



POWER CONNECTION

member driven. community focused. energy smart.

DECEMBER 2021



DIRECTOR NOMINATIONS OPEN IN DISTRICTS 2, 3, 5 AND 6

Stearns Electric Association's Board of Directors are member-consumers just like you who understand and listen to the community. They represent you on the Co-op's Board, which is responsible for overseeing the business of the Cooperative and determining its strategic direction.

Our Cooperative business model depends on our members to provide leadership and guidance for Stearns Electric. Each year, an election takes place in three of our nine districts to elect a director to represent each district on our board. The election process ensures that every member has a voice in the operation of this organization, and that any member in good standing may seek election for the Cooperative's Board of Directors.

Nominations are now open for the board in Districts 2, 3, and 6. In 2022, Stearns Electric is also hosting a special

election in District 5 to fill a vacant seat due to a Director resignation. If you live in these districts and are interested in becoming a nominee, please visit our website, www.stearnselectric.org/about-us/board-and-bylaws/director-election/, to view the nominations packet and download the Application for Director.

The nominations packet includes general Cooperative information, director qualifications, a copy of the Stearns Electric Bylaws and the Application for Director. Applications must be returned by 4 p.m. on January 25, 2022 to the secretary:

Email: secretary@stearnselectric.org

Mail:
Secretary
Stearns Electric Association
c/o Dymoke Law Office, PA
PO Box 127
Melrose, MN 56352

A full list of director qualifications is posted on our website. If you have additional questions about the nomination process or becoming a director, please contact the Stearns Electric Election Coordinator during regular business hours at (800) 962-0655.

Stearns Electric retains the services of Survey and Ballot Systems, an independent contractor, to conduct the election in conjunction with the Annual Meeting on Tuesday, April 5, 2022. Review district information and our director qualification overview on page 3.

Complete director nomination information is available at www.stearnselectric.org/about-us/board-and-bylaws/director-election.

CEO'S MESSAGE

POWER SUPPLY AND SYSTEM RELIABILITY



As we move into another Minnesota winter, I want to discuss Stearns Electric Association's energy resources and electrical system reliability. Stearns Electric Association's mission statement begins with: "To safely provide competitively priced and reliable electric service...."

In partnership with our wholesale power provider, Great River Energy (GRE), we are working every day, doing all that we can to achieve our mission and provide you with continued reliable electric service, 24/7.

In February, the frigid weather in the central United States made news headlines worldwide. As many of you remember, this significant cold weather event wreaked havoc on the electrical distribution system in portions of our country, most notably Texas.

I addressed the polar vortex and the blackouts in Texas in my CEO column in March 2021, and hopefully provided you with reassurance that Minnesota's energy distribution system is well prepared to continue providing reliable electric service to our members through events like these, just like we did in February 2021.

Stearns Electric is one of 28 Minnesota electric cooperatives that purchases power, or electricity, from GRE. GRE is a member of a larger power system called the Mid-Continent Independent System Operator (MISO). MISO controls the energy market from Manitoba through the east central part of the U.S., down to Louisiana.

Like all energy generation members of MISO, GRE sells its generated energy into the MISO market, and likewise, buys bulk energy out of MISO. MISO balances energy supply with demand every five minutes at the least possible cost while also maintaining reliable generation system conditions. This ensures members of MISO are not only receiving the energy they are requesting, but also paying for energy at the lowest possible rates, which then get passed on to you, the energy consumer.

GRE has a significant amount of generation capacity for times where electricity requirements are at their peaks, such as during the 2021 polar vortex. During those few days, MISO called for "maximum generation," and all generation in the MISO footprint was brought online, which is about 190,000 MW of energy. This included GRE's eight peaking units, used only for

high-demand situations like the polar vortex, that provided about 1,500 MWs of energy.

For the most part, these peaking units generate energy with natural gas. However, most units can also operate on fuel oil, which provides a hedge against the risk of scarce or expensive natural gas. These peaking plants, along with the other energy generation adjustments that are in the works – adding more wind generation and retiring coal – will be cleaner and cheaper. Ultimately, this leads to continued reliability, affordability and care for the environment.

Stearns Electric continues to promote grid reliability through GRE, MISO and our local distribution system. Being part of a regional integrated electric grid and diverse energy mix will assure that we continue to provide electric service reliability even during the most 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.

