



NewsFlashes

APRIL 2022



CEO Column

Annual Meeting Update

Last month, our newsletter highlighted our Annual Meeting scheduled for June 2nd, 2022 at *LifeChurch* in Fergus Falls. To make it as easy as possible for members to attend the Annual Meeting, your board decided to add locations in Frazee and Parkers Prairie so you can enjoy a great meal, obtain your Lake Region Electric Cooperative (LREC) bill credit, and watch a livestreamed version of the entire Annual Meeting held in Fergus Falls. Any member attending at either the Frazee or Parkers Prairie location will have the same rights and privileges as those attending the event in-person at Fergus Falls, from casting a ballot to asking questions that will be communicated via text to our staff and directors who are physically located at the Fergus Falls live event. We are excited to expand the opportunities for members to attend the Annual Meeting! These meetings in Fergus Falls, Frazee, and Parkers Prairie will allow approximately 98% of our membership to be within 25 miles of a meeting location. The Frazee location will be at the *Frazee Community Center* and the Parkers Prairie location will be at the *Prairie Event Center*.

MREA Annual Conference

Last month, Director Patrick Meyers, Director Kurt Krueger, and I attended the Minnesota Rural Electric Association (MREA) Annual Meeting. The MREA Annual Meeting allows us an opportunity to learn more about how we can benefit from our statewide organization, while also allowing us a formal opportunity to engage with our local legislators. Ahead of the Annual Meeting, we coordinated meetings with Rep. Jordan Rasmusson and Rep. Paul Marquart. On March 16th, the three of us met with Rep. Rasmusson early in the afternoon. Later in the day we, together with Mike Bull and Jenny Glumack of MREA, met with Rep. Paul Marquart to discuss our co-op and how statewide decisions affect and impact LREC. We greatly appreciate the support of both Rep. Rasmusson and Rep. Marquart.

Materials and Supply Chains

LREC has been proactive when preparing for the material delays and supply chain issues that our nation and world are now facing. However, like most other industries, LREC and other co-ops are

Lineworker Appreciation Day is Monday, April 11th.

Join us in thanking our lineworkers who help keep the lights on for us all.

Post your thanks on social media and use the hashtag #ThankALineworker.

Tim Thompson's CEO Column is continued on the back page →

Additional Annual Meeting Locations

Please make plans to join us for our Annual Meeting on **June 2nd, 2022** starting at 5 p.m.!

New this year: additional locations featuring a *meal* and *livestream* of the primary location, as well as the ability to participate fully—including *voting*!

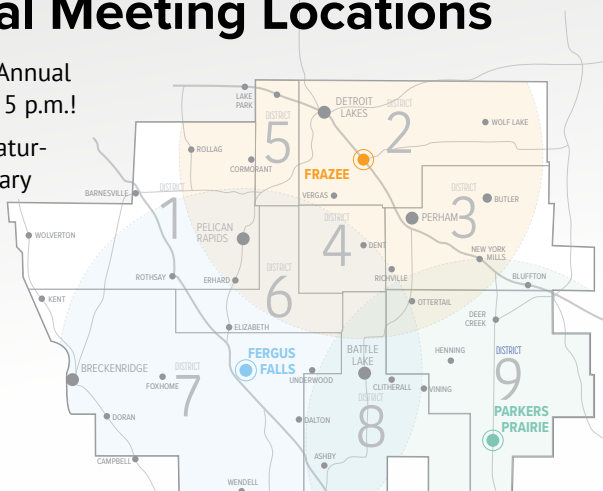
Primary Location

Fergus Falls at LifeChurch

Additional Locations

Frazee at Frazee Community Center

Parkers Prairie at Prairie Event Center



LAKE REGION ELECTRIC COOPERATIVE MEMBER QUESTIONS & ANSWERS

What is the Facility Charge on my billing statement?

Did you know that the *Facility Charge* attempts to cover the costs associated with everything that is needed to bring electric service to you?

All members pay a facility charge to be connected to power from LREC's distribution lines, and many pay the \$24.00 per month **residential facility charge**. Even if you are not using electricity, this facility charge ensures it is ready at the flip of a switch.

