POWER CONNECTION



SEPTEMBER
2026

member driven.
community focused.
energy smart.

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STEARNSELECTRIC.ORG

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CELEBRATE NATIONAL CO-OP MONTH WITH EXTRA SAVINGS

October is National Co-op Month – a time to celebrate cooperatives of all shapes and sizes.

Unlike many businesses, cooperatives were founded by and are built for their members. And we are still member-owned today! Our goal isn't simply to earn a profit; it's to provide value, meet local needs and strengthen communities.

Being locally owned, we have the flexibility to focus on what matters most to the communities and members we serve. At Stearns Electric, that means:

- Giving back to local communities though programs such as Operation Round Up® and My Co-op Cares volunteer events.
- Providing rebates and programs for members to save energy and money.
- Restoring power following a storm, or anytime the power goes out.
- Working daily to provide reliable electricity at competitive prices.

Our employees are your neighbors. As your local energy provider, we're committed to serving this community for generations to come.

CO-OP MONTH SPECIAL ON LED LIGHT BULBS – BUY 4, GET 4 FREE

To celebrate National Co-op Month, our EnergyWise® MN Store is offering four (4) FREE Simply Conserve LED light bulbs when you purchase four (4) by November 2, 2026.*

How to claim this offer:

- Visit the EnergyWise® MN Store website: energywisemnstore.com.
- Sign in or create an account. (You must be a member of a local electric cooperative to take advantage of the EnergyWise® MN Store.)
- Fill your shopping cart and check out! Discounts will be applied at checkout.

**Offer valid while supplies last or through November 2, 2026. Does not include taxes and shipping. View complete details at energywisemnstore.com.*

This National Co-op Month, we invite you to join us in celebrating the cooperative difference, because this Co-op belongs to you!

CURRENT ENERGYWISE® PARTICIPANT NOTICE:
IS YOUR ENERGYWISE® DUAL FUEL SYSTEM WINTER READY?

If you have a Dual Fuel heating system, now is the time to be sure your back-up heating system is prepared and that you have adequate fuel supply.

When will Dual Fuel heating systems be controlled?

- During periods of high demand (coldest winter evenings) and when market prices are high, but other factors can lead to load control as well
- Up to 400 hours during the heating season
- Control periods will not exceed 12 hours on a single day
- Any time of the day, but typically in the early evening (4:30 - 9:30 p.m.) and occasionally in the morning
- Participants should expect 20 control days, totaling an estimated 108 hours this winter, with most occurring between December and February

We encourage you to fill your secondary fuel source and ensure it is working properly in preparation for winter. Fossil fuel prices typically climb over the coming months and peak high during the middle of winter.

REMEMBER: CHECK BEFORE YOU FLIP YOUR BREAKER OFF
Are you planning to close up your seasonal home, head out on a long vacation or travel south for the winter? Be sure you don't inadvertently shut off the breaker that supplies power to your off-peak meter for either your electric water heater or off-peak electric heat source. This will cause the electric heat or water heater to be billed at the general service rate instead of the off-peak EnergyWise® rate.

If you have an electric water heater, we encourage you to have a qualified installer equip your water heater with a disconnect switch. This enables you to shut off your water heater at your convenience while maintaining power to the off-peak meter.

Welcome Home.
Stay Protected.

Smart security, professional monitoring, and a system customized for your home.



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DID YOU KNOW?

Stearns Electric Association refunds capital, above the cost of operations, to its members in the form of Capital Credits. Capital Credit checks are mailed to members in November. **That is the Cooperative Difference!**

LEARN MORE

Get your Capital Credit questions answered online at: stearnselectric.org/capitalcredits or contact our Capital Credits Coordinator at (800) 962-0655.

CEO MESSAGE

ENERGY ISSUES SUMMIT RECAP

Across Minnesota, electric cooperatives are planning for rising infrastructure costs and increasing electricity demand. These pressures are influenced by changing energy policies, evolving generation resources, regional transmission needs and new sources of load. Through these changes, our focus remains on delivering safe, reliable and affordable electric service to our members.

