

MCLEOD COOPERATIVE POWER

NEWS

AUGUST 2021



GREAT RIVER ENERGY POWER SUPPLY TRANSFORMATION CONTINUES

The new ownership group for Coal Creek Station plans carbon capture and renewables.

Great River Energy, McLeod Co-op Power's wholesale power provider, reached an agreement to sell the Coal Creek Station power plant. On July 30 at a special meeting, Great River Energy's member cooperatives approved the sale of Coal Creek Station and the high voltage direct current (HVDC) system that extends between central North Dakota and Minnesota to Rainbow Energy Center, LLC and Nexus Line, LLC, respectively.

"We are excited for what the future holds for our North Dakota employees and the communities surrounding Coal Creek Station," said Great River Energy President and Chief Executive Officer David Saggau. Selling the plant also offers additional benefits for Great River Energy's member-owners compared to shutting it down.

The sale of Coal Creek Station averts the plant's closure, which was scheduled for the second half of 2022 unless a buyer was found. Rainbow Energy Center will continue to operate the 1,151-megawatt (MW) power plant using current plant employees they hire. Rainbow Energy Center also plans to develop carbon capture and storage at Coal Creek Station.

This commitment by Rainbow Energy Center to pursue carbon capture and storage at the plant is good for the environment, employees at the plant and adjacent mine, as well as the nearby communities. Carbon capture has support from the business community, environmental advocates, the White House, and elected officials on both sides of the aisle because it can help the United States retain the grid and employment benefits of power plants like Coal Creek while contributing to the fight against climate change. Rainbow Energy Center plans to add incremental generation from renewables to fully utilize the capacity of the HVDC transmission system.

"The successful implementation of carbon capture and storage is central to our plans at Coal Creek Station," said Rainbow Energy Marketing Corp. President Stacy L. Tschider. "As a privately held company, we are uniquely positioned to continue the successful legacy that Great River Energy and its employees have established in North Dakota."

Great River Energy will purchase 1,050 megawatts of power from Rainbow Energy Center, LLC for approximately two years, followed by 300 megawatts for approximately eight years. Additionally, Great River Energy will operate and maintain the HVDC system for Nexus Line, LLC using existing Great River Energy transmission employees under a 10-year contract.

Great River Energy projects that the transaction could save its members approximately \$130 million compared with shutting down Coal Creek Station, and it will help ensure that Great River Energy continues to provide its member-owners with reliable and affordable electricity as the cooperative builds its future power supply portfolio.

"We are building a power supply portfolio that will serve our member-owner cooperatives with clean, affordable, and reliable energy for decades," said Saggau. The cooperative will add 900 MW of wind energy by 2023 and remains on track to meet Minnesota's 80% carbon dioxide reduction goal ahead of schedule.

The sale of Coal Creek Station and the HVDC system is expected to close later this year after required approvals are obtained.

HIGHER THAN USUAL BILLS EXPECTED

The blazing heat has been in full effect this summer season. It's important to know, when it comes to your electric bill, weather matters! It only takes a few hot days to make a significant impact on your bill and we've had our fill this year.

High temperatures inevitably drive up summer electric bills as people spend more time indoors, running their air conditioners, and using appliances and electronics more often.

Remember, your bill reflects the previous 30 days of usage. So as you open your electric bill this month, be prepared and remember how the heat impacted your lifestyle. In addition, know that McLeod Co-op Power is here to work with members facing difficulty paying their bills.



DEPARTMENT OF COMMERCE EXTENDS ENERGY ASSISTANCE ELIGIBILITY

The Minnesota Department of Commerce has expanded the Energy Assistance Program (EAP) by raising income eligibility and extending the deadline to apply to September 1, 2021.

Households with incomes at, or below, 60% of the state's median income (about \$65,000 for a household of four) may be eligible for assistance with home heating costs and furnace repairs. Please call a local assistance agency or the McLeod Co-op's Member Service department with questions.

ANNUAL MEETING
AND ELECTION RESULTS

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WHAT TO DO DURING
A POWER OUTAGE

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OFFICE CLOSED

The McLeod Co-op Power office will be closed on Monday, September 6, 2021 in observance of Labor Day. Please call (800) 927-5685 in the event of an outage or emergency.

