

McLeod Cooperative Power NEWS

January 2016

In this issue...



Using space heaters efficiently..... 4



Washington D.C. Trip for Juniors and Seniors..... 6

Official publication of



Be alert to scams!

McLeod Co-op Power does not send e-mail or text messages to its members demanding payment of bills.

The Cooperative may call to remind you that a past due payment may be mailed in to the office, deposited in our 24 hour drop box at 1231 Ford Avenue in Glencoe, or you may call us at **320-864-3148** or **1-800-494-6272** to make a credit card payment (with \$5 convenience fee). You will not be asked to purchase any pre-paid card to keep your electric service from being disconnected.

Do not call into phone numbers other than those above to make payments. Scammers may pretend to be the Co-op. Do not be fooled! Call us if you think you have received a scam call.



Please Complete Satisfaction Survey. We really want your input!

You could win one of ten \$100 electric bill credits.



The Cooperative would really like your ideas on how we can meet your needs and serve you better. Every few years we send a satisfaction survey to our members to request your opinions and find out how satisfied you are with your service. We want your feedback.

All MCPA members will receive a survey in their electric bill in mid-January. Please fill out the survey form. Seal it and put it in the mail. It is a postage-paid mailer and will go right to the company tabulating the surveys for us.

With many land lines no longer being used, it is important for the Co-op to have correct contact information for members. Each member who

provides their name, e-mail address, and active cell/home phone numbers will be entered in the drawing for ten \$100 electric bill credits.

This survey provides important information to the Cooperative. It shows us how satisfied you are with your rates and service compared to previous years. It shows us where improvement may be needed. It gives you an opportunity to tell us what additional services you would like to see us offer. It helps us meet your needs better. So, please take a few moments and complete your survey in January.

Retail rates to increase effective March 1, 2016

The McLeod Co-op Power Board of Directors approved a retail rate increase that will go into effect March 1, 2016.

Members will first see this increase on the bills received in April for March energy use. This retail rate increase amounts to a 2.1% overall increase in revenue for 2016. However, the actual percentage that each account will increase will vary depending upon the number of kilowatts used and adjustments to the specific rate of the account. An average residential member on the single-phase Farm

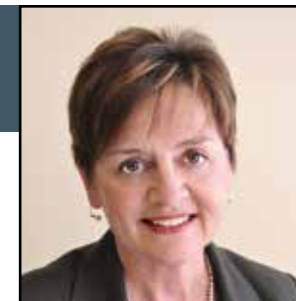
& General Service Rate, using 1,400 kWh per month, will see an increase of 4.57% or about \$8.80 per month.

The Cooperative recently completed a Cost of Service Study. The MCPA Board of Directors reviewed the study, which is done every 3-6 years to make certain that rates are fair and equitable to all rate classes. A rate study also makes certain that the Cooperative will receive sufficient revenue to continue providing reliable electric service, be able to

pay for wholesale energy purchases, and meet its financial/mortgage requirements.

The last time a full rate study and retail rate increase was implemented was almost six years ago in 2010. Since then rates have not increased except for occasional changes via the power cost adjustment, and an increase of the Single-Phase Farm & General Service fixed charge to \$27.50 in 2012.

Continued on page 8



Planning for the Co-op's Future

Happy New Year! I always enjoy the New Year and the opportunity to start anew. In 2016 we start with a new Strategic Plan.

Your Board of Directors are planners! Late last summer, your Board of Directors and the Cooperative's Senior Staff enthusiastically came together to develop a new three year strategic plan.

Strategic planning is critical to your Cooperative's success. But, what is strategic planning? In my mind, strategic planning provides a road map for the strategies, goals, and activities we undertake to maintain a well-run cooperative. It is also a great tool for identifying the best ways to serve our members in new and innovative ways.

It is also an opportunity for senior staff and your board of directors to interact in a less formal manner than at a board meeting, allowing for new ideas to come forth. I liken it to a quote from Robin Jones Gunn, "In Africa we have a saying, 'If you want to go fast, go alone. If you want to go far, go together.' Ponder what it would be like if we went together. Not alone and fast, but together and far." The results of our two-day planning effort were truly a collaboration and a road map to success.

To facilitate the process, we engaged a seasoned electric

co-op strategist who also brought outside industry experience. Our facilitator worked with Senior Staff ahead of the Board/Staff session to identify the Co-op's potential in light of its strengths and weaknesses. Using that information as a reference point, we identified and analyzed opportunities for growth and potential challenges. We also took an in-depth look at the Cooperative's internal business culture and overall performance.