Sincerely,

Robin C. Doege, Chief Executive Officer

MERRY CHRISTMAS



STEARNS ELECTRIC ASSOCIATION



DIRECTOR NOMINATION DETAILS

DISTRICT INFORMATION:

District 2 - Serving Minnesota townships: Holding, Brockway, St. Wendel and LeSauk in Stearns County.

District 3 - Serving Minnesota townships: Waite Park, St. Cloud, St. Augusta, Lynden and Fairhaven in Stearns County.

District 5* - Serving Minnesota townships: Bangor, Glenwood and Grove Lake in Pope County; Raymond, Getty, Grove, North Fork, Lake George, Spring Hill, St. Martin, Crow Lake, Crow River and Lake Henry in Stearns County; and Roseville Township in Kandiyohi County.

District 6 - Serving Minnesota townships: Millwood, Krain, Oak, Albany, Avon and Collegeville in Stearns County.

Check to see which district you belong to by visiting our website and viewing the interactive service area map, <https://www.stearnselectric.org/about-us/cooperative-profile/service-area-map/>.

DIRECTOR QUALIFICATIONS:

- Nominees must be a member of the Cooperative and a primary resident of the district they wish to represent.
- Nominees cannot be employed by, or have financial interest in, a competing enterprise.
- Nominees must have the time available to attend a minimum of 12 regular daytime board meetings, and additional meetings and training sessions as needed.

**A special election in District 5 will take place this year to fill a vacant seat. The remaining two-year term expires in conjunction with our Annual Meeting in 2024.*

ENERGYWISE

INTERRUPTIBLE PROGRAM FOR CI&A MEMBERS

As 2021 nears its end, now is a good time to plan for 2022 project upgrades in energy efficiency and potential ways to reduce your company's overhead costs.

Stearns Electric offers an Interruptible Program exclusively to our commercial, industrial and agricultural (CI&A) members. CI&A members that enroll in the Interruptible Program will not only save money on their monthly electric bill, but also eliminate production disruptions and delays during an unexpected power outage.

Contact John Pantzke, business development and energy services supervisor, at (800) 962-0655 for a custom cost comparison to find out what savings could look like for your farm or business based off your past energy consumption.

Visit www.stearnselectric.org for even more ways to save, including information on efficiency grants available to members making energy efficient upgrades related to their electrical system.

BOARD MEETING

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

Manager of Finance Cindy Anderson reviewed the September 2021 financial statement. The increased volume in power sold continues to offset the higher power cost rate. The year-to-date gross margin is below budget along with operating expenses. This results in operating margins above budget.

Warren Brown from Hubbell Power Systems provided a presentation on supply chain issues affecting the U.S. and world economies.

Anderson distributed the 990 Report to the directors and thoroughly explained its contents. This report is similar to an annual tax return and is filed to show compliance with maintaining the Cooperative's 501(c)(12) tax exempt status. Clifton Larson Allen prepares the 990 Report for the Cooperative.

The Cooperative's subsidiary business financial statements were reviewed and showed continued good results for 2021.

VP of Engineering and Operations Matt O'Shea recapped his report noting a new digitized staking program that will be implemented in mid-December.

Fourteen substation inspections took place in early October by Exacter, Inc., using its ultrasonic technology. Issues were identified so the next step is to schedule and replace the unsafe or concerning equipment.

VP of Administration and Finance Vicky Herkenhoff presented the proposed 2022 Corporate Scorecard explaining that it was created with this year's member survey, employee survey and new strategic plan in mind. A scorecard provides a quick and concise way to measure key performance indicators and give a clear indication of how well an organization is working to achieve their targets. Ms. Herkenhoff reviewed the key performance indicators that support the scorecard and shared how management helped determine the scorecard measurement criteria. Some metrics will be updated monthly and some quarterly.

NEXT BOARD MEETING

January 27, 2022

THE PAST



THE FUTURE



Today you can flip a switch and the lights come on, but that wasn't always the case. Not that long ago, individuals lived without electric service. In 1937, the Cooperative was founded to bring electricity to the rural areas of Central Minnesota. For the last 85 years, Stearns Electric has been proud to power our member-consumers through the past and looks forward to powering you into the future.

Stearns Electric Association serves over 27,000 member-consumers including residential, agricultural, large commercial 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 members.

We have come to expect reliable electricity to help meet our most basic needs - heating homes, lighting, cooking and more. But before the Cooperative was founded, many went without the convenience of electricity.