To provide some perspective, the *facility charge* is like expenses related to owning a vehicle. Even if you do not drive a vehicle every day, you still have expenses related to a driver's license, insurance, taxes, tags, and fuel.

The following are just a few things the facility charge helps pay for: *poles, storm repair, wire, bucket trucks, meters, safety equipment and training programs, line equipment, insurance, technology, system improvements, 24/7 service, and employees.*

Tim Thompson's CEO Column

Continued from front page.

not immune to the increased costs of equipment, material delays, and supply chain issues.

To provide some perspective, in 2019, which was a typical year, we ordered meter pedestals in January and received them approximately 12 weeks later. Now we are planning for 2023, and we ordered those same meter pedestals in February and anticipate them to arrive 72 weeks from the purchase order date. To bridge that gap, we have been proactive with ordering additional alternative meter pedestals in February that should arrive 45 to 49 weeks from the purchase order date.

As another example, in 2019 we ordered transformers in January and again received them approximately 12 weeks later in April. In March, we ordered those same transformers for 2023 and anticipate a partial delivery to arrive 56 weeks from the purchase order date. We did this in an effort to line up deliveries with the start of our construction season. To sum things up, lead times for this critical equipment are approximately 4.5 to 6 times longer now compared to a typical year prior to 2020.

As a result, LREC will have to prioritize how it addresses the needs of our members and prospective members, serving first the basic electrical needs of the members we already serve, serving second the needs of individuals and businesses new to our service territory, and third, serving our existing members who desire to upgrade their current services. Our entire staff is aware of the uncertainty and inconvenience this creates for our members and future members, but rest assured that we are prepared to address all needs as soon as we possibly can. In the meantime, we appreciate your consideration and patience, and encourage you to think much further ahead when planning compared to prior years. We will keep you updated as things move forward.



Tim Thompson

Cybersecurity a Top Priority at LREC

Cybersecurity has become a top priority for many industries due to the increase in threats from destructive attackers. The electric industry is no different, and at LREC, we are taking it seriously. With cyber threats constantly evolving, we continue to invest in the tools that support the security of our business, as well as in the education necessary to stay informed about best security practices.

Critical infrastructure companies, including our wholesale power provider, Great River Energy (GRE), have mandatory minimum standards for cybersecurity. Our IT team members **regularly attend training and round-table discussions** hosted by GRE and others to stay up-to-date on the latest tactics and ensure LREC is taking all appropriate measures to stop attacks before they happen.

We employ various tools and software to protect our networks. This includes **monitoring our network traffic 24-7** with alerts for any unusual activity. Server log

files are continually scanned for patterns of brute force attacks or suspicious requests. On a regular basis, we conduct **network penetration testing**, which is the process of identifying all the assets active on a network and searching them for vulnerabilities.

Throughout the entire organization at LREC, security best practices are a high priority. Everyone at LREC attends **annual cybersecurity awareness training**. We conduct **monthly phishing email tests** for all employees to keep awareness high. In addition, we use **multi-factor authentication**, which requires LREC employees to use two verification factors to gain access to their accounts.

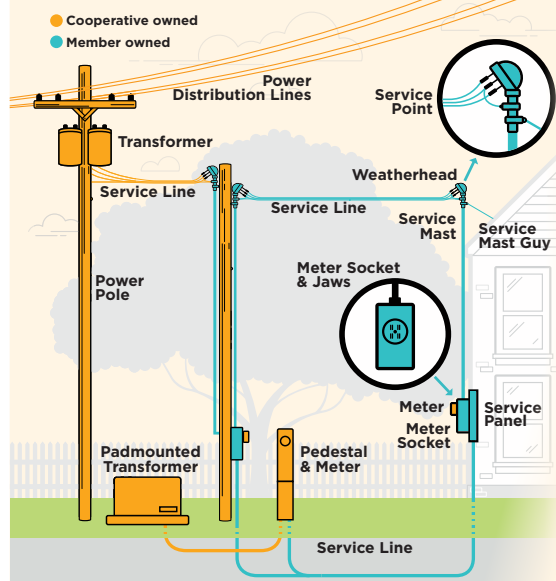
As a member of LREC, you can have confidence in your cooperative's commitment to keep our nation's electric grid secure and protect your personal information. Our cybersecurity practices and procedures are regularly reviewed and updated to ensure they are effective against a cyberattack.

