



POWER CONNECTION

member driven. community focused. energy smart.

APRIL 2019



295 MEMBERS ATTEND 82ND ANNUAL MEETING

RELIABILITY, CONNECTION AND THE FUTURE SHARED AT ANNUAL MEETING

The members of Stearns Electric Association gathered for the 82nd Annual Meeting of the Cooperative on Thursday, April 4th at the Melrose High School where CEO Robin Doege kicked off the meeting by presenting the audited 2018 Balance Sheet and Income Statement of the Cooperative. The 2018 financial were audited by the accounting firm of Clifton Larson Allen and the Cooperative received a clean audit. The financial report concluded that your Cooperative is in sound financial condition.

In the report to members, Cooperative leadership provided an overview of 2018 including both our achievements and challenges. The Cooperative's plans for 2019 were also shared with members which include continued investment in our distribution network and our Right-of-Way maintenance program to improve reliability.

Members also received information about the Cooperative's community involvement activities, upcoming new website and strategic plan.

Members were also allotted time to ask questions of the Board about the future direction of the Cooperative and provide feedback on their electric service.

Luke Miller, a senior at Little Falls High School, provided a report on his participation in the NRECA Washington Youth Tour.

Directors Arlyn Lawrenz of Holdingford (District 2), R.J. Dick Nathe of St. Cloud (District 3) and Steve Notch of Freeport (District 6) were re-elected, for a 3-year term on the Stearns Electric Board of Directors. We are happy to report that our new hybrid voting process was an incredible success! Our total voter

turnout was 10.75%, a 390% increase in our average voter engagement. Comments from the online system survey included things like: "easy and quick;" "perfect seamless voting experience;" "much simpler and far more convenient;" and "thank you for embracing this technology."

The self-governance of the Cooperative through the Annual Meeting and election of a board by the membership is one of the differences that sets cooperatives apart from investor owned utilities. This is YOUR Cooperative. To remain healthy and strong, we need to have continued active participation and support by you.

Video clips and photos from the Annual Meeting can be viewed on the Stearns Electric Facebook page.

ENERGY EFFICIENCY AND THE FUTURE



Twenty-five years ago, the notion of Minnesota using less electricity and reducing carbon emissions seemed like one of those lofty ambitions that could happen "someday" in the distant future.

Well, "someday" has been happening for the past decade. Yes, Minnesota has been lowering demand for electricity and emissions have continued to fall.

Day after day, year after year, Stearns Electric Association and the state's network of electricity providers have been answering the call to find smarter and cost-effective ways to provide safe and reliable electricity. We are doing so at a time when innovations and new technologies are emerging rapidly and reshaping the energy industry.

The State of Minnesota and electricity providers have been partners working toward an economy that is built on clean and efficient energy production. As part of this effort, Minnesota's Conservation Improvement Program (CIP) sets annual goals for investments in conservation by utilities, including our Cooperative.

CIP has produced many positive results over the years, including reducing the demand for new power plants by limiting both overall electricity usage and peak period usage. Often with the help of rebates and programs offered by cooperatives, homes and businesses are adopting conservation measures, such as energy audits and investments in high-efficiency

appliances and machines.

While CIP has been a success, the program's narrow focus on lowering electricity consumption limits opportunities to leverage Minnesota's greening electric grid and implement innovations that could produce greater benefits for our members and communities.

This legislative session, the state's cooperatives have proposed a bill (HF 1839/SF 1915) that will modernize CIP and build on its successes. Our proposal allows municipals and member-owned cooperatives to explore a wider range of options to meet new standards for energy efficiency and reduce carbon emissions at greater rates.

Further, this initiative recognizes that today's energy policy needs to be multi-faceted, allowing us to create new opportunities to produce greater energy efficiencies and consumer savings.

This means acknowledging that efficient electrification should complement our goals to lower electricity consumption, which is not currently the case. For example, supporting the growing electric vehicle market seems like a perfect role for CIP. The problem is that electric vehicles use more electricity than gas-powered cars, and that contradicts CIP's goal of lowering electricity use.

But why? Electric vehicles are a far more energy efficient option compared to vehicles that burn gas. In fact, an electric vehicle uses 72 percent less total energy than a

gasoline vehicle (as measured by British Thermal Units) and has a significantly lower carbon footprint.