POWERING YOU THROUGH THE PAST

"The first time the lights came on at our farm was during a snowstorm in March 1941," Scotty Gustafson recalls. "During the storm, I flicked the light switch, like I had several times before, but this time I could see the outside yard light come on."

Though not originally from this area, Scotty grew up in the service territory of another electric cooperative and remembers when his family got electricity on the farm.

"I remember the linemen digging holes for the power poles. I remember an electrician coming to wire our home. I don't remember them stringing power lines, but I'll never forget the first time that light came on," he explained.

"I was born the same year as the Rural Electrification Act passed - 1935," he said. "In 1938 or 1939, I remember big equipment digging the holes for the power poles. In fact, I was four years old when my older brothers threw something into

one of those holes, tied me to a rope and lowered me in to get it."

Before electricity, Scotty and his family used kerosene lanterns and Aladdin lamps to light their home, and lignite coal to heat their home. They worked by lantern to milk the cows and woke up chilly, sometimes with snow on the bed, as the coal didn't last through the night.

"Once we got electricity, we got a refrigerator for mom," he recalled. "It was much nicer than our previous ice box."

Scotty and his wife of 64 years, Jeanne, have lived through a time of substantial advances in electricity. The Gustafsons have been members of Stearns Electric for 52 years. They raised their family of four and ran a full farm in St. Augusta for several years, where they still reside today.

"When we first moved in, we couldn't be in the house and the barn at the same time," Jeanne recalled. "Plus, there were areas of bare wire that would hit together when it was windy and create sparks."

"Thankfully we were able to upgrade our electric service with the Co-op, which was much more reliable for us and safe for the kids," Scotty added.

When asked what their favorite thing about electricity is today, their responses are simple, yet significant:

"Lights. I can flip a switch and there are lights," Scotty said.

"And I can have hot water immediately from the faucet," Jeanne added.

Two items that most of us probably take for granted today.

POWERING YOU THROUGH THE FUTURE

Advances in electrical technologies are occurring at an exponential rate and are anticipated to continue well into the future. It was just 80 years ago that the lights came on for Scotty, but today, more and more members are taking advantage of new electrical technologies, such as solar panels and electric vehicles.

David and Caroline Williams of St. Cloud have always been passionate about energy efficiency and the environment. In 2019, the Williams' decided to purchase solar panels for their home. "We wanted to be more energy efficient and quite honestly, we wanted to save money on our electric bill," David explained.

After completing an energy audit for their home, it was recommended by their solar panel provider to purchase 14 panels to keep up with energy consumption. However, they chose to install 20.

"When we purchased the solar panels, we purposefully installed more than the recommended amount, knowing we wanted to use the excess energy to charge an electric vehicle in the future," Caroline said.

"We noticed a change in our monthly electric bills almost immediately," David explained. "We still have a

monthly bill since we pay the fixed charge, but the solar panels are offsetting the cost for our overall energy consumption. In the last six months, we have produced over six megawatt hours of excess electricity, which we have sold back to Stearns Electric."

Plus, the panels are working all year round. "We learned we are still able to generate electricity through a couple of inches of snow. Last winter, we didn't have any snow on the panels for much of the time, even though it was fairly snowy," he continued.

As planned, they purchased their all-electric vehicle (EV), a Nissan Leaf, last February. After working with Cooperative staff, the Williams' discovered they could save even more money by participating in the ChargeWise program. Through the program, the Williams' are paying a lower rate for electricity by opting to charge their EV overnight.

"The ChargeWise program has an auto-timer on the meter for us. We plug in our EV when we get home and it'll automatically charge for eight hours overnight, when electricity is cheaper, helping us lower our bill even more," David explained.

"Plus, the EV is really fun to drive," Caroline added.

"With our solar panels and EV, we are saving money, and energy, every day," David concluded. "That's beneficial to the environment, and beneficial to us."

As we prepare to celebrate our 85th anniversary in 2022, Stearns Electric reflects on its past and is proud of its long history of providing electricity to members throughout Central Minnesota. Whether you remember when the lights first came on, or plan to take advantage of new energy technologies, we are proud to power you through the past and into the future.

ENERGY EFFICIENCY TIP OF THE MONTH

HEADING OUT OF TOWN FOR THE HOLIDAY SEASON?

Remember to unplug electronics that draw a phantom energy load. Some gadgets like TVs, phone chargers, gaming consoles and toothbrush chargers use energy when plugged into an outlet—even when they're not in use.