The following is a general overview of our 2016-2018 strategic priorities. Put another way, it provides a frame of reference for our short and long-term operating plans. From these priorities we have developed initiatives, action plans, and timelines to implement positive advancement for the Cooperative.

Strategic Priorities listed in no particular order:

#1 — Review each business line: McLeod Power has a number of diversified services besides our core business of delivering electricity. We intend to review each business line to insure it still adds value to our members.

We also intend to explore new diversified services to meet the needs of our members.

#2 — Focus on Continuous Improvement: From efficiency improvements to succession planning for retiring employees, we intend to focus on seizing

opportunities for cost containment and improved services.

#3 — Focus on Economic Development: One of the seven cooperative principles is Concern for Community. A strong community creates a strong cooperative. Through business and economic development strategies, we intend to bring new business to our community and the Cooperative.

#4 — Move forward in Technology: Technology, used wisely, can increase our efficiency, better enabling us to serve you, our members.

#5 — Exceed the individual expectations of our members and customers: To better understand the changing needs of our members and customers, and to provide solutions that exceed our members' expectations.

Even before we established our strategic priorities, it was important to revisit and update our Vision, Mission, and Values statements to guide us in our planning.

Vision — Be the first choice for energy, services, and products for our members and customers.

Mission — To enhance the quality of Life for our members and customers through effective solutions.

We value —

Quality of life for our members and customers.

The trust of our members and customers.

High organizational ethics, sound business practices and reliability.

Safe work practices and safety education.

Leadership within the industry and our communities.

Communication with our employees, members, and customers.

Providing expertise to our members, customers, and business partners.

Benefits of offering diversified services.

The Strategic Plan is not a static document and is likely to change based on economic circumstances and changing member and customer needs. This Plan is adopted by the Board of Directors and shared with our employees in order to set a clear vision of our path to the future. That vision is to "Be the first choice for energy, services, and products for our members and customers."

Sincerely,
Carrie

Board of Directors

District 1
Oria Brinkmeier, **Lester Prairie**

District 2
Joe Griebie, **Brownton**

District 3
Roger Karstens, Vice President
Hutchinson

District 4
Doug Kirtz, Secretary-Treasurer
Hector

District 5
Allan Duesterhoeft, **Hutchinson**

District 6
Gary Burdorf, **Arlington**

District 7
Randy Hlavka, GRE Representative
Silver Lake

District 8
Keith Peterson, President
Hector

District 9
Gerald Roepke, Asst. Secretary-Treasurer
New Germany

McLeod Cooperative Power News

USPS 2220
Periodicals Postage Paid at Hutchinson, MN
POSTMASTER: Send address changes to
McLeod Cooperative Power News
P O Box 70, Glencoe, MN 55336-0070

The **McLeod Cooperative Power News** is published monthly for \$4.84 per year for members and \$8 per year for non-members by McLeod Cooperative Power Association
1231 Ford Ave. North, Glencoe, MN 55336-0070

Editor: Sue Pawelk
General Manager: Carrie L. Buckley

The McLeod Cooperative 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 shown.

Office Hours:

Monday - Friday
7:45 a.m. - 4:30 p.m.

Phone: 320-864-3148
1-800-494-6272

24-hour outage: 1-800-927-5685

Fax: 320-864-4850

Web site: www.mcleodcoop.com

Gopher State One Call 811 or 1-800-252-1166

McLeod Cooperative Power Association is an equal opportunity provider and employer.

Annual Meeting will be in Hutchinson this year

Mark your calendars.

This year's Annual Meeting is scheduled for Tuesday, April 12, 2016 at the Hutchinson Event Center. Business meeting is set for 10 a.m. with lunch to follow. Plan to attend this year's event.

Director applications accepted until January 19

Any member from Districts 7, 8, or 9 that would like to submit their name as a director candidate to the nominating committee, should submit a completed director application form to the Cooperative by January 19, 2016. Director application forms were published in the November and December newsletters and are also available upon request.

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

Cooperative members residing in Districts 7, 8, or 9 may petition to have their name added to the slate of candidates for the 2016 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, 2016.

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.

Solar array sold out



Co-op accepting reservations for next 50 panel array

By mid-December the last available panels in the MCPA Community Solar Garden were subscribed. Several members have expressed interest in the possibility of the Co-op making more solar panels available.

At this time, the Co-op is accepting the names of members who would like to participate in community solar. If enough members want to participate, the board of directors will consider the addition of 50 more panels at the site of

the current community solar array. There is sufficient space within the existing fenced solar array area to construct an additional 50 panels.

Call McLeod Co-op Power if you are interested in subscribing to panels in a future community solar array. Although no pricing has been determined, we assume the subscription price per panel would be similar to the \$1,550 per panel in the first phase of the project.

EPA power plant rule sets ambitious emission goals

States are drafting plans to achieve a 32 percent drop in carbon dioxide emissions.

The Environmental Protection Agency (EPA) released its final Clean Power Plan this summer. The rule requires states to meet emissions reduction goals for carbon dioxide (CO₂) emitted from existing fossil fuel power plants (i.e., coal and natural gas).

The Clean Power Plan is expected to achieve a 32 percent nationwide reduction in CO₂ emissions from the power sector in 2030 from 2005 levels.

Like all utilities, McLeod Cooperative Power and its wholesale electricity provider Great River Energy will be affected by the rule, and they are working hard to help state regulatory agencies prepare compliance plans that minimize negative impacts on members' bills or electric service.

"Great River Energy has several teams of employees and consultants working on this issue. We have teamed up to achieve the goals of the Clean Power Plan with the least burden on our membership," said MCPA General Manager Carrie Buckley.

Great River Energy's three coal power plants in North Dakota will be covered by the Clean Power Plan. The plants are among the most efficient and lowest in CO₂ emission rates in North Dakota, due in part to Great River Energy's continued focus on improving performance. The organization is working with other utilities and officials as the state of North Dakota develops its plan to comply with the EPA's new rule.

Although Great River Energy's power plants in Minnesota are not subject to the rule, the cooperative is also engaged in Minnesota's stakeholder process to help ensure minimal impact to rates and reliability from the state's plan.

The Clean Power Plan sets CO₂ emissions-reduction goals for each state. The rule allows states to trade under a multi-state approach, which Great River Energy has long supported. States are required to file implementation plans to the EPA by Sept. 6, 2016. They may request a two-year extension at that time.

How will states achieve emissions reductions?

The Clean Power Plan grants states flexibility in achieving their emissions-reduction goals. Compliance strategies can involve:

1. Improving heat rates at coal power plants
2. Substituting generation from less carbon intensive power plants (e.g., natural gas)
3. Adding low- or zero-carbon generation such as wind or solar
4. Providing incentives for consumer conservation
5. Trading credits with other sources within or outside the state

Exploring inner space

How to use space heaters efficiently

Dear Pat: *It's cold this winter! Instead of turning up my central heat, I'm considering purchasing a space heater to help warm my living room. I saw one in the store that is 100 percent efficient! What should I consider when choosing a space heater?* - Arthur C.

Dear Arthur: It can be more cost-effective to run a space heater than to turn up your central heating, but if you're not careful you may increase your electric bill. Generally, it is best to run a space heater when you need to heat just one or two rooms, or if you need temporary heat in a normally unheated area like a garage or shed. If you have a particularly cold-sensitive person in the home, it can be more efficient to use a space heater in the room they most often occupy rather than overheating the whole house.

However, be mindful of the costs that these little heaters can add to your electric bill. Nick Rusnell, an energy advisor with HomeWorks Tri-County Electric Cooperative in

Portland, Michigan, shared, "During an energy audit, I found three 1,500-watt heaters in the house of a co-op consumer with a high bill complaint. I did a cost analysis for him and he was shocked."

Do your own calculations for how much running one, two or three in your home would cost. And beware the efficiency hype around space heaters: electric space heaters are all 100 percent efficient at turning electricity into heat, but an ENERGY STAR air-source heat pump can be 300 percent efficient!

If a space heater is right for you, remember a few things to save energy and money:

- If you're using a space heater to heat the one or two rooms you use most, turn down your central heating so you don't heat up rooms you aren't using.
- Close doors to rooms that are being heated to avoid heat loss.
- Turn off the heater when not in use or get a space heater with a

- timer feature.
- Purchase a heater with thermostat settings and use the lowest setting that you are comfortable with.
- Select a space heater that is the right size for the space you need to heat; most will have a sizing table on the box.

Due to safety and air-quality concerns, portable propane and kerosene space heaters are not recommended for use in a home or other unventilated area. Even when installed properly, these types of heaters can emit carbon monoxide. Instead, look for an electric space heater; there are two main types:



Example of Infrared Space Heater.
Photo Credit: Freeimages.com/Ryan Bourne

Infrared heaters: Radiates heat to the objects and people directly in front of it, rather than the air in the room. If you are often sitting in one place, such as at a desk, this

can be a good option. Note that the surface of these heaters can get very hot.



Example of Fan-Forced Convection Space Heater.
Photo Credit: Freeimages.com/Chris Witham

Convection heaters: Uses convection to warm and cycle the air in a room. These heaters are relatively quiet and can be warm to the touch, but not so hot as to burn you. Some models use fans to push the air over warm coils; these heaters can warm a room faster, but are usually noisier.

If you need a space heater to keep your home comfortable, this may be a sign that your home needs insulation or air sealing, both of which can be great investments and significantly reduce your energy bills. You can consider simple short-term measures, such as:

- Putting in weather stripping around drafty doors/windows.
- Hanging thermal curtains or installing window film.
- Using rugs to cover uncarpeted floors.

In the longer-term, increasing your home's insulation or switching to a more efficient heating system such as a ductless heat pump, can be a more cost-effective solution.

NOTE: If you have a Dual Fuel system without an automatic back-up, do not use an electric space heater during control. Doing so cancels out any benefit to using control to manage the peak.

Patrick Keegan 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.

Calculate Your Space Heater Cost



Most space heaters are 1500 watts. If you're operating a space heater 8 hours a day and your rate is **\$0.12 per kWh** = (1500 watts X 240 hours/month X \$0.12/kWh) / 1000 = **\$43.20/month**

Space Heater Safety Tips

Regardless of the kind of space heater you purchase, practice safety: space heaters are involved in more than 80 percent of fatal home heating fires. When you purchase your heater, check that it has the following:

- Tip-over safety switch, which automatically shuts the heater off if it tips over
- Temperature sensor to detect when any internal components become too hot
- Guard around heating element to protect curious hands or paws
- UL-listing or other certification to show that it meets voluntary safety standards

Practice safety, and teach your family what to do:

- Use the heater only on a flat surface
- Plug the heater directly into the wall instead of an extension cord and avoid plugging anything else into the same outlet. If you must use an extension cord, use the shortest possible heavy-duty cord
- Keep the heater away from pets, children and flammable items like bedding, furniture and curtains
- Don't use in the bathroom unless it is designed for bathroom use; moisture can damage the heater
- Don't leave a heater unattended – turn it off for safety and to save money!

Twin Cities auto show ignites a new title sponsor: Great River Energy

The Twin Cities Auto Show, produced by the Greater Metropolitan Auto Dealers Association of Minnesota (GMADA), announces that Great River Energy has signed on as title sponsor of the Electric Room for the 2016 event. Formerly known as the Green Room, the all-new Electric Room will feature the latest technology in electric and hybrid vehicles. The 43rd Annual Twin Cities Auto Show presented by SuperAmerica will be held March 12–20, 2016, at the Minneapolis Convention Center.

“The Twin Cities Auto Show strives to showcase the green technology available from franchised dealers. Our electric room meets that demand,” said Scott Lambert, executive vice president of GMADA. “Electric vehicles (EVs), with their silent ride and immediate torque, are not only exciting to drive, they provide lower overall impact on the environment. We are thrilled that Great River Energy will be onsite to help educate and answer questions about this emerging technology.”

The electricity that powers EVs can come from many sources including hydro, wind, solar and nuclear power. This enables EVs to dramatically reduce air emissions. Featured at the event will be Revolt, a first-of-its kind program that allows Great River Energy cooperative members to upgrade the electricity used to fuel their vehicles to wind energy, at no additional cost. Renewable sources are already part of Great River Energy's power mix, but the Revolt program provides a more direct connection between wind energy and the EV driver. “Our Revolt program allows consumers to further support the use of renewable energy. We are dedicating wind energy to completely cover the electricity that a consumer uses to fuel an electric vehicle for the vehicle's lifetime,” says David Ranallo, Great River Energy Revolt program manager. “We hope it acts as a spark to ignite awareness around electric vehicles in Minnesota. We believe utilities play an intrinsic role as our members consider purchasing or leasing plug-in EVs. We want them to know that their electric cooperative is here to partner and provide safe, reliable and affordable electricity to fuel their vehicles. We hope to engage Auto Show attendees through our exhibit in the Electric Room and build awareness with consumers around plug-in EVs.”

-PR News Wire

Ceiling Fans Can Increase Comfort and Save Money All Year

Ceiling fans can bring numerous energy saving benefits to the home. Most ceiling fans use only about as much power as a 100 watt light bulb. When used properly, ceiling fans can save you money in utility bills in both the winter and summer months while creating greater comfort.