And then there's the cost savings for consumers. If a gasoline vehicle uses an average of 400 gallons of gas a year, that would cost about \$900 to \$1,000. The cost of powering an electric vehicle for a year would be about \$525 (4,000 kilowatts), though some cooperatives offer off-peak charging that could cut the amount even more. That's a significant savings.

There are other examples where electrification produces net benefits in terms of cost, carbon footprint and efficiency. An air source heat pump can be a better alternative over propane. But again, it would use more electricity and that's not part of CIP's mandate, even though a heat pump would use 70 percent less total energy for the same amount of heating (and yes, it would be cheaper and cleaner, too).

Since 2017, we have been working closely with many stakeholders to develop a strategy that is more flexible and comprehensive, which led us to propose modernizing CIP. It fully rewards efficiency and emission reduction. By emphasizing overall energy efficiency, we lay the groundwork for broader benefits for all.

How important will energy efficiency be in the 21st Century? One national study found that more than 60 percent of energy produced in the U.S. is wasted. Meanwhile, the electric grid is rapidly becoming greener. We can't simply focus on using

MEMBER NOTICES

ST. JOSEPH OFFICE

Effective May 28, 2019 the Stearns Electric Association Branch Office in St. Joseph will be closed to walk-in traffic. While the activities of this office remain in high value to the Cooperative, over the last number of years member traffic has declined. By implementing this change we are able to modify activities for efficiency. An external payment drop box will remain on site at the St. Joseph Branch Office and employees will be available to meet with members by appointment.

G&T CAPITAL CREDITS

When Stearns Electric Association experiences financial success, it returns cash to members in the form of Capital Credits. As a Cooperative, Great River Energy does the same by returning payments to Stearns Electric.

For the first time in its history, Great River Energy has retired patronage capital through cash payments to its member-owner cooperatives. In March, Stearns Electric received just over \$500,000 from Great River Energy and in the coming years, Great River Energy projects to return even more.

At Stearns Electric we believe this money belongs to our member-owners, and we are committed to returning this money to each of you. Because this return was unexpected, the Board of Directors has elected to combine the 2019 G&T distributions with the 2020 distributions in order to provide time for Stearns Electric to create efficient processes and procedures for locating members (some from over 30 years ago) and distributing these funds.

DISTRIBUTED ENERGY RESOURCES

At their February 21 Board Meeting, the Stearns Electric Association Board of Directors voted to revise the current member policy for Cogeneration/ Distributed Energy Resource Interconnection Standards and Rules. These changes reflect updates made by the State of Minnesota Public Utilities Commission in MN Statute 216B.1611. Stearns Electric has updated the Cooperative's policy to reflect the adoption of and compliance with the Cooperative Minnesota Distribution Energy Resources Interconnection Process, (C-MIP). All new distribution energy resources will follow the C-MIP interconnection process beginning May 1, 2019.

less electricity when we should be leveraging the investments we have all made in the electric grid to provide economic and environmental benefits for all.

Our voices matter. Minnesota's 50 cooperatives serve about a third of the state's population. Collectively, there's tremendous diversity among cooperatives that could lead to smarter experimentation and more collaboration.

We have a plan to move us forward. Please contact your state lawmakers to support the CIP modernization proposal found in HF 1839 and SF 1915, for a better energy policy that supports all Minnesotans.

Sincerely,



Robin C. Doege
Chief Executive Officer (CEO)

BOARD MEETING

The regular meeting of the Board of Directors of Stearns Electric Association was held on February 21, 2019 at 2:20 p.m. at the Stearns Electric Association Headquarters in Melrose, Minnesota.

Manager of Operations Glenn Blommel provided an update on current activities of the crews. Mr. Blommel informed the Board the extreme cold in January has caused more outages than usual in the winter. Work progress has been slow as the extreme cold made it difficult to keep hydraulics moving. Additionally, as a safety precaution, two crews would go out simultaneously to help protect linemen from extreme temperatures. System reliability numbers were shared with the Board.

Manager of Billing and IT, Ryan Zierden noted the Co-op will accept American Express for payments in the near future.

