



NewsFlashes

JULY 2022



Tim Thompson's CEO Column

Great Turnout for Our 2022 Annual Meeting!

We had a great 85th Annual Meeting on June 2nd, with in-person meetings in Fergus Falls, Frazee, and Parkers Prairie, together with a livestream option. Approximately 1,200 individuals attended the event in-person or watched it online via livestream. By expanding our Annual Meeting model to

LREC had a successful year in 2021, including positive member feedback, rate stability, the prioritization of reliability shown by recent upgrades made by LREC and Great River Energy (GRE) to transmission lines and substations, increasing equity reflecting the financial strength of the co-op, \$1,838,490 of capital credits paid to members in 2021 (making it nine consecutive years of record capital credit retirements paid to members), and the growth of LREC's natural gas subsidiary, Lake Region Energy Services (LRES).

LREC welcomes two new directors, Charlie Blixt and Gary Olson. Blixt was elected in a two-member race in District 6 and Olson was elected by acclamation in District 9. Incumbent director Mike Brasel of District 3 was elected by acclamation.



Members Enjoying a Meal at the Fergus Falls Location

LREC is Prepared for Potential Planned Electric Service Interruptions

Energy providers across the country are warning energy users about summer energy demand. LREC is taking a proactive approach by putting measures in place to ensure the safety and reliability of our electric grid. The North American Electric Reliability Corporation (NERC) 2022 Summer Reliability Assessment indicated the north and central areas of the Midcontinent



Join Lake Region Electric Cooperative as we travel around our service territory meeting with our members. Our next stop is at the Cormorant Inn in Pelican Rapids for **Apps + Chats**.



Our main goal is to hear from all of you, the members of LREC. While enjoying a non-alcoholic beverage and appetizers on us, informal conversations can be had on anything related to LREC. We look forward to seeing you!

WHEN: July 19th // 4 p.m. - 5:30 p.m.
WHERE: Cormorant Inn
10510 Co. Hwy. 5, Pelican Rapids, MN

Director Election Results

LREC welcomes two new directors to our Board of Directors – *Gary Olson* and *Charlie Blixt*. Olson was nominated without opposition and, according to cooperative bylaws, elected by acclamation in **District 9**. Blixt was elected in a two-candidate race to represent **District 6**. Incumbent director *Mike Brasel* of **District 3** was nominated without opposition and elected by acclamation.

2021 Capital Credit Allocation

This year, the LREC Board of Directors approved a capital credit distribution totaling **\$4,017,001**. This total includes \$2,173,504 from LREC and \$1,843,497 from Great River Energy (GRE). Please check your electric bill for the 2021 Capital Credit Allocation details.



Co-op Employees Serve Members Dinner

include three in-person location options, we were able to connect with more of our members at places closer to their homes and businesses. This new model allowed 98% of our members to be within 25 miles of an Annual Meeting location. I am confident that this year's attendance ranks as one of the highest in the past few decades. I encourage those of you who were unable to attend to watch the Annual Meeting videos at www.lrec.coop/annualmeeting.

LREC's Board Chair Tom Jennen opened the meeting and spoke about being grateful for his opportunity to serve on a board elected by LREC members, and how the cooperative model allows LREC to locally make decisions on matters that are extremely important to the members and their communities. Jennen recognized the retirement of directors Joyce Valley and Robert Shaw, both of whom served the cooperative so well for 15 years.

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



Tim Thompson's CEO Column *Continued from front page.*

Independent System Operator (MISO) region are in a "high risk" category due to generator retirements and increased demand. This area includes the LREC service area. Though GRE has sufficient generation resources for LREC and its member cooperatives, there are other utilities in the MISO market, in other states for example, that rely on market purchases for sizable portions of their power portfolio. This can leave the market short on generation capacity when most of the MISO market experiences extreme weather, meaning, utilities will deploy their demand response programs or perform voluntary load reductions.

