

# MCLEOD COOPERATIVE POWER NEWS

NOVEMBER 2021



## MCLEOD CO-OP POWER BOARD AUTHORIZES \$460,000 CAPITAL CREDIT RETURN

*McLeod Co-op Power's continuing strong operational and financial condition will again provide members a capital credit refund on their energy bill this holiday season.*

When you signed up to receive electric service from us, you became a member-owner of an electric cooperative. Electric co-ops operate at cost, collecting only enough revenue to run and expand the business, unlike investor-owned electric utilities, which are designed to make a profit for shareholders.

While investor-owned utilities return a portion of any profits back to their investors, electric cooperatives allocate excess revenue, known as margins, to members as "capital credits," and retire – or pay – them when the co-op's financial condition permits. Our board of directors and staff work hard to watch expenses, so we can maximize returns on your investment in the form of capital credits.

Capital credits are one of the benefits of being a member of a not-for-profit electric cooperative such as McLeod Co-op Power. Capital Credits are considered your equity in the organization.

At the September board meeting, the Board of Directors approved the retirement of capital credits in the amount of \$460,000. This amount includes the remaining balance from 2002 and 20% of capital credits allocated in 2020.

If you are an active member, the refund will show up as a credit on your December power bill. Otherwise, the Cooperative will issue a check for inactive members. Capital Credit amounts less than \$10 are held until additional Capital Credits are retired.

"Co-ops exist to make sure the needs of their members are being met, not to make a profit," said Board President Doug Kirtz. "When we have a strong year, the members are able to share in the profits through capital credit refunds."

Since 1935, we have distributed more than \$19 million in Capital Credits to our members. Capital Credit payments are quantifiable proof that as a member of McLeod Cooperative Power, you are an owner of a successful, effective organization.

If you have questions regarding Capital Credits, please contact our office during regular business hours at (800) 494-6272.

*A defining feature of your Co-op membership and a principle that guides us is your economic participation. The partnership we have with you, as member-owners of McLeod Co-op Power, rests on our commitment to prudently use the resources you provide. Capital Credit payments are quantifiable proof that as a member of McLeod Co-op Power, you are an owner of a successful, effective organization.*

SmartHub Online  
Account Management

03

Tips For Accidents That  
Involve Electricity

04

## Happy Thanksgiving!

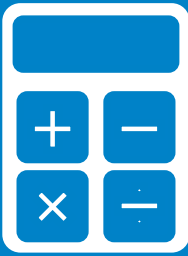
### McLeod Cooperative Power Office Closed

McLeod Cooperative Power will be closed on Thursday, November 25, and Friday, November 26, 2021, in observance of Thanksgiving. Please call (800) 927-5685 in the event of an outage or emergency.

## HOW CAPITAL CREDITS WORK



1. McLeod Co-op tracks how much electricity you use through the year.



2. Each year, after expenses are paid, McLeod Co-op calculates margins.



3. Margins are used to invest in the system and allocated to members based on their usage.



4. If financial conditions allow, McLeod Co-op retires (returns) capital credits to members.



CEO MESSAGE

Where does all your electricity come from?

A few members have been asking where we get our power from and how reliable is it really. Well, the simple answer is we purchase most of our power from Great River Energy and it is very reliable.

Great River Energy is a cooperative much like we are. It was formed to supply power to its members throughout the state of Minnesota. They have a few generation stations located throughout the region. You can find more detailed information on their website at <https://greatriverenergy.com/making-electricity/> or just google "great river energy generation map".

Great River Energy is in the process of selling its Coal Creek Station and looking to finalize the sale by the end of this year to a company out of North Dakota called Rainbow Energy Center. Even though GRE will no longer be the owner of Coal Creek, they have a contract to buy power from the plant over the next few years. In addition, Great River Energy is entering into other agreements to purchase power from large wind generators while at the same time re-tooling their natural gas generation stations that do not have backup fuel available. The re-tooling will increase the reliability of those natural gas plants to aid in peak demand periods. The graphic shows where our energy is coming from today and where Great River Energy expects to get it tomorrow. Great River Energy is on a solid path for the future when it comes to supplying electricity to its members.

