



# NewsFlashes

OCTOBER 2022



Lake Region Electric Cooperative is pleased to announce the completion of our lineworker statue. This statue is dedicated to all our past, present, and future employees who have proudly served our members since 1937.

## Tim Thompson's CEO Column

### DSM Rate Change

As outlined in last month's newsletter, Great River Energy (GRE), LREC's power provider, informed us that there will be a demand side management (DSM) rate increase effective January 2023 due to price increases for natural gas and the MISO markets. We continue to work with GRE to find the best options available to address the price increases for natural gas and the MISO markets. These are uncertain times no question, but I want to assure you that we will work tirelessly with GRE to find the best options available to address the price increases for natural gas and the MISO markets.

This DSM rate change will affect our dual fuel members. I personally am a dual fuel member. DSM rates, and therefore costs, will increase next year but I know that electricity will remain a good value. Although my costs will increase, it still should remain lower compared to propane. For reference, I did a summer fill at \$1.80 and recently locked into a winter contract refill price at \$2.10 per gallon for propane. As soon as the DSM rates are finalized by GRE, and as soon as the LREC Board approves our retail DSM rates, we will publish them for you.

### General Service Rates

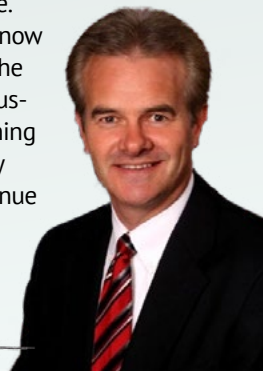
Like most industries, LREC is seeing a lot of cost pressures. Our wholesale rate forecast is going to increase our retail rates in the

future. Inflation is hitting our world hard in so many different capacities, but I believe that the value afforded by electricity remains high. LREC, through the efforts of its membership, board of directors, and employees, has put itself in an extremely strong position so that it may absorb some of these costs to minimize the impact on your rates and retain rate stability in 2023. We know you are getting price increases on virtually everything you purchase today compared to a year ago, or even perhaps a month ago. As a member-owned cooperative, we are doing everything we can to not simply pass costs on to you, the member. As of this writing, our forecast indicates a need for additional revenue in 2024, unless the rate of inflation drops significantly and the cost of natural gas sharply decreases.

### Changing Landscape

The goal of this column is to provide you with a view of how things are looking at this particular time. However, as you all know and can appreciate, the landscape of our industry (and most everything in our lives) is rapidly changing. I will continue to keep you all informed as we move forward together.

*Tim Thompson*



## DSM Rate Increