



NewsFlashes

OCTOBER 2025



Making Sense of Energy Costs

All it takes is a trip to the grocery store to see that costs are continuing their steady rise upward. Here at Lake Region, we recognize that inflation is a challenge for our members; we want to do our part to make sure we are providing you with the reliable energy you require at an affordable rate.

Although inflation has led to increasing costs in many areas of our lives, it's important to note how the cost of powering your home rises slowly when compared to other common goods. If you examine average price increases over the last five years, electricity remains a good value. According to the U.S. Bureau of Labor Statistics, the average annual price increase from 2018-2023 for electricity was 4.9 percent, with gasoline and common grocery items like bread, milk, and butter each increasing by higher percentages.

That said, we are not immune to the inflationary change and increasing material costs most industries

Joel Janorschke's CEO Column
is continued on page 2 →



Cooperative Month: Putting Concern for Community into Action

October is National Cooperative Month and, in recognition, beginning this month we're sharing the *Seven Cooperative Principles* by shining a spotlight on the ways in which LREC is demonstrating each one to our members. Our first featured principle is *Concern for Community*.



A cooperative serves its member-owners best when it operates as more than just a utility company. With that understanding, we strive to show our *Concern for Community* through our continued efforts toward safety and education for our youth and our charitable giving program, Operation Round Up (ORU).

Throughout the school year, LREC linemen and Operations staff join 4-H and other organizations for live events at elementary schools in our service area to provide in-person electrical safety presentations. By using our table-top safety demo, we're able to engage kids with a hands-on learning experience about staying mindful around power lines. (*The guys were a big hit with kids and adults at our recent Member Appreciation event, too.*)

Every spring, our Pelican Rapids office hosts a group of students from Viking Elementary for a tour of our office and warehouse to understand the different roles within the co-op, try out some lineworker gear, get an up-close look at vehicles and equipment, and learn about the future of energy with an overview of our on-site solar panel array.



(Co-op Principles: Concern for Community is continued on page 2)

CEO Column: Making Sense of Energy Costs *(Continued from page 1)*

are facing. Our wholesale power costs continue to rise year over year. We also serve significantly fewer members per mile of line than investor-owned and municipal utilities, resulting in fewer people to share the cost of delivering electricity.

As we look to the future, we continue to prepare for rising costs contributed, in part, by transmission and distribution needs that are ongoing. Because, like most cooperatives, LREC does not generate its own power, those higher prices are passed onto the co-ops – which in the end, affects the cost of electricity to the members.

It is also important that we continue investing in our system: updating aging infrastructure needed to provide grid resiliency in the future. Ongoing pole replacements, new conductors (wire), line extensions, and substation improvements identified within our 4-year Construction Work Plan are critical components to upholding Lake Region's commitment to safe, reliable, and affordable energy.

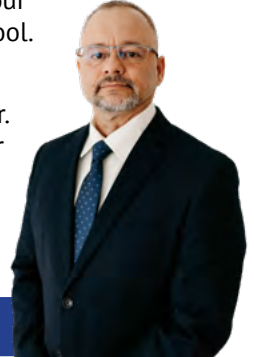
In addition, an increased reliance on household technology – smart devices, appliances, etc. – and a wider acceptance of

artificial intelligence (AI) represent a significant growth in the demand for energy, likely to reach record levels in the future. To ensure the electrical grid can keep up, new generation and transmission projects from wholesale power providers are in the works.

To proactively position the Cooperative for the future, LREC's Board of Directors recently approved a class cost of service study (CCOSS). As soon as we receive the study's findings, we will communicate them via our newsletter, website, and social media channels. To help monitor your energy usage, I encourage you to visit our website or contact Member Services about signing up for SmartHub, our free and valuable account management tool.

I look forward to working in partnership with you as we move into the coming year. Please do not hesitate in sending me your thoughts, questions, or concerns.

Cooperatively yours,
Joel Janorschke



Contact the CEO ✉ Email: jjanorschke@lrec.coop ☎ Cell: (320) 292-4036

Co-op Principles: Concern for Community

(Continued from page 1)

Operation Round Up continues that focus by delivering financial support – through generous donations from our members 'rounding up' their monthly bills – to local non-profit and charitable organizations in need. With almost \$900K awarded through LREC's ORU program to date, Star Lake-based Camp Joy and the Bluffton Fire Department are just a few recipients able to complete critical projects and/or purchase equipment because of ORU giving. Later this year, we'll spotlight another awardee, the Detroit Lakes-based Minnesota Flyers Gymnastics, to show how members are helping take this facility and the skills of young gymnasts and ninja warriors to the next level.



Scan the QR code on the left to view the complete list of principles and check back in future newsletters to learn how LREC is putting each one into action.

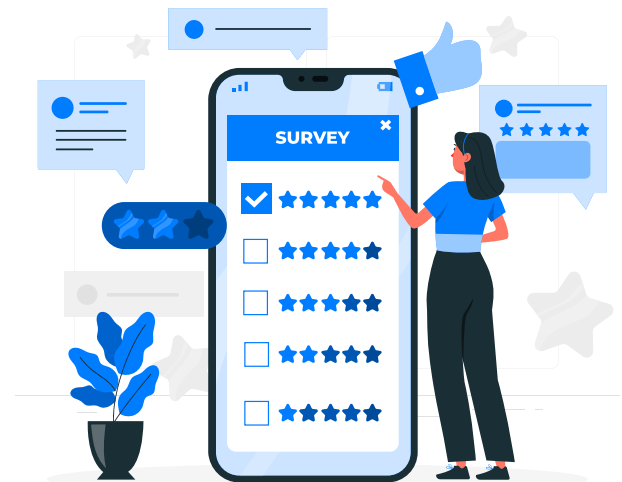


Want to join those contributing through Operation Round Up? Visit www.lrec.coop/oru today!

Look for Our Member Satisfaction Online Survey

We are conducting our annual *member satisfaction survey* in October. Please take this opportunity to let us know what you think! The survey is sent via email or text message and will come from one of the following:

Email: lrec@lrec.coop or Text: (218) 853-5732



Note: this is an electronic survey—if you would like to receive it, but are not signed up for SmartHub, please contact us to make sure we have your email address and/or cell phone number.

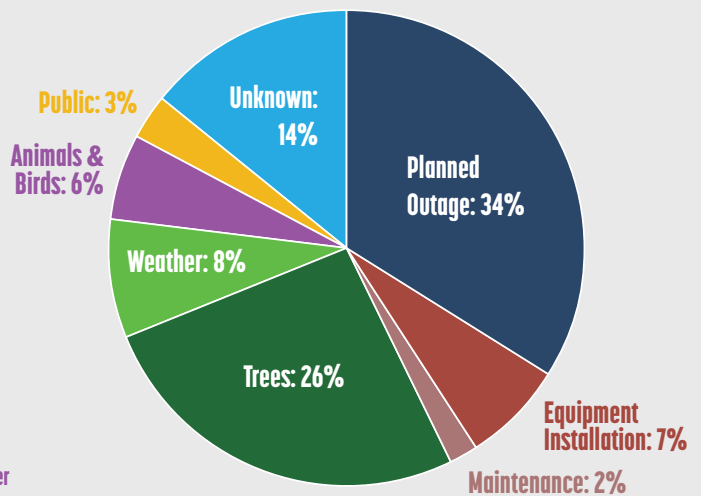
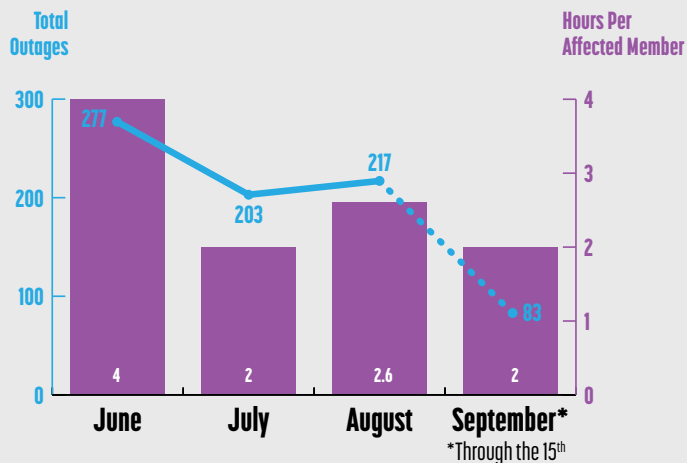
Cooperative Heroes Award

Know someone making a difference? Nominate him or her for the **Cooperative Heroes Award**! Any co-op member, employee, or director can submit a nomination, and nominees don't need to be members. Winners choose a local charity to receive \$1,000 (1st place) or \$500 (runners-up). Apply at mrea.org/programs/touchstone-energy.