In early August, four of your directors and I attended the Minnesota Rural Electric Association's Energy Issues Summit. More than 200 cooperative leaders, directors and industry experts gathered to discuss the challenges and opportunities shaping Minnesota's electric future.

One key theme was the need for continued investment in generation and transmission infrastructure. Regional planning studies indicate demand for electricity is expected to increase over the next decade, driven by economic growth, electrification and emerging large-load opportunities. Utilities and regional planners must ensure adequate generation capacity is available under a variety of conditions. As the generation resource mix evolves, long-term planning is increasingly important to meet reliability, affordability and policy objectives.

At the same time, many generation facilities and transmission assets constructed in the 1960s and 1970s are approaching the point where major upgrades or replacement will be required. A reliable electric system depends on the ability to move power efficiently from where it is generated to where it is needed. As infrastructure ages, regional transmission investments will play an important role in maintaining reliability and supporting future growth.

Our wholesale power provider, Great River Energy (GRE), has been planning for these challenges for many years and continues to develop its long-term generation and transmission strategy. GRE is involved in several transmission projects across Minnesota. One project within our service territory is the Alexandria to Big Oaks transmission line along the I-94 corridor. Members interested in learning more can visit alexandriatobigoaks.com.

Another topic discussed at the summit was the growth of large electrical loads, including data centers. While we have received limited inquiries, we are not aware of plans for a large data center development within our service territory.

Within the MISO region, any proposed large load must meet stringent interconnection and planning requirements designed to maintain system reliability. Additionally, GRE's policies are structured so that costs required to serve a new large load are assigned to the entity creating those costs, not member cooperatives. Stearns Electric would not support a project that shifts costs to or results in higher rates for our members.

Together, these safeguards protect reliability and ensure costs remain with the parties creating them. If a large-load project moves forward, the revenue associated with that load could help offset future cost pressures for existing member-consumers. Stearns Electric remains committed to ensuring that any future large-load development supports system reliability while protecting the interests of our membership.

The discussions at this year's summit reinforced the importance of long-term planning in a rapidly changing industry. By staying engaged in these conversations and working closely with our industry partners, we can continue making informed decisions that support reliable, affordable service for you, our members.



Sincerely,

Matt O'Shea
Chief Executive Officer

BOARD MEETING HIGHLIGHTS

The regular meeting of the Board of Directors of Stearns Electric Association was called to order on Thursday, July 23, 2026, at 1:00 p.m. at the Melrose office of Stearns Electric Association.

- Allison Deelstra, Cooperative Finance Corporation Regional Vice President, presented the 2025 key ratio trend analysis (KRTA) overview to the Board. KRTAs track specific financial ratios and compare them to other cooperatives across the state and country.
- CEO Matt O'Shea reviewed his executive report, including a recap of the power outage impacting a large number of members on July 10 and 11, and the MISO generation emergency in late July.
- CEO O'Shea announced Co-op attorney Claudia Revermann applied for the Electric Cooperative Bar Association (ECBA), a continuing education opportunity for attorneys though the National Rural Electric Cooperative Association.
- VP of Administration and Finance Vicky Herkenhoff shared an update on the former facility at 900 Kraft Drive SE, noting a six-month lease was executed with Warrior Boats for a large portion of the back space of the facility.
- District 3 Director Michael Cramer announced his candidacy for Director for Minnesota Rural Electric Association (MREA). The Stearns Electric Association Board supports this candidacy.

NEXT BOARD MEETINGS
September 25, 2026
October 22, 2026



SAVING ENERGY. SAVING MONEY. POWERED BY PURPOSE.

Outside of Richmond, you'll find Scott and Denise Gathje's family dairy farm. Not too big, not too small, the Gathjes have worked hard to maintain their family operation, provide the best environment for their cows and innovate when they can. Most recently, they partnered with Stearns Electric on an agricultural rebate to help offset the cost of a robotic milking system.

