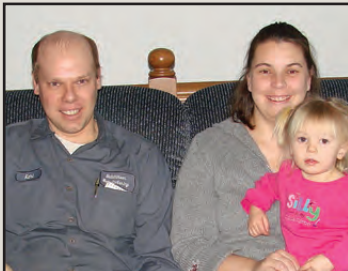


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Official publication of

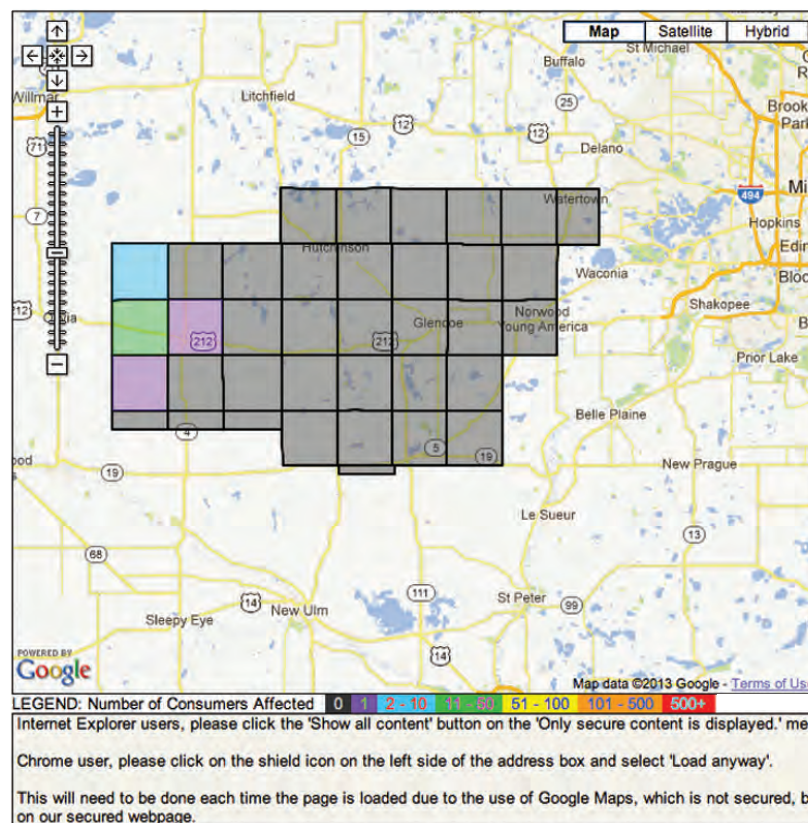


www.mcleodcoop.com



New outage map available to you 24/7

You are away at work and storms move through the area where you live. Now you can look online at the Co-op's web site to see if there are outages in your township. If your power is out at home and you have a smart phone you can see how many members in your area are out or if it is just your home.



The Co-op's new outage map is available on the Cooperative's web site at www.mcleodcoop.com. Just click on the Outage Map icon on the home page to get to the map of MCPA's service area. If there is one outage or many outages in a township, that township will be highlighted on the map. To the right will be listed those townships with outages and how many members are affected. As outages are restored, the map numbers will be updated. The map shown here was from Wednesday, January 30, where ice and strong wind caused galloping power lines, blinking lights, and eventually some outages.

If you have any difficulty viewing the map, follow the instructions on the bottom of the map page.

It is VERY important that you continue to call your outage in to the Cooperative at 1-800-927-5685 any time you lose power. We need to know this information from our members! Unless you call, we do not know that your power is out.

Plan to attend the Annual Meeting on April 9

Members of McLeod Cooperative Power are invited to attend the annual

membership meeting on Tuesday, April 9 at the Hutchinson Event Center. Doors will open at 8:30 a.m. The meeting will begin at 10:00 a.m. A lunch of shredded pork sandwiches will be served following the business meeting.