ELECTRICAL SAFETY CHECKUP

WRAP UP THE HOLIDAYS

Christmas decorations are temporary, so make sure to take them down after the holidays to ensure the life of your décor and the safety of your home. Make sure you inspect your lights and cords before packing them away and be sure to store electrical decorations in a dry area.



LIKE US ON FACEBOOK

www.facebook.com/stearnsselectric

OPERATION ROUND UP



OPERATION ROUND UP® PROGRAM AWARDS OVER \$71,000

Through Operation Round Up® Stearns Electric members distributed \$71,952 to 62 local organizations and charitable causes in November.

OPERATION ROUND UP® TRUST BOARD NOMINATIONS OPEN

Nominations for the Operation Round Up® Trust Board are now open for members in Districts 4, 6 and 7. Applications are available for interested individuals at www.stearnslectric.org and are due January 14, 2022. Trust Board Directors are elected to serve one, three-year term, and can serve two consecutive terms. Call our Operation Round Up® staff liaison at (800) 962-0655 during regular business hours with questions.

MY CO-OP CARES

EMPLOYEE CHARITY EVENT RAISES OVER \$5,000

We held the 14th Annual Employee Charity Event on November 17 where employees raised \$5,426 for this year's employee-selected organization: Bikers Against Child Abuse (BACA) Granite City Chapter. Donations were raised via a silent auction and several raffles throughout the day.



WIN A TRIP TO D.C.



Each year, rural electric cooperatives across the nation sponsor roughly 1,500 students on the Rural Electric Youth Tour to Washington, D.C. The Youth Tour program continues to foster the grassroots spirit of the rural electric cooperatives by demonstrating to high school students how our government works and what the electric cooperative business model is all about.

In 2022, Stearns Electric Association will be sending one high school junior or senior on an all-expense-paid trip to the Washington, D.C. Youth Tour. The selected student will visit with congressional representatives, tour some of the most famous museums in the world, and make memories and friends that will last a lifetime.

AWARDS:

- First Place - All-expense-paid Washington, D.C. Youth Tour from June 14-19, 2022
- Second Place – First Alternate and \$150
- Third Place – Second Alternate and \$100

Additional information and applications are available at the Stearns Electric Association offices, the Cooperative's website www.stearnslectric.org, and at your school's counseling center.

If you have questions or need more information about this opportunity, please visit www.stearnslectric.org.

NEWS

IRRIGATION NOTICE

Farmers who plan to install electric irrigation systems or convert their system from diesel to electric for the 2022 growing season must contact Stearns Electric. This information is used by our Engineering Department to determine supply needs for the 2022 construction season. Materials and transformers will be ordered soon. Please call the Engineering Department during business hours at (800) 962-0655.

OFFICES CLOSED

The Stearns Electric offices will be closed on Friday, December 24 in observance of Christmas and Friday, December 31 in observance of New Year's Day. If you experience a power outage or emergency during these holidays, please call us at (800) 962-0655 or report your outage via SmartHub. Crews are on call 24/7 and ready to respond to any emergency situation.

VEGETATION MANAGEMENT 101

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.

BENEFITS

We clear certain areas in our service territory, known as Right-of-Way, to:

- Reduce the number of tree related power outages
- Keep power lines clear of tree limbs
- Restore power outages more quickly
- Keep crews and members of our community safe
- Reduce unexpected costs for repairs



// VEGETATION MANAGEMENT IS ABOUT LONG-TERM BENEFITS //

Vegetation management improves service reliability for you – our members!

COOKING CORNER

BRUSCHETTA

Submitted by: Debra Yunek
Stearns Electric Member



Ingredients:

5 Roma tomatoes
5 Tbsp olive oil
1 tsp red wine vinegar
10-12 fresh basil leaves,
finely chopped
1 Tbsp grated parmesan
cheese
1-2 cloves of garlic
Salt and pepper to taste
Thin baguette

Directions:

Finely dice the Roma tomatoes and put into a bowl. Add olive oil, red wine vinegar, basil leaves and garlic. Mix together and let stand at room temperature for 30 minutes. Add salt and pepper to taste. Slice baguette approximately ½ inch thick and toast in broiler. Serve bruschetta on toasted baguette, sprinkling cheese on top. 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

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

(800) 962-0655

www.stearnselectric.org

**PERIODICALS
POSTAGE PAID**

The Power Connection (USPS 016053) is published monthly (plus an Annual Report) by Stearns Electric Association, P.O. Box 40, Melrose, MN 56352, Subscription rate: \$4 annually. Stearns Electric Association is an equal opportunity employer.

