



Looking Ahead to Hybrid "Green Energy" Project Benefits

What happens when a single large wind turbine is combined with a commercial scale solar array?

For the member-owners of Lake Region Electric Cooperative, the answer is three-fold. First and importantly, this hybrid wind-solar project will be a lower cost energy resource that will help keep your co-op's electric rates stable and competitive. Not only will it be good for retail rates, but it also adds local, renewable energy to the existing generation sources on which we depend. Third, it will provide additional tax revenue to the county and state.

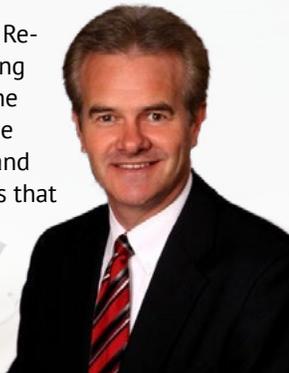
Looking ahead at least two decades, Lake Region's board of directors and management team became interested in such a hybrid project because of the economics that it would offer. Our long-range analysis indicates that a project of this nature will have a significant positive impact to the rates our co-op members pay. In fact, at least a \$3 million impact towards stabilizing rates in the next 20 years!

A 2.0-megawatt GE wind turbine and 500-kW commercial solar array will be proposed for a site in Otter Tail County. If approved by the township and county, the project will be constructed and owned by Juhl Energy, a Chanhassen, MN based company.

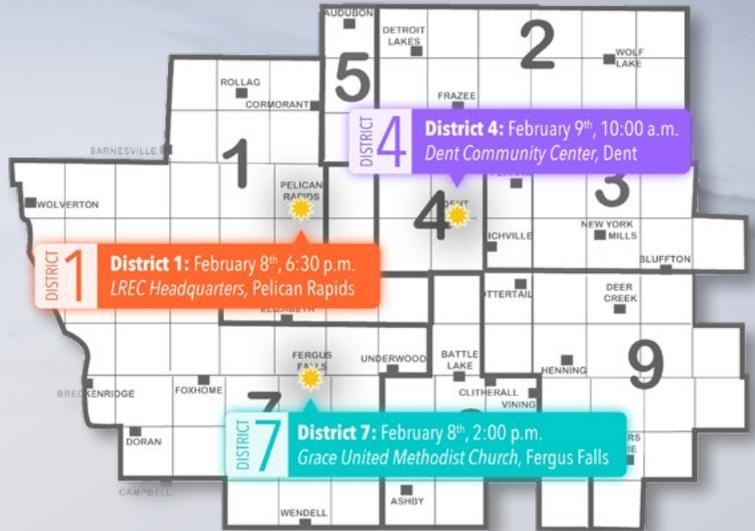


Lake Region Electric Cooperative will enter into a Purchase Power Agreement (PPA) to access the electrical output. This arrangement minimizes the cooperative's risk. Additionally, LREC will not be borrowing any money towards this project. It's a "win-win-win" for the county, cooperative members, and Juhl Energy. As a "green energy" project it is also a "win" for the environment. That's why, through coordination and cooperation with all involved entities, we are actively pursuing this hybrid wind-solar project configuration.

In closing, I want to reiterate that Lake Region focuses on being proactive; devising strategic approaches that strengthen the co-op's financial position, keep us on the leading edge of the technology curve, and – most importantly – making decisions that benefit our members. This wind-solar hybrid project certainly fits the bill!



Tim Thompson



2018 District Meeting Schedule

Candidates for the LREC Board of Directors will be nominated in districts 1, 4, and 7. There will be a meeting held in each of the three nominating districts. You are invited to attend any meeting, although only members of nominating districts will be allowed to vote.

- ◆ **District 1:** February 8th, 2018, 6:30 p.m.
LREC Headquarters, Pelican Rapids
- ◆ **District 4:** February 9th, 2018, 10:00 a.m.
Dent Community Center, Dent
- ◆ **District 7:** February 8th, 2018, 2:00 p.m.
Grace United Methodist Church, Fergus Falls

Interested in Being a Director?

Any member interested in becoming a candidate for the LREC Board of Directors should contact LREC at (218) 863-1171 ext. 4202, or (800) 501-0327, or email cbrosowske@lrec.coop to get information regarding the election process and responsibilities of being a director.

Holiday Hours

Our office will be closed the following days:

Christmas
December 25th-26th

New Years
January 1st-2nd



LREC Approves \$1.21 Million Capital Credit Refund

Your board of directors recently approved the retirement of \$1.21 million in patronage capital credits in 2017. People and organizations who were members of Lake Region Electric Cooperative in 1991, 1992, 1993, and 1994 are receiving capital credit retirements. The financial plan is to bring down the disbursement cycle to a 20-year rotation by the year 2020. The 2017 capital credit disbursement is another step in this direction. This will make five consecutive years in which Lake Region's capital credit retirement has exceeded a million dollars!

What are capital credits?

It pays to be a Lake Region Electric Cooperative member. As a member of a non-profit cooperative, you are part owner. One great advantage of being an owner is that we allocate, or assign, our margins back to our members in the form of capital credits. Since 1937, Lake Region Electric Co-op has allocated \$55 million in capital credits.

How does LREC use allocated capital credits?

Between the time capital credits are allocated and the time they are refunded to you, the money is used to maintain, improve, and ensure dependable service. If LREC could not use the members' equity or capital credits, we would need to borrow the funds resulting in additional interest expense and increased rates. In short, members get a lot of value in exchange for allowing the cooperative to use their share of the margins.

When does LREC pay allocated capital credits back to a member?

General retirements, or payouts, of capital credits are made in later years as determined by the financial condition of the cooperative. At that time our Board of Directors determines which years will be retired. Those who were on our service during those years would receive a check or have the amount applied to their current bill. LREC has retired and paid out \$25.47 million to members since 1958.

What happens to my capital credits when I leave the LREC service area?

When a member moves out of the LREC service area it is important to keep us updated with any address changes, as former members will continue to receive capital credit payouts in the form of general retirements. Any checks from Minnesota that are returned as undeliverable are held as unclaimed for a period of time and are eventually paid out through our scholarship fund. Capital credits owed to out-of-state former members are returned to the state in which they reside.

What happens to capital credits of a member (or former member) who dies?

The exception to paying out capital credits through general retirements is made when a member or former member of LREC passes away. Capital credits of a deceased member may be paid out to the heirs in a lump sum upon the completion of the appropriate paperwork.

I moved from your service area. Can I collect my capital credits?

No, capital credits are only paid out when there is an estate or there is a general retirement for indicated year(s). It is important LREC has your current mailing address at all times.

Can I use the capital credits I have allocated to pay my electric bill?

No. Allocated capital credits may not be used to pay current bills. Your electric bill is due now, whereas you may not receive your capital credits for many years.

I received a check written to a deceased family member, what should I do?

Capital credits are paid out in a lump sum when a member or former member passes away. Call the co-op at (800) 552-7658 for the appropriate paperwork to collect a lump sum payment.

I received a check payable to someone else, what do I do?

Write "Return to Sender" on the envelope and place it back in the mail. You will not be charged for any additional postage.

I no longer own property in the LREC service territory, does this check belong to me?

Yes! Capital credits are paid to members or former members who were purchasing electricity in the years that are being retired. Even if you are not currently a member, these capital credits still belong to you.

ELECTRIC CORDS NAUGHTY OR Nice?



This time of year, our use of extension cords quadruples! We string cords together for our Dept. 56 village displays, our trees, our lighted reindeer, and even our candy canes that are 6 feet tall. It is truly quite beautiful. Without the extension cords, our holidays might not be so merry and bright.

Yet, some of those cords have been naughty all year long. They sat out in the sun, they grabbed you when you stepped over them causing you to trip, and then they all got together and tried to fit into one outlet. One of them even caused a fire after it played hide-and-seek under a rug. Thank goodness, a cord didn't shock anyone.

But, for every cord that was naughty, we have some nice cords, too. So, how can you find the nice electrical cord? Use the checklist below to ensure you are using the right cord.

We know we are not supposed to use a cord when it is "bad", yet often we think it won't hurt just this time. Don't take the chance this year... because you don't want to end up on the naughty list either!

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| <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Is any cord frayed, cracked, or otherwise damaged? <input checked="" type="checkbox"/> Is any cord placed where it might be stepped on? <input checked="" type="checkbox"/> Is any piece of furniture or rug resting on an electrical cord? <input checked="" type="checkbox"/> Are cords attached to anything (wall, baseboard, etc.) with nails or wire staples? <input checked="" type="checkbox"/> Is any cord tightly wrapped around any object? <input checked="" type="checkbox"/> Is any extension cord carrying more than its proper load? | <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Are all extension cords being used on a temporary (not permanent) basis? <input checked="" type="checkbox"/> Are all extension cords equipped with safety covers on the unused outlets? <input checked="" type="checkbox"/> Is all the equipment in a dry location, free of any source of water, including rain, leaks, and spills? <input checked="" type="checkbox"/> Is all the entertainment equipment placed so that air can freely circulate around it? |
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Source: The Consumer Product Safety Commission

LED Bulbs: Check out the new, versatile, and lower priced selection at our EASY-PAY online store!

If you've shopped for light bulbs lately, you've probably noticed there are a lot of choices available. With our low **EASY-PAY** prices, purchasing LED lighting has never been so easy or affordable. If you haven't already taken advantage of this valuable program, visit www.lrec.coop/led and get started!

- Purchase online at www.lrec.coop/led
- No credit card required
- Bulbs shipped directly to your home address
- Receive a \$3 per bulb rebate for purchase of up to 24 bulbs
- Pay for the bulbs over 36 months on your electric bill
- Monthly savings exceed monthly cost for LED bulbs



LED A bulbs are available in soft white 60 and 100 watt equivalent sizes.



LED Globes are available in soft white for bathroom vanities and other decorative locations.



LED Candelabra bulbs with smaller E-12 screw in base can be used in chandeliers and modern Energy Star ceiling fans.



LED BR30 floodlights are for use in recessed fixtures and are available in 65 watt equivalent with soft white and daylight (5000K) light appearance. 85 watt equivalent is available as well.

Find us on [@LakeRegionElectricCoop](https://www.facebook.com/LakeRegionElectricCoop)