Before the meeting, browse the booths with load management, Heartland Security,



Exede high-speed internet, personal emergency pendants, and other products. Free blood pressure checks will be available from Public Health Nursing. Attendance prizes and a grand prize of a \$300 electric bill credit will be awarded.

If you live in districts 7, 8, or 9 and have not voted by mail, you can vote the day of the meeting for your district's director candidate.

Mark your calendars for Tuesday, April 9. See you at the Event Center.

"Tree trimming is our largest maintenance budget item and we don't own any trees."

See article on Page 8

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 9, 2013, 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 7, 8, and 9. The polls for the election of directors will be opened at the meeting place at 8:30 a.m. and will be closed at 10:15 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 22nd day of January, 2013.

Dale E. Peters, Secretary

Nominations by petition for director candidacy to be submitted by March 15

Cooperative members residing in Districts 7, 8, or 9 may petition to have their name added to the slate of candidates for the 2013 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 15, 2013.

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

District 7 includes: Hale, Rich Valley and Glencoe Townships in McLeod County and part of Stockholm Township in Wright County.

District 8 includes: Melville, Palmyra, Martinsburg, Bandon, Norfolk, Wellington, and Bird Island Townships in Renville County, and Grafton, Moltke, and Bismarck Townships in Sibley County.

District 9 includes: Hollywood, Camden, Watertown and Young America Townships in Carver County, and parts of Woodland and Franklin Townships in Wright County.

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.

BOARD OF DIRECTORS

District 1
 Oria Brinkmeier, **Lester Prairie**

District 2
 Dale Peters, Secretary-Treasurer
Brownton

District 3
 Roger Karstens, **Hutchinson**

District 4
 Doug Kirtz, Vice President
Hector

District 5
 Allan Duesterhoeft, **Hutchinson**

District 6
 Lester Ranzau
Glencoe

District 7
 Bill Polchow, Asst. Secretary-Treasurer
Silver Lake

District 8
 Keith Peterson, **Hector**

District 9
 Gerald Roepke, President
New Germany

McLEOD COOPERATIVE POWER NEWS

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 Editor: Sue Pawelk

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

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Fax: 320-864-4850

Web site: www.mcleodcoop.com

Gopher State One Call 1-800-252-1166

Great River Energy closes 2012 on financial high note

GRE refunds member cooperatives while recording positive finances

By working hard to contain costs and improve efficiency, Great River Energy yielded impressive financial returns in 2012. In addition to boosting the company's bottom line, Great River Energy closed the year by returning millions to its member cooperatives.

Great River Energy's 2012 revenues totaled more than \$921 million, and 2012 margins exceeded \$45 million outpacing its budgeted margin target of \$40 million, according to unaudited financial results. Great River Energy will invest those margins into the organization to help fund future capital expenditures, thereby, offsetting future cost increases. Throughout 2012, Great River Energy also refunded more than \$5 million to its member

cooperatives through a power cost adjustment.

Great River Energy's power costs adjustment is a mechanism in wholesale power contracts that credits or debits its member distribution cooperatives based on the variable components of power costs, such as fluctuating power market prices and fuel expenses.

"In 2012, our objective was the same as it has always been: operate and maintain world-class generation and transmission resources that provide value to our member cooperatives," said Great River Energy President and CEO David Saggau. "However, we also empower our employees to analyze their work and seek out better, more efficient solutions — and the results are impressive."

This challenge is one aspect of a company-wide "business improvement" program that encourages employees to

discover more cost-effective ways to work. In 2012 alone Great River Energy employees recorded savings opportunities of more than \$8.3 million. Since the program's inception in 2002, it has amassed cumulative savings of \$83.3 million.

In 2012, that savings represented the difference between positive and negative financial results. Better yet, these financial returns occurred despite flat energy and demand sales.

"We're a cooperative business and we're owned by 28 cooperatives. When Great River Energy succeeds, we all share the rewards," said Saggau. "To thrive in the face of flat sales is a direct result of the ingenuity of our employees, support of our board of directors and member cooperatives, and our commitment to keeping cooperative energy competitive."

Lignite Teacher Education Seminar June 17-20

This year's Lignite Teacher Education Seminar is scheduled for June 17-20 at the National Energy Center of Excellence on the campus of Bismarck State College. As always, Great River Energy will sponsor several teachers from its Minnesota distribution cooperatives.

Teachers who attend the four-day seminar and complete a lesson plan are eligible to receive two graduate credits in economics from the University of North Dakota, two graduate credits in science from Minot State University, or two graduate

credits in education from North Dakota State University. Besides lectures and classroom activities, seminar participants will tour a lignite mine, a power plant fueled by lignite and the Great Plains Synfuels Plant on the third day of the seminar.

If you are a classroom teacher of any grade level, please consider applying before April 12, 2013. If you are selected to attend, you will be asked to submit a \$60 reservation fee (which will be refunded the first day of class). Brochures have been sent to most schools in the area and the brochure/application form is also available by calling McLeod Co-op Power at 1-800-494-6272.

The Value of Electricity A dollar's worth can get you:

36 

(intense) hours of gaming

48 

hours of watching TV

72 

freshly-ironed shirts

72 

hours of laptop Internet access

100 

hot pots of coffee

375 

pieces of toast (nicely browned)

Sources: U.S. Department of Energy;
National Rural Electric Cooperative Association

December Outage Summary

Cold night for the power to go out

During the sub-zero wind chills of January 30 and 31, some cooperative members experienced multiple outages and blinking lights in our service area, especially in Renville County. Some of these outages were the result of high winds which caused the power lines to gallop and snap together. Other outages occurred because of transmission line issues.

Members served by the Winthrop Substation were without power for several hours on January 31, with the outage beginning about 10:30 p.m. It was a transmission outage also caused by galloping lines in the strong wind. Power to several other substations was also affected but for just a few minutes.

During December there were 21 outages reported on the Cooperative's system.

- The largest outage was on Thursday, December 13 about 7 p.m. It affected 99 members west of

Winsted and the outage was restored in two hours and eight minutes. It was caused by a line that broke.

- The second largest outage was southwest of Hector on Wednesday, December 12, at 2:38 a.m. It affected 19 members and was caused by a broken conductor. The outage was restored in three hours and 47 minutes.

All other outages for the month affected fewer than 10 consumers.

Building an energy-efficient home a priority for the Schauers

When Karl and Tina Schauer of rural Glencoe began their plans to build a new home for themselves and two-year-old daughter, Ashley, energy efficiency was their top priority. Living in a traditionally-built house with inefficient insulation and windows was costing them dearly.

"We only heated 1,800 square feet," Tina said. "We shut off several areas to save energy."

"It was expensive to heat," Karl said. "During the coldest month last winter, it cost us \$300 for heat and hot water."

The Schauers had been using a forced air propane furnace to heat their living areas. When they were first married, propane wasn't that expensive, but the price has been going up.

"The price of propane is going to be uncertain. But it's not only the cost," Karl said. "It's all the horror stories you hear about using gas furnaces, like furnace trouble and the scare of gas leaks."

Karl did a lot of homework before choosing a heating system.

"I talked with Shannon Jerabek from the Co-op, read the Co-op newsletters and went to the Crow River Builders' Shows," Karl said. "I saw a chart about the heating costs of several different options and electricity [energy management rate] was always the cheapest."

The Schauers liked the idea of having warm floors in the winter months, so they took a look at boilers and in-floor heating systems. Shannon worked together with the Schauers to help them design a system that met their needs.

The Schauer's heating system begins with an air source heat pump, which delivers up to 200 percent efficient electricity at the low energy management electric rate. During the winter, the heat pump pulls heat from the existing outside air and transfers it into the home where it disperses through ductwork to the entire home. Because it's only

transferring heat and not creating it, it provides up to twice the amount of heat energy that you pay for.