Planning to Dig? → 811

First, make the call—it's the law!

Cooperative-Owned Versus Member-Owned Equipment

This graphic* depicts equipment owned by the co-op (*in gold*) and the member (*in blue*). Members should hire a licensed electrician when making any repairs to member-owned equipment.



NOTICE: Remember 811 Does Not Locate Private Underground Facilities

When a call is placed to *Gopher State One Call (GSOC)*, they coordinate with utilities like Lake Region Electric Cooperative to locate their underground facilities.

Homeowners should be aware that private facilities such as electric power running to an outbuilding or shed, gas lines from a propane tank, an invisible pet fence, or sprinkler systems **WILL NOT** be marked. In these instances, it is the homeowner's responsibility to make sure any privately-owned underground wires on the customer side of the meter are located prior to digging.

These lines should be located by an electrician or through a private facility locator listed in the industry directory available on Gopher State One Call's website at gopherstateonecall.org. The property owner or tenant is responsible for contacting a private locator and paying the fee for locating private underground facilities.

Call 811 or visit www.gopherstateonecall.org

*This illustrates the most common equipment setups. If you have any questions concerning your situation, please contact us.

Make Home Improvements and Pay Over Time with **EASY-PAY**

Lake Region Electric Cooperative offers **EASY-PAY**, which is product-specific financing on products we sell. This is an on-bill financing option paid monthly (*terms and interest rates depend on the product being purchased*). Currently, **EASY-PAY** is available for the following products:

- ▶ **WATER HEATERS PURCHASED FROM LREC**
- ▶ **OUR STANDBY GENERATORS**
- ▶ **EV CHARGER LEVEL 2**
- ▶ **GOWEST SOLAR**
- ▶ **STEFFES ELECTRIC THERMAL STORAGE HEATING UNITS**

If you are interested in one of the products above and would like to use **EASY-PAY**, please contact our Energy Services Department at (800) 552-7658.

Lake Region Electric Cooperative recently purchased a large shipment of water heaters. By purchasing in bulk, we are able to save members over \$15,000 because of the rising costs of materials/shipping.



2022 Energy Efficiency Rebates

Limited time offers on ASHP!
Call us at (800) 552-7658
to learn more!



Heating and Cooling

Heat Pump Systems*	Ductless air source heat pump— ENERGY STAR or 16 SEER minimum	\$300
	Air source heat pump, SEER 14.5 -16+	Up to \$630* ^{\$1,400} (based on hsfp)
	Geothermal heat pump, closed loop	Up to \$400 per ton
Central Air Conditioners*	Central air conditioner, SEER 14.5 or greater	\$50/unit*
Electric Thermal Storage (ETS) Heating Systems	Steffes ETS systems on short term storage	\$25 per KW
	All ETS systems on long term storage	\$50 per KW
Electronically Commutated Motor	Motor replacement only	\$50

Water Heating

Heat Pump Water Heater	Must be ENERGY STAR	\$500
ETS Water Heater (4.8¢ rate)	Must be at least 100 gallons and grid enabled	\$400
Peak Shave Water Heater (5.4¢ rate)	Must be at least 80 gallons and grid enabled	\$100

Miscellaneous

Electric Vehicle Charger Installation (must be on EV rate)	Level 2 chargers: \$500 Note: Level 2 chargers can receive up to \$800 instant rebate when purchased at energywisemnstore.com	Up to \$500 (\$800 instant rebate at EnergyWise MN store)
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All rebates are subject to change. Please contact LREC to verify availability.

*Rebates for high efficiency air source heat pumps and air conditioners are available only through qualified contractors registered at HVACRedu.net.
Go to www.lrec.coop and click on "QI A/C & ASHP Contractors" under **Quicklinks** to find qualified contractors in your area.

In 2021, LREC members saved

\$266,700

**through energy efficiency rebates
(see reverse side) and through
beneficial electrification projects!**

