



From heat pumps and water heaters to electric yard equipment, McLeod Co-op Power’s residential rebate programs are designed to help members save energy and reduce long-term costs. With the 2026 rebates now available, Energy Management Specialist Shannon Jerabek answers common questions about eligible upgrades, program requirements, and how to get started.

**What types of rebates are available for residential members?**

McLeod Co-op Power offers rebates on a wide range of energy-saving upgrades, including air-source and geothermal heat pumps, water heaters, electric yard equipment, and more. These incentives are designed to help members improve efficiency, reduce energy use, and save money over time. A complete list of 2026 residential rebates can be found on page 2 of this newsletter.

**Are there requirements to qualify for rebates?**

Yes. To be eligible, the following requirements must be met:

- Replacement appliances must be ENERGY STAR® rated.
- Equipment must be new, installed at the residence listed on the rebate application, and served by McLeod Co-op Power.
- Off-peak heating equipment must be hard-wired; plug-in units do not qualify.
- Itemized, paid invoices are required and must be dated within the same calendar year as the application.
- Heat pumps must be installed by a certified and registered Quality Installer and are subject to inspection by an MCPA technician.

Continued on page 2.

**REMINDER:**  
OPERATION ROUND UP APPLICATION DEADLINE MARCH 1

The deadline to apply for funding through McLeod Co-op Power’s Operation Round Up program is March 1, 2026.

Operation Round Up lets members round up their electric bills to the nearest dollar, donating the spare change to the McLeod Co-op Operation Round Up Trust. These small contributions—averaging \$6 per year—fund impactful projects in McLeod, Renville, Carver, and Sibley Counties.

Non-profits in community service, education, youth, emergency assistance, environment, or disaster relief are encouraged to apply. Applications are available on our website or by contacting the Cooperative office. Funds will be distributed this spring to support local initiatives.

Submit your application by March 1 to make a difference in your community. For details, call our office or visit our website today! For details, call our office or visit our website today!



## ASK THE EXPERT CONTINUED...

### How do I apply for a rebate?

Rebate applications are available online at [www.mcleodcoop.com/products/rebates/](http://www.mcleodcoop.com/products/rebates/). Applications must be submitted with proof of purchase and installation details. Heat pump applications must include a fully paid, itemized invoice from a registered Quality Installer.

If you are applying for a refrigerator or freezer rebate, please be sure to include recycling information with your application.

Rebates are awarded on a first-come, first-served basis, with a maximum of \$5,000 per member per year. Please note that rebate programs and amounts are subject to change based on funding availability.

### HAVE QUESTIONS OR WANT TO LEARN MORE?

Visit our website, call our Member Services team at 320-864-3148, or stop by the office. We're here to help you make informed, energy-smart choices for your home.

Restrictions and requirements apply. Visit [www.mcleodcoop.com/products/rebates/](http://www.mcleodcoop.com/products/rebates/) or contact McLeod Co-op Power for full program details.



### ENERGY STAR APPLIANCES

Energy Star Electric Clothes Dryer, Clothes Washer, Dishwasher, Dehumidifier: \$25

### RECYCLING

Old Freezer or Refrigerator \$25  
(Proof of recycling required, limit of two per year.)

### ELECTRIC VEHICLES

Level II EV Charging Station \$500  
(Level 2 charger installed on the co-op's Storage/Off Peak Program)

### WATER HEATERS

Heat Pump Water Heater \$500  
(50-gallon minimum capacity)

Replacement Electric Water Heater \$100  
(40-gallon minimum capacity)

Electric Storage Water Heating Program Enrollees \$650

Replacement Electric Water Heater for Existing Storage Water Heater Program Participants \$200

### ENERGY STAR SWIMMING POOL

Air Source Heat Pump Pool Heater \$400

Variable Speed Pump \$200

### HVAC

Central Air Conditioner Tune-Up \$25

Air Source Heat Pump Tune-Up \$50

Central Air Conditioner or Air Source Heat Pump Tune-up \$25

Electric Thermal Storage Space Heating \$50 per kW

Ductless Air Source Heat Pump High Efficiency Systems ≤ 1 ton: \$150  
(≥ 14.3 SEER2 & ≥ 7.5 HSPF2)

Ductless Air Source Heat Pump Premium Efficiency Systems > 1 ton: \$250  
(2025 CEE Tier 1 listed)

Ductless Air Source Heat Pump High Efficiency Systems > 1 Ton - 5 Tons: \$750  
(≥ 14.3 SEER2 & ≥ 7.5 HSPF2)