In response to these energy concerns, LREC is prepared to enact our current demand response (load control/off-peak) programs. There are approximately 14,000 LREC members using one or more of our 28 demand response programs. Combining LREC's demand response programs with other GRE cooperatives across Minnesota and parts of Wisconsin, there are a total of 200,000 services participating in demand response. This can include cycled air conditioning or controlled water heaters, irrigators, commercial loads with a standby generator, etc. Because of these robust programs, GRE can control 15% of its peak day load, or the equivalent of reducing electricity demand by more than 200,000 homes on a normal summer day, making a huge impact. GRE is very proactive in anticipation of extreme weather events and works closely with LREC and our sister cooperatives to ensure we are properly prepared. In the event of a grid emergency, MISO calls on additional power supply resources, imports energy from other regions, and performs voluntary load reductions to manage the electric system.

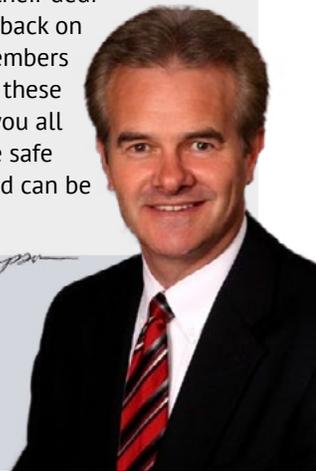
Temporary controlled manual load sheds, also known as temporary rolling blackouts, are used as a last resort to keep the whole grid in balance. If there are temporary controlled load sheds, LREC

members may experience a one-hour power outage at the substation level. LREC will communicate with our members about these events via our website, SmartHub, and social media platforms to ensure our members are informed of the current situation. While rolling blackouts can be stressful, please know that we have a plan and so does GRE. Ensuring there is enough power generation for all members, GRE has carefully constructed a portfolio of power supply resources that provide low-cost renewable energy, along with a powerful fleet of dispatchable resources that allow it to generate or receive additional energy when needed.

Recent Storm Systems

A massive Memorial Day storm caused approximately 9,800 members to be out of power, but all services were safely back on within 72 hours. The Memorial Day storm caused a widespread track of damage throughout our service territory. The damages sustained were some of the worst experienced by LREC in recent history. Unfortunately, while many of our members were still recovering from the Memorial Day storm, another storm system hit our territory on June 20th. Approximately 6,000 members were out of power as a result. Again, our employees were back at it and hit the ground running to get all services safely back on within approximately 48 hours. I would like to thank the LREC employees and their families for their dedication and determination to get the power back on during these events. Also, I thank all our members for their patience and consideration during these stressful situations. My thoughts are with you all during this time. My hope is that you all are safe and that any property damage you sustained can be repaired and addressed in a timely manner.

Tim Thompson



We are continually looking for ways to better connect with our members. We are excited to bring a new element to our newsletters — **Virtual Chats!** Simply scan the QR code to the left with a mobile device equipped with a camera and/or QR reader app to see a video from LREC CEO Tim Thompson. We believe that offering more methods of communication will be a positive experience that assists with learning more about your co-op.

Go Paperless & Get a \$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*.

MEMBER QUESTIONS & ANSWERS

What is the **PCA (Power Cost Adjustment)** on my bill?

Wholesale power cost is LREC's largest expense. While a portion of the co-op's cost of power is already included in our energy rates, the **Power Cost Adjustment (PCA)** is a pass-through that reflects the increases/decreases in the co-op's cost of power purchased wholesale from Great River Energy (GRE).

Using a PCA allows for flexibility (rather than continually restructuring rates) as wholesale energy costs fluctuate. The fluctuation is largely due to changes in the cost of energy on the MISO market.

Members may notice a higher PCA on their bill statements this summer. The PCA is a separate line item on each LREC member's bill statement. PCAs are a month behind, so each month's PCA appears on the following month's bill statement.

Notice to Distributed Generation Facilities

In compliance with Lake Region Electric Cooperative's adopted rules relating to cogeneration and small power production, Lake Region Electric Cooperative is obligated to interconnect with and purchase electricity from cogenerators and small power producers, whom satisfy the conditions as a qualifying facility. Lake Region Electric Cooperative is obligated to provide information free of charge to all interested members upon request regarding rates and interconnection requirements. All interconnections require an application and approval to become a qualifying facility. Any dispute over interconnections, sales, and purchases is subject to resolution by the Lake Region Electric Board of Directors. Interested members should contact Lake Region Electric Cooperative, 1401 S. Broadway, PO Box 643, Pelican Rapids, MN 56572 or call (800) 552-7658, or visit the cooperative website at www.lrec.coop.