While Great River Energy is making sure that they have a good mix of power plants scattered throughout the region, they also are working to maintain the transmission power lines that deliver the power to us. Transmission power lines are those bigger power lines you see running across the countryside. They are built for our climate and environment here in Minnesota. They are very reliable. If you start to research the future of electrical systems you will find a lot of discussion around reinvestment and new development of the transmission system. This is the challenge going forward for our industry and Great River Energy is meeting this challenge head on. They along with all the other owners of transmission lines are investing in our future electrical grid.



CEO RON MEIER

When it comes to what McLeod Co-op Power does, we have been working on doing what we can to increase the reliability of the local electrical system. We are nearing the completion of our next 4-year work plan with a focus on increasing capacity and reliability for the future. Our cooperative has been very proactive in continued investment. We have been burying overhead power lines in areas where it makes sense. We are looking at our substations and plotting a course to upgrade them when needs are identified.

In addition to the traditional investment in the poles and wires, we are looking at developing new programs and potential rate structures that will bring more flexibility to you in controlling the cost of your power bill beyond just reducing power. For example, we have just started to explore the concept of Time-of-Day (TOD) pricing. TOD pricing reflects the fact that there are times in the day when the price of electricity in the wholesale market is less expensive than other times. TOD pricing also increases reliability by sending pricing signals that further leverage load management programs to move usage to times away from peak usage that can strain the system. We will dive deeper into this concept in the coming months.

We also keep a focus on the people of McLeod Co-op Power. Without the highly dedicated employees, we wouldn't be able to meet your needs. We are always looking to invest in each of them, always looking to provide them with the best tools and skills so they can in turn provide additional value back to our Cooperative.

Much like everything in life, things are always changing in the electrical world, even where it comes from.

