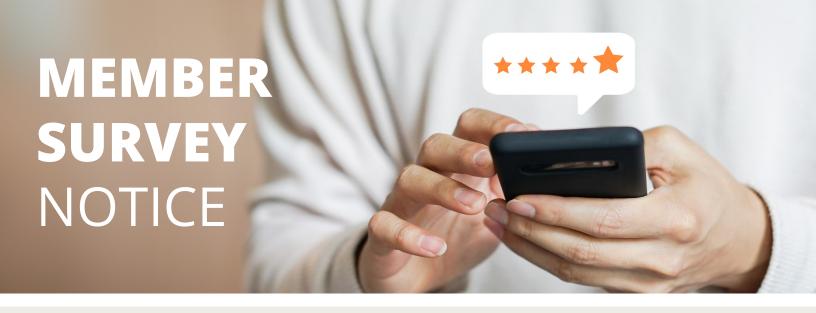


POWER CONNECTION

member driven. community focused. energy smart.

MARCH 2021



Stearns Electric Association and NRECA Market Research will perform a Member Satisfaction Survey this Spring.

In April, Stearns Electric Association is partnering with the National Rural Electric Cooperative Association (NRECA) Market Research Services to complete a residential member satisfaction survey.

The survey will take place both by phone and email during the week of April 26. Please be aware that you may be one of several members who are randomly selected to participate in the survey. If you get a call or email about a survey from us, it's legitimate.

If you are contacted, we would greatly

appreciate about six minutes of your time to share your opinions about the Cooperative. Your information and your responses will remain confidential.

Although Stearns Electric conducts surveys among its member-consumers every year, the Cooperative, through the help of NRECA, completes these larger surveys every three years. By participating in the survey, you will help us identify where we are serving you well and where we might need to improve.

We strive to safely provide all members with affordable and reliable electric service, energy solutions that fit your needs, and a positive member experience. Whether it's restoring a power outage or discussing energy improvement options for your home, answering a billing question or hosting a community event, we are working hard for you every day.

We know your time is valuable, so rest assured, we will use the results to make decisions on matters important to the future of your Cooperative and that benefit you, your family and your neighbors.

Thank you for your honest feedback. If you have any questions regarding this upcoming survey, please contact us at (800) 962-0655 during regular business hours.

CEO'S MESSAGE

BLACKOUTS IN TEXAS

AND GRID RELIABILITY



The extreme cold weather event during the week of February 15 made headlines in the United States and worldwide. The electrical grid, water systems and natural gas delivery in Texas experienced catastrophic failure, leading to power blackouts, and water and gas shortages like nothing ever experienced before. This month, I want to explain some of the reasons why this failure happened and reassure you that our wholesale power provider is prepared to continue providing reliable electricity to you.

The main reason for this failure in Texas was ultimately that its power grid, water and natural gas systems were not winterized, and therefore unable to withstand the extended cold temperatures over multiple days.

Several other factors contributed to the breakdown of the Texas electric grid. The Texas power grid consists of only Texas generation and transmission facilities. It is not a multi-state, regional system like most other grids in the country. Therefore there was a limited pool of energy available to supply the significantly increased demand for electricity.

Additionally, Texas' generation facilities rely on natural gas for roughly 60% of power generation. The cold weather put unsustainable demand on this resource. In addition, some bulk natural gas systems froze up, which cut off the supply of gas to the generation facilities, further impacting energy production.

Finally, electrical distribution in Texas is deregulated, meaning that independent third parties can buy bulk electricity and sell it directly to end-use consumers. During the week of February 15, the cost of wholesale power in Texas jumped

from less than \$50/MWh to \$9,000/ MWh. This increase caused Texas' independent third-party electricity providers to pass these costs on to their customers, leading to extremely high electricity bills.

Our wholesale power provider Great River Energy is a member of the Midcontinent Independent System Operator (MISO). The MISO system runs from Manitoba through the east central part of the U.S., down to Louisiana, and is split into three separate areas. Great River Energy is in MISO North, which operated very well during the February polar vortex.

Great River Energy's power supply resources, which include coal-, gas- and fuel oil-based power plants as well as wind energy, performed as planned for the extreme weather event. Because MISO called for a "maximum generation" event, all Great River Energy generation was operating at full capacity during this time to meet the demand for electricity.

Great River Energy's coal-based Coal Creek Station and Spiritwood Station operated throughout the cold weather with no issues. Great River Energy's peaking stations operated as designed, injecting electricity onto the grid quickly and dependably when needed. Most of Great River Energy's peaking plants are "dual fuel" facilities, which means they can operate on fuel oil when demand for natural gas is heightened.