EnergyWise Marketplace

All the ways you can save with our rebates and services!



SUMMER 2022

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 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.

Off-Peak Space Heating

Steffes electric thermal storage (ETS) heaters store heat in specially-designed ceramic bricks for extended periods of time so you can stay warm while saving money! Steffes offers two products for your home — Room Heaters and Whole House Forced Air.

Steffes Room Heaters

- ⚡ Qualifies for **low 4.8¢ ETS rate** or **5.4¢ STS rate**
- ⚡ Up to \$50 per KW rebate
- ⚡ Great for a single room or entire home
- ⚡ Replaces wood stoves, wall furnaces, or electric baseboard
- ⚡ Interest-free **EASY-PAY** — pay for heaters over 48 months on your bill with no money down!



Steffes Forced Air

- ⚡ System is eligible for 4.8¢ ETS rate
- ⚡ Get \$50 per KW rebate for Steffes Comfort Plus on ETS
- ⚡ Combine with ASHP (up to \$630 rebate available) to reduce electricity usage of ETS systems by nearly 50%
- ⚡ Interest-free **EASY-PAY** — pay for heaters over 48 months on your bill with no money down!



Off-Peak Water Heating

Water heaters on our electric thermal storage (ETS) rate use electricity during the low demand times when electricity costs less. Heat your water while you sleep and save up to 50% on your water heating rate.

- ⚡ Our 4.8¢ ETS rate is the lowest cost water heating rate available
- ⚡ Receive up to \$400 in rebates toward a new water heater
- ⚡ Use our **EASY-PAY** purchase plan and pay over time with your electric bill
- ⚡ There are peak shave rate options also available
- ⚡ We have 80 & 100 Gallon capacity water heaters available
- ⚡ Our residential water heaters have a lifetime warranty

Up to \$400 in rebates available!



HTP Everlast Stainless steel tank



Marathon Lightweight tank that won't corrode

Pay the easy way with **EASY-PAY**

EASY-PAY IS ON-BILL FINANCING OFFERED BY LREC. PAY FOR YOUR PURCHASE MONTHLY RATHER THAN AS A LUMP SUM.



Lake Region Electric Cooperative, Pelican Rapids, MN
www.lrec.coop • (800) 552-7658

ENERGY WISE

Standby Generators

If you've ever considered purchasing one of our generator packages, **call now to schedule a spring 2023 install!** Let our energy management specialists walk you through the best options available for your home. Give us a call today at **(800) 552-7658** to schedule a consultation.

- ⚡ From Briggs & Stratton—*The Power Experts!*
- ⚡ Standby generator system intelligently powers your whole house, automatically powering what you need when you need it most
- ⚡ Generator automatically starts when the power goes out
- ⚡ Sold and installed by LREC
- ⚡ Eligible for 48-month **EASY-PAY** plan
- ⚡ Runs on natural gas or LP (*provided by others*)

Let our *energy management specialists* find the best option for you. Call **(800) 552-7658** today!



12 KW*
FORTRESS



Starts at \$7,059.91

20 KW*
FORTRESS



Starts at \$9,044.55

26 KW*
FORTRESS



Starts at \$9,993.30

GoWest Solar Installation

GOWEST
SOLAR

GoWest Solar is a pioneering effort to increase the value of solar energy. The solar array is aligned at 240° to the southwest, optimizing electricity production during summer evenings when electric demand is high and market value is greatest.

GoWest Solar offers Jinko Eagle Modules in a small (3.8kW) or large (7.7kW) array for residential customers across the Lake Region Electric Cooperative service territory. If you use a significant amount of electricity in the summer, GoWest Solar provides an attractive alternative to traditional solar by cutting electric costs.

Field photo of the 7.7kW GoWest solar array



- ⚡ GoWest Solar helps you save by utilizing solar-produced kWh to offset your electric use. Every kWh you produce is one you do not have to pay for on your electric bill.
- ⚡ Summer peak demand reduction—GoWest Solar is designed to produce power during the peak demand hours of summer which then creates additional benefits for co-op members.
- ⚡ Excess solar production that flows back into the Lake Region electric grid will be purchased at the co-op's wholesale energy cost.



Lake Region Electric Cooperative, Pelican Rapids, MN
www.lrec.coop • (800) 552-7658

ENERGY WISE