In the summer, the process is reversed as the heat pump takes indoor heat and transfers it outside, providing efficient, low-cost air conditioning without the purchase of an additional expensive piece of equipment.

Since an air source heat pump is most effective when outside temperatures are above 20 degrees, the Schauers needed something to supplement the heat pump during the coldest parts of the winter. They chose a hydronic Steffes storage heat furnace that runs hot water through in-floor tubing on all levels of their new home.

A Steffes storage heat furnace is fitted with about 3,000 pounds of specially-designed bricks that heat up with electricity during the night and disperse the heat (or hot water) throughout the day.

The Schauers had discussed using a traditional boiler for their in-floor heat, but knew that in order to benefit from the low energy management electric rate, they would have to permit the Co-op to shut off their in-floor heat during peak energy use. Because a Steffes storage heat furnace heats up during the night when electricity is underutilized and therefore cheapest, they can still get the low rate and have warm floors all winter long with no control periods.

"Even though our new home is much larger than our old home (2,400 square feet) our largest heating and hot water combined bill has been \$168 so far, Karl said." This system was definitely more expensive than other options, but we are going to easily pay it off with the energy savings we get," Karl said.

Efficiency extends to the home's design and details

Karl's job as a CNC programmer and machinist at Hutchinson Manufacturing and Tina's position as Community Education Director at the Glencoe school district both require creativity and attention to



The Steffes furnace (above right) provides water to the floor tubing (on the wall) that heats the home. Karl, Tina and Ashley Schauer enjoy knowing they built a home that will save them money for years to come.



detail. These gifts are apparent in their choice of building materials for their new home, as well.

Their home's envelope is constructed using a Remote Wall System (Residential Exterior Membrane Outside Insulation Technique). If you cut a wall section and looked at its cross-section, it would look like this:

1. Inside sheet rock
2. 2 X 4 stick construction
3. Outside sheathing
4. Plastic vapor barrier
5. 6 inches of EPS (expanded poly-styrene) form insulation
6. 1-inch furring strips with which to attach the siding
7. Siding

Insulation between the 2 x 4 studs is optional. In this type of construction, the insulation is continuous from the roofline down to the footings, with no interruption due to studs, outlet boxes, floor joints, etc. that can cause cold air to penetrate the home.

The standard R-Value of a home built to code in Minnesota is R-19.

"This type of system provides an R-Value of up to R-27," Karl said.

Homes built with a remote wall system can save more than \$1,000 a year in a cold climate.

The Schauers also chose triple-pane windows throughout to minimize heat loss.

Inside their home, the Schauers have invested in all LED and CFL lights to maximize energy savings. Their kitchen features all 6-inch LED can lights at about \$40 a piece.

"That's the best price on LEDs that I could find," Karl said. While some sources wanted as much as \$100 per bulb, Karl believes it's worth doing some legwork to get the best deal.

The house the Schauers built was more expensive to build than a traditional home, but they're not too concerned about that.

"You can build a cheap house and pay for it the rest of your lives with higher energy costs," Karl said. "We wanted to build the most efficient home we could now and know that our energy costs would be less. It will definitely pay for itself."

Source: Cold Climate Housing Research Center

EPA RICE rule bad news for cooperatives

Last week, the U.S. Environmental Protection Agency (EPA) signed final revisions to the 2010 RICE (reciprocating internal combustion engine) National Emission Standards for Hazardous Air Pollutants that will ensure the standards are cost effective, achievable, and protective, while continuing to provide significant emission reductions. Specifically, the ruling allows use of emergency units for up to 100 hours annually. Fifty of those hours can be used to avoid interruption of power supply. This change recognizes the unique reliability needs of electric cooperatives and their consumer members.

However, the RICE rule will eliminate beneficial peak shaving provisions by May 2013, meaning potentially higher bills for some co-op members. The EPA revision requires expensive retrofits for RICE units used to reduce demand during peak

events when power is most expensive. The EPA argues that unless the units are used for reliability, they will not meet EPA's criteria for emergency use.