Denise and Scott Gathje purchased their family dairy farm "lock, stock and barrel" in 1995. Through a lot of planning and hard work, and a bit of innovation, the Gathjes are making the same space work for them more than 30 years later.

ROBOTIC MILKING

"We purchased the farm from non-family in 1995. It's always been a dairy operation, but over time, we've changed how we take care of our cows," Denise said.

"We wanted to keep the farm a dairy operation, even as the industry changed," Scott recalled. "We raised six kids and knew we would be empty nesters someday."

They recognized the need to explore additional technologies to streamline their operation and decided to consider robotic milking.

"We didn't want a cookie-cutter barn or operation," Scott continued. "We wanted to do it our way, and we put a lot of thought into the design and layout of the new barn. We toured other operations and loved how the animals on robotic farms seemed calm and comfortable."

Construction on the new barn began in 2023. On March 4, 2024, the new barn and robotic milking system began operating.

"Robotic milking is really a nice way to take care of our livestock. We can see the comfort of the cows and track their output and health, all while not having to force them to move," Denise said.

The Gathjes quickly realized they needed another robot to keep up with their cows' demand, and a second robot was installed in November 2025.



Scott and Denise Gathje with their robotic milking system.

BENEFITS OF THE TECHNOLOGY

With two robots, the cows are milked more frequently each day than they were previously. The robots have also reduced the need for multiple people to milk twice a day. Plus, the technology has helped increase both cow comfort and milk volume.

Data collected from the robots has been very helpful, especially when it comes to tracking animal health.

"It's been a gradual learning process of the technology and the reports it generates since you can't learn everything immediately," Scott said. "There is all kinds of information out there that is not being used, and we are slowly taking the time to learn it and understand it."

In addition to increased milk output and cow comfort, the robots continue to interest the next generation too.

Of their six children, two of their sons are active in running the family farming operation.

"Robotic milking technology has made dairy farming more inviting for our kids," Scott said. "They are especially interested in the improvement of animal handling, which impacts the volume of milk and its return."

"Our sons are also very good at troubleshooting technology, which is very fortunate for us," Denise added.



Cows are milked more frequently with the robotic milking system.

WHY REBATES AND ENERGYWISE® PROGRAMS MATTER

Stearns Electric Association offers a variety of rebates and programs to help our member-consumers operate more efficiently, reduce energy costs and improve overall performance.

EnergyWise® programs and efficient technologies help Stearns Electric reduce peak demand during the times of day when electricity is most expensive. Lower peak demand means lower wholesale costs from Great River Energy, which helps keep rates competitive for all members.

"Without programs like EnergyWise®, utilities like Stearns Electric would need to invest in additional generation and transmission infrastructure to meet growing demand," said John Pantzke, manager of energy services. "When we can work with our agricultural member-consumers to install and rebate energy-saving technologies or enroll in a load management program, it reduces overall electricity demand. That, in turn, benefits the member directly, and benefits the entire Cooperative."

If you're thinking of adding an innovative technology, you're not alone. "Visit people and work with the people out there to help you," Denise said. "You don't have to do it alone."

"Don't be afraid of changes and new technologies," Scott added. "Be a good cow manager first – there's people out there to help you with the technology."

AGRICULTURAL PROGRAMS & REBATES

Stearns Electric offers a variety of rebates and EnergyWise® programs for our agricultural members.

REBATES ARE AVAILABLE FOR:

Dairy Equipment
- Dairy Plate Cooler
- Robotic Milking System
- Vacuum Pump Variable Speed Drive

Ventilation
- Exhaust Fans
- Circulating Fans
- High Volume/Low Speed Fans

HVAC
- Chillers
- Air Source Heat Pump

Heating and Watering
- Livestock Waterer
- Engine Block Heater Timer

Pumping and Motor Controls
- Variable Frequency Drive
- Fractional Horsepower Motors

Energy Audits

LED Lighting Retrofits

Lighting Controls

Custom Electrification

In addition to rebates, we offer lower energy rate opportunities for members enrolled in our EnergyWise® Interruptible Program (with generator back-up) and our Interruptible Irrigation Program.