Additionally, Stearns Electric and Great River Energy utilized a robust demand response program to curtail electrical use during peak times. A number of load control events took place during the week of February 15 to reduce the demand for electricity.

Last June, I talked about Great River Energy's power generation portfolio transition and explained how Great River Energy is planning to retire its 1,150 MW Coal Creek Station. Great River Energy also plans to utilize natural gas as a fuel at its Spiritwood Station power plant, and upgrade the capacity of its existing peaking plants.

With the upcoming retirement of Coal Creek Station, we continue to work with Great River Energy and ask future strategy questions on behalf of our members. We want to ensure Great River Energy's generation resources are sufficient to continue providing reliable energy through potential weather events like these.

Additionally, it's important to note that Great River Energy's natural gas and wind generation power plants are weatherized and prepared for both extreme cold and extreme heat weather events.

Stearns Electric continues to promote grid reliability through Great River Energy, MISO and our own distribution system. Being part of a regional integrated electric grid and diverse energy mix assures that we have electric service reliability during extreme weather. We are up to the challenge of achieving reliable service and cost competitive electric rates, while being sensitive to consumer preference for alternative forms of energy.

Robin C. Doege Chief Executive Officer (CEO)

ANNUAL MEETING

JOIN US FOR OUR 84TH DRIVE-IN ANNUAL MEETING



Thursday, May 6, 2021 | 7 p.m. Stearns County Fairgrounds in Sauk Centre, Minnesota

As a member-consumer of Stearns Electric Association, you are also an owner of the Cooperative. As an owner, you have a voice in the operation of our organization. Through attendance at the Annual Meeting, and the election of your Board of Directors, you help set the future direction of our Cooperative.

Due to the ongoing COVID-19 pandemic, this year's Annual Meeting will be a drive-in. Members are invited to listen to our broadcast from the comfort of their vehicles or grab a lawn chair and sit outside near our outdoor stage. Please follow recommended social distancing guidelines and stay at least six feet apart from others who are not in your household.

MEETING DETAILS:

Gates Open: 6 p.m. Business Meeting: 7 p.m.

GIFTS AND DOOR PRIZES:

The first 300 vehicles to arrive will receive a one-pound block of cheese and one-pound of butter quarters as a gift from the Cooperative. We will also be giving away 10 - \$100 door prizes. You must be present at the meeting to win.

DIRECTOR ELECTION:

Members in Districts 3, 4, 5 and 9 will have the chance to elect a director for their district in 2021. Due to ongoing restrictions, we encourage members in these districts to vote by mail or electronically. A ballot package will be sent to you in April. Voting in person at the Annual Meeting will be an option for those interested.

Watch for more details in the April Power Connection or visit www.stearnselectric.org for more information.

BOARD MEETING

The regular meeting of the Board of Directors of Stearns Electric Association was called to order on January 28, 2021 at 1:00 p.m. at the St. Joseph office of Stearns Electric Association.

Manager of Finance Cindy Anderson reviewed the December 2020 financial information reporting continued strong year-to-date gross margins compared to budget due primarily to a lower power cost rate and higher sales volume.

The Cooperative's Annual Meeting was discussed. Directors from districts 1, 7 and 8 were asked submit an election teller's name for the election process at the Annual Meeting. It is customary for the directors whose districts had elections the previous year to supply the election tellers the following year.

VP of Engineering and Operations Matt O'Shea described Construction Work Plan projects, inspections and maintenance currently in progress. Physical meter inventory took place at year-end with good results, similar to the past several years.

Mr. O'Shea explained how he worked with GRE to create the 2020 Long Range Load Forecast using 2019 data. The forecast is used for planning studies, the Cooperative budget, and the Construction Work Plan. Mr. O'Shea reviewed the system requirements, sales to members, forecasted line losses, and system summer and winter demand charts.

The Engineering Report provided a three-year trend of applications and interconnected distributed energy resources, along with an explanation of changes to federal tax credits related to the program.

Consistency in identifying reject poles over the past several years has resulted in a noted improvement. Original reject rates began at 5-6%. The pole reject rate is now less than 2%.

NEXT BOARD MEETING

April 29, 2021





Electricity provides year-round comfort for us, no matter the temperature outside. But this wouldn't be possible without a team of dedicated, trained individuals who ensure the electrical distribution network works as it should. Since 1937, our line workers have been powering our memberconsumers through the summer and the winter.

Stearns Electric Association serves over 27,000 member-consumers including residential, agricultural, and large and small commercial accounts. Our mission is to safely deliver reliable electricity, provide beneficial energy solutions and a positive member experience to all types of member accounts.

Providing consistent and reliable electricity would be impossible without the talented group of field workers employed at Stearns Electric. Our linemen and substation technicians work 24/7/365 to ensure the Cooperative's distribution system functions properly and power outages are restored in a timely fashion for our memberconsumers.