Choosing the Right Size

Ceiling fan blade spans range from 29 – 54 inches - the most popular being the 52-inch model. To determine which size you need, measure the room where the ceiling fan will be installed and follow these guidelines:

Room Dimensions	Suggested Fan Size
Up to 75 sq. ft.	29 – 36"
76 – 144 sq. ft.	36 – 42"
144 – 225 sq. ft.	44"
225 – 400 sq. ft.	50 – 54"

During the Winter, rotate blades clockwise at a slow speed to pull warm air from the ceiling areas and push it toward the floor which will circulate cooler air from the floor toward the ceiling. This will help to create a more constant temperature throughout the room and reduce cold spots so you can keep your thermostat set at a lower temperature. In the summer, rotate fan blades counterclockwise and at a faster

speed to create wind chill which will allow you to feel cooler without lowering air conditioning temperatures.

Installation of Ceiling Fans for Optimal Efficiency

In order to reap the optimal energy saving benefits from your ceiling fans, it is important to install several fans throughout your home and office, placed in key locations. All of the most frequently used rooms should have a ceiling fan. For optimal performance, the blades of your ceiling fan should be between 7-9 feet above the floor, and 10-12 inches below the ceiling. If the blades of your fan are too close to the ceiling, you will not be able to make use of the winter time benefits, and may be 40% less efficient even in the summer time. Finally, the blades should be at least 18 inches from the nearest wall.

Wet/Damp Rating. Placing a ceiling fan in a bathroom or other humid locations? Purchase a fan that has been UL listed with a “damp” rating. For maximum energy saving benefits, you might consider an Energy Star ceiling fan. These fans circulate an average of 15% more air than other ceiling fans, without sacrificing style or attractiveness.

Source: energystar.gov; RLLD.com

What would members like to see? Coal Creek Tour alternatives



Only once in the past several years has the Co-op had enough members to fill the bus to go on the Coal Creek Tour. Are members too busy to take a three-day bus trip? Or is it too costly? Maybe members just are not interested in touring a coal plant, coal mine, or hydro dam in North Dakota?

The Co-op would like your ideas if there are other one day or longer tours that would interest members. Would a solar array tour or wind farm tour be of interest to you? Feel free to call the Co-op and share your thoughts. We always welcome member input.

MCPA News Ads — Free want ad service for members

Please limit your ad to nine words. Use the coupon printed here or available at McLeod Cooperative's front desk to submit your ad. Ads will be printed for one month only. Please submit a new ad if you want it published more than one month. Include your name and address, which will be used for identification purposes only. Ads must be received by January 28 to be included in the February issue. Thank you!

Please run this ad in the next MCPA News

Name: _____

Address: _____

Telephone number: _____

Remember to limit your ad to nine words!

1 _____ 2 _____ 3 _____

4 _____ 5 _____ 6 _____

7 _____ 8 _____ 9 _____

Clip and Send to: McLeod Cooperative Power, ATTN: Classified Ads
P.O. Box 70, Glencoe, MN 55336

Please check ad category

Giveaway

For Rent

For Sale

Wanted

For Sale - Miscellaneous

- Hallmark Tonka Toy Christmas ornaments. Never opened. Collectable. 320-583-0704
- Pronto electric wheelchair. Used less than 6 months. \$2,000. 320-234-7181
- 6ft 8in X 20ft Keifer trailer. Shedded. Good tires and floor. 320-864-5095

For Sale - Farm

- About 450 bales Timothy Hay. No rain. 320-296-5565
- 4 x 5 hay bales. 750lbs in shed. 320-864-5095

Wanted


- Three bottom plow on rubber, pull type. 320-296-6954

Cleaning out your garage, attic or spare room? Try listing it for free in the MCPA classifieds.

These want ads are designed to help members buy items from or sell items to other members, or rent their property to members. They are not designed to advertise services or for-profit business pursuits. That is why we do not offer a services column and do not accept advertisements for commercial businesses.

Disclaimer – McLeod Cooperative Power Association (MCPA) assumes no liability for the content of, or reply to, any item posted. The party posting any advertisement assumes complete liability for the content of, and all replies to, any advertisement and for any claims against MCPA as a result thereof, and agrees to indemnify and hold MCPA harmless from all costs, expenses, liabilities and damages resulting from, or caused by, any advertisement or reply thereto.

Power Line Worker Scholarships Offered



Students accepted into one of Minnesota's three power line technology programs for the 2016-17 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 Dakota County Technical College in Rosemount, you are eligible to apply. Applications and informative career brochures are available on the Coop's website or by calling the Cooperative at 1-800-494-6272. Applications must be completed and returned by April 15, 2016.

