



# NewsFlashes

JULY 2026

LREC lineworkers responded to a downed power line near Rothsay in June. Strong winds caused a tree to fall into the lines.



## STRENGTHENING OUR GRID

CEO COLUMN

### Understanding Deferred Revenue

This month's edition of *NewsFlashes* contains content specific to the season we hope you find useful, including outage-and-safety-related topics, Member Appreciation event details, and tips that can help lower your energy bill. In addition, the remaining responses to questions submitted by members following our annual meeting are available on Page 2.

I'd also like to provide some information on how we determined this year's capital credit allocation, which can be found at the top of this month's statement.

Capital credits are determined by the margin (revenue remaining after expenses) the cooperative has at the end of the year. This amount is then allocated to members based on their share of revenue **if conditions are favorable**. Following this process, and for the first time since 2012, there was no LREC operating margin available to allocate for 2025. That being said, our Board of Directors was able to approve an allocation of \$3.57M from our wholesale provider Great River Energy.

July CEO Column continues on page 2 →

This month we're switching it up a bit to take a look at the impact of a recent weather event and the effort by LREC crews and Operations staff to restore service ASAP while repairing the damage to our infrastructure.

Heavy rain and winds with gusts up to 49 mph., experienced shortly after midnight June 10<sup>th</sup>, resulted in outages that affected 1,137 members throughout our service territory. Thirty-two of the 40 recorded outages — **80%** — were caused by fallen

trees or branches (26) or tree growth (6), emphasizing the importance of vegetation management and the need to maintain recommended right-of-way guidelines.

Nine crews responded immediately to repair downed lines and a total of four broken poles, with some starting their work before normal hours. Restoration efforts continued throughout the day, with power fully restored by 9 p.m. that night.



*In support of cooperation among cooperatives, once power to our members was back on, five LREC lineworkers traveled to Alexandria to assist Runestone Electric Association in restoration of power after significant damage to their system.*

### SUMMER HOURS

**Mon–Thur:** 7 a.m to 4:30 p.m.  
**Fri** 7 a.m. to 11 a.m.

**Reminder:** Our office hours have changed over the summer months. Scan the QR code for details.



## CEO Column

Continued from front page.

**Why?** Several factors contributed to this decision, including rising operating and maintenance costs which reduced our year-end margin. In 2025, we utilized the remaining deferred revenue balance, helping us maintain positive financial results.

**Deferred revenue** refers to excess funds that contribute to an organization finishing the year with a larger margin than initially planned. At the Board's discretion and depending on our needs, the cooperative can "push" these excess funds into the future to help offset anticipated costs instead of using them in the current year. To learn more about our capital credit process, visit our website at [www.lrec.coop/capitalcredits](http://www.lrec.coop/capitalcredits).

I encourage members with questions about deferred revenue to contact me directly. Capital credits are a valuable demonstration of our members' economic participation, and I am here to help with any questions you may have.

Cooperatively yours,



Joel Janorschke,  
CEO



### Contact the CEO

Email: [jjanorschke@lrec.coop](mailto:jjanorschke@lrec.coop)  
Cell: (320) 292-4036

For more info and frequently asked questions, scan the QR code below or visit [www.lrec.coop/capitalcredits](http://www.lrec.coop/capitalcredits)

Note: this is only a notification – capital credits are not being disbursed at this time.



## MEMBER QUESTIONS FROM ANNUAL MEETING\*

### What is happening with new nuclear power?

Right now, new nuclear power is not part of Great River Energy's plan.

There are new types of nuclear technology being discussed, but they are still uncertain in terms of cost and timing. We are watching those developments, but they are not part of our current strategy. Additionally, Minnesota has a moratorium on new nuclear facilities.

You can read more about the future of nuclear energy in our state in the legislative recap feature in next month's newsletter.

### With concerns about federal support for wind, how will renewable energy continue to grow?

The wind industry has long been subject to changes in federal policy and priorities. Currently, wind and solar resources are scheduled to lose their federal tax credits by 2027, making these resources much more expensive in the near-term. However, all of GRE's existing and planned resources are able to take advantage of existing tax credit law and guidance, providing value to Great River Energy's membership.

Wind continues to be a big part of Great River Energy's plan as it is cost-effective with the tax credits we are able to take advantage of, and makes sense in our region, regardless of shifts in national policy.

Finally, Great River Energy is one of the largest awardees of the New Empowering Rural America (New ERA) act, which is providing Great River Energy's membership with \$800 million to further buy down the effective price of our planned wind assets, which are already able to take advantage of the federal production tax credit.

### Will data centers raise my electric rates, or do they pay their own way?

Great River Energy does not recruit data centers, but if they choose to locate in a cooperative's service area, the utility is required to serve them.

It is incumbent on Great River Energy to make sure existing members are not paying for data center projects. Our planning also ensures that costs are handled fairly, so the expectation is that electric rates would not increase just because a data center is built.

Great River Energy has designed the treatment of large loads, such as data centers, to predominantly provide and pay for their own resources to minimize the rate impact on the rest of the Great River Energy membership.

### Would love to consider installing solar to augment electricity at our home. What are some ways that one can go about that process?

With the increasing popularity of renewable energy and distributed energy resources (DER), many LREC members want to learn more about installing their own solar or wind generation system to save money and protect the environment. Others may also be considering battery storage for back-up power or other technology that will interconnect with our electric utility system.

Lake Region Electric Cooperative works with members to provide interconnection of their electric generation equipment with our system. GoWest® solar, a ground mount system compliant with Minnesota standards for interconnection, is available through LREC. Solar options accessible to members of other MN co-ops may vary.

A sample contract, details of the interconnection process, technical requirements, application, and charges listed can be found on the Nova Power Portal on our website.

**Please note:** Your safety and the safety of our employees is of the utmost importance. Therefore, all interconnection applications are contingent on the equipment and the interconnection obtaining certification from a State of Minnesota licensed state electrical inspector. Advanced planning is required and it is highly recommended that you contact our Energy Services team at the beginning of your planning process to assist with your project.

### How, as consumers, can we help manage our rates (in addition to household conservation)?

There are two popular (and easy) changes members can make to help save on energy costs. The first is the purchase of energy-efficient appliances such as ENERGY STAR refrigerators, front-load dryers, and high-efficiency washing machines, which use less energy to do the same job.

The other is a switch to LED light bulbs, which use up to 75–80% less energy than traditional bulbs and last much longer — saving on both your electric bill and replacement costs.

A change in your energy use habits — when you use energy in addition to how much — can also have a positive effect.

LREC has a number of energy saving programs available to members, including smart thermostats and load control programs. Scan the QR code to the right to learn more.



*\*This concludes the member questions from our Annual Meeting from our June issue. Responses provided by both Great River Energy and LREC.*

## Wildfire Mitigation

Summer months are an active time in lakes country, filled with vacationers, unpredictable weather (wet *and* dry), and the daily work of the farmers in our communities. With those come a variety of potential hazards. From now through September, we'll provide information on how LREC and our members can work together before an incident occurs, beginning with **wildfire mitigation**.

### Healthy Landscapes = Safer Communities

A comprehensive mitigation plan that incorporates vegetation management (VM) is key to reducing the threat of a potential wildfire. In 2026 alone, LREC dedicated \$3M toward trimming overgrown or dead trees, removing excess brush, and mowing dry grass to maintain adequate power line right-of way and cut down the "fuel" wildfires need to spread.

In addition to keeping wooded areas and fields in check, LREC's wildfire mitigation plan includes equipment testing, fire-awareness training, and line patrols — proactive planning that reinforces our commitment to avoiding outages and improving reliability.

Our members have a role to play as well, primarily when it comes to limiting the potential size and spread of a fire and assisting response teams. Keeping pastures, ditches, and fence lines trimmed helps keep fire from spreading quickly across open land. Spacing out trees when planting can stop a fire from climbing into high-risk tree canopies. Should a fire happen, well-maintained driveways and field roads help emergency crews reach your property faster during a wildfire.

Be sure to keep an eye out for next month's feature on electric safety on the water!

## Behind the Scenes: Severe Weather Response

Keeping members informed during severe weather takes coordination across multiple LREC departments, and *Dispatch* plays a critical role behind the scenes. Working alongside *Member Services*, *Communications*, and *Operations*, the team helps coordinate response efforts and provide the timely, accurate updates members see on our website, Facebook page, and SmartHub app.

When an outage occurs, the team begins a process that prioritizes the safety of our crews and members while restoring power as quickly as possible. They look at the event from multiple angles such as *size*, *areas affected*, and *time of day*. They determine the number of crews needed, stagger shifts, and anticipate when tasks will be completed — all of which help our lineworkers stay productive and focused, leading to faster, more reliable restoration for our members.

Members can stay on top of future weather-related events by visiting the *Outage Center* at [www.lrec.coop/outage](http://www.lrec.coop/outage) or through text and/or email alerts when subscribed via SmartHub.



