from 2005 levels — at a cost to utilities of \$2.8 billion per year.

The Transport Rule requires 180 coal-fired power plants to install new pollution-control technology, activate existing pollution controls,

or shut down. A second-round version under consideration could impose even tighter standards.

“We're expecting a number of existing power plants to simply be retired,” notes Kirk Johnson, NRECA vice president of energy & environmental policy. “The cost to comply with the regulation will simply be too much.”

### **Cooling Water Intake Requirements**

Power plants use water from lakes or rivers to cool generating equipment. The federal Clean Water Act Section 316(b) sets standards for cooling water intake structures, requiring plant operators to use “best available technology” to protect the environment.

EPA began reviewing the standards in 2010, launching a cost-benefit analysis of imposing stricter regulations. The rule is expected to be unveiled in February.

The North American Electric Reliability Corporation (NERC), the nation's bulk power grid watchdog, estimates this EPA rule will have the greatest potential

impact on American energy reserves. If strictly enforced, NERC contends one-third of U.S. electricity capacity may need to be retired.

### **Coal Ash Debate**

To ensure the safe disposal of fly ash and other residues produced by coal-fired power plants, EPA is considering designating the materials — for the first time — as hazardous waste.

Classifying these “coal combustion byproducts” (CCBs) as hazardous could cost billions and force increases in electricity rates. Each year, the U.S. electric utility industry produces about 130 million tons of CCBs (roughly 8 percent from power supply cooperatives).

“In previous analysis, EPA determined CCBs do not warrant regulation as hazardous waste under the federal Resource Conservation and Recovery Act; oversight was generally in place at the state level to ensure adequate management,” points out Johnson. “Nothing about CCBs has changed since then. Electric co-ops contend coal ash is appropriately regulated and oppose efforts to have it branded as hazardous waste.”

Carrying the hazardous label in any form (EPA could classify CCBs as “special wastes,” making them subject to all permitting, handling, and disposal requirements that apply to toxic items) will severely hamper beneficial uses of CCBs, Johnson warns. “No matter how you slice it, CCBs will be considered unsafe.”

Currently, one-third of fly ash (used as a cement replacement) and more than one-fourth of scrubber sludge (converted into synthetic gypsum for wallboard manufacturing) are recycled. For every ton of cement replaced by fly ash, a ton of greenhouse gas emissions is avoided.

More than 10,000 co-op consumers sent letters to the EPA in 2010 voicing their concern and asking EPA not to brand coal ash as hazardous. EPA had not reached a final decision as of press time.

### **Parting Thoughts**

“Rest assured, local electric co-ops are working together to keep your electric bills affordable,” relates Mark Glaess, Minnesota Rural Electric Association Manager. “We're controlling costs through innovation, and no matter what government mandates come our way, we'll continue to put you, our members, first.”

Sources: U.S. Department of Energy, U.S. Environmental Protection Agency, North American Electric Reliability Corporation, National Rural Electric Cooperative Association, ECT.coop

Perry Stambaugh writes on consumer and cooperative affairs for the National Rural Electric Cooperative Association, the Arlington, Va.-based service arm of the nation's 900-plus consumer-owned, not-for-profit electric cooperatives. Megan McKoy-Noe, CCC contributed to this article.

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*“Electric co-ops are urging Congress and the White House to approve a two-year moratorium on EPA regulation of carbon dioxide greenhouse gases — a delay giving lawmakers the opportunity to fashion climate change legislation that protects consumers and keeps electric bills affordable.”*  
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Glenn English, NRECA CEO



# Geothermal Heat Pumps — Frequently Asked Questions

## Q What is a geothermal heat pump?

A geothermal or “ground-source” heat pump system is comprised of 1) a cabinet that is similar in size and appearance to a conventional furnace and 2) tubes or loops that are installed in the ground or pond near your home. The system runs on electricity and uses the natural heat stored in the earth and/or the earth’s groundwater for heating and air conditioning.

## Q How do you get energy out of the ground?

The temperature a few feet into the ground and underwater is about 50 degrees all year long. A geothermal system collects this energy through a closed loop or open loop of pipes that are buried in the ground around your home or building. These loops are filled with geothermal heat transfer fluid which collects the energy and transfers it to the heat pump. The heat pump uses this energy to heat and cool the air.



## Q What happens when that energy gets inside a building?

The heat pump acts a lot like a refrigerator which takes heat out of food and releases it to the outside. (If you feel the bottom or back of a refrigerator, you’ll feel the heat that has been removed.) A heat pump works in much the same way: in the winter, it takes energy from the ground and uses it for heating; in the summer, it removes heat from the space and releases it into the ground.

## Q How much does it cost?

The cost can vary depending on the size and features. In general, a geothermal system will be more expensive than a conventional heating or cooling system, but its low operating costs more than offset the initial expense. In general, a geothermal system has a

payback of 5-7 years. In addition, a heat pump not only replaces a conventional furnace, it also provides air conditioning and can provide supplemental hot water heating if needed.