Ductless Air Source Heat Pump Premium Efficiency Systems ≤ 1 Ton - 5 Tons: \$1,500  
(2025 CEE Tier 1 listed)

Ducted/Hybrid Air Source Heat Pump High Efficiency Systems Up To 5 Tons: \$750  
(≥ 14.3 SEER2 & ≥ 7.5 HSPF2)

Ducted/Hybrid Air Source Heat Pump Premium Efficiency Systems Up To 5 Tons: \$1,500  
(2025 CEE Tier 1 listed)

Ground Source Heat Pump \$400 per ton

Furnace ECM Blower Motor \$50  
(retrofit only, no new construction)

### ELECTRIC LAWN EQUIPMENT

(Applies to lawnmowers, chainsaws, trimmers, leaf blowers, and snow blowers.)

Purchase of \$149 or less – \$25  
Purchases of \$150 and \$349 – \$50  
Purchases of \$350 and above – \$100



## REMINDER: YOU MAY QUALIFY FOR SALES TAX EXEMPTION FOR ELECTRIC HEATING

Electricity used as a primary heat source may qualify for a Minnesota sales tax exemption during the heating season. State law provides a sales tax exemption for residential electricity when electric heat accounts for more than 50% of a home's heating, for billing months November through April. Metering setup can affect eligibility. If you heat your home primarily with electricity, you may be eligible for this savings. Contact McLeod Co-op Power to learn more and confirm your eligibility.

## CEO MESSAGE

Looking through the windshield is often how I think about where our cooperative is headed, keeping our eyes on the road ahead and using our Strategic Plan as the map. But sometimes what matters most is not far down the road. Sometimes it is what is happening right in front of us. That realization came through a message from Kyle.

Kyle reached out via our website contact form to share thoughts on rising electric bills. In his note, he did not focus only on his own household. He also expressed concern for his neighbors and for other members. His concerns are mine, and they are shared by all of us.

Almost every day as I drive home, I think about how my neighbors are managing their lives and what rising electric costs mean for them. Those thoughts do not end at the end of the workday.

So, I want to share what we are doing to control costs and push back against the increases we are seeing now and ahead.

During the preparation of our 2026 budget, we asked some hard questions. One of them was whether we could adjust the vegetation management plan we put in place a few years ago. After careful review, we decided to stretch the timeline, which allowed us to trim \$100,000, a 20% decrease.

We are also pushing off some equipment purchases. When equipment is necessary, we shop around for the best possible price, and not everything we purchase will be new. This year, for example, we are purchasing a larger floor sweeper to keep our facilities clean. The unit is refurbished, which saves a significant amount of money. Clean floors matter, but a floor sweeper is not mission-critical to keeping the lights on, so we can afford additional maintenance time in exchange for lower upfront costs.

As valued employees retire this year, we are not automatically replacing every position. At least one role is being reimagined as it becomes vacant, and we are going to try moving forward



**CEO RON MEIER**

with one less employee in the car. I do not yet know if this approach will work in the long run, but we know it is important to try thoughtful changes rather than defaulting to the status quo.

Our new Time of Day Demand rate is another way we are giving members more influence over their electric bills. This rate does two things at once. First, it creates opportunities to lower bills by shifting when electricity is used, not just by using less. Second, it increases personal accountability. My own bill is going up more than average this year, which suggests my neighbors' bills may go down because they have been paying a portion of my demand costs.

Coming back to Kyle, his message is a reminder that behind every meter is a family, a business, a budget, and real choices being made every month. Those realities weigh on me, and they guide the decisions we make as a cooperative.

I cannot promise there will not be challenges ahead, but I can promise that we will keep listening, keep questioning our assumptions, and keep working to protect the people we serve, because those people are our neighbors. Our goal is to address the pressures we see early and thoughtfully, so small chips do not turn into cracks in the windshield.

**Cooperatively**

A handwritten signature in black ink that reads "R1 PL".

## JANUARY 2026 BOARD MEETING HIGHLIGHTS

The Regular Meeting of the Board of Directors of McLeod Cooperative Power Association was held on January 29th, 2026, at McLeod Coop headquarters. Nine board members, CEO Ron Meier, and department managers participated in the meeting.