## Employee Spotlight

36 Years of Service!

**Paul Bergren**  
Operations Manager



*This month we're shining a spotlight one last time on recently retired LREC veteran of 36 years, Operations Manager Paul Bergren.*

**Family:** I have a wife and three children.

**How long have you worked at LREC?** I started at LREC in the spring of 1990 as a seasonal employee right after serving in the Air Force. In October of that year, I was hired full-time.

**Starting position and current role:** I worked as a meter reader for about five years before beginning a Lineman Apprenticeship. I earned my Journeyman Lineman certification in 1999.

In 2006, I became a Lead Lineman and supervised a crew until 2015, when I was promoted to Operations Superintendent. In 2020, I stepped into my current role as Operations Manager.

**How have things changed since you started?** Technology has driven the biggest changes. When I started, everything was paper-based and cell phones didn't exist.

Today, crews and the office share information in real time, with very little reliance on paper.

**Best thing you've learned?** Be grateful. I've been fortunate to have many opportunities and meet a lot of great people throughout my career. It's easy to get caught up in the day-to-day, but it's important to recognize and appreciate the good things happening right in front of us.

**Any advice for thinking about linework as a career?** For those interested in linework, jobs in a specific location can be competitive—stay persistent, remain in the industry, and keep working toward your goals.

**Any advice for members applying for a new service?** For members applying for new service, start the process early. Delays can happen due to permits, payments, workload, and weather, so planning ahead helps ensure a smoother experience.

**With 36 years in, you must have a good or funny memory at LREC you can share...** One thing I always found funny were the nicknames we gave each other like: *Zorba*, *Rock-n-Randle*, *Eyes*, *Nitro*, *Lil' Biscuit*, *Toot*, *Deuce*, *Lars*, *Lovely*, *Grubby*, *The Hanson buck*, *3-Bone*, *KD*, *Killer*, *Jackhammer*, *Donkey*, *Tiny man*, *Rusty*, *Pete*, *Sparky*, *Boomer*, *Fozz*, *Auntie*, *Long-sack*, and *Spike*.

**What will you miss most about working at LREC?** I'll miss the people the most. I've had the opportunity to work with a great group of individuals every day, and that daily interaction is something I'll truly miss.

**Any big plans for retirement?** With a construction background, transitioning from the field to an office role was a big change.

To stay connected to that hands-on work, I started a handyman business focused on small home repairs. There's strong demand for this type of work, so staying busy won't be a problem.

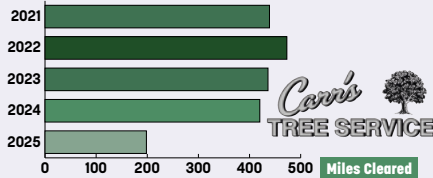
I'm also looking forward to spending more time with family and friends, enjoying time with my new grandson, and spending more time outdoors.

**Congratulations and best wishes for the future, Paul! Thank you for your service — you'll be missed!**

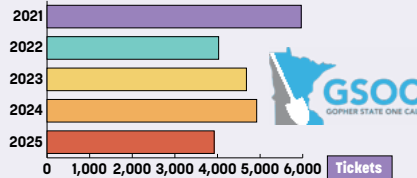
## By the Numbers

Maintaining a reliable electric system takes a coordinated effort from LREC and many industry partners. The graphics below highlight the work of **Carr's Tree Service**, **STAR Energy**, **Exacter**, and **Gopher State One Call (GSOC)** and the role they play in supporting reliability, safety, and system maintenance across LREC's service territory.

### Miles of Powerline Cleared of Vegetation

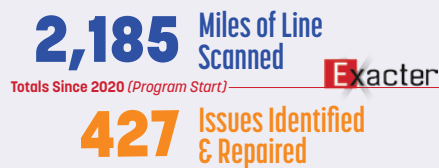


### GSOC Underground Power Locating\*

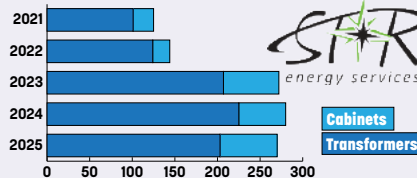


\*Tickets requiring an LREC visit.

### Exacter Line Patrol Results



### STAR Energy Pad-Mount Inspections



## Board Meeting Highlights

Lake Region Electric Cooperative's Board of Directors conducted its regular monthly meeting on Tuesday, April 28<sup>th</sup>, 2026.

Nine Board members (including newly appointed director, Jeff Hildebrandt), CEO Joel Janorschke, Department VPs, and GRE's Jon Brekke were in attendance.