What Caused Outages This Summer at LREC

Lake Region Electric Cooperative tracks the cause of every outage; for June through mid-September, the numbers show two main sources: *planned work* and *tree-related incidents*.

Planned outages, at 34 percent, are necessary interruptions that let crews safely upgrade and strengthen the system. Trees caused 26 percent of outages, a number that highlights the importance of our *Vegetation Management* program.



June had the highest number of outages and the longest average hours per affected member, while July and August saw moderate levels. Through the 15th, September is on track to have the fewest outages and the shortest outage times.

Behind these numbers are crews who respond quickly to restore service and prevent future interruptions. Lake Region is committed to improving the reliability of the power you depend on.



Heat Your Home Efficiently and Cost-Effectively This Winter

As cooler weather returns, many Minnesota homeowners are looking for cost-effective ways to heat their homes. Advances in electric heating, especially air source heat pumps (ASHPs), make electricity a strong choice. ASHPs perform well in cold climates, often cost less upfront

with incentives, and are three to five times more efficient than traditional systems.

With an ASHP, the heat energy itself is taken from the air outside (even when temperatures drop well below freezing), meaning energy is only needed to transport and distribute that heat indoors. As a result, ASHPs are often far less expensive to run than other heating systems. Members can estimate savings for their home through our *Amped to Save* program via **Zero Homes** – helping them switch to clean, efficient, all-electric systems.

Compared to propane, savings can be hundreds annually. ASHPs also protect you from oil, gas, and propane price swings. With federal tax credits (30% up to \$2,000 through Dec. 31, 2025) and our rebates, plus the bonus of summer cooling, an ASHP is a smart investment.

Save with Home Energy Audits

The *Amped to Save* program works with **Zero Homes** to help members lower their energy bills.

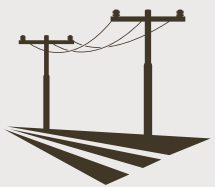
How Does it Work?

The Zero Homes platform offers a free, quick, and easy remote process to start your audit that gives you personalized insights into how your home uses energy. Download their smartphone app to receive a custom *energy profile* with recommendations designed to help you lower your electric bills, increase comfort, and make informed decisions.



No guesswork. No scheduling headaches. Just a straightforward way to upgrade your home and start saving. Visit their website at www.zerohomes.io/minnesota to learn more!

Ready to save? Explore rebates, dual fuel programs, and more at www.lrec.coop/ashp



STRENGTHENING THE GRID

In September, crews completed work near the Parkers Prairie substation to address load concerns by installing larger conductors that increase capacity and improve reliability. *Pictured:*

Crews remove the rollers used for stringing the new conductor and tie in the new line. The old line remained energized — or “hot” — but was shifted safely out of the way during installation.



Good Cybersecurity Practices

October is *National Cybersecurity Month* and a good time to share how members can protect their online accounts, both at home and at work. Check out the practical preventative steps below — some new, some reminders — that can help avoid the headache of being hacked:

- ✔ **Create and use a passkey.** Unlike passwords, which are stored on a server and subject to vulnerabilities, passkeys are created and stored on your mobile device. Your cell phone can be used to verify your identity and log into a site directly, eliminating the need for a password. Many companies are now recommending this practice; check your account websites for info on how to set up yours.
- ✔ **Stay mindful of phishing emails.** Never click on suspicious links or attachments, be wary of email from unfamiliar senders, and always use Google to verify any phone numbers included in the message before calling.
- ✔ **Keep up with software updates.** Check with your IT administrator (at work) or where you bought your home computer to make sure the operating system up to date with the latest updates and security patches and that anti-virus/anti-malware protection is enabled.
- ✔ **If you see something, say something.** That rule doesn't apply to just physical threats. Regularly check your bank, utility, and email accounts for unusual activity, report suspicious activity, and spread awareness by giving the heads-up to co-workers, family, and friends.