Highlights of the meeting included:

- The outage report for December (2025) was reviewed with a total of 27 outages, affecting 1,046 consumers.
- Assistant Operations Manager Nistler reported that line crews have terminated the new underground and started the switch over for the New Germany work plan project. Other crews are also working on the conversion of overhead to underground on the north side of Swan Lake.
- It was also reported that Tree Story will begin tree work in May in the area Southwest of Hutchinson.
- Manager of Finance Jakel gave her monthly report. She shared that the audit is scheduled for March 9-13th.
- Manager of Finance Steph Jakel reviewed the December financials.
- A motion carried approving Policy 2-10 Respect for Current/Former Directors and Attorney.
- A motion carried approving Resolution 2026-01-01 Heartland Corn Product Standby Service.

# DIRECTOR NOMINATIONS NOW OPEN

The Annual Meeting is scheduled for July 14 this year and this year's election will include Districts 1, 2, and 3. The election process ensures that every member has a voice in the operation of this organization. Directors represent our members by responsibly overseeing the business of the co-op and determining its strategic direction.

Members in Districts 1, 2, and 3; 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](http://mcleodcoop.com/about/co-op-info) by 4:00 p.m. on March 30, 2026. If you have additional questions, need more information, or would like to request an application by mail please call (800) 494-6272.

## DISTRICT 1:

Franklin, Hollywood, Victor, Winsted, Woodland

## DISTRICT 2:

Hassan Valley, Rich Valley, Sumter

## DISTRICT 3:


Bergen, Glencoe, Helen

## VOLUNTEERS NEEDED

The co-op is also seeking volunteers to serve on the Nominating Committee for Districts 1, 2, and 3. Volunteers participate by reviewing candidate applications and submitting two applicants per district to the Board of Directors for approval. They also assist in collecting and counting ballots at the Annual Meeting on July 14, 2026.

Members who serve on the Nominating Committee are paid a per diem for each meeting plus mileage. If you are interested in serving on this committee, please call the Co-op at (800) 494-6272 no later than February 15, 2026.

## IS YOUR WATER HEATER SAVING YOU MONEY?



Water heating is one of the largest energy expenses in a home. McLeod Co-op Power's Storage Water Heating Program helps reduce those costs by heating water during off-peak hours and storing it for use throughout the day. These electric thermal storage water heaters are nearly 100% efficient and can save members up to 50% on water heating costs.

Off-peak water heaters charge overnight from 11 p.m. to 7 a.m. in summer and 10 p.m. to 6 a.m. in winter. Eligible systems must be at least 100 gallons, or 80 gallons with a mixing valve, and pass a co-op load management inspection. A rebate of \$650 is available for new enrollments.

## LEARN MORE AT:

[www.mcleodcoop.com/services/off-peak-programs/](http://www.mcleodcoop.com/services/off-peak-programs/)



## LIGHT UP THE MINNESOTA NIGHT

Switch over to Simply Conserve LED light bulbs and save energy in a flash. In fact, the average home could save \$225 in 2026 alone\*

### WHEN YOU SWITCH TO LEDS, YOU'LL:

- Use up to 90% less electricity on lighting\*
- Purchase light bulbs less often\*
- Worry less about electrical bills

And now, through March 3, 2026, you can upgrade to Simply Conserve LEDs for 50% off! Visit the newly refreshed EnergyWise MN Marketplace today and save on a full line of sustainable, energy-saving products.

**SHOP NOW: [WWW.ENERGYWISEMNSTORE.COM](http://WWW.ENERGYWISEMNSTORE.COM)**

\* Source: <https://www.energy.gov/energysaver/lighting-choices-save-you-money>

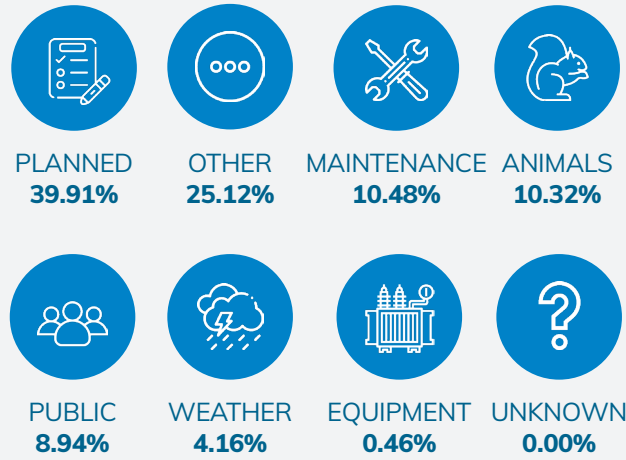
Offer valid through March 3, 2026, or while supplies last. Discount, taxes, and shipping applied at checkout. Additional terms apply. Please see website for details.

# ⚡⚡⚡ 2025 ⚡⚡⚡ POWER OUTAGES



MONTH	OUTAGES	MEMBERS	AVG.	LONGEST
January	61	78	49 min	174 min
February	25	37	65 min	198 min
March	49	416	77 min	167 min
April	45	1,130	60	381 min
May	73	261	84 min	393 min
June	87	4,876	73 min	989 min
July	97	1,087	166 min	570 min
August	44	177	129	258 min
September	66	223	79	260 min
October	45	152	66	279 min
November	30	257	71 min	231 min
December	27	1,046	21 min	309 min

## WHAT'S CAUSING OUTAGES?

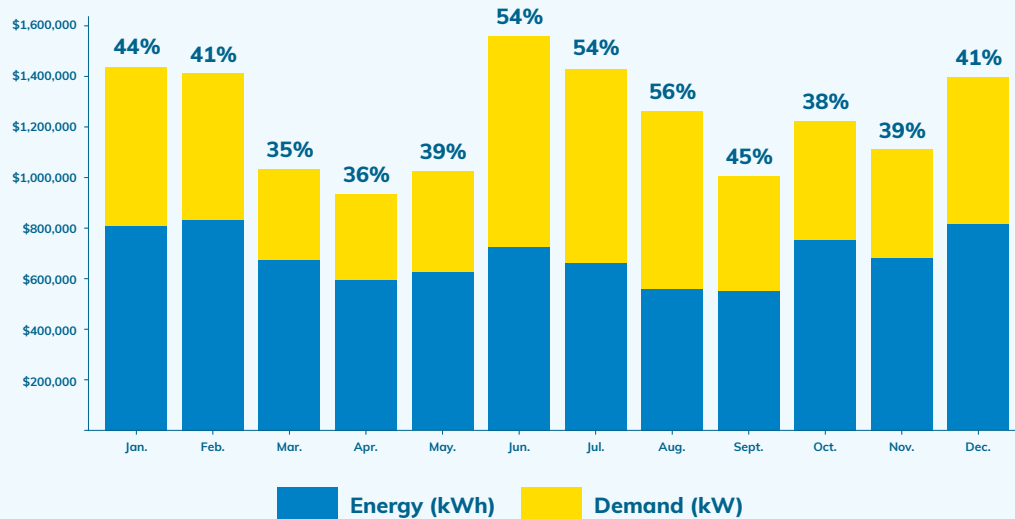


## UNDERSTANDING WHOLESALE POWER COSTS

This graphic shows how McLeod Co-op Power's wholesale power costs are split between energy (kWh) and demand (kW) throughout the year. It reflects the amount paid to our wholesale energy providers in 2025 to purchase power for our members.

On average, about 43% of the monthly wholesale power bill is driven by demand, which is based on the highest level of electricity used at one time. Seasonal changes in demand can significantly affect overall power costs.

## 2025 WHOLESALE POWER BILL ENERGY VS. DEMAND





## ELECTRICITY COMES TO LIFE AT LAKESIDE ELEMENTARY

McLeod Co-op Power Association was recently selected to host a special electricity-themed school assembly in partnership with Great River Energy and The Bakken Museum. The War of the Currents assembly took place on January 13 at Lakeside Elementary School in Silver Lake, offering students an engaging, high-quality learning experience focused on the science of electricity.



The gymnasium was filled with enthusiastic students eager to learn about how electricity is generated, the engineering behind it, and the history that shaped the power systems we rely on today. Through storytelling, humor, and fascinating hands-on demonstrations, presenters brought complex concepts to life in a way that was both educational and entertaining.

McLeod Co-op Power was proud to help bring this opportunity to a school within our service territory. Experiences like this spark curiosity, support STEM learning, and help students better understand the essential role electricity plays in their everyday lives.

## INVESTING IN TOMORROW'S LEADERS



At McLeod Co-op Power, supporting young people is an investment in the future of our communities. In 2026, we're proud to offer two meaningful opportunities designed to help students explore leadership, education, and career pathways in the electric industry.

### WASHINGTON, D.C. YOUTH TOUR

High school juniors and seniors whose parents are members of McLeod Co-op Power are invited to apply for an all-expenses-paid trip to Washington, D.C. through the 2026 Rural Electric Youth Tour.

This unforgettable experience brings students together from across the country to explore our nation's capital, learn how government works, and participate in leadership development activities. **The 2026 Rural Electric Youth Tour will take place June 15–20**, offering participants the opportunity to visit historic landmarks, meet with elected officials, and gain a deeper understanding of civic engagement and cooperative values.