### The following reports were given:

CEO Joel Janorschke provided a strategic update focused on employee and member engagement.

Updates were provided on Great River Energy (GRE) activities, including upcoming member votes on rate design, power supply, and the wholesale power contract extension. Discussions included long-term contract strategy, demand charge adjustments, and risk management related to large load growth.

Jon Brekke of GRE presented on contract extension options and proposed rate design changes, outlining

potential benefits of extending contracts and restructuring debt timelines, along with impacts on member cooperatives.

CFO Amanda Fuller presented March 2026 financials for both LREC and LRES. Additional financial discussion included audit planning, with a proposal reviewed and recommended for continuation with the current audit firm.

### The following actions were taken:

Approved appointment of GRE board delegate and alternate representative.

Approved audit proposal for upcoming audit cycle.

## Member Appreciation Day

August 13<sup>th</sup> • 3:00-7:00 p.m.

Maplewood State Park

Free Entry • Meal • Games

Visit [www.lrec.coop/maplewood](http://www.lrec.coop/maplewood) to RSVP and register for door prizes!

## Board of Directors

### DISTRICT 1

Kurt Krueger, Vice Chair  
[kkrueger@lrec.coop](mailto:kkrueger@lrec.coop)

### DISTRICT 2

Cecil "Bud" Hensel, Secretary/Treasurer  
[chensel@lrec.coop](mailto:chensel@lrec.coop)

### DISTRICT 3

Mike Brasel, GRE Board of Directors Rep.  
[mbrasel@lrec.coop](mailto:mbrasel@lrec.coop)

### DISTRICT 4

Jeff Hildebrandt  
[jhildebrandt@lrec.coop](mailto:jhildebrandt@lrec.coop)

### DISTRICT 5

Patrick Meyers  
[pmeyers@lrec.coop](mailto:pmeyers@lrec.coop)

### DISTRICT 6

Charlie Blixt  
[cblixt@lrec.coop](mailto:cblixt@lrec.coop)

### DISTRICT 7

Tom Jennen, Chair  
[tjennen@lrec.coop](mailto:tjennen@lrec.coop)

### DISTRICT 8

Jim Gronbeck  
[jgronbeck@lrec.coop](mailto:jgronbeck@lrec.coop)

### DISTRICT 9

Gary Olson  
[garyolson@lrec.coop](mailto:garyolson@lrec.coop)



## OUR MISSION

Provide our members with **safe, reliable, and affordable energy**, and lead by offering **innovative services** to grow the cooperative.

## OUR VISION

**Leading, empowering, and guiding members** to use energy wisely to secure a better future for **our families, our communities, and our world.**

## OUR VALUES

- ◆ Safety
- ◆ Integrity
- ◆ Innovation
- ◆ Accountability
- ◆ Open, honest communications
- ◆ Commitment to members, community, and employees

# Programs & Services

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



## 2026 Energy Efficiency Rebates

### Heating and Cooling

|                                                |                                                                                                                                                                                       |                                                          |
|------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------|
| Heat Pump Systems                              | Ductless Air Source Heat Pump<br>≤ 1 Ton ≥ 14.3 SEER2 & ≥ 7.5 HSPF2<br>≤ 1 Ton ≥ 15.2 SEER2 & ≥ 8.1 HSPF2<br>> 1 Ton ≥ 14.3 SEER2 & ≥ 7.5 HSPF2<br>> 1 Ton ≥ 15.2 SEER2 & ≥ 8.1 HSPF2 | 1 per account/year<br>\$150<br>\$250<br>\$750<br>\$1,000 |
|                                                | Ducted Air Source Heat Pump<br>≤ 5 Ton ≥ 14.3 SEER2 & ≥ 7.5 HSPF2<br>≤ 5 Ton ≥ 15.2 SEER2 & ≥ 8.1 HSPF2                                                                               | 1 per account/year<br>\$750*<br>\$1,000*                 |
|                                                | Geothermal heat pump, closed loop:<br>new (1 - max \$4,000) or<br>replacement (2 - max \$2,000)                                                                                       | 1) \$400/ton<br>2) \$200/ton                             |
|                                                | Qualified Installation (QI) Rebate*                                                                                                                                                   | QI for Ductless and Ducted ASHP*<br>\$40/ton             |
| Electric Thermal Storage (ETS) Heating Systems | Steffes ETS systems on short term storage<br>All ETS systems on long term storage                                                                                                     | \$25 per KW<br>\$50 per KW                               |

