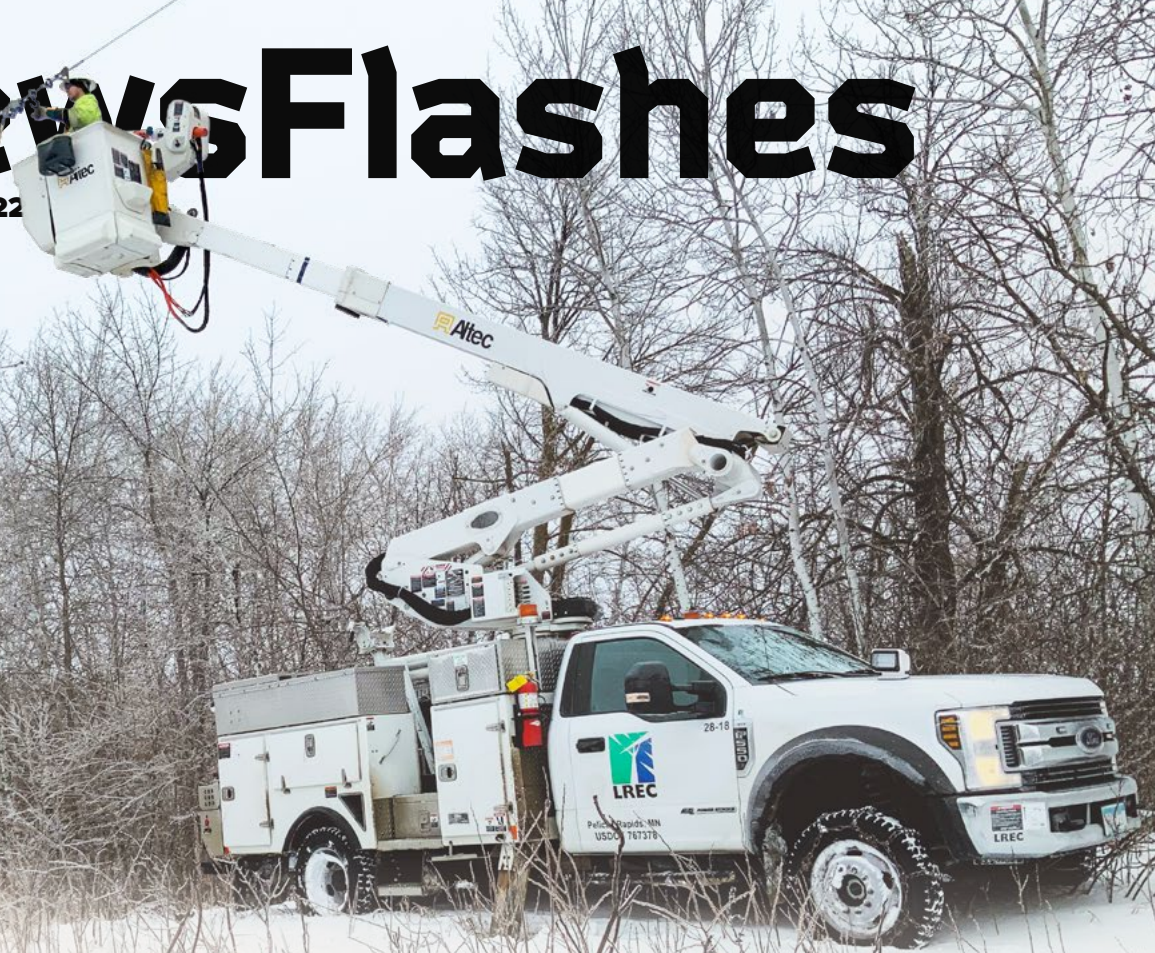




NewsFlashes

JANUARY 2022



Energy Transition Update

In August of last year, we announced that Great River Energy (GRE) entered into a power purchase agreement with Rainbow Energy Center, LLC (Rainbow Energy) for the sale of Coal Creek Station. The terms of the power purchase agreement allow GRE to purchase 1,050 MW of power from Rainbow Energy for approximately two years after the closing of the transaction, followed by a huge reduction, resulting in the purchase of 300 MW for approximately 8 years. That same power purchase agreement allows GRE to exercise an option to purchase up to 68 MW of additional output from Rainbow Energy as part of the original Rainbow Energy transaction. In November of 2021, the GRE board approved this option which was made available to GRE pursuant to the original power purchase agreement between GRE and Rainbow Energy. GRE is now waiting on its all-requirements contract members to vote on this matter. Lake Region Electric Cooperative, an all-requirements contract member, at its November 23, 2021, regular board meeting, voted in favor of GRE exercising the option.