POWERING YOU THROUGH THE SUMMER

In Minnesota, we all look forward to the long, warm days of summer. The same is true for our crews, who complete many annual projects during the nicest, and hottest, days of the year.

"Summertime is especially busy for the Co-op. In addition to our normal monthly substation inspections that happen year-round, we also need to complete many projects outlined in the Co-op's Construction Work Plan, which maintain our distribution system," Glen Kemper, Substation and Operations Technology Supervisor, said.

"One of our large summer projects is also plowing in underground power lines for new services and re-building existing lines," Jason Selix, Line Worker and St. Joseph Maintenance Crew Chief, explained.

"Most underground projects are completed in the summer because frost makes digging difficult," Jacob Jordan, Line Worker, added.

Although much work happens in the

summer months, working outside in the summer is not without its challenges.

"I love working outdoors because I don't like being cooped up all day," Selix explained. "But I can't stand the heat! We can dress for cold weather, but with our specialized fireresistant clothing, we cannot always dress comfortably for summer."

"Summertime also means we have to deal with mosquitos and poison ivy," Jordan explained.



Selix and Jordan install electrical service for a new house.

Additionally, outages typically increase during the summer due to a number of reasons like storms. animals and construction. At least two linemen are on-call every week throughout the year, but that increases in the summertime.

"From Memorial Day through Labor Day, four linemen are on call every weekend – one crew from Melrose and one crew from St. Joseph," Selix said. "We are on call from 4 p.m. Friday through 7 a.m. the following Friday and respond to any weekend or after-hours outages."

"Responding to after-hours outages used to be a big part of my job, especially during the summer," Kemper said. "But with new technology developments over the last several years, the linemen are able to handle most of the after-hour outages now. However, I am still involved when there are transmission outages or an outage at a substation."

POWERING YOU THROUGH THE WINTER

For field crews, there's not a whole lot of difference between summer and winter work.

"No matter the season, we start the day with a job briefing at the shop," Jordan explained. "We discuss what equipment and materials we need and load up our trucks and vehicles accordingly, then head to the site."

"We conduct our normal substation inspections in the winter, just the same as summer. They just happen a bit slower in colder weather," Kemper said.

Winter is also a time for crews to complete special projects, such as OCR change-outs, overhead line inspections and other general maintenance.

"Typically from January to March, we perform an annual Oil Circuit Recloser (OCR) maintenance project where we change out about 120 OCRs that are installed on our distribution system," Kemper said.

"In the winter on a construction crew, we do infrared scanning on our underground modules and transformers," Jordan explained. "Any loose or bad connections show up more obviously on the infrared cameras because there is more of a temperature difference in the winter time."

"Plus, in the winter, we can usually drive our large bucket trucks anywhere as the ground is hard and frozen," Selix added. "This makes it easier to inspect our distribution system equipment in those hard to reach areas that we can't always get to in the summer."



Substation Techs Bryan Berg and Ryan Leigh conduct required substation testing.

Like the summer, working outdoors in the winter also has its benefits and challenges.

"In addition to being able to get a truck almost anywhere, there are no mosquitos," Jordan said.

"Working outdoors in the winter is not as enjoyable as the summer, but it's fun to watch the seasons change," Kemper explained. "During winter, we can handle the snow, but the extreme cold makes it difficult to do pretty much anything efficiently."

No matter what the weather is like, extremely hot, extremely cold or anywhere in between, rest assured our crews are out in the field working hard to make sure our distribution system works properly to safely deliver reliable electricity to you, our members, in every season.



STAY COOL - BUT NOT TOO COOL!

Don't keep your refrigerator too cold. The Department of Energy recommends a temperature setting of 35 to 38 degrees for the fresh food compartment and zero degrees for the freezer. Make sure the refrigerator doors are sealed airtight to maximize efficiency.



KEEP IT CLEAR

You know that large, green, ground-level box you may have in your yard? It houses the components of the underground electrical system. Keep it clear of vegetation and other permanent structures, as utility workers may need to access the underground lines and equipment during unplanned outages or routine maintenance.



FORMER DIRECTOR RICHARD "DICK" NATHE REMEMBERED



It is with great sadness that we announce the death of former Stearns Electric Board member Richard "Dick" Nathe, who served as Director in District 3. Dick was elected to the Cooperative's Board in 2016 and served for nearly five years before resigning his position in January 2021. Prior to his election to the Board. Dick served on the Member Engagement Group (formerly Member Resource Committee). We will remember Dick for his local community involvement. especially in the St. Cloud area where he resided, his ability to talk to anyone, and his passion for serving Cooperative members.