LEARN MORE ABOUT AG OPPORTUNITIES:

POWERED BY PURPOSE

As your member-owned electric cooperative, our purpose goes beyond supplying power. Through energy-saving programs, equipment rebates and efficiency incentives, we help members lower their monthly bills while strengthening the reliability of our electric system. When members save energy, we all benefit.

It's your energy. Our mission is to help you use it wisely.

MN COLD WEATHER RULE EFFECTIVE OCTOBER 1

The Minnesota Cold Weather Rule (CWR), under statute (216B.097), protects residential utility customers during the cold winter months. Under this rule, your electric service will not be disconnected for non-payment between October 1 through April 30 if electricity is the primary heat source and you meet CWR requirements.

To qualify, you must meet ALL the following conditions:

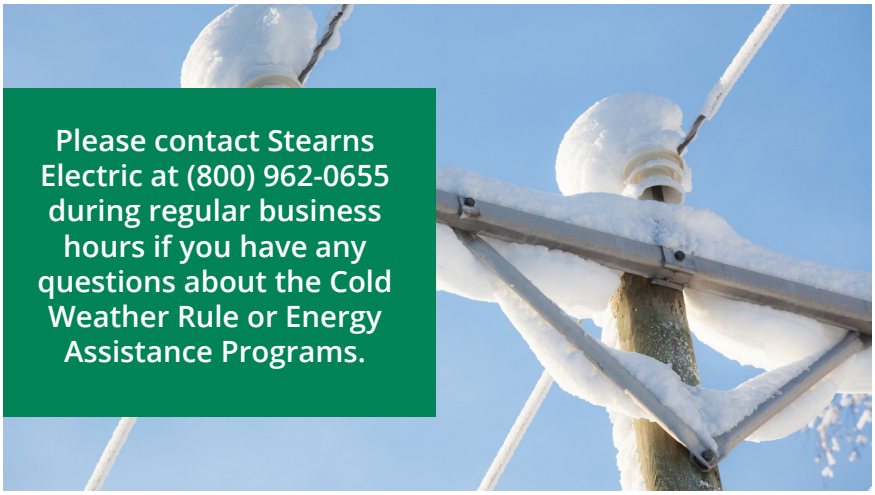
- You declare an inability to pay by completing the "Inability to Pay Form."
- Your total household, not individual, income is at or below 50% of the state median income. You must provide the necessary documentation to support this condition.
- Your account is current for the billing period immediately prior to October 1, or you mutually agree to a payment arrangement with the Stearns Electric billing department.

If you do not meet all these listed conditions, then you do not qualify for the winter shut-off protection. However, you can continue to receive electric service if you call us to make a mutually acceptable payment arrangement. The law does allow for Stearns Electric to disconnect, when necessary, from October 1 to April 30, so please act promptly. Before disconnecting electric service during this time, Stearns Electric must provide:

- A 30-day notice of disconnection;
- A statement of members' rights and responsibilities;
- A list of local energy assistance providers;
- Forms on which to request CWR protection; and
- A statement explaining available payment plans and other options to continue service.

To avoid a disconnection under the CWR, you must make and keep an acceptable payment arrangement with the Cooperative and meet all the conditions listed above. This applies to all residential customers, including senior citizens and families with young children. If you make and keep a CWR payment arrangement, you are protected until April 30.

Stearns Electric works closely with members during the CWR period, just as we do throughout the year. We don't want to interrupt service to any member, but in a cooperative, all members suffer when any bill remains unpaid. Stearns Electric would rather work with members to establish and maintain adequate payment arrangements of their past due bill, but sometimes a disconnection must take place.



Please contact Stearns Electric at (800) 962-0655 during regular business hours if you have any questions about the Cold Weather Rule or Energy Assistance Programs.