Experience Washington D.C.



Time for high school juniors and seniors to apply

High school juniors and seniors have until March 4, 2016 to apply for the Cooperative's Washington Youth Tour competition. One local youth will win an all-expense paid trip to Washington D.C. June 11-16, 2016 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 or visit www.mcleodcoop.com. You will have until March 4, 2016 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.

November Outage Summary

During the month of November the Cooperative had a total of 20 outages, affecting 137 consumers. Five of those outages were caused by squirrels or critters and five were due to material or equipment failure.

The largest outage was on Thursday, November 5, about 9:12 in the morning. Cause of the outage was a tree hanging into a power line. It affected 24 members south of New Germany for 39 minutes.

The second largest outage was caused by a squirrel or animal. It caused 19 members between Glencoe and Plato to be out of power for 48 minutes. The outage started at 9:06 a.m. on Tuesday, November 24.

Most outages affect only one or two members. They are frequently caused by small animals, trees in the line, equipment failure, or motor vehicle/machinery accidents. Larger outages affecting hundreds of members at a time are usually caused by transmission outages, storms, equipment failure to substation equipment, or accidents. Restoration time on weekend and evening outages, when line crews are called out from home, usually take a little longer to get back on than outages when crews are already out working on the project.

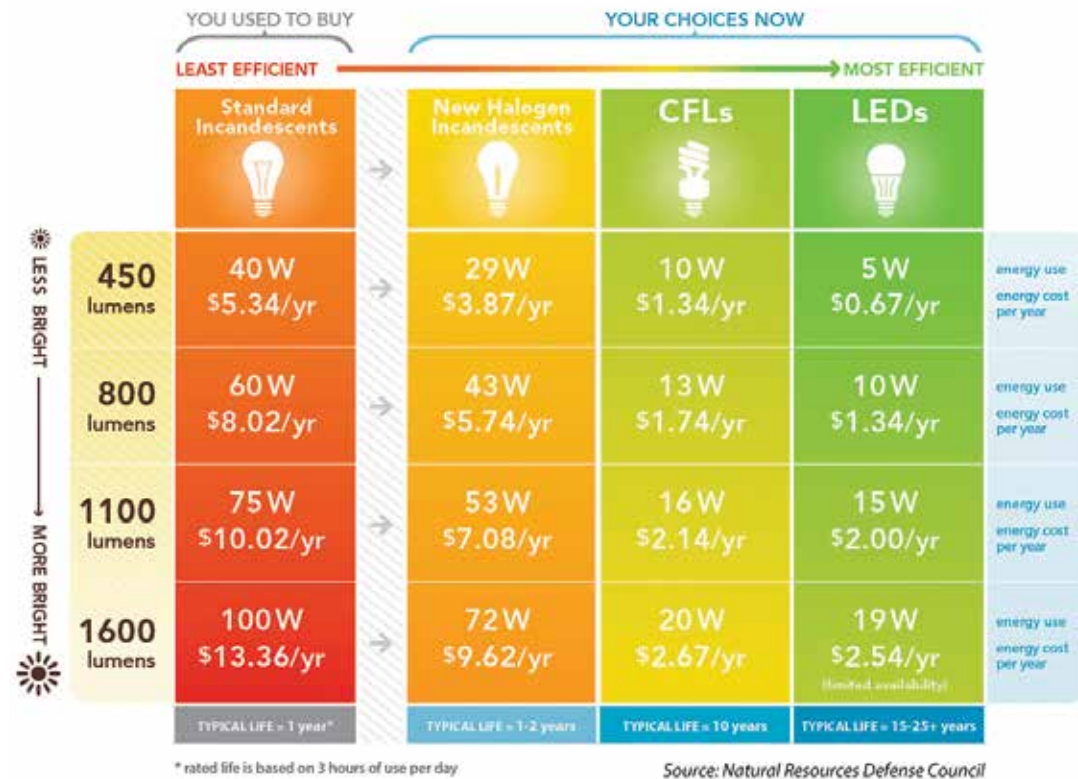
Online store features LED light bulbs and energy conservation products

McLeod Cooperative Power members have their own online store for purchasing LED light bulbs and energy conservation products. The site is designed to make shopping for household LED light bulbs easier for our members. All types and styles of LED bulbs available are EnergyStar certified and are warranted for several years. Many are made in the USA. The most popular household LED bulbs are eligible for a \$5 per bulb rebate, which is applied before you submit your order and giving you instant savings!