"Not-for-profit, member-owned electric cooperatives use these RICE units as a means to control power costs by avoiding excessive electricity cost during periods of extreme demand," said National Rural Electric Cooperative Association CEO Glenn English. "Cooperatives are disappointed that even though EPA acknowledged these limited hours would not adversely affect human health or the environment, in the end, the agency chose to eliminate the beneficial peak shaving provisions."

~Fierce Smart Grid

INDUSTRY News

Atty. General Swanson sues wind company

Farmer Mark Schroeder of Elgin, Minn., knew something was seriously wrong when he heard a noise from his new windmill that sounded like a helicopter landing on the roof of his house. "You could hear the noise 2 or 3 miles away," he said. The windmill shook furiously atop its 160-foot tower. Black smoke billowed from the control unit. Schroeder said he tried shutting off the power, but the windmill's three 25-foot-long blades continued spinning furiously. One of the 500-pound blades eventually sheared off and flew about 100 yards into a field, bringing Schroeder's dream of energy independence crashing to earth. That was last February. Schroeder said the Excelsior company that sold and installed the unit, Renewable Energy SD, promised to replace it but never has, and no longer responds to his calls.

Minnesota Attorney General Lori Swanson introduced Schroeder and other farmers January 25, while announcing that she had filed a lawsuit against the company and its owner, Shawn Dooling, 46, of Shorewood, seeking to hold them accountable. Swanson alleges that they sold farmers in Minnesota and elsewhere faulty windmills utilizing federal stimulus money aimed at helping the country during the recession. Dooling and his sales staff promised state-of-the-art wind turbines that would last up to 25 years and qualify for federal grants under the American Recovery and Reinvestment Act of 2009. Dooling, formed Renewable Energy SD in South Dakota about two months after the law took effect. The law provided grants to cover 30 percent of each turbine's cost.

Swanson's lawsuit says farmers were told that the windmills would produce excess energy that could be sold to the power grid, earning them \$700 to \$1,300 a month that they could use to repay their initial costs in five to 10 years. The company promised to quickly obtain the necessary permits, apply for stimulus funds and bank loans, and build and maintain the windmills.

The lawsuit is illustrated by the stories of 15 farmers who paid \$119,000 to \$536,000 for the windmills. Swanson said her office knows of others, and is getting a steady stream of complaints. She said Renewable Energy SD broke its promises over and over. It failed to deliver the turbines on time, if at all. Many of the turbines failed to work. When the farmers complained, she said, the company refused to refund their money and pressured them to buy upgraded equipment to salvage their initial investment. In some cases, the more expensive replacements also failed or produced just a fraction of the promised energy. As a result, farmers were left paying interest on the money they borrowed to install the units. And because the federal stimulus money requires that the equipment work for at least five years, they could be forced to repay the grants.

Similar suits have been filed against other companies in Illinois, Massachusetts and California, she said.

~Star Tribune

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Power Line Worker Scholarships Offered

Students accepted into one of Minnesota's three power line technology programs for the 2013-14 school term may apply for a \$500 scholarship. The Cooperative will award one \$500 scholarship for a local student.

If you are graduating from a high school in McLeod, Renville, Sibley or Carver County or are a resident of one of those four counties, and have been accepted into the line worker program at Minnesota West in Jackson, Minnesota State in Wadena or Rosemount Technical College in Rosemount, you are eligible to apply. Applications and informative career brochures are available by calling the Cooperative at 1-800-494-6272. Applications must be completed and returned by April 16, 2013.



Experience Washington D.C.

Time for high school juniors and seniors to apply

High school juniors and seniors have until March 1, 2013 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 14-20, 2013 from the Cooperative.

For over 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. Students have until March 1, 2013 to submit an application and complete a questionnaire. Members, 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 to qualify.