SAVE THE DATE

McLeod Co-op Power is excited to host an open house at our headquarters on October 13. Mark our calendar and watch for more details in next month's newsletter.



CEO MESSAGE

In June, I quietly celebrated my one-year work anniversary at the cooperative. A lot has happened since I have been here. When I was preparing my comments for the Annual Meeting that was in July, I came to realize, yet again, this cooperative is continually evolving to meet the expectations of our members. The success of this evolution comes from all the people in our communities. The board continues to set a vision for the future that the employees are striving to bring to reality with the support of you all.

The Annual Meeting that happened in July was my third meeting at this cooperative but my 29th in my career. Ok, yeah, some of you are probably asking, “If you have only been at the cooperative for a little more than a year, how could you have attended three meetings?”. COVID. Enough said right? On my second day in 2020, the Annual Meeting was scheduled and because of the pandemic at the time, we were not able to establish a quorum. We then successfully reconvened for a second meeting later in 2020.

This year’s meeting was the beginning of getting back to normal. We had a great turnout, with roughly 250 people in attendance. It was great seeing all the faces and meeting everyone. The meeting was a place to rebuild our connections as a cooperative after the disruptions of COVID. The primary takeaways from the meeting were that the employees and members persevered in 2020. Our operation and engineering teams continue to improve the electrical system. Our financials were healthy in 2020 while we also brought the new headquarters building project in on time and on budget.

One other announcement that was made at the annual meeting was SmartHub. SmartHub is our online and app-based system that allows for anyone to pay their bills 24/7, but more importantly manage your electric account via a smartphone or computer. For example, you can report



outages and receive outage notifications. Also, you can now log into the SmartHub system to see your usage down to the hour. So, if you have ever wondered how much power that the AC is using, that answer is now at your fingertips.

I have spent over 28 years in the cooperative world, and every day I am proud to be part of a business that puts its members first. If you didn’t make our Annual Meeting this year, I hope you can catch it next year. For those who did make the meeting, I promise to try to shorten my answers to all those great questions that will come up.

Enough of the Annual Meeting chatter. Let’s chat about a topic that is sure to be a talking point in the upcoming months. As we mentioned in the past, Great River Energy (our power supplier) decided to either close or sell a major coal plant – Coal Creek Station. This decision for GRE was not taken lightly. Coal Creek Station became uneconomical for GRE. GRE has been working hard on this and ultimately found a buyer for the power plant. At the July board meeting, the Co-op’s Board of Directors voted to support the sale of the plant. GRE had a meeting of its members on July 30. At their meeting, the GRE members approved the purchase agreement. This means with the sale, the plant will stay open, just under new management.

Everyone stay safe.

Cooperatively,

R1 PL

JULY 2021
BOARD MEETING
HIGHLIGHTS

The Regular Meeting of the Board of Directors of McLeod Cooperative Power Association was held on July 27, 2021, at McLeod Co-op headquarters. All nine board members, the attorney, CEO Ron Meier, and department managers participated in the meeting.

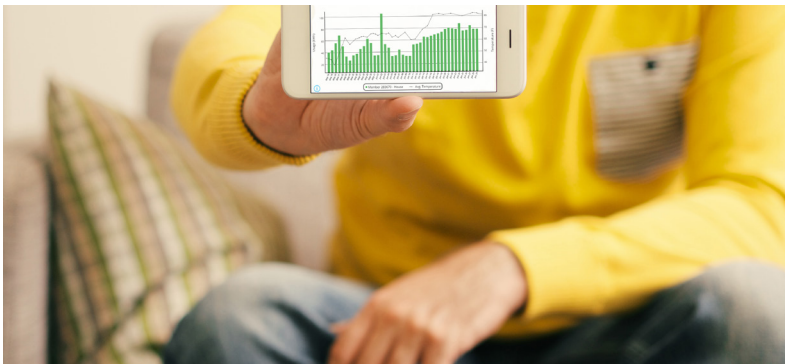
Highlights of the meeting included:

- The outage report for the month of June was reviewed with a total of 78 outages, affecting 1185 consumers. The large increase was due to a high side fuse at the High Island Substation that affected 955 consumers.
- Burnham Tree Crews are working in Collins Township.
- An Apprentice Lineworker has accepted the vacant position and will begin July 28.
- The results of the recent Member Survey were reviewed with a total of 1,665 surveys were returned.
- Finance Manager, Steph Jakel, presented the Operating Statement and Balance Sheet for the month of June 2021 for review.
- A motion was carried to approve Resolution 2021-07-01 The sale of Great River Energy (GRE) Coal Creek Station and the High Voltage Direct Current (HVDC) Transmission Line.
- Motions were made carried to approve CEO Ron Meier as the Voting Delegate for the NRECA Region 5 & 6 Meeting and the CoBank Director Election.
- A motion was carried to accept the proposed contract for legal services with Melchert Hubert Sjodin and continue representation with Attorney Jason Thiemann.
- A motion was carried to approve Director Hlavka as the GRE Member Delegate and Director Duesterhoeft as the Alternate for the GRE Special Meeting on Friday, July 30.

ELECTION RESULTS

The Nominating Committee shared the election results with the membership as part of the 2021 Annual Meeting. The candidates elected by the membership included Doug Kirtz of District Four, Allan Duesterhoeft of District Five, and Gary Burdorf of District Six.

ANNUAL MEETING HIGHLIGHTS



Take Control
Of Your
Account



SmartHub is a web and mobile app that allows you to interact with us like never before. View and pay your bill, monitor your energy use 24/7, report outages and service issues, and much more. Billing notifications ensure you never miss a payment, which you can make through the app with just a few clicks. Learn more at www.mcleodcoop.com!

⚡⚡⚡ 2021 ⚡⚡⚡

POWER OUTAGES

MONTH	OUTAGES	MEMBERS	AVG. MINUTES
January	45	89	51.24
February	47	154	30.41
March	67	1,050	50.08
April	74	152	81.07
May	53	223	82.28
June	78	1,185	94.26

WHAT'S CAUSING OUTAGES?



PLANNED
62.38%



ANIMALS
10.47%



UNKNOWN
5.49%



OTHER
5.49%



PUBLIC
5.21%



MAINTENANCE
4.94%



WEATHER
3.29%



EQUIPMENT
2.73%



NO POWER? NO WORRIES

Protect your home and family from the expense and inconvenience caused by power outages.

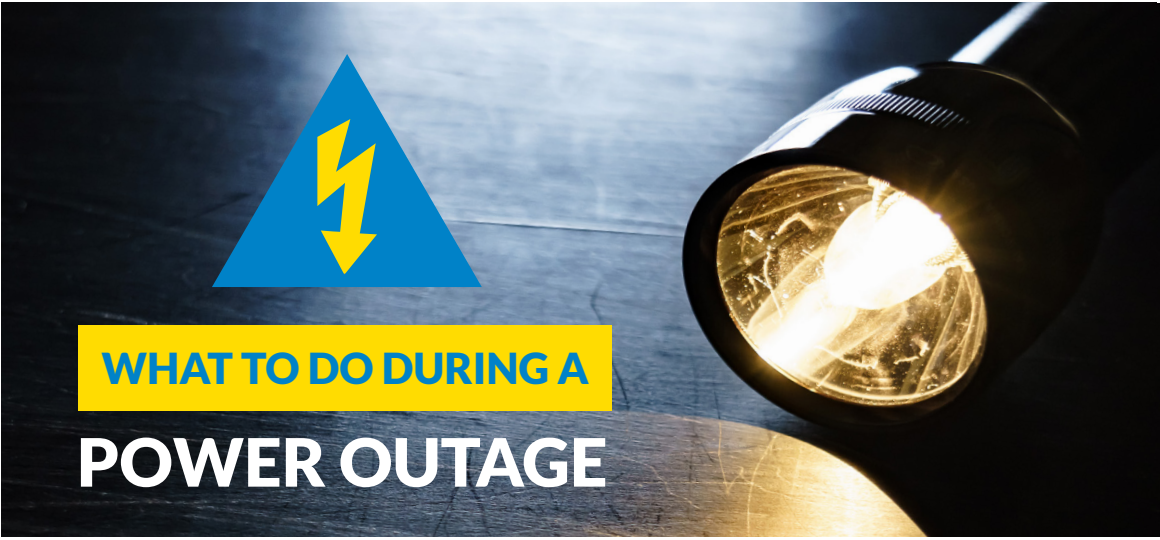
LIMITED TIME OFFER:
Purchase a Briggs and Stratton Automatic Generator from McLeod Co-op Power by August 31, 2021, and we'll include the 1st year's annual maintenance at no cost (valued at \$200).