The site also gives members access to energy conservation products like faucet aerators, low-flow showerheads, programmable thermostats, Kill-A-Watt energy usage monitors, motion and photo controls, weatherization products,

hard-to-find LED lights for special applications, and LED yard lights. These items are not instantly rebated, however, it gives MCPA members access to high-quality and high-efficiency products that are sometimes hard to find.

Members can get to the store via McLeod Co-op Power's website (www.mcleodcoop.com) and clicking on the Lighting Store link on our home page. Members who do not have internet access can still order light bulbs and items via telephone (1-877-738-6824). Make sure to identify yourself as a McLeod Co-op Power member so you get the \$5 rebate on the featured household bulbs. All products will be shipped right to your home by our fulfillment partner Service Concepts, a cooperative business in Indiana.



Increased rebates for Storage Heating and Water Heating in 2016

The rebates for electric storage space heating has increased from \$40 per kW to \$50 per kW. This makes it more affordable for members installing a Steffes storage furnace, room storage heater or underfloor heating cables or mats. The rebate for joining the Hot Water Storage Program has been increased to \$400. This makes it more affordable to install a money-saving water heater on the storage rate.

The rebate for ductless air source heat pumps has increased to \$500 if the home has primary electric heat. For fossil fuel heated homes, the ductless heat pump rebate remains at \$300.

This year the Co-op will again be offering a \$60 rebate for a member who purchases and installs an LED yard light. This rebate is for members installing a new LED yard light or replacing an older, less efficient yard light on a building or their own facilities. (It is not available to consumers when the Co-op changes out a rental fixture owned by the Co-op to LED).

Rebate program for 2016

Electric Storage Water Heating*	\$400
Electric Storage Space Heating**	\$50/kW
Air Source Heat Pump	
14.5 SEER	\$480
15 SEER	\$580
16 SEER or higher	\$630
Ductless Air Source Heat Pump	
Delivered Fuels	\$300
Primary Electric Heat	\$500
Ground Source Heat Pumps (controlled or uncontrolled)	\$400/ton
ECM (fan motor)	\$100
Recycling of Old Refrigerator or Freezer	
with documented proof of recycling	\$75
LED Yard Light	\$60
ENERGY STAR Swimming Pool	
Air source heat pump	\$400
Variable speed pump	\$200
ENERGY STAR Dehumidifier	\$25

* Marathon or equivalent energy rated heater that is being installed on the Storage Program.

** ETS space heating rebate is exempt from \$2,000 per member maximum rebate limit.

There is a \$2,000 maximum rebate per member per year. Only Storage Space Heating rebate is not included in the \$2,000 cap. Rebates are always on a first come, first serve basis, so please turn in your paperwork promptly. Rebate forms are available for download from the Co-op's website. Air source heat pump rebate forms should be completed by installing contractor.



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. There will be no rebates on central air conditioners in 2016. The Cooperative encourages any member replacing their air conditioner to upgrade to an ENERGY STAR rated air source heat pump.

Rebate forms must be received by December 20, 2016 to be eligible for rebate.

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 McLeod Counties. Funding is from the generosity of electric cooperative members who round up their electric bills.

Application forms are available on the Coop's website or by calling the Cooperative at 1-800-494-6272. Applications for funding must be completed and returned to the Cooperative by March 1, 2016.

Retail Rate Increase Effective March 1

Continued from page 1

The most significant change will be to the System Delivery Charge (new name given to the monthly Fixed Charge). For Farm and General Service rate classes, the System Delivery Charge will increase from \$27.50 to \$33.50 per month for single-phase accounts and from \$40.00 to \$52.50 per month for three-phase accounts. With this increase in 2016, MCPA will move to collect about 80% of the actual cost to serve a farm or residential account, as indicated in the Cost of Service Study.

The System Delivery Charge (previously called Fixed Charge) is a monthly cost that MCPA collects from each member to help cover some of the costs of bringing electricity to your home, farm, or business. These delivery costs include investment in substations, taxes,

poles, wires, transformers, meters, etc. They also include, in part, our customer service functions, billing expenses, the monthly newsletter, and the cost of restoring power outages. This is the cost MCPA incurs to build, maintain, and deliver electricity to a member, whether they use 1 kilowatt hour or 2,000 kilowatt hours per month.

By increasing the energy rates, the power cost adjustment will be reset to zero, until such time in the future as it is needed to keep up with wholesale power cost increases.

The chart below shows the specific changes for the Farm & General Service Rates and the Energy Management Rate. New rate schedules will be mailed to members in February with their electric bills. Commercial accounts will be notified of their rate changes by mail.

