

MCLEOD COOPERATIVE POWER NEWS

MARCH 2022



2022 CONSTRUCTION PLANS TAKE SHAPE: FOCUS ON UNDERGROUND CONVERSION

Chances are you don't think about how we build, repair, and maintain our power lines, you only think about the peace of mind that comes from having power when you need it. But a lot goes into making that happen. We have to be forward-thinking. From repairing a down line in the middle of a storm, load controlling, to exploring new technologies, we work hard to anticipate the needs of our system.

Every year, McLeod Co-op Power spends countless hours and considerable dollars working to maintain the grid that brings electricity to our local homes and businesses - all to ensure your power is flowing 24 hours a day, 365 days a year!

In 2022, the Co-op has a wide variety of construction activities in our work plan focusing on converting just over 9 miles of power line to underground wire.

Over the last number of years, McLeod Co-op has placed increased focus, resources, and priority on installing underground lines. It's our goal to add underground lines or convert existing overhead lines to underground wherever and whenever it makes sense. In fact, the Co-op has increased the total miles of underground line by 201% throughout our service territory since 2005.

This year, work will take place around the Hook Lake substation in Hutchinson and Acoma townships, the Preston Lake substation in Boon Lake township, and the Winthrop substation in Transit and Bismarck townships.

These conversion projects represent a \$1 million dollar commitment to reliable electric service. The upgrades are needed because of the age and condition of our existing lines which are approximately 40 years old and reaching the end of their life cycle. The new line will improve voltage issues by leveling and stabilizing voltage numbers, increasing our back-feeding capabilities, increasing capacity, and improving reliability.

By converting these lines underground they won't be as vulnerable to damage from weather or tree issues and as susceptible to damage from vehicles or farm equipment. It is also more aesthetically pleasing.

It is important to remember that despite these benefits, underground lines are not immune to power outages.

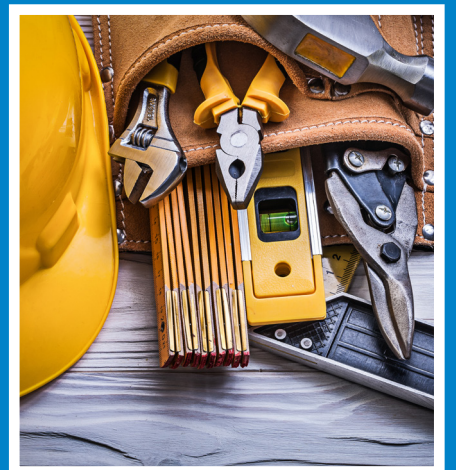
A lot of the work planned this year will be completed with McLeod Co-op Power employees and equipment, however, an outside contractor will be brought in to help plow cable and complete directional boring.

Delivering quality electric service to our members can only be done with significant investment, proper planning, and system maintenance. Our 2022 work plan and these conversion projects will strengthen our ability to serve you, and provide reliable, affordable electricity.

BUILDING OR EXPANDING IN 2022

Does your spring to-do list include a project that might require new electrical service or changes to existing service? If so, let us know!

It's common for the Cooperative to receive many requests for service in the spring. However, projects requiring electric lines to be built, rebuilt or moved aren't as simple as they may seem and sometimes can be more complex than members realize.



We strongly encourage anyone thinking about projects that might require new or modified electrical service to contact the Cooperative and begin the planning process as early as possible.

We'll discuss your project and address any electrical needs that might arise. If your service needs upgrading or alterations, getting on our construction schedule is important because it helps us ensure that the necessary electrical equipment and materials are available. Longer lead times and supply chain delays make this all the more important in 2022.

For questions, please contact the McLeod Co-op Power during regular business hours at (800) 494-6272.

GRE'S CLEAN ENERGY
TRANSITION

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DIRECTOR
NOMINATION OPEN

04

LINE WORKER SCHOLARSHIP AVAILABLE

McLeod Co-op Power is pleased to offer a \$500 scholarship for a student entering an accredited line technician program at a Minnesota vocational school, to help fulfill their ambition of becoming an electrical lineworker and having a career in the electric utility industry. Applications are due no later than 4:00 p.m. on April 15, 2022. Application forms are available online at www.mcleodcoop.com/about/youth-programs/ or by calling (800) 494-6272.