### Water Heating

|                                         |                                                                 |       |
|-----------------------------------------|-----------------------------------------------------------------|-------|
| Heat Pump Water Heater                  | Must be ENERGY STAR                                             | \$400 |
| ETS Water Heater<br>(6.46¢ rate)        | Must be at least 100 gallons and grid enabled with mixing valve | \$400 |
| Peak Shave Water Heater<br>(6.68¢ rate) | Must be at least 80 gallons and grid enabled                    | \$100 |

### Electric Vehicle

|                                       |                                                 |             |
|---------------------------------------|-------------------------------------------------|-------------|
| Electric Vehicle Charger Installation | Level 2 chargers: \$500<br>(must be on EV rate) | Up to \$500 |
|---------------------------------------|-------------------------------------------------|-------------|

\*Additional rebate if the installing contractor is QI certified. To view the list of qualified contractors, please visit [www.lrec.coop/qicontractors](http://www.lrec.coop/qicontractors).

All rebates are subject to change. Please contact LREC to verify availability.

### Off-Peak Space Heating

#### Stay comfortable while saving!

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 6.46¢ ETS rate** or **6.68¢ 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



#### Steffes Forced Air

- ⚡ System is eligible for **6.46¢ ETS rate**
- ⚡ Get \$50 per KW rebate for Steffes Comfort Plus on ETS
- ⚡ Combine with ASHP (up to \$1,000 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



### SPECIAL STEFFES PROMOTION!

Up to **\$675\*** per room heater

Up to **\$3,900\*** for furnaces

Replace your heater **before winter** to maintain your off-peak advantage while incentives are available!

\*Terms and conditions apply.

Incentives available for both **replacement** and **new ETS** installations.

Runs now through September 30<sup>th</sup>, 2026

Must install before October 15<sup>th</sup>, 2026



## Standby Generators

Summer is here and we are actively installing generators. Call now to reserve your spot! Our energy management specialists will 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!*
- ⚡ Comes with an Omnimetrix monitoring system
- ⚡ Automatically starts when your power goes out
- ⚡ Standby generator system intelligently powers your whole house, automatically powering what you need when you need it most
- ⚡ Runs on natural gas or LP
- ⚡ Sold and installed by LREC
- ⚡ Eligible for 48-month **EASY-PAY** payment plan

**13 kW**

POWER PROTECT



Starts at \$10,007

**18 kW**

POWER PROTECT



Starts at \$10,942

**26 kW**

POWER PROTECT+



Starts at \$12,623

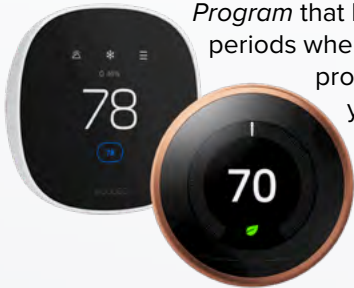
Let our *energy management specialists* find the best option for you. Call **(800) 552-7658** today!

### Generator packages include the following:

- ⚡ Generator Power Protect Series with a 7 year warranty
- ⚡ 200 amp standard automatic transfer switch
- ⚡ LREC Briggs & Stratton Certified Technician
- ⚡ Cold weather kit and battery
- ⚡ Concrete pad
- ⚡ Exterior indicator light
- ⚡ First annual maintenance (*value of \$340.20 and LREC will notify for future purchases and pricing*)
- ⚡ One-year remote monitoring (*value of \$216 – subscription renewal needed to continue service*)

## Smart Thermostats Pilot Program

### Smart Comfort, Real Savings



LREC has launched a *Smart Thermostat Pilot Program* that kicks in during peak energy periods when electricity costs the most. The program pre-cools or pre-warms your home prior to peak events by adjusting your thermostat 1-3° before the peak period, and then during the peak, it re-adjusts 3-4° (from your normal setting) for 4 hours.

Program participants receive a \$25 bill credit when they join, then \$25 for each season they participate in. Members can choose to participate in cooling seasons, heating seasons, or both, earning credits for each season they join.

To learn more about this program and sign up, visit [www.lrec.coop/thermostat](http://www.lrec.coop/thermostat) today!

## Off-Peak Water Heating

### Save money while you sleep!

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 6.46¢ 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
- ⚡ Marathon residential water heaters have a lifetime tank warranty



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

**EASY-PAY** is on-bill financing offered by LREC. Pay monthly for your purchase rather than a lump sum. We offer low interest financing starting at 0% up to 5%! Visit [www.lrec.coop/easypay](http://www.lrec.coop/easypay) to learn more.