Call (800) 494-6272 for more info!



ENERGY EFFICIENCY

When shopping for new light bulbs, know the difference between lumens and watts. Lumens measure the amount of light produced by the bulb. Watts measure energy consumption. Energy-saving LEDs come in a variety of colors and brightness levels and last 15-25 times longer than incandescent bulbs.



SOMETIMES POWER OUTAGES ARE UNAVOIDABLE: ITS BEST TO BE PREPARED

It's difficult, perhaps almost impossible in some cases, to live without electricity in today's world. That's why McLeod Co-op Power does everything possible to keep the lights on. However, despite our strong reliability record, there are many reasons why even the best utilities experience outages.

Most outages occur during storms that produce high winds which can cause trees to fall into the power lines. Vehicle accidents and squirrels are also among common reasons for power outages.

By being prepared and informed, you can assist us in restoring power in the timeliest manner possible. Follow these tips:

BEFORE AN OUTAGE

- Update the phone number and e-mail address on your McLeod Co-op account so you can be served faster in the event of an outage.
- Stay tuned to weather forecasts.
- Make sure your emergency outage kit is fully stocked and easily accessible.
- Develop an emergency plan that addresses any special medical needs you or your family members have. If you or a family member requires some form of life-support, make sure you are on the Co-op's Critical Medical Account list before an outage occurs. You may also consider obtaining a backup source of power if the power does go out for an extended period.
- Purchase appliances with built-in surge protection or install surge protectors to help safeguard valuable electronic equipment.

IF YOUR POWER GOES OUT

- First check your fuses and circuit breaker.
- **Report your outage using SmartHub or by calling (800) 927-5685.** Do not rely on your neighbors to report your outage. Have your account number ready when you call.
- Inform the dispatcher of any information about the cause of the power outage, if known, such as tree on the line or line down, etc. This information will help our crews expedite power restoration.
- Stay away from downed power lines, flooded areas and debris. Treat all fallen wires and anything touching them as though they are energized and immediately report downed lines.
- Turn off all appliances, including your furnace, air conditioner, water heater and water pump. Leave on one lamp to know when power has been restored. That

way you can avoid a circuit overload and another outage that may result when power is restored to all appliances at once.

- Keep freezer and refrigerator doors closed. Food will stay frozen for 36 to 48 hours in a fully loaded freezer if you keep the door closed. A half-full freezer will generally keep food frozen for 24 hours. For refrigerated items, pack milk, other dairy products, meat, fish, eggs, gravy and spoil-able leftovers into a cooler surrounded by ice.
- Follow safe operating procedures for generators. Never operate one inside your home or in an enclosed space, such as a garage.
- Listen to the local radio station or regular news and weather updates.
- Follow McLeod Co-op Power on Facebook for regular outage updates.
- Avoid travel if possible, but If you must, please help protect line workers and crews when you see them on the roadside making emergency repairs by moving over or slowing down.

Of course, whenever a storm or other incident causes damage to the Co-op's electrical distribution system, our primary goal is to get the power back on to everyone in the quickest and safest fashion possible. We follow a restoration process that is used by most utilities throughout the industry:

1. Our first priority is public safety, so crews are sent to remove damaged power lines from the roadways first.
2. After that, substation power is restored. Sometimes service to hundreds of members can be restored immediately by replacing a fuse on a substation transformer.
3. Next, the major distribution feeders are repaired. These are the power lines that come out of a substation that have three wires resting on a crossarm.
4. Tap lines are repaired next. Tap lines carry power to groups of homes from the distribution feeders. You may see your neighbors' lights come on while yours remain out. This happens when a tap line is repaired, but there is still damage to your individual lines, so your home cannot receive power.
5. Finally, individual service lines are repaired.

We know power outages are inconvenient. Rest assured, McLeod Co-op Power is committed to restoring your power as quickly and safely as possible.