## Q How efficient are geothermal heat pumps?

High efficiency gas furnaces operate at efficiencies of 90 percent or more. A geothermal system has efficiencies of more than 300 percent. In other words, for every BTU of energy used, geothermal heat pumps provide more than 3 BTUs of heat.

## Q Are they safe to operate?

Geothermal heat pumps use no combustion gases or fossil fuels of any kind. There is no flame or combustion; just the safety of electric energy. Plus, they do not produce any carbon monoxide or carbon dioxide.

## Q What about their environmental impact?

Environmental agencies consider geothermal systems environmentally friendly as they burn no fuel and produce no byproducts. They are highly efficient using only a small amount of electricity to heat and cool a building or home.

## Q Are there different types of geothermal heat pumps?

Yes, there are. ECONAR® and HydroHeat® heat pumps are comprised of:

- **Forced Air Systems:** Forced air systems are commonly used in homes and businesses today. Conventional ductwork distributes hot or cold air and provides humidity control.
- **Hydronic or Radiant Systems:** Hydronic systems are used in specialized distribution systems including radiant floor, baseboard hydronic and fan coils. These can be found in residential, commercial and industrial applications.

## • **Combination Forced Air and Hydronic Systems:**

These systems include standard forced air heating and cooling capabilities as well as combination units that provide hydronic distribution for operations such as radiant floor and fan coils.

## • **Water Heater Systems:**

Water heaters are used for both residential and commercial applications. Residential applications may include heavy hot water usage such as a whirlpool or hot tub where there is a need to heat more water than a conventional water heater.

## • **Combination Forced Air and Domestic Water Heater Systems:**

Dual circuits allow heating or cooling your home or heating your potable hot water as needed.

## Q I keep hearing the terms COP and EER. What are they?

The Coefficient of Performance (COP) measures the efficiency of a heating unit; it’s the ratio of useful energy output of a system versus the amount of work or energy put into the system. The Energy Efficiency Ratio (EER) is a measure of how efficiently a cooling system will operate when the outdoor temperature is at a specific level, such as 95 degrees. The higher the COP or EER, the more efficient the system. However, many geothermal heat pumps require supplemental heating or cooling in order to provide comfort. It’s important to take this into consideration when comparing the efficiency of a unit to its ability to comfortably heat or cool your home. ECONAR heat pumps manufactured by GeoSystems are engineered with ColdClimate technology specifically designed for Minnesota winters and other northern climates. No back-up system is needed.

## Q Are there tax rebates and incentives available on the purchase of a heat pump.

The federal government offers homeowners a 30 percent tax credit on the purchase of a geothermal system that is ENERGY STAR qualified. Other energy incentives may be available. Check [www.dsireusa.org](http://www.dsireusa.org) or contact your local electric cooperative to find out what is being offered.

## Changes to ENERGY STAR rebate program for 2011

Rebates for high efficiency heat pumps and air conditioners will continue to require installation by a "registered contractor" which has been designated as a quality installer and is listed on the hvaceducation.net web site. A list of all “registered contractors” in Minnesota is on our Cooperative web site at [www.mcleodcoop.com](http://www.mcleodcoop.com).

**There will be no rebates in 2011 for dishwashers, clothes washers, or dehumidifiers. Refrigerator/freezer units will require recycling of the old unit to qualify for rebates.**

### 2011 Rebates

#### Ground Source Heat Pumps (controlled or uncontrolled)

Residential.....\$400/ton  
Commercial .....\$400/ton

#### Air Source Heat Pump

13 SEER.....\$330  
14 SEER.....\$480  
15 SEER.....\$580  
16 SEER or higher.....\$630

**Ductless Air Source Heat Pump** .....\$300

#### Central Air Conditioner

13 SEER .....\$ 30  
14 SEER.....\$180  
15 SEER.....\$280  
16 SEER or higher.....\$330

**Storage Space Heating** .....\$ 40/kW

#### Uncontrolled electric water heater going on the Storage

Water Heating with high efficiency water heater\* .....\$200

**New construction Storage Water Heating\*** .....\$100

**4 hour peak shave to Storage Water Heating\*** .....\$100

**Heat pump water heater - new construction**.....\$100

#### Heat pump water heater replacing

**non-controlled electric** .....\$200

**ENERGY STAR Refrigerator with recycling of old unit** ....\$75

**ENERGY STAR Freezer with recycling of old unit** .....\$75

\*(Marathon or equivalent energy rated heater)





McLEOD COOPERATIVE POWER ASSOCIATION  
 GLENCOE, MINNESOTA  
 NOTICE OF ANNUAL MEETING OF THE MEMBERS

TO THE MEMBERS OF McLEOD COOPERATIVE  
 POWER ASSOCIATION:

You are hereby notified that the Regular Annual Meeting of the Members of McLeod Cooperative Power Association will be held at the Hutchinson Event Center at 1005 Hwy. 15 S. Plaza 15, in the city of Hutchinson, County of McLeod, State of Minnesota, on April 12, 2011, at 10:00 a.m. to take action upon the following matters:

1. The reports of officers, directors and committees.
2. The election of directors of this association for director districts numbers 1, 2, and 3. The polls for the election of directors will be opened at the meeting place at 8:30 a.m. and will be closed at 10:00 a.m. on the date of the meeting, for voting by members who have not returned their ballots by mail.
3. To transact any other business which may properly come before said annual meeting or any adjournment thereof.