ENERGY EFFICIENCY

September kicks off the fall shoulder season, when cooler mornings and milder evenings often mean you can give your heating/cooling system a break. Open windows, use ceiling fans and enjoy the fresh air whenever temperatures allow. It's also the perfect time to schedule annual HVAC maintenance before colder weather arrives. Because demand is typically lower during the fall, heating and cooling professionals often have greater availability, making it easier to book an appointment. Regular maintenance can improve your system's efficiency, help prevent unexpected breakdowns and keep your home comfortable all year long.

MEMBER NEWS

NRECA MEMBER SURVEY IN OCTOBER

NRECA Market Research will conduct email surveys to Stearns Electric member-consumers in October. We appreciate your feedback and participation to improve our service to you, our members! More details will be posted on our website before emails go out next month.

STORED WATER HEATING AND STORAGE HEAT CONTROL PERIOD CHANGES THIS WINTER

Reminder: For this winter season, the electric thermal storage schedules for water heating and space heating are controlled from 6:00 a.m. to 10:00 p.m. from October 1, 2026 through April 30, 2027.

STATEMENT OF NON-DISCRIMINATION

Stearns Electric Association is an equal opportunity provider, employer and lender. In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.

Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotape, American Sign Language, etc.) should contact the State or local Agency that administers the program or contact USDA through the Telecommunications Relay Service at 711 (voice and TTY). Additionally, program information may be made available in languages other than English.

To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at https://www.usda.gov/oascr/how-to-file-a-program-discrimination-complaint and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by: (1) mail: U.S. Department of Agriculture, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, SW, Mail Stop 9410, Washington, D.C. 20250-9410; (2) fax: (202) 690-7442; or (3) email: program.intake@usda.gov.



DID YOU KNOW?

Did you know one new overhead transformer on the Stearns Electric distribution system costs an average of $1,500?

There are approximately 11,650 overhead transformers of various types on our distribution system. We replace or add an average of 375 overhead and padmount transformers annually.

A transformer is a device typically used to lower voltage along electric distribution lines to safely provide electric service to homes and businesses. The most common application of a transformer on Stearns Electric's distribution system is to transform single-phase primary voltage of 7,200 volts down to service voltages of 120 and 240 volts.

COOKING CORNER

GRAHAM CRACKER CHOCOLATE BARS

Submitted by: Diane Fritz



INGREDIENTS

Crust:
- 3 C graham cracker crumbs
- ½ C butter, melted
- ½ C sugar
- 1 large egg white, lightly beaten

Filling:
- 1 C light brown sugar
- ½ C light corn syrup
- ½ C dark corn syrup
- ¼ C butter, melted
- 3 large eggs
- 1 ½ tsp vanilla
- ¼ tsp salt
- 2 C pecans, chopped
- 1 bag semisweet mini chocolate chips

DIRECTIONS

Preheat oven to 350 degrees. Line a 9x13" pan with aluminum foil and spray with baking spray. In a medium bowl, combine all crust ingredients. Stir until well combined. Press mixture into the bottom of the pan and bake for 10 minutes. Cool completely. In a large bowl, combine brown sugar, light corn syrup and dark corn syrup. Add melted butter, eggs, vanilla and salt, whisking until well combined. Stir in pecans and chocolate chips. Spoon filling over the crust. Bake for 35–40 minutes, or until the center is set. Enjoy!

SUBMIT YOUR FAVORITE RECIPE FOR A CHANCE TO WIN A $10 BILL CREDIT

Members may submit one recipe per month by email at communications@stearnselectric.org or mail to: Stearns Electric Cooking Corner, PO Box 816, St. Joseph, MN 56374. ***The recipe selected each month for publication will receive a $10 credit on their electric bill.*** *Recipes not selected will be saved for consideration in future publications.*

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POWERED BY PURPOSE

SAVING ENERGY. SAVING MONEY.

Economic Development Opportunities

Through partnerships with our wholesale power provider Great River Energy and the USDA, Stearns Electric provides economic development opportunities through a variety of resources. If your business is looking to grow or expand, we are here to partner with you.