Director of Energy Services James Pachan, completed the required annual review of the Cooperative's Distributed Generation Documents with the Board. He also proposed a resolution to revise these documents to adopt the recently updated interconnection standards and rules by the MN Public Utilities Commission outlined in Minnesota Statute 216B.1611. A motion to approve the documents and change the interconnection process was carried. All new distribution energy resources will follow the C-MIP interconnection process beginning May 1, 2019.

January financials were available for the Board to view. Due to the cold weather, energy sales were 2.5% higher than budget in January, while member demand sales were 5.8% higher than budget.

President Randy Rothstein brought forward a member concern related to multiple meters on properties resulting in an additional fixed charge cost. The issue is related to property owner choices made when constructing new buildings. While upfront costs are lower to add another meter, it appears to be a better long term investment in comparison to multiple meter fixed charges.

Next Meeting: May 30, 2019

ENERGYWISE AIR SOURCE HEAT PUMP PROMOTION



SOME CALL THIS OFFER COOL. OTHERS CALL IT HOT. WE SAY, IT'S BOTH.

COOL and heat your home with an energy-saving air source heat pump AND receive a HOT promotional rebate!

ASHP	REGULAR REBATE	PROMO REBATE	ASHP	REGULAR REBATE	PROMO REBATE
15 SEER	\$650	\$1,000	16+ SEER	\$700	\$1,500

AIR SOURCE HEAT PUMPS PROVIDE HOME COOLING AND SUPPLEMENTAL HEATING, USING 72% LESS ELECTRICITY THAN CONVENTIONAL AIR CONDITIONERS AND FURNACES.

Air source heat pumps must be enrolled on Stearns Electric's EnergyWise Dual Fuel and Cycled Air Conditioning programs between April 1 and June 30, 2019 to be eligible for this promotion. Limited funds are available and awarded on a first-come, first-served basis. Rebate amounts and programs are subject to change without notice.

EXPERIENCE EFFICIENCY IN ANY SEASON WITH AN AIR SOURCE HEAT PUMP

With heating and cooling accounting for some of the largest expenses for homeowners, it makes sense for your space to be equipped with one high-efficiency appliance to keep those costs as low as possible.

A smart, all-in-one solution is to install an Air Source Heat Pump (ASHP), which handles both your heating and cooling needs. It works in the summer months by extracting the existing heat from inside your home and moving it outside, often outperforming standard central air conditioners in the process.

The cycle is reversed for heating: by extracting warmth from the outdoor air and pumping it into your home. This will allow you to run your furnace less. During the spring and fall, you may not even need to run it at all.

ASHPs achieve all this while consuming up to 72 percent less electricity than conventional air conditioners and furnaces, leaving you with a savings of up to 30 percent on your electric bill.

Earlier generations of ASHPs were limited in terms of their effectiveness in states with colder climates like Minnesota's, but technology has advanced to where they can now operate down to 0 degrees Fahrenheit.

"With the recent advancements in air source heat pump technology, they can now be used to cost effectively deliver a much larger portion of the heating needs of homes and businesses in cold climate areas such as Minnesota," said James Pachan, manager of Energy Services at Stearns Electric

Association. "In rural areas where natural gas is not available, using air source heat pumps for heating is now commonly the most cost-effective heating option available for the vast majority of the heating season. This is especially true if you can take advantage of Stearns Electric EnergyWise programs like Dual Fuel and Cycled Air Conditioning that offer lower electric rates and rebates."

Beyond cost savings, ASHPs provide additional benefits such as higher-quality warmth compared to conventional furnaces as the ASHP distributes heat more evenly and holds moisture better which results in a natural, comfortable warmth.

ASHPs also provide a safe, environmentally-friendly solution for home comfort conditioning. They

OPERATION ROUND UP



Stearns Electric Association's Operation Round Up Program contributed \$48,500 to 69 area organizations and charitable causes. Since the program's inception in 1993, Operation Round Up (ORU) and Stearns Electric members have awarded over \$2.3 million to local non-profit organizations and community service programs.