Cooperatively,

R1PL

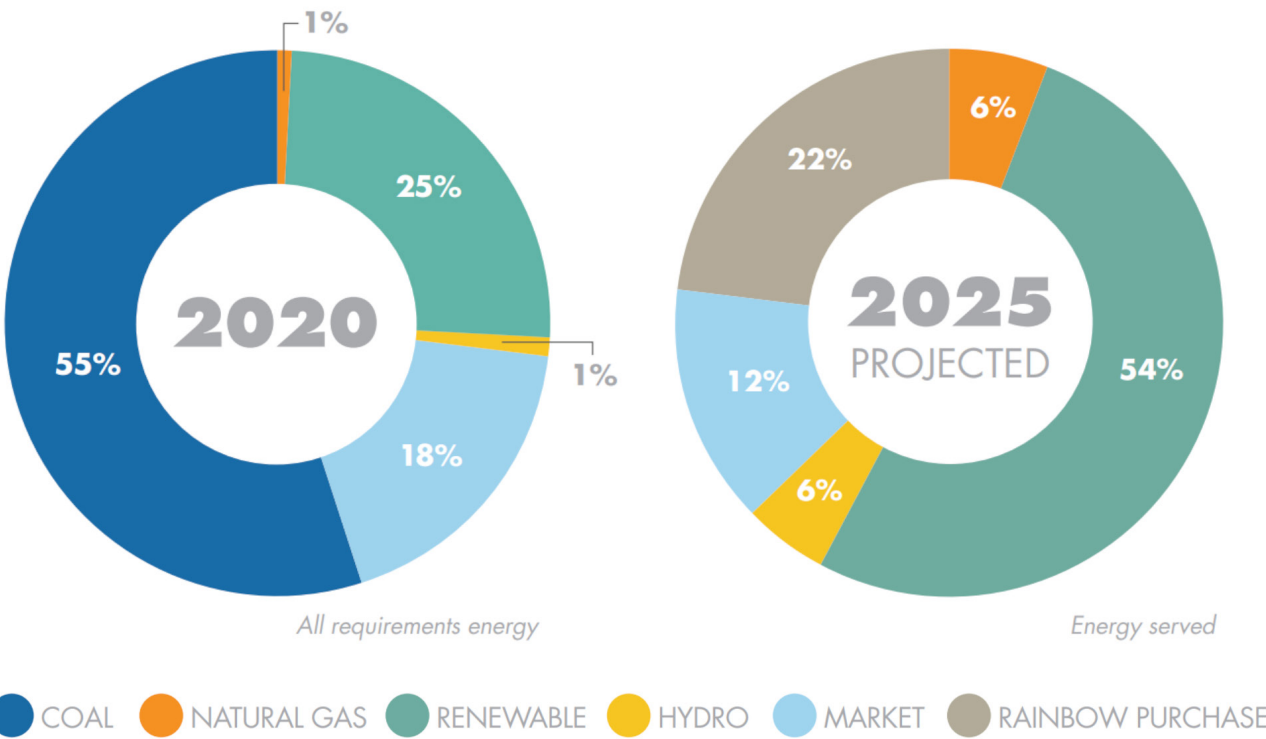
OCTOBER 2021 BOARD MEETING HIGHLIGHTS

The Regular Meeting of the Board of Directors of McLeod Cooperative Power Association was held on October 26, 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 September showed a total of 75 outages, affecting 210 consumers.
- The Construction Work Plan (CWP) 2022-2025, which outlines the co-op's system based on current and forecasted conditions addressing system growth, aging infrastructure, and additional technologies was reviewed.
- It was reported in September, 41 members registered for SmartHub, totaling 518 accounts being managed by 406 members registered for SmartHub.
- Manager of Finance, Steph Jakel, presented the Operating Statement and Balance Sheet for September.
- A motion was carried to approve Resolution 2021-10-01 CoBank Loan Authorization for the refinancing of an existing RUS loan. Refinancing will save a significant amount of money.
- A motion was carried to approve the addition of Policy 3-3 Financial Management to set financial guidelines which specifically outline the desired Key Ratio Trend Analysis Ratio ranges.
- A motion was carried to approve Resolution 2021-10-02 Heartland Security Systems Certificate of Resolutions and Incumbency. This resolution reflects the resolution that was approved at the August board meeting on this same matter; however, an additional resolution was requested due to the time lapse since the initial resolution was approved.

GREAT RIVER ENERGY'S GENERATION PORTFOLIO



LOOKING FORWARD TO 2022?

We are too! McLeod Cooperative Power 2022 calendars are now available featuring scenic landscape photos from our service territory!

Stop by the office to pick up a copy today. Calendars are available on a first-come, first-serve basis while supplies last.



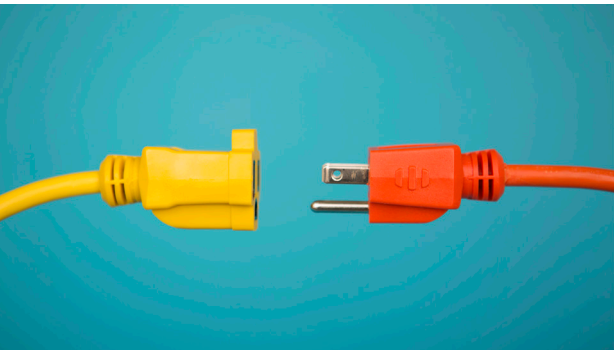


# LAST CHANCE FOR REBATES

McLeod Co-op Power offers a wide range of programs and smart technologies to our members to help manage electricity while ensuring reliability. We offer several rebates and incentives to save you even more when making energy-efficient changes in your home.

It's not too late to make the energy efficiency upgrades that will save you money before the end of the year. Take advantage of these great offers before time runs out.

| 2021 POPULAR REBATES  |   |
|---|---|
| Energy Star Dehumidifier  | \$25                                      |
| Energy Star Electric Clothes Dryer  | \$25                                      |
| Old Freezer or Refrigerator   | \$25                                      |
| Level II EV Charging Station  | \$500                                     |
| Heat Pump Water Heater  | \$500                                     |
| Replacement Electric Water Heater   | \$50                                      |
| Electric Storage Water Heating Program  | \$400                                     |
| Wifi Thermostat   | \$25                                      |
| Central Air Conditioner or Air Source Heat Pump Tune-up   | \$25                                      |
| Electric Thermal Storage Space Heating  | \$50 per kW                               |
| Air Source Heat Pump 8.2-8.99 HSPF  | \$400                                     |
| Air Source Heat Pump ≥ 9.0 HSPF   | \$1,000                                   |
| Ductless Air Source Heat Pump   | \$300                                     |
| Ground Source Heat Pump   | \$400 per ton                             |
| ECM   | \$50 (retrofit only, no new construction) |
| Find additional rebates, requirements, and forms online at <a href="http://www.mcleodcoop.com">www.mcleodcoop.com</a> . |   |
| REMINDER: All rebate forms for 2021 must be received by December 15, 2021 at 4:00 pm.                                   |   |



## ENERGY EFFICIENCY

Heading out of town for the holiday season? Remember to unplug electronics that draw a phantom energy load. Some gadgets like TVs, phone chargers, gaming consoles and toothbrush chargers use energy when plugged into an outlet—even when they're not in use.