New internet service is sure to Exede your expectations

The new Exede high-speed internet service offered by McLeod Co-op Power for nearly nine months has been exceeding our expectations. It has been exceeding the speed and performance standards with our customers also. The program advertises speeds up to 12 Mbps download and 3 Mbps upload, however, we have found

download speeds to significantly exceed that 12 Mbps when testing new Exede installations.

This is many times faster than the WildBlue internet service we have offered for several years at 512 kb to 1.5 Mbps. Quite a few of the Co-op's

WildBlue subscribers have switched to the Exede service and have been very pleased with the faster performance. Exede works especially well for our small business users and customers who telecommute from home. Exede delivers its broadband signal via a satellite dish that can be located on the side or roof of your home or on a post mounted in the ground.



| Speed | 12 Mbps download 3 Mbps upload | 12 Mbps download 3 Mbps upload | 12 Mbps download 3 Mbps upload |
|----------|--|---|--|
| Customer | Light Internet Users 10 GB/month | Moderate Internet Users 15 GB/month | Heavy Internet Users 25 GB/month |
| Price | \$49.99/month | 79.99/month | 129.99/month |

All plans require 24 month commitment. One time set-up fee of \$149.99 and \$6.95/month protection plan. Speeds are "up to" and not guaranteed. Actual speed will vary.

Call the Cooperative to sign up for Exede service at 1-800-494-6272.

Electric Thermal Storage

Electric thermal storage takes many forms. It can be a foot of sand beneath a cement slab being heated by electric mats, cables or panels. It can also be a room storage heater filled with ceramic brick that charges (heats the brick) in the middle of the night and give off the heat all day or as called for by the thermostat. Then there is the central storage furnace, which is filled with ceramic brick also. It charges the bricks from 11 p.m. to 7 a.m. and heats the home or business 24 hours a day. It can deliver the heat via forced air ductwork or to in-floor tubing (hydronic). It comes in commercial or residential models.

For many years the cooperative has made Steffes Central Storage Furnaces available to our members because they deliver such a warm, comfortable heat at off-peak (half-price) electric rates, and because they are such a reliable product. A central storage furnace is a stand-alone heat source, requiring no gas or oil back up. It is often combined with an air source heat pump used for cooling in summer and heating on marginal days when



Pictured is a Steffes central storage furnace display unit we showed at a previous annual meeting. A central storage furnace is a stand-alone heat source, requiring no gas or oil back-up. It is 100% electric and heats with electricity purchased in the middle of the night on half-price load management rates.

temps are above 20 degrees F. Steffes central storage furnaces deliver high efficiency and low cost heating.

The Steffes central storage furnace may be just the heat source you want for your new home or to replace an old, inefficient furnace. They even work for homes that need most of the home heated with forced air and the basement floor heated hydronically. Call the energy experts at McLeod Co-op Power today for more details on central storage furnaces at 1-800-494-6272.



Protect your home and family from fire and intrusion

McLeod Cooperative Power Association is one of 14 electric cooperatives that own Heartland Security Services, LLC. Heartland Security provides professionally monitored alarm systems that alert you or authorities when there is an intrusion or when smoke sensors detect a problem (long before your home is engulfed in flames like the one shown). Additional sensors for basement flooding, furnace failure, etc. can be added and all monitored for the one competitive monthly monitoring fee.

Heartland Security offers wireless and hard-wired systems, high tech control systems for you to check on your house via your smart phone, commercial cameras and card access systems, and much more.

Call Heartland Security today at 1-888-264-6380 for a free estimate by a local representative. Systems start as low as \$95.



Replace your old water heater with a new energy-saving Marathon

When you replace an old water heater (especially if it is leaking or having reliability issues) with a Marathon water heater, you start saving energy and money. Since the durable inner tank is encased in 2.5 inches of polyurethane foam insulation, there is almost zero heat loss through the walls of the tank. Your energy consumption will be cut as skin loss is minimized.