Smart Comfort, Real Savings

Join our *Smart Thermostat Pilot* and earn bill credits while saving energy. During peak energy periods, your thermostat will pre-cool or pre-warm your home by 2°-4°, then adjust 3°-4° for up to four hours. Get a \$25 bill credit when you enroll, plus \$25 each heating and cooling season you participate. Choose one season or both—it's up to you.



To learn more about this program and sign up, visit www.lrec.coop/thermostat or scan the QR code.



2026 Photo Calendar

We're bringing back our LREC Photo Calendar for 2026 and are looking for your help!

Now through the **Nov. 1, 2025 deadline**, members, directors, and employees are encouraged to submit their favorite photo from the Lake Region service area — think landscapes, weather, or wildlife — that best reflects the experience of life in our surrounding communities. LREC staff will choose a photo to be featured each month. Selected photos will be announced on social media in November.

Have a shot you want to share? Scan the QR code or visit www.lrec.coop/calendar for submission requirement details and instructions on how to upload.



Minnesota's Cold Weather Rule

Minnesota's Cold Weather Rule runs from **October 1st to April 30th**. Please note: you can still be disconnected during the winter months unless you call our office and [make payment arrangements](#).

If you are experiencing difficulty paying your electric bill, you may be eligible for Cold Weather Protection and assistance through Minnesota's *Energy Assistance Program*. The program is free and provides an average benefit of \$500, plus additional support to respond to emergencies. Learn more and apply at www.lrec.coop/mn-eap or call our office at (800) 552-7658 for assistance. The deadline to apply for energy assistance during the winter of 2025-2026 is May 31st, 2026.



FOR MORE INFORMATION, VISIT www.lrec.coop/cwr

Reduce Your Home Energy Costs with Off-Peak Heating & Dual Fuel Programs



STEFFES ROOM HEATER



STEFFES COMFORT PLUS FURNACE

Electric Thermal Storage (ETS) Heating & Steffes Heaters

- ✓ ETS heater stores off-peak energy—no back-up system required
- ✓ Qualifies for **6.1¢ dual fuel** or **5.5¢ ETS rate**
- ✓ **EASY-PAY** option available—pay over 48 months on your bill
- ✓ Up to \$50 per KW rebate available
- ✓ Room unit replaces wood stoves, wall furnaces, or electric baseboard
- ✓ Comfortable radiant heat



PLENUM HEATER



AIR SOURCE HEAT PUMP (ASHP)

Dual Fuel Rate with Electric Plenum Heater or ASHP

- ✓ Install with your existing gas furnace
- ✓ Easy way to go off-peak
- ✓ Qualifies for **6.1¢ dual fuel rate**; the dual fuel electric rate is the equivalent of \$1.50 propane
- ✓ Rate is available for the combination of a primary electric heating system with a back-up propane or fuel oil system

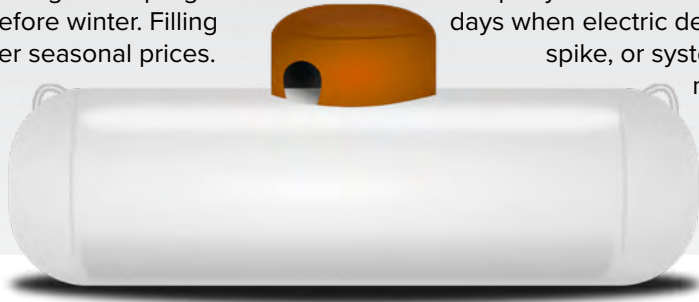
Dual Fuel Members: Check Your Back-up System Fuel Supply

Lake Region Electric Cooperative (LREC) reminds members in the Dual Fuel load management program to check their backup fuel supply before winter. Filling early can help you save with lower seasonal prices.

As a reminder, Dual Fuel and Short-Term Storage heating systems may be controlled during peak demand

periods—typically between 4 p.m. and 10 p.m., up to 400 hours per year. Control may occur on cold-weather days when electric demand is high, wholesale prices spike, or system emergencies arise. Both morning and evening control events are possible.

If you have questions, please contact the LREC office.



If you aren't currently taking advantage of our dual fuel program, please contact our Energy Management Specialists at (800) 552-7658 to learn how you can save more!