CEO MESSAGE

No increase to rates from your Cooperative this year. It was 2017 since the last time we had to raise our electrical rates. That's the message of this article.

We all keep hearing about how the costs of things are going up. Inflation is up 7.5% in January, the highest since 1982. Other energy companies are announcing their need to raise their rates, but not us.

Our membership with Great River Energy continues to bear fruit. Great River Energy continues to hold rates stable and is predicting that their rates will be slightly lower in the coming years. The sale of Coal Creek Station, their large power generation station located in North Dakota is moving along and will provide a lot of opportunities for Great River Energy to enter into other agreements for large wind projects in Minnesota and North Dakota. Great River Energy will be supporting these wind generators with their existing fleet of natural gas/oil generation stations located throughout the state.

We are seeing inflationary pressure here at the cooperative, but our staff continues to work within our budget and plan for the longer lead times we are seeing for equipment. For example, our electric vehicle charging station that we ordered last year has been delayed until May. Also, we have pre-ordered the Ford Lightning, but we still don't have a confirmation as to when we will be receiving it.

When it comes to the day-to-day equipment needed to maintain our system, we are doing ok. Working with our suppliers, we have a good understanding of the timelines when it comes to getting the wire, poles, and boxes we need. This allows us to plan our construction activity for this year around the lead times.

Coming back rates - we are doing a lot of financial planning to make sure we continue to run a safe and reliable system by providing the proper tools and training to our people. While we know there might be a time where



CEO RON MEIER

we will need to increase our rates, it won't be this year and quite possibly 2023 as well.

This doesn't mean your electric bill won't change though. Most of our electric bills are driven by two things in my experience. One is weather and the other is changes to your family energy consumption patterns. If the summer is hotter than normal or the winter is colder, you could see your bill a bit higher than normal. Changes in family consumption patterns might be temporary changes like increased energy use from having more family members staying with you during the holidays. More permanent changes include constructing additions to your home or adding hot tubs and other high-demand equipment.

I personally use our budget billing program to keep my electric bill even. My monthly bill is set based on my past usage. Around August, my account is trued up and my monthly bill will be adjusted again. Our SmartHub app is another tool that helps you to manage your monthly bill. If you haven't already signed up for SmartHub, you should. It gives better information on how you are using electricity at your place. In addition, you can receive notifications on outages and other programs at the cooperative.

In summary, electric rates are staying the same for 2022. We are working hard at the Cooperative to keep your rates low while keeping the lines on and everyone safe.

Cooperatively,

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FEBRUARY 2022 BOARD MEETING HIGHLIGHTS

The Regular Meeting of the Board of Directors of McLeod Cooperative Power Association was held on February 22, 2022, 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 January 2022 was reviewed with a total of 43 outages, affecting 1024 consumers.
- A motion was carried to approve to increase the budgeted amount to purchase a vacuum excavator for underground work. The upgraded vacuum excavator has a larger capacity that will allow the line crew to keep working when there is frost in the ground.
- A motion was carried to approve Resolution 2022-02-01 Economic Development Loan to FRH Motorsports LLC in the amount of \$11,500 through the Co-op's revolving loan fund. Director Resch abstained.
- Finance Manager Jakel presented the January 2022 Operating Statement and Balance Sheet for review.
- A motion was carried to approve Resolution 2022-02-02 Amend Revenue Deferral Plan. The Board agreed that deferring revenue from 2021 would provide the best opportunity to address rate stability in 2022 and 2023.
- A motion was carried to approve Policy 2-4 Director Compensation with a change in virtual meeting attendance per diem.
- A motion was carried to approve Director Griebie to attend the MREA Annual Meeting and the CoBank Regional Meeting.
- A motion was carried to approve Director Griebie as the Voting Delegate and Director Anderson as the Alternate Voting Delegate for the MREA Annual Meeting.
- A motion was carried to approve Director Griebie to attend the NRECA Director Conference August 3-6 in Austin, TX.
- A motion was carried to approve Director Hlakva as the Voting Delegate and CEO Ron Meier as the Alternate Voting Delegate for the GRE Annual Meeting.

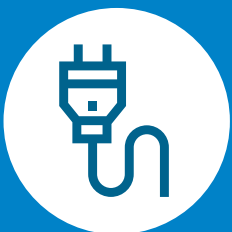
SAFETY AT HOME

Every year, electrical product malfunctions or misuse are associated with injuries and fires in the home. Keep your home and family safe with these handy tips.