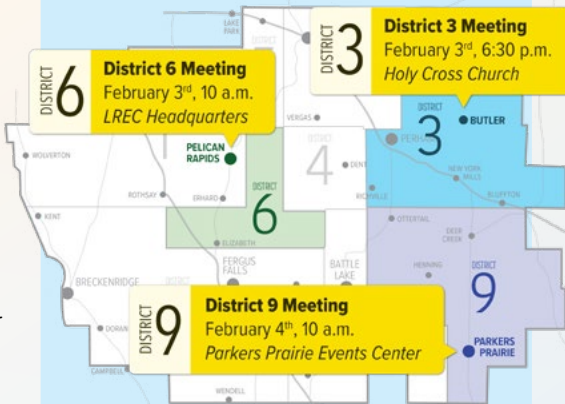
If this option is approved by the GRE all-requirements contract members, then GRE will still purchase 1,050 MW of power from Rainbow Energy until early 2023 after the closing of the transaction. However, exercising this option will bring the total output purchased from Rainbow Energy up to 368 MW starting in mid-2023 for approximately 8.5 years. GRE will stop purchasing output from Rainbow Energy in approximately 9-10 years. Exercising this option provides stable rates and reliability in the event of extreme weather conditions and helps manage risks for GRE's members. GRE remains committed to renewable energy and has set a goal of 50% renewables by 2030. GRE will proceed with its planned wind projects, including:

- **Deuel Harvest Wind Farm:** 200 MW, Deuel County, South Dakota, effective 2023
- **Buffalo Ridge Wind:** 109 MW, Lincoln County, Minnesota, effective 2023
- **Dodge County Wind:** 259 MW, Dodge and Steele counties in Minnesota, effective 2023
- **Three Waters Wind:** 280-340 MW (TBD), Jackson County, Minnesota, effective 2024

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

2022 District Meeting Schedule

Candidates for the LREC Board of Directors will be nominated in districts 3, 6, and 9. Meetings will be held in each of the three nominating districts. All members are invited, although only members of each district can vote. Livestreams of the meetings will be available as well.



- ③ **District 3:** February 3rd at 6:30 p.m.
Holy Cross Church, Butler
- ⑥ **District 6:** February 3rd at 10:00 a.m.
LREC Headquarters, Pelican Rapids
- ⑨ **District 9:** February 4th at 10:00 a.m.
Parkers Prairie Events Center,
Parkers Prairie

We Are Migrating to a New Pay-by-Phone System on January 17th

FEATURES INCLUDE:

- ▶ A new user-friendly interface
- ▶ Enroll in automatic bill payments
- ▶ Securely store your credit card or bank account info for easy payments
- ▶ Additional security by adding a PIN to payments made by check
- ▶ Update your phone numbers
- ▶ No additional fees

Interested in Being a Director?

Any member interested in becoming a candidate for the LREC Board of Directors should contact us at (218) 863-9852, or email glarson@lrec.coop to learn more regarding the election process and responsibilities of being a director.



Tim Thompson's CEO Column *(Continued from front)*

More than likely, by the time you receive this edition of NewsFlashes, the Minnesota Public Utilities Commission (MPUC) will have held a hearing in early January regarding the approval of the Coal Creek Station transaction. In mid-January or so, we will provide updates related to the MPUC hearing on our website, Facebook, and Instagram.

2022 Outlook

As always, LREC's outlook will focus on safety, reliability, and rate stability in 2022 and subsequent years. We will take full advantage of new technology to maximize the efficiency of our operations, and continue to take action to increase the engagement and communication with our members, directors, and employees. In addition, your Board for 2022 has budgeted to bring a public electric vehicle (EV) charger into our service territory, conduct a battery/storage pilot program, and purchase an EV to be used regularly by our employees. The EV will allow us to learn firsthand practical information that will make us more informed for our members moving forward in this ever-evolving EV world.

LREC Providing 85 Years of Service

LREC will celebrate its 85th Anniversary later this year! It is amazing to think that the grassroots efforts of the folks motivated to bring electricity to our service territory in 1937 have evolved into LREC having over 28,000 electric member-consumers and having a subsidiary, Lake Region Energy Services (LRES), that recently surpassed the 1,000 gas customer mark! LREC continued to grow in 2021—building electric service to over 420 new service locations. Stay

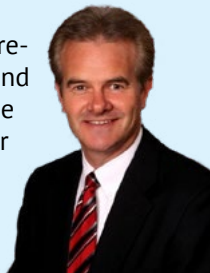
tuned for updates regarding LREC's 85th anniversary celebration!

District Meetings for Districts 3, 6, and 9

Districts, 3, 6, and 9 will all hold their respective district meetings in February. If you are interested in nominating a director or voting for a member to be nominated as a director, you must attend the meeting in-person. However, a member does not need to attend the meeting in-person to be nominated. We are fortunate to be able to hold the district meetings in-person this year. Please see the details on the first page of this newsletter showing the dates and times of the upcoming district meetings. *PLEASE NOTE: all members attending in-person or virtually will receive a \$10 bill credit.*

LREC Welcomes Representative Jordan Rasmusson and MREA

LREC recently welcomed Representative Jordan Rasmusson, together with Mike Bull and Jenny Glumack of the Minnesota Rural Electric Association (MREA), and they shared their thoughts and ideas on matters that are very important to LREC, including but not limited to, broadband needs in rural areas, pole attachment regulations, and appropriately allocating government funds equitably throughout the state of Minnesota for purposes related to broadband and EV infrastructure. We greatly appreciate our relationships with Representative Rasmusson and the MREA—they provide valuable support to our cooperative at the state level.