Periodicals Postage Rate is at Melrose, MN, 56352 and additional mailing offices.

BOARD OF DIRECTORS

- ERIC PETERSON
Vice President, District 8
- STEVE NOTCH
Secretary/Treasurer, District 6
- GREG BLAINE
District 1
- ARLYN LAWRENZ
District 2
- MICHAEL CRAMER
District 3
- RANDY ROTHSTEIN
District 4
- OPEN
District 5
- LONNIE IVERSON
District 7
- JERRY FRIES
District 9

STAFF

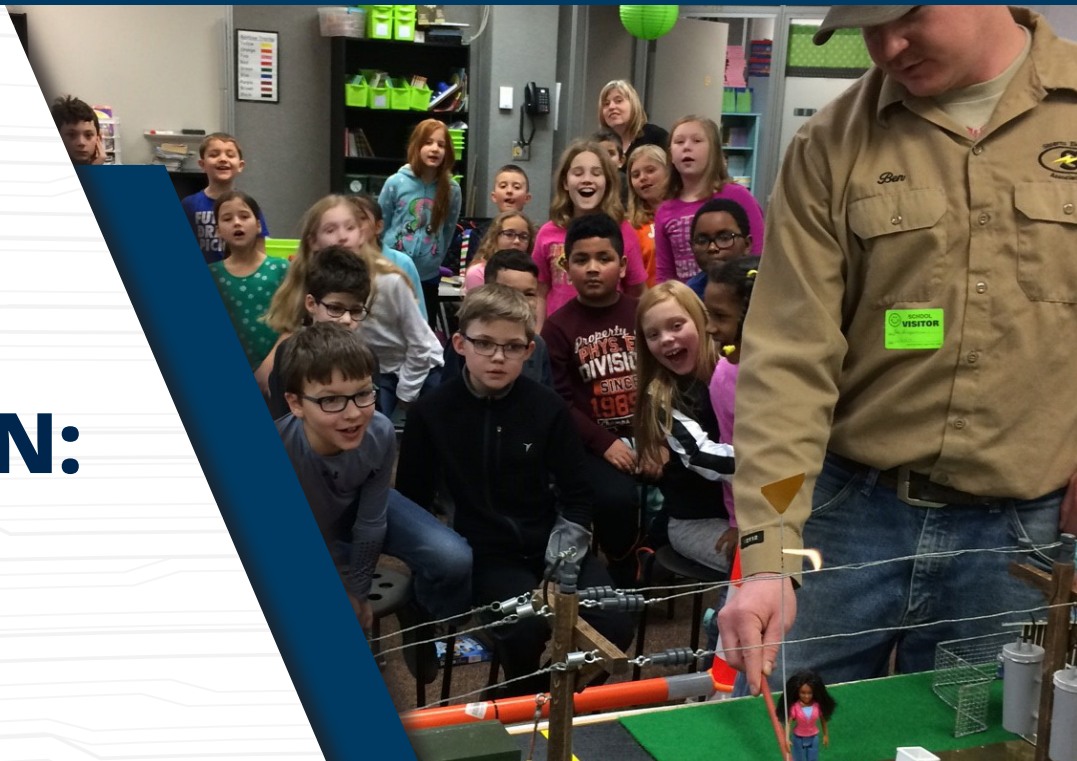
- ROBIN DOEGE
Chief Executive Officer
- VICKY HERKENHOFF
Vice President of Administration and Finance
- MATT O'SHEA
Vice President of Engineering and Operations
- CINDY ANDERSON
Manager of Finance
- GLENN BLOMMEL
Manager of Operations
- DARLA HONKOMP
Manager of Member Services
- JAMES PACHAN
Manager of Engineering
- RYAN ZIERDEN
Manager of IT

CONTRACT DESIGNER

- AMANDA GROETHE
Fuller Creative



ENERGY EDUCATION: CULTIVATING COMMUNITY ENGAGEMENT



As we educate students on the importance of electrical safety, our goal is to not only influence their lives, but also the lives of their loved ones. When students share the importance of keeping electrical safety top of mind, our communities become a safer place to live, work and play.