## SMART MANAGEMENT. SMART LIFE. SMARTHUB.

*It was only a couple of decades ago that we lived in a world without cell phones. Boy much has changed over those years! Technology has certainly brought some challenges, but the benefits are undeniable. Information can be accessed and shared with a click of a mouse or a swipe of a finger on your cell phone.*

Even common household products like coffee pots, toothbrushes, and thermostats have embraced technology providing consumers choices and solutions that would have seemed impossible at the start of the 21st century. Heck, we're even months away from the first mass-produced electric truck, the Ford Lightning. Talk about an incredible technological advancement!

Recognizing how technology can also benefit our electrical customers, McLeod Co-op Power launched SmartHub this past July giving members a big technology boost.

SmartHub has several features that make managing your account as easy as possible. Whether using your computer, or your smartphone or tablet (Android or iOS), you'll be able to pay your bill, analyze your usage, receive outage notifications, contact our customer service team, and get the latest news and updates from McLeod Co-op.

**ANALYZING YOUR USAGE**  
View and compare your usage daily with previous periods. Enhanced features including weather data allow you to be more aware than ever of how your daily activities can change your electricity consumption. This includes being able to see your current bill as well as viewing bills from previous months.

**PAYING YOUR BILL**  
SmartHub users can make one-time payments online or set up recurring Bank Draft or recurring credit card payments. SmartHub also allows you to select how you want to be notified about your bill, including email and text messaging.

**RECEIVING NOTIFICATIONS**  
SmartHub is a powerful communication tool. First and foremost, it allows you to receive notifications on power outages. It can also provide notifications regarding the information on your account, cooperative news, and events, as well as alerts when you are using more electricity than you planned to help stay on top of your energy costs. Notifications are available by email or text - you get to decide.

**CONTACTING US**  
Easily contact McLeod Co-op with billing questions, service issues, or other requests.

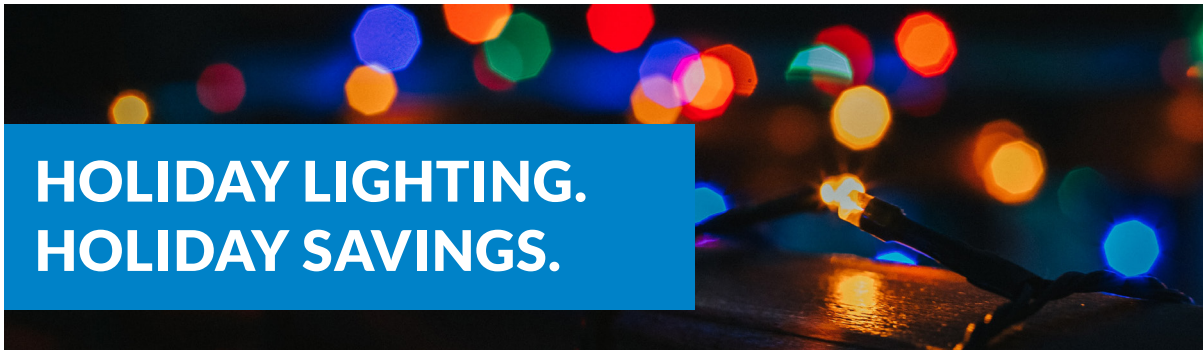
Our website has more information on the advantages that SmartHub can offer. It also includes instructions for enrolling and a user guide that explains the various features.

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### LEARN MORE

[www.mcleodcoop.com/about/smarthub/](http://www.mcleodcoop.com/about/smarthub/)

If you run into any questions as you explore the features of SmartHub, we will be happy to assist you! Feel free to call us at (320) 864-3148 or (800) 494-6272.



## HOLIDAY LIGHTING. HOLIDAY SAVINGS.

*Whether you've already decked your halls or you're just getting started, there's still time to incorporate energy savings into your holiday décor planning.*

If you haven't strung your twinkle lights, be sure to use LED light strands. LEDs consume far less energy than incandescent lights. They're also safer because they're made with epoxy lenses, not glass, to prevent breaking—and they're cool to the touch, so no burnt fingers!