Tim Thompson

VMAC Updates

Launching in November 2021, LREC's Virtual Member Advisory Committee (VMAC) has already proven to be a useful tool for member insight and engagement. VMAC pulls together members from across our service territory with different personal and professional backgrounds, creating a diversified group of individuals. The current committee is comprised of 22 members who will serve for a year.



On a weekly basis, VMAC participants offer their thoughts and opinions surrounding various topics or ideas. This knowledge can help us look at new avenues to achieve more, while also allowing us to further understand what

our members need most from us. We look forward to the next 10 months with this current set of VMAC participants. What great things we can accomplish together!

VMAC VIRTUAL MEMBER ADVISORY COMMITTEE

Go Paperless & Get \$5 Bill Credit

Help us save money with paperless billing. You can choose to receive your monthly bill and NewsFlashes delivered via email. Your account information is always available online. Go paperless and receive a one time **\$5 bill credit!**

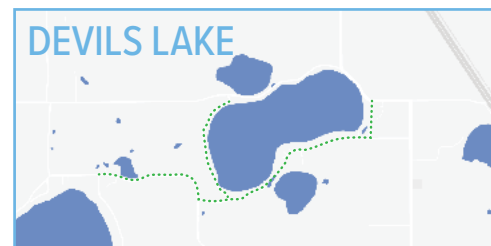
1. Visit *SmartHub* by clicking *View & Pay Bill*.
2. Log in or register for *SmartHub*.
3. Click on *My Profile*.
4. Choose *Update My Printed Bill Settings*.
5. Change your printed bill status to *Off*.
6. **BONUS:** Sign up for *Auto Pay* under *Billing & Payments* to be entered into a quarterly drawing for a \$100 bill credit!

LRES Progress and Summer 2022 Plans

Serving 1,000 customers has been a goal for Lake Region Energy Services (LRES), our natural gas subsidiary, ever since its inception. Each construction season brought us closer, and fueled us to work harder to better serve our customers. This commitment resulted in a celebration for LRES as we are officially serving over 1,000 customers.



LRES continues to expand natural gas availability in the region. This summer, construction crews will begin installing gas mains on the north side of Marion Lake and the south and southwest sides of Devils Lake. Look for construction information updates for these projects on LRES's website at www.lakeregionenergy.com.



Phone Scam Alert

We have received reports of several LREC members receiving telephone calls attempting to collect on delinquent power bills. The caller states that the bill is due now, and unless paid immediately, the member's electricity will be disconnected. Often, scammers will demand payment via prepaid debit card or wire transfer so the transaction is untraceable and cannot be reversed later.

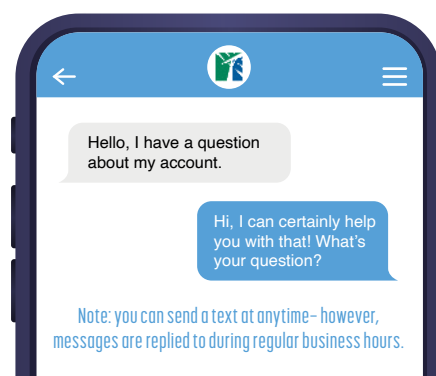


If you receive a call from *any* number demanding payment or power will be disconnected, hang up and consider reporting the incident to local authorities. For payment inquiries, please call us at (800) 552-7658 or visit www.lrec.coop.

LREC PHONE NUMBERS

Local: (218) 863-1171
Toll-Free: (800) 552-7658
Text: (218) 853-5732
SmartHub: (855) 939-3571

NEW! You can now simply send a text to initiate a chat with our customer service team: **(218) 853-5732**



2022 Energy Efficiency Rebates



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*
	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

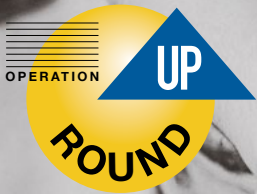
Heat Pump Water Heater	Must be ENERGY STAR	\$500
ETS Water Heater (4.8¢ rate)	Must be at least 100 gallons and grid enabled	\$400
Peak Shave Water Heater (5.4¢ rate)	Must be at least 80 gallons and grid enabled	\$100

Miscellaneous

Electric Vehicle Charger Installation (must be on EV rate)	Level 1 & 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.



*Small change
that changes lives.*

Please consider signing up to be part of Operation Round Up and make an impact in our community.

All members who sign up by February 1st (and those who are currently participating in Operation Round Up) will be entered into a drawing for three \$50 bill credits!

How to sign up for Operation Round Up

- 1) Visit www.lrec.coop/oru and use the web form there
- 2) Check the box on your billing statement next to “Sign me up for Operation Round Up”
- 3) Go to SmartHub, visit *Billing & Payments*, then select *Operation Round Up* to enroll.