Through ORU, Stearns Electric gives its member-owners the opportunity to give back to the community by rounding up their monthly electric bill to the nearest dollar. The round up funds, no more than \$11.88 per year, per member, are placed in a trust fund that is administered by a Trust Board comprised of Stearns Electric member-owners. A list of area organizations receiving funds can be viewed at www.stearnsselectric.org.

don't use an open flame or create products of combustion – such as carbon monoxide – so there is no need for venting.

Part of Stearns Electric's mission is to help you use energy wisely by offering a variety of programs, resources and products to make this possible. For a limited time, Stearns Electric is offering rebates up to \$1,500 for the installation of an air source heat pump when it the member enrolls for the first time in the EnergyWise Dual Fuel and Cycled Air Conditioning programs by June 30. For more information on what your cooperative can do to provide you with an energy efficient ASHP, visit www.stearnsselectric.org or call our office during regular business hours at (800) 962-0655.



ENERGY EFFICIENCY TIP OF THE MONTH

HERE'S A HANDY ENERGY EFFICIENCY TIP FOR STREAMING!

Streaming content with electronic equipment that has earned the ENERGY STAR® rating will use 25 to 30 percent less energy than standard equipment.

ELECTRICAL SAFETY CHECKUP



TOOLS

When storing electrical products in your garage, use containers to prevent exposure to water or damage caused by animals.



LIKE US ON FACEBOOK

www.facebook.com/stearnsselectric

VEGETATION MANAGEMENT



HELP US TRIM FUTURE PROBLEMS

If you recently attended the Stearns Electric Association Annual Meeting or have been following the Cooperative over the last two years, you've heard about Stearns Electric's increased focus on Right-of-Way clearing in an effort to reduce power outages caused by trees.

Trees growing into high-voltage power lines cause power outages and downed lines in storms, endangering the lives of people who live, work or play nearby. Trimming trees away from power lines can help, but severely trimmed trees are, at best, unsightly. At worst, they become unhealthy hazardous trees that need to be removed. Trees can also interfere with underground utility lines as roots grow and interfere with cables and wires.

To “cut back” on potential tree-related outages, our line crews and a few

contractors we hire look for foliage growing under lines, overhanging branches, leaning or other types of “danger” trees that could pull down a power line if they fall, and trees that could grow into lines. It's a job that's never done—by the time crews finish trimming activities along our 4,000+ miles of distribution line, vegetation has started to grow back at the starting point.

In working to keep a safe, reliable, and affordable supply of power flowing to your home or business, we need your help.

KNOW WHAT AND WHERE YOU ARE PLANTING

If you are planting a tree on your property, make sure not to plant them within at least 25 feet of power lines for short trees, and at least 40 feet away for medium-sized trees.

NEED SOME HELP DECIDING?

Download the Right Tree Brochure at www.stearnslectric.org/resources/tree-planting for more information.

REPORT PROBLEMS

Do you have a concern about a potential overhead power line hazard near your property? Report your concern online or call our line department at (800) 962-0655.

While we're sure you'll enjoy the beauty trees add to our neighborhoods, we know you also enjoy the comfort of knowing power will be available when you need it. All of the potential problems can easily be avoided with a clear Right-of-Way and by planting the right tree in the right location!

CALL 8-1-1 BEFORE YOU DIG



IT'S FREE, IT'S EASY AND IT'S THE LAW

The safest and only legal way to dig is to know what's below ground before your shovel or equipment moves any dirt. Even small projects like planting a shrub require you to make advance arrangements before digging. Your call to 8-1-1 connects you with Minnesota's “one-call center,” which arranges, at no cost to you, for utilities like us to locate and mark our buried utilities in your dig area. Within 48 hours your yard will be marked and then you can dig with care.



YOUTH TOUR

<< KATE SCHAEFER, A JUNIOR FROM MELROSE HIGH SCHOOL, WAS RECENTLY SELECTED TO RECEIVE A TRIP TO WASHINGTON, D.C., SPONSORED BY STEARNS ELECTRIC ASSOCIATION.

Kat Schaefer, daughter of Ron and Maureen Schaefer of Melrose, was recently selected to represent Stearns Electric Association at the Rural Electric Youth Tour in Washington, D.C., June 15-20.