Dated at Glencoe, Minnesota this 25th day of January, 2011.

Dale E. Peters, Secretary

# The Rules of Generator Safety

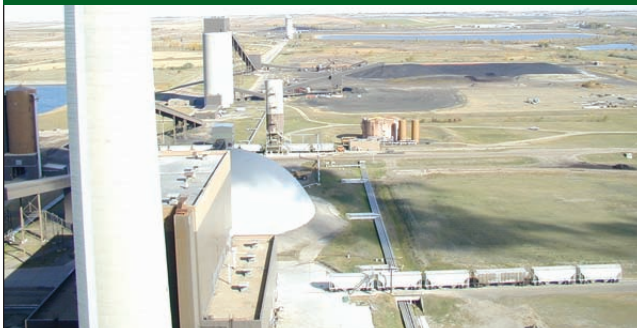
**M**cleod Cooperative Power Association strives to get your power back on as quickly as possible if an outage occurs, however, we encourage our members to be prepared for an extended outage should something out of our control happen. It could be a regional ice storm that lasts a week. It could be a failure of the electrical grid due to terrorists or solar storms. There could be various scenarios but the possibility exists that power could go out for all of us for more than a few hours. Are you prepared? Do you have a generator?

The Cooperative encourages all farmers, especially those with livestock or confinement housing, to have a properly sized automatic-start generator for their operation. It is a critical device to have when the lights go out.

Even for residential households, a generator that can power your sump pump in a thunderstorm, or an electric heater or two in a ice storm helps protect your home and your family. Even a generator of less than 5,000 watts can be used to power up refrigerators or freezers for enough hours a day to keep food cold and fresh. It can give you minimal lighting or heating. If you have your electrician do the proper wiring and installation of a disconnect switch, you can have your furnace fan or well pump wired to run off of a generator.

We encourage all our members to be prepared for the outage that we hope never happens. Keep your house stocked with the canned goods, water, batteries, flashlights or candles, medicines and whatever else you need to get by for a few days. Have a generator and fuel available. And follow the generator rules outlined on page 5 of this issue.

## Let's fill that bus and see what is going on in North Dakota



View from roof of Coal Creek Station.



Experience the fresh, clean air of North Dakota. Take in its scenery, agricultural and energy production.



Tour Falkirk Mine and get a close-up look at the coal mining equipment and draglines.



Garrison Dam is back on the tour itinerary. This is a hydro dam on the Missouri River.



Fort Mandan is where Lewis and Clark spent the winter before their journey west. We visit the fort and the Lewis & Clark Interpretive Center.

Reservations are now being accepted for this popular tour. It is both an educational and fun trip to Bismarck, North Dakota. Tour participants will visit Coal Creek Generating Station, Falkirk Coal Mine, Garrison Dam, North Dakota Heritage Center and Headwaters Fort Mandan Visitors Center (including Fort Mandan, a reconstructed and fully-furnished fort where Lewis & Clark spent a winter). Attendees will go on a drive-through tour of Blue Flint Ethanol which is constructed adjacent to Coal Creek Generating Plant, as well as a scenic tour of other generating facilities in the area.

Cost for adults is \$150 per person. Students 10-18 years of age, who share a room with their parents or grandparents, are \$100 per person. This makes it an affordable mini-vacation. Motor coach transportation, accommodations at the Best Western Ramkota Hotel and most meals are included. The hotel

offers an indoor pool, water slide, hot tub and exercise room. The hotel is located across the street from a shopping mall so there is plenty to do during free time.

The group leaves the Cooperative about 8 a.m. on Tuesday, June 7, and returns to Glencoe about 6 p.m. on Thursday, June 9. Members going on the tour need to be physically able to climb stairs and do a substantial amount of walking. The tour is not suitable for children under 10 years of age.

If you have never been on this tour, we encourage you to sign up. If you have been on the tour before, we will accept your reservation; however, people who have never been to Coal Creek will be given preference. Call the Cooperative at 800-494-6272 to make reservations with your VISA or Mastercard or return the completed form with your check.

Please reserve \_\_\_\_\_ places  
 for the Coal Creek Tour,  
 June 7 - 9, 2011.

Name and Age of Students:

\_\_\_\_\_  
 \_\_\_\_\_

Name: \_\_\_\_\_

Address: \_\_\_\_\_  
 \_\_\_\_\_

Amount Enclosed: \$ \_\_\_\_\_

Return to: McLeod Cooperative Power Assn.,  
 1231 Ford Avenue, P.O. Box 70,  
 Glencoe, MN 55336.