Marathon water heaters have a protective outer coat. The tank and insulation are enclosed within a durable, dent-resistant, molded-polyethylene outer jacket. The inner tank is corrosion resistant. The seamless, blow-molded polybutene inner tank is wrapped in multiple layers of filament-wound fiberglass, making it impervious to the rust and corrosion that can sharply curtail the operational lives of conventional water heaters tanks.

The 50, 85 and 105 gallon Marathon tanks sold by the Cooperative for residential use have a lifetime warranty against leaking for as long as you live in your home. If your tank fails, you get a new Marathon with no pro-rating deductions. No rust and no corrosion — ever! Marathon

residential models have a six year warranty on elements and thermostats.

Getting the new, high efficiency water heater is Step 1. The next step to gain some financial savings is to join the Hot Water Storage Program, where heating water is at half the regular electric rate. An average family of four can save \$35-\$40 a month if they are currently heating their water on the uncontrolled electric rate. By participating in the Storage Water Heating Program, where water is heated from 11 p.m. to 7 a.m. daily, members can save hundreds of dollar a year. This is a popular program — over 1,140 of our accounts participate in Hot Water Storage.



The Co-op guarantees your satisfaction with the program if you size the water heater according to our recommendations. For most families, an 85 or 105 gallon water heater will work. The Co-op provides a mixing valve at no cost when you join the Water Storage strategy. It will increase the gallons you get from your tank per day.

Call the Energy Experts at McLeod Co-op Power to get details on Marathon water heaters and the storage program.

Changes to ENERGY STAR rebate program for 2013

Rebates for high-efficiency heat pumps 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.

\$2000 maximum rebate per member. All 2013 rebates are on a first come, first serve basis, while funds last. Refrigerator/freezer units will require recycling of the old unit to qualify for rebates.

2013 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

Storage Space Heating

\$ 40/kW

ECM Motor

\$100

Uncontrolled electric water heater going on the Storage Water Heating

with high efficiency water heater*

\$300

New construction or gas conversion to Storage Water Heating*

\$300

Peak shave to Storage Water Heating*

\$300

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)

Limited rebates are on a first come first served basis this year

Rebates for load management, Energy Star appliances, and energy conservation grants will have limited funding for 2013. Rebates will be processed on a first come, first serve basis and when we run out of funding for 2013, rebates will cease. So do not delay if you are planning on making a purchase of an energy-efficient heat pump, refrigerator or other eligible product and you are counting on a rebate. Make your purchase and turn in your rebate paperwork early in the year.

Most rebates remained at the same dollar amount as the 2012 rebates. Changes include:

- 1) water storage rebates increased to \$300;
- 2) rebates on central air conditioners will not be offered in 2013, however rebates for air source heat pumps will remain the same; and
- 3) rebates will be limited to a maximum rebate of \$2,000 per consumer.

If you have questions on rebates for 2013 call the Cooperative at 1-800-494-6272. Visit our website at www.mcleodcoop.com to download rebate forms for ground source heat pumps and appliances. Forms for air source heat pump installations are completed by your certified installer.



Operation Round Up donation applications are being accepted until March 1

Community and civic groups, emergency responders and other 501(c)3 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 McLeod, Renville, Sibley or Carver Counties. Funding is from the generosity of electric cooperative members who round up their electric bills.

Application forms are available by calling the Cooperative at 1-800-494-6272. Applications for funding must be completed and returned to the Cooperative by March 1, 2013.

It takes members rounding up their electric bills to make Operation Round Up a success

The volunteer board of cooperative members which selects recipients of Operation Round Up funds for local non-profit community projects, would like to encourage ALL cooperative members to round up their electric bill for Operation Round Up. If more members were to round up their monthly bill to the nearest dollar (pocket change per member) it would dramatically increase the number of local projects that could be funded.

The amount a member contributes is never more than \$11.88 per year and usually averages \$5.94 per member. But together with the other participating members your pocket change can make a big difference. Your donation is tax deductible and your total donation for the year prints right on your electric bill as a receipt.