Each year, McLeod Co-op Power selects one outstanding student to represent our community on this prestigious trip. Students with a curiosity for leadership, learning, and service

are encouraged to apply. Application details and deadlines will be shared this spring.

### POWER LINeworker SCHOLARSHIP

For students pursuing a hands-on career in the electric utility industry, McLeod Co-op Power offers a \$500 Power Lineworker Scholarship for individuals enrolling in a power lineworker program at a Minnesota vocational college.

Lineworkers play a vital role in keeping our communities safe, connected, and powered. This scholarship supports those preparing for this essential and rewarding career path. Applicants should demonstrate a strong commitment to entering the electric utility field. Applications are typically due in mid-April.

### APPLY AND LEARN MORE

These programs reflect McLeod Co-op Power's ongoing commitment to education, workforce development, and community leadership. Learn more and apply at [www.mcleodcoop.com/community/youth-programs/](http://www.mcleodcoop.com/community/youth-programs/) or contact the office for application forms, eligibility details, and deadlines.



## HEAT SMARTER THIS WINTER

**McLeod Co-op Power's Dual Fuel Energy-Saving Program can help you save money during the winter heating season.**

With a dual fuel system, electricity serves as your primary heat source. During periods of high demand, your system automatically switches to a secondary fossil-fuel heat source, helping reduce costs while maintaining comfort.

Eligible primary electric heating systems include:

- Electric boiler
- Electric furnace
- Baseboard heat
- Plenum heater
- Electric floor heat
- Wall or ceiling heaters
- Thermal storage room units

### **BACKUP HEAT REQUIREMENTS:**

Backup systems must be automatic, thermostat-controlled LP gas, natural gas, or fuel oil systems.

Portable heaters, wood-burning stoves, and electric space heaters do not qualify as backup heat sources.

Contact McLeod Co-op Power to learn more about eligibility, incentives, and how to enroll in the Dual Fuel program.



## ENERGY EFFICIENCY

Mid-winter is a great time to ensure you're making the most of your home heating system. Replace or clean filters to keep your furnace or heat pump running efficiently. Listen for strange noises and check for uneven heating—these signs indicate that the system may need servicing. Ensure vents and radiators aren't blocked by furniture or rugs as proper airflow helps your system work less and saves energy. A little maintenance along the way can prevent costly repairs and keep your home cozy through winter.

### **OFFICE PHONE**

(320) 864-3148  
(800) 494-6272

### **24-HOUR OUTAGE PHONE**

(800) 927-5685

### **WEBSITE**

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

### **EMAIL ADDRESS**

[mcpainfo@mcleodcoop.com](mailto:mcpainfo@mcleodcoop.com)

### **CHIEF EXECUTIVE OFFICER**

Ronald Meier

### **EDITOR**

Dan Ehrke and Fuller Creative

### **BOARD OF DIRECTORS**

District 1: Kirk Newman  
(952) 955-3319

District 2: Jeff Kosek  
(320) 510-1828

District 3: David Resch  
Vice President  
(952) 449-1793

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(507) 964-5815

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(320) 583-0037

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(320) 552-0273

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is an equal opportunity  
employer and provider.**



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## MCLEOD CO-OP POWER AT A GLANCE

We are proud to have served the area since 1935. McLeod Cooperative Power is a member-owned cooperative that provides electricity to over 7,000 residents, businesses, and farms in McLeod, Renville, Sibley and Carver Counties.



### MISSION:

To enhance the quality of life for our members through effective, safe, and innovative solutions.

 **7,026**  
MEMBER  
CONSUMERS



FOUNDED  
**1935**

**NINE**  
MEMBER-ELECTED  
DIRECTORS

**3.4**  
MEMBERS  
PER MILE  
OF LINE

 **2,035**  
TOTAL  
MILES OF LINE

SMARTHUB USERS

**1,494**



### VISION:

Exceed members' expectations for reliable energy and services.



 **965+**  
SQUARE MILE  
SERVICE AREA

OVERHEAD LINE  
**1,413 MILES**

CAPITAL CREDITS  
**\$232K**

UNDERGROUND LINE  
**622 MILES**



### 7 COOPERATIVE PRINCIPLES

1. Open and Voluntary Membership
2. Democratic Member Control
3. Members' Economic Participation
4. Autonomy and Independence
5. Education, Training and Information
6. Cooperation among Cooperatives
7. Concern for Community

 **KILOWATT-HOURS SOLD**  
**161,236,073** 

 **TWENTY SIX**  
DEDICATED AND TALENTED  
EMPLOYEES

.....  
**GLENCOE**  
HEADQUARTERS  
.....

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