AUTOPAY PROMO



SIGN UP FOR AUTOPAY BY APRIL 30TH FOR A CHANCE TO WIN

AutoPay takes the worry out of paying your bills. Simplify your finances and enroll your account in AutoPay. Your bill will be paid automatically each month on the due date.

AutoPay is safe, secure, easy and convenient. After the initial set-up, you won't have to spend any time paying your Stearns Electric Association bill each month. You'll have peace of mind knowing you will never have to pay a late fee or worry about a misplaced bill. If you like to keep a paper trail, no problem! With AutoPay, you can still receive bills online or in the mail.

You can have your bill payment automatically electronically transferred from your designated checking account or savings account, debit card* or major credit card* FREE of charge. (*VISA, MasterCard, American Express or Discover).

FOR YOUR CHANCE TO WIN

Stearns Electric is giving away three \$100 bill credits to members signed up with AutoPay. To be entered into the bill credit drawing, you must be currently enrolled in AutoPay or sign up by April 30th using a designated checking or savings account.

HOW DO I APPLY FOR THE AUTOMATIC PAYMENT PLAN?

By SmartHub: The easiest way to get started is to enroll online through SmartHub. Visit www.stearnselectric.org to sign up for, or log into, SmartHub.

By Mail: If you prefer not to use SmartHub, you can enroll by mail by completing the form available on your recent bill insert or by printing the recent bill insert online.

- Fill out your financial institution's name, address and phone number on the lines provided.
- If your payment is to be deducted from a checking account, enclose a blank check. Write VOID across it. DO NOT SIGN IT. If your payment is to be deducted from a savings account, enclose a deposit slip that has your account number on it.
- Sign, date and return the form to the Cooperative.

By Phone: Simply call SecurePay at (855) 386-9908 and follow the instructions to enroll in recurring payments.

Please continue to pay your bill in your usual way until your bill indicates that the balance will be automatically paid.

NEWS

VEGETATION MANAGEMENT 101

MELROSE OFFICE LOBBY RE-OPENING TO PUBLIC ON APRIL 5

After remaining closed for over a year, our Melrose Office lobby re-opens during Cooperative business hours on April 5. Members and other individuals who visit will be required to wear a mask, adhere to social distancing, and sign in and out at the front desk.

As it was before the COVID-19 pandemic, the St. Joseph Branch Office will remain closed to the public, but available for appointment by calling (800) 962-0655. Stearns Electric business hours are Monday -Friday, 7:30 a.m. – 4 p.m.

OFFICES CLOSED GOOD FRIDAY

Stearns Electric Association will be closed on Friday, April 2 in observance of Good Friday. Both offices will be open for normal business on Monday, April 5. Please call (800) 962-0655 in the event of an outage or emergency.

There are many ways that Stearns Electric Association safely provides you with consistent, reliable electric service. One of the most common - and crucial ways is referred to as vegetation management or Right-of-Way clearing.



Vegetation type, location, growth factors, property aesthetics and more are considered when determining corrective action for Right-of-Way concerns.

COOKING CORNER

CHEESEBURGER SOUP



Ingredients:

1 lb. hamburger

34 C chopped onion

34 C diced carrots

34 C chopped celery

½ tsp dried basil

1 tsp parsley flakes

6 Tbsp butter

3 C chicken broth

4 C diced potatoes

¼ C flour

8 oz. Velveeta cheese

1 ½ C milk

Directions:

Brown the hamburger and set aside. In a separate pan, sauté onions, carrots and celery in 2 Tbsp of butter. Add chicken broth, potatoes, basil, parsley and ground beef, and bring to a boil. Reduce heat, cover and simmer. In another skillet, melt the remaining butter. Add flour and cook until bubbly. Add the flour mixture to the soup mixture, bring to a boil and reduce heat. Add cheese and milk. 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 recipes to communications@ stearnselectric.org or mail to: Stearns Electric, Cooking Corner, PO BOX 816, St. Joseph, MN 56374.



STEARNS ELECTRIC ASSOCIATION

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(800) 962-0655 www.stearnselectric.org

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BOARD OF DIRECTORS

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Vice President, District 5

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Secretary/Treasurer, District 6

GREG BLAINE

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ARLYN LAWRENZ

District 2

OPEN

District 3

LONNIE IVERSON

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Manager of Member Services

JAMES PACHAN

Manager of Engineering

RYAN ZIERDEN

Manager of IT

CONTRACT DESIGNER

AMANDA GROETHE

Fuller Creative



'Concern for Community' is one of the seven Cooperative Principles we adhere to. Our 'My Co-op Cares' program allows employees to volunteer during the work day, and share their time and talents with others throughout our service territory.