EXPERIENCE SAVINGS AND CONVENIENCE WITH AN ELECTRIC VEHICLE



When you’ve only ever driven a gas-powered vehicle, it can be difficult to think realistically about making the switch to an all-electric car. But with how affordable they’re becoming, the convenience of “fueling” your car at home, plus the bonus of knowing you’re positively impacting the environment, it may be a more practical option than you first think.

COST SAVINGS

While electric vehicles (EVs) are less expensive to own and operate than traditional gas-powered vehicles over the long term, they can cost more upfront to purchase. That’s where incentives come into play. For example, the federal government offers consumers a tax credit of up to \$7,500 to put toward the purchase of a new EV, which can significantly lower the price tag. The primary cost

of an EV is its battery, but innovations in design and manufacturing drove battery prices down more than 80 percent between 2010 and 2018.

The fuel cost savings start adding up once you own an EV. Electricity prices are far more stable than gas prices, and EVs are three times more energy-efficient than gas-powered vehicles. This means a typical EV can travel about 43 miles on \$1 of electricity. Total savings depend on current gas prices and your driving habits, someone who drives 12,000 miles a year could save \$1,300.

CONVENIENCE

You’re already charging all your electronics at home – why not your vehicle, too? McLeod Co-op Power offers cost savings opportunities for EV chargers as well as when enrolling in the Co-op’s load management ChargeWise program. This includes a rebate for up to \$500 to help offset the cost to install an EV charger that is controlled on an off-peak electric rate.

Another convenience factor of EVs is that they require very little maintenance beyond changing windshield wipers and tires. EVs have fewer moving parts to break down – such as no carburetors, spark plugs, starters/alternators, etc. Less parts means more reliability than their gasoline-powered counterparts. EVs are also extremely quiet since they don’t produce combustion noise.

ENVIRONMENTAL BENEFITS

EVs have better overall environmental attributes than traditional vehicles because of their higher

efficiency with lower energy consumption, and no tailpipe emissions. Plus as the sources for electricity keep getting greener, in turn so do the vehicles.

There’s even a program you can enroll in once you own your EV that will ensure that you are “fueling” your vehicle with 100 percent renewable energy for its lifetime at no additional cost. When signing up for the ChargeWise program, there is an option to enroll your vehicle in the Revolt renewable energy program. This dedicates 100% renewable wind energy credits on your behalf to offset up to 5,000 kWh per year to power your vehicle. The Revolt program is free of charge to our members.

WHAT IS THE CHARGEWISE PROGRAM?

ChargeWise is a voluntary program offered by McLeod Co-op Power for qualified members who own or lease an electric vehicle. The program allows members to charge their electric vehicle at home during the off-peak hours of 11:00 p.m. – 7:00 a.m.

Charging electric vehicles during off-peak times when market prices are low allowing the cooperative to provide low-cost electricity to the ChargeWise participants. McLeod Co-op Power is offering a \$500.00 rebate currently for installing a Level 2 charger on the ChargeWise program. Additionally, there is an extra \$300.00 incentive through Great River Energy if you order a charger from www.energywisemnstore.com.

Learn more about electric vehicles and charging by contacting our office at (800) 494-6272.

USPS 2220
PERIODICALS
POSTAGE PAID
HUTCHINSON, MN



RETURNING
MONEY BACK
TO YOU

UNCLAIMED CAPITAL CREDITS: HELP US LOCATE THESE MEMBERS

Capital Credits are just one of many differences that set cooperatives apart from other utility business models.

Each member of our Co-op is a part-owner and entitled to share in the financial returns of the co-op. This means McLeod Co-op Power

allocates 100 percent of its margins (revenue less expenses) to its members who purchase electricity during the year and retires (or pays back) those margins at a future date when the Cooperative’s financial position allows. Meanwhile, the co-op uses those funds as operating capital to help the co-op pay debt and maintain the appropriate equity-to-assets balance.

Each year, funds that were not claimed or returned by the Post Office are sent back to the Cooperative. We need your help locating the members that these unclaimed Capital Credits belong to. We’ve created a handy searchable database online at <https://www.mcleodcoop.com/about/capital-credits/>. Any information you can provide regarding the location of these members is greatly appreciated. Those with information can call our office at (800) 494-6272.



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