This is one of the easiest ways to support worthwhile projects in our service area. Local projects that benefit our local communities can happen with local Operation Round Up change. Just fill out the coupon on this page and send it in to McLeod Co-op Power. Include it with your electric payment if you wish.

Yes, sign me up for Operation Round Up. I understand that my bills will be rounded up to the next dollar amount and the proceeds will be used for local charitable programs.

Name: _____

Address: _____

City: _____ Zip Code: _____

Account #: _____

Signature: _____

Coal Creek tour to include Medora Musical & Pitchfork Fondue in 2013

The Coal Creek Tour is scheduled for June 17-19, 2013. Coal Creek Generation Station and Falkirk Coal Mine are again on the itinerary, but added to the tour is a trip to Medora. Participants will spend a night in Medora, take in the Medora Musical and eat at the Pitchfork Fondue experience. Last year, was the first time Medora was included in the tour and it was a very popular addition and seats filled up fast.

Cost will be \$400 per person double occupancy or \$500 per person single occupancy. If any members are interested, we are starting to take reservations. Call the Co-op at 1-800-494-6272 and ask for Katie.



Where can the Co-op reduce costs?

Tree trimming

The Cooperative is continually looking at ways it can reduce costs. Tree trimming is one expense that has a potential for savings, if we can get our members working with us to minimize the number of places we need to trim trees and how often they need to be trimmed.

Trimming trees to keep them out of power lines costs the Co-op and its members approximately \$290,000 a year. Tree trimming is one of the Co-op's largest maintenance items, accounting for about 34% of the maintenance budget annually. It is an even bigger expense than maintaining our electric lines and facilities. This is money spent on trees that the Cooperative does not own or benefit from. This money is used for trimming or cutting consumer's trees that were planted under or near existing power lines.

Why do we trim trees?

1. Trimming trees is something that the Co-op must do when trees are a potential hazard to our lines. When trees get into lines they interrupt power when they make contact with a line, making your lights blink. Or they take the power out completely if they fall on the lines.
2. Trees that grow into our lines can conduct energy into the ground. This is called "line loss". The Co-op and its members pay for this lost power even though it never gets to your meter and we get no usable work from the energy. It is energy that we have purchased from Great River Energy but do not get any benefit from.

3. We also trim trees to protect the safety of the general public, our member's and our employees.

McLeod Cooperative Power hires a tree trimming contractor to do the majority of tree cutting and trimming. We hire contractors because our own crews cannot keep up with the requests from consumers to trim and cut their trees. It also costs less and is more efficient to have experienced tree trimmers cut trees than have electric linemen who are trained to build and repair high voltage lines do chainsaw work. We are able to send contract tree crews to work in one township at a time, staying at the job until that area's wires are clear. When the tree crews have time, they can respond to specific member requests for trimming in other parts of our service area.

We ask members to remember that we are there to get good clearance for our electrical lines and to help keep the power on when we have ice or wind storms. We are not there to spend hours trimming a tree so that it looks symmetrical when we are done. We leave you the wood to do with as you choose. It is the member's responsibility to dispose of the wood. Our tree contractor will chip the brush and leave the wood. If we paid our contractor to remove the trees our tree maintenance budget would go up instead of down.

In some cases, burying wires underground may be a good solution to avoid having to trim or cut trees, however normally conversion to underground conductor is



too expensive to be feasible. The installed cost of underground electrical services is about one-third more expensive than overhead conductor. And if there is an outage, the time to locate and repair an underground fault takes longer. But there are some cases where burying lines does make sense.

How can members help reduce the Co-op's tree trimming expense?

1. Don't plant new trees under or near power lines. Always look up before you plant a tree and stay far away from any overhead lines.
2. When we come to trim your trees please allow us to either cut them down or allow us to take a minimum of 15 feet clearance on either side of the power line. This would allow us several years before we would have to trim them again.
3. Volunteer to clean up brush on your property if you can.