If you missed Santa's memo about energy-saving LEDs and your holiday lights are already up, you can still save on lighting costs. All you need is a programmable light timer. With a light timer, you can easily program when you want your holiday lights turned on and off, which will save you time, money and energy.

To add extra twinkle at night, you can install solar-powered spotlights to illuminate your home. Solar spotlights can vary in price, but you should be able to purchase a quality set of four for about \$30—and because they run on natural energy from the sun, there's no additional cost to your energy bill.



# BE ALERT, STAY SAFE

Over the past couple of years, McLeod Co-op Power has responded to an average of 15 accidents per year involving vehicles and farm equipment that come in contact with electrical distribution equipment, such as power poles, lines, cabinets, and transformers. Knowing what to do if you find yourself in a situation involving high voltage equipment could save your life.



This photo is from an accident that recently happened in our service territory where a vehicle hit a three phase cabinet located in the road right of way. The accident knocked out one phase of power, but the other two phases were still live, creating a serious safety hazard. In traumatic situations, such as a car accident, it may be instinctive to flee as soon as possible. However, if you are in a car accident with a power line or other electrical equipment, the safest place you can be is most likely in your vehicle.

The same safety guidelines apply to whether you hit an overhead power pole, come in contact with overhead electrical wires, or make contact with any underground equipment/lines.

When a car crashes into a power pole, the pole may fall down, or power lines may fall on your car or the ground nearby. You should also look around for those green metal boxes called pad mount transformers or metal/fiberglass cabinets that contain high voltage underground wires. These transformers and cabinets are marked with high voltage warning stickers to call attention to these potential safety hazards.

If your vehicle comes in contact with electrical equipment, your car and/or the area around your car may become charged with electric energy. If you step out of the car in this scenario, your body would become the path to the ground for the electricity, and you could be electrocuted.

Unlike what you might see in the movies, downed or exposed power lines rarely show they are live by arcing and sparking with electricity. You cannot see, hear or smell electricity, which makes it even more dangerous. Downed or exposed power lines can be live and just as lethal, even though they might appear de-energized.

If you find yourself in a car accident or other incident involving a power pole or other electrical equipment, assume that the area is energized and unsafe. Contact 911 immediately and remain inside the vehicle until the power

line is de-energized and emergency responders or utility personnel tell you it is safe to leave your vehicle.

The only exception to this rule is if your vehicle is on fire. In the rare case of a vehicle fire, you and the people in your vehicle will need to jump clear of the vehicle with your feet together without touching the vehicle and the ground at the same time. Once you are safely outside of the vehicle, shuffle or hop at least 200 feet away with your feet together. This way there will not be a voltage difference between your two feet, which could give electricity the chance to flow through your body, causing electrocution.

If you witness a car collision involving electrical equipment, do not approach the accident. By trying to help, you will put your own life at risk. The best thing to do is contact emergency responders and stay far away from the accident and warn others to stay away.

**REMEMBER:**  
Always assume a power line is energized!

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## MEMBERS ENJOY NEW FACILITY OPEN HOUSE



McLeod Co-op Power hosted its Member Appreciation Open House on Wednesday, October 13. There were 134 guests that attended the event which included small group facility tours, as well as a vendor showcase in the warehouse. This event provided an opportunity for members to see the Co-op's new headquarters that opened in August of 2020 in Glencoe's East Industrial Park adjacent to US Highway 212. Co-op employees were excited to host the event for our members as an opportunity to say thank you for investing in the Co-op's future. "It was amazing having our members visit us during our open house. Seeing everyone and hearing their thoughts about the facility and other Co-op topics made it a great day," said Ron Meier, McLeod Co-op Power CEO.

### FACILITY HIGHLIGHTS

- 62,420 total sq. feet
- 43,700 sq. feet of warehouse and garage space
- 11,900 sq. feet of lobby, office, and meeting space
- 6,820 sq. feet of mezzanine storage and mechanical space
- 42,750 sq. foot outdoor pole yard and storage space
- Sturdy, pre-cast concrete structure
- Served by McLeod Co-op power lines
- Access to US Highway 212

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