Local students qualified for the Cooperative's competition by submitting essays explaining the benefits of a cooperative model for electric distribution. Independent interviews were then held with the contest finalists to select one winner. Judges based their selections on the students' leadership qualities, achievements and their essays about the cooperative business model.

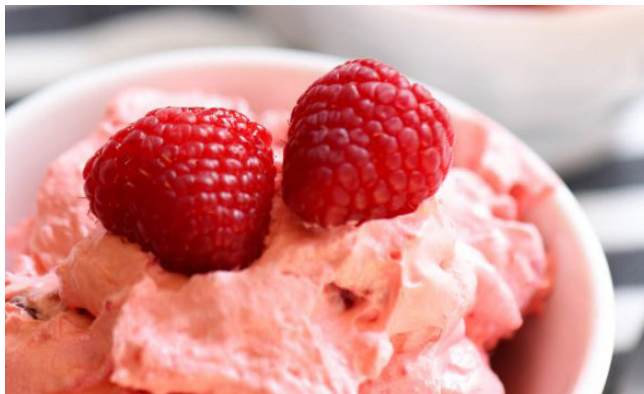
Each June, more than 1,500 high school students from around the United States travel to Washington, D.C. for the NRECA Youth Tour. The participants are selected and sponsored by their local electric cooperatives. During the week, the students learn about government and electric cooperatives. They will have the opportunity to tour many of Washington, D.C.'s sites, including the Smithsonian, the Lincoln Memorial and the Vietnam Memorial, and meet their elected officials.

NEWS

OFFICES CLOSED

Stearns Electric Association offices will be closed on Monday, May 27 in observance of Memorial Day. The offices will be open for normal business on Tuesday, May 28 with office hours from 7:30 a.m.- 4:00 p.m.

Please call (800) 962-0655 in the event of an outage or emergency.



cookingcorner

RASPBERRY VANILLA JELLO SALAD

Submitted by: Diane Mosel

Ingredients:

1 box (5.1 oz) instant vanilla pudding
32 oz. container vanilla yogurt
8 oz. container Cool Whip (thawed)
1 pkg. frozen raspberries (12 oz)

Directions:

In a large bowl, combine the pudding mix and the vanilla yogurt, stirring until well mixed. Fold Cool Whip into the mixture. (You can use a spatula or a whisk!) Lastly, fold in the raspberries. You may set them out for about 10 minutes before making the salad, but you can put them in frozen and they will thaw very quickly so you can serve the salad right after mixing. If you don't serve the salad immediately, the raspberries will thaw more and the juices will add a raspberry flavor to the entire mixture. Enjoy!

CONTEST DETAILS:

One member per account may submit one recipe per month. Recipes will be saved for future publications. The recipe selected each month will receive a \$10 credit on their electric bill. Submit your recipe to agroethe@stearnselectric.org or mail to: Stearns Electric, Cooking Corner, PO BOX 816, St. Joseph, MN 56374.



STEARNS ELECTRIC ASSOCIATION

900 Kraft Drive SE, PO Box 40
Melrose, MN 56352

(320) 256-4241 (800) 962-0655
www.stearnselectric.org

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• *Director of Communications*

REGISTER TODAY

2019 Coal Creek Tour // June 5-7

ON TOUR YOU'LL SEE:

COAL CREEK STATION: the largest power plant in North Dakota; learn why this power plant is vitally important to Great River Energy's generation mix.

FALKIRK MINE: see the gigantic equipment that is used to help supply 8 million tons of lignite coal each year to Coal Creek Station.

BLUE FLINT ETHANOL: uses a mix of primary and waste steam to produce ethanol, making it one of the lowest-cost facilities in the nation.



Reservations are taken on a first-come basis. The tour price covers transportation, most meals, snacks, and two nights of double occupancy lodging. Cancellations less than two weeks before the trip will be charged \$50.

Mail to:
Stearns Electric Association
Coal Creek Tour
PO Box 816
St. Joseph, MN 56374

Cost \$225 for Stearns Electric Association members or \$250 for non-members. Please enclose payment with registration.

Please reserve _____ places on the tour.

Names: _____ Phone: _____

Address: _____

E-mail Address: _____ Member Account #: _____

Additional Comments: _____