How does McLeod's rate increase compare to other utilities?

Investor-owned utilities have been in the news, announcing rate increases. Minnesota Power requested a 14.5% increase to residential customers. Xcel Energy has asked for a 9.8% increase over three years, with 5.5% being the increase for 2016. Ottotail Power has requested a 3-4% increase per year. Other cooperatives are also raising rates as needed to keep up with increasing wholesale power supply costs and operating costs.

McLeod Co-op Power serves only three members per mile of line. Some of our neighboring cooperatives serve from four to 12 members per mile. The average Co-op serves 7.4 members per mile. Investor-owned utilities average 34 customers per mile and municipal utilities average 48 customers per mile. McLeod Co-op Power has similar costs per mile but has only a fraction of the number of consumers to share in paying those costs. That is one of the reasons why the System Delivery Charge (formerly fixed charge) is greater for MCPA than for our neighboring municipal and investor-owned utilities.

Comparison of Present and New Rate Schedules

<u>Present Rates</u>				<u>New Rates Effective March 1, 2016</u>			
<u>Farm & General - Single Phase (2)</u>				<u>Farm & General - Single Phase (2)</u>			
System Delivery Charge	@	\$27.50	/month	System Delivery Charge	@	\$33.50	/month
Energy Charge				Energy Charge			
Summer Months	@	\$0.1165	/kWh	Summer Months	@	\$0.1275	/kWh
Other Months	@	\$0.1065	/kWh	Other Months	@	\$0.1175	/kWh
Avg 12 Mo. PCA Charge	@	\$0.0090	/kWh	PCA Charge	@	\$0.0000	/kWh
<u>Interruptible and Storage Energy (3)</u>				<u>Interruptible and Storage Energy (3)</u>			
Energy Charge	@	\$0.0502	/kWh	Energy Charge	@	\$0.0588	/kWh
Avg 12 Mo. PCA Charge	@	\$0.0045	/kWh	PCA Charge	@	\$0.0000	/kWh
<u>Farm & General - Three Phase (5)</u>				<u>Farm & General - Three Phase (5)</u>			
System Delivery Charge	@	\$40.00	/month	System Delivery Charge	@	\$52.50	/month
Energy Charge				Energy Charge			
Summer Months	@	\$0.1115	/kWh	Summer Months	@	\$0.1200	/kWh
Other Months	@	\$0.1015	/kWh	Other Months	@	\$0.1100	/kWh
Avg 12 Mo. PCA Charge	@	\$0.0090	/kWh	PCA Charge	@	\$0.0000	/kWh
<u>Yard Lights</u>				<u>Yard Lights</u>			
Metered				Metered			
175 W MV	@	\$2.40	/month	175 W MV	@	\$2.50	/month
400 W MV	@	\$2.70	/month	400 W MV	@	\$2.80	/month
70 W HPS	@	\$3.30	/month	70 W HPS	@	\$3.50	/month
150 W HPS	@	\$3.60	/month	150 W HPS	@	\$3.80	/month
50 W LED	@	\$3.30	/month	50 W LED	@	\$3.50	/month
Unmetered				Unmetered			
175 W MV	@	\$9.25	/month	175 W MV	@	\$9.70	/month
400 W MV	@	\$18.25	/month	400 W MV	@	\$19.20	/month
70 W HPS	@	\$6.25	/month	70 W HPS	@	\$6.60	/month
150 W HPS	@	\$9.00	/month	150 W HPS	@	\$9.50	/month
50 W LED	@	\$6.25	/month	50 W LED	@	\$6.60	/month
<u>Street Lights</u>				<u>Street Lights</u>			
100 W HPS	@	\$19.00	/month	100 W HPS	@	\$20.00	/month
150 W HPS	@	\$20.45	/month	150 W HPS	@	\$21.50	/month
250 W HPS	@	\$22.70	/month	250 W HPS	@	\$23.80	/month
400 W HPS	@	\$26.25	/month	400 W HPS	@	\$27.60	/month
<u>Peak Shave Water Heater</u>				<u>Peak Shave Water Heater</u>			
4 hour	@	(\$4.00)	/month	4 hour	@	(\$4.00)	/month
8 hour	@	(\$5.00)	/month	8 hour	@	(\$5.00)	/month
<u>Air Conditioner Control Credits</u>				<u>Air Conditioner Control Credits</u>			
Summer Monthly Credit	@	(\$8.00)	/month	Summer Monthly Credit	@	(\$8.00)	/month