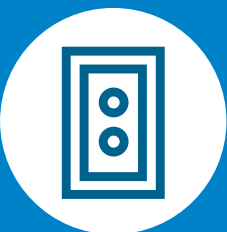
LIGHT BULBS

Use bulbs of the correct wattage in lamps and ceiling fixtures.



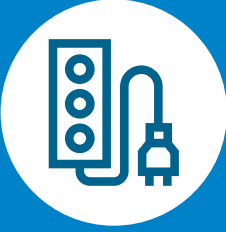
CORDS

Replace any frayed, cracked, or damaged cords immediately.



OUTLETS

Unusually warm outlets/switches may indicate unsafe wiring that needs expert inspection.



POWER STRIPS

Do not plug multiple devices that each use a lot of electricity into the same power strip.



APPLIANCES

Unattended, plugged-in appliances may create an unnecessary risk of fire.



CIRCUIT BREAKER

Periodically turn circuit breakers off and on to make sure they are in good working order.

BEFORE GOING SOLAR

As prices decline and technology improves, installing a residential solar system—makes sense for some consumers. However, even with these recent improvements, it’s important to find out the facts before committing to a purchase. Consider these points as you explore whether solar is right for your situation.

Our experts will help you assess if owning solar is right for you, educate you about the interconnection process, and review your current energy use to determine what size solar system you might need.

There are many considerations you should make before choosing solar. It’s important to think about a variety of factors such as the efficiency of a building, the age and pitch of the roof, tree coverage, local weather patterns, and orientation to the sun. In addition, there are also financial considerations. Estimated energy savings, rebates or financial incentives, hidden costs, up-front payments and more should all be accounted for in your decision making. The Co-op can help you answer these questions.

In Minnesota, consumers cannot legally install solar until after they have applied for interconnection to the power grid, met the requirements for a safe installation, and been approved to interconnect. Contacting your co-op ahead of time can save you money and time. To begin the process visit us online at www.mcleodcoop.com/services/renewable-energy/ and then follow the link to the NOVA Power Portal to access application forms, requirements, tariffs, etc.

HERE TO HELP

We are ready to help you determine the best option and navigate the interconnection process. Call (800) 494-6272 for more information.



ENERGY EFFICIENCY

Most manufacturers recommend an annual tune up for your home’s cooling system. A qualified professional can check the amount of refrigerant, accuracy of the thermostat, condition of belts and motors and other factors that can greatly impact the efficiency of your system.



CLEAN ENERGY, NEW TECH DRIVING BIG CHANGES

You don’t notice it when you plug in your toaster or charge your phone, but the way electricity is produced and used is changing rapidly. Nationwide, about 20% of electricity is generated by renewable resources.

Minnesota has a goal of 25% renewables by 2025. Our wholesale power provider, Great River Energy, has pledged to go even further. The cooperative is targeting 50% renewables by 2030 – and it’s on track to get there early.

KEY APPROVALS ADVANCE ENERGY PORTFOLIO TRANSITION

Recent actions by energy regulators in St. Paul and Washington, D.C., have supported Great River Energy’s transition of its power supply portfolio. Approvals by the Minnesota Public Utilities Commission and the Federal Energy Regulatory Commission are helping facilitate Great River Energy’s sale of Coal Creek Station and its high-voltage direct-current (HVDC) transmission system to Rainbow Energy Center and Nexus Line, respectively.

Included in the sale, is an arrangement for Great River Energy to access the HVDC system allowing GRE to connect 400 MW of wind energy. This wind energy will be delivered in Minnesota.

At a special meeting on February 9th, Great River Energy’s member cooperatives approved these updated agreements.

400-MEGAWATT DISCOVERY WIND

Great River Energy is working with Apex Clean Energy to receive renewable energy from a 400-megawatt (MW) wind energy project in McLean County, North Dakota.

The Discovery Wind project, expected to be generating electricity by the end of 2025, will be the single largest wind project in North

Dakota. It will deliver renewable energy over the 436-mile-high voltage direct- current transmission (HVDC) system into Minnesota for Great River Energy’s member-owners.

The project will fulfill a significant portion of the renewable energy needs for Great River Energy’s members. Great River Energy announced in 2020 plans to phase out the remaining coal in its power supply portfolio and more than double its renewable energy.

“We are transforming the way we produce electricity and serve our member-owner cooperatives,” said Great River Energy President and Chief Executive Officer David Saggau. “Our members will enjoy stable wholesale electric rates for years while providing clean and reliable energy to Minnesota and parts of Wisconsin.”

Great River Energy is also converting the coal-based Spiritwood Station power plant located near Jamestown, North Dakota, to be fueled primarily with natural gas and developing a 1-MW, multiday grid battery in Cambridge, Minnesota.



Great River Energy is a not-for-profit wholesale electric power cooperative which provides electricity to 28 member-owner distribution cooperatives, including McLeod Co-op Power. Together, their systems serve 700,000 families, farms and businesses in Minnesota



SEND US YOUR BEST SHOTS

Our Member Services team is excited to announce that the photo contest for our 2023 calendar is now open for entries. The contest is designed to spotlight the photography talents of our members, but just as importantly the scenic beauty and unique characteristics of our service territory.

Members are encouraged to begin submitting photos representing all four seasons in our community. Photos will be accepted until August 1, 2022. **Winners will receive a \$20 credit on their electric bill.**

LEARN MORE

Review guidelines and submission details at www.mcleodcoop.com/2023-calendar-photo-contest/.



By entering the photo contest, you agree to give McLeod Co-op Power rights to use your photo in the Co-op’s calendar, newsletter, future contest promotions, and other publications or digital media.

ARE YOU INTERESTED IN BECOMING A BOARD MEMBER?

The Cooperative business model depends on members like you to provide leadership and guidance.



McLeod Co-op Power Directors are members just like you who understand and listen to the community. They represent you on the Cooperative's Board, while responsibly overseeing the business of the Cooperative and determining its strategic direction. Each year an election takes place to ensure that every member has a voice in the governance of this organization and that any member in good standing may seek election for the Board of Directors. In 2022, there are three districts up for election:

- District 7: Collinwood, Hale, Hutchinson
- District 8: Alfsborg, Bandon, Bismark, Collins, Grafton, Martinsburg, Moltke, Round Grove, Transit, Wellington
- District 9: Camden, Watertown, Young America

RESPONSIBILITIES:

- The board evaluates whether decisions and policies help the Cooperative successfully further its commitment to serving our community by providing excellent member service, and safe and reliable energy service at a competitive price.
- The board adopts and enforces policies, resolutions and actions governing ethical conduct, accountability and compliance with applicable laws and regulations.
- The board provides financial oversight, establishes financial targets, approves the Cooperative's budget, and reviews significant investments, loans and the rates for providing electric service to members.
- The board serves as ambassadors to our membership, community and legislative representatives. Directors are visible, active and available to members throughout their respective district.

QUALIFICATIONS

Directors must receive electric service from McLeod Co-op Power at their primary residence in the district they represent. Directors cannot be an immediate relative to an employee, employed by an enterprise that directly competes with or provides substantial services to the Cooperative, or have any other conflict of interest. A complete list of qualifications is located within the Cooperative Bylaws.

COMMITMENT

Directors serve a three-year term and must be available to attend monthly board meetings, the Annual Meeting, and additional training and/or conferences throughout their term. Board members are also expected to prepare for board meetings and serve as an ambassador for the Cooperative in the community.

APPLY NOW

Members in districts 7, 8, and 9; who meet the Bylaw qualifications and have an interest in serving as a director of McLeod Co-op Power should complete a director application at mcleodcoop.com/about/co-op-info by 4:30 p.m. on March 31, 2022. If you have additional questions, need more information, or would like to request an application by mail please call (800) 494-6272.



SAVE THE DATE

2022 ANNUAL MEETING

The McLeod Co-op Power Annual Meeting will take place on Tuesday, July 12, 2022.

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SAVE WATER SAVE ENERGY SAVE MONEY

From taking a morning shower to washing the dishes, you rely on hot water all day long.

McLeod Co-op Power offers a variety of energy smart, money saving programs and rebates for water heating. Upgrade to an energy-efficient water heater or enroll in a load control program today!

LEARN MORE

www.mcleodcoop.com/services/off-peak-programs/



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McLeod Cooperative Power is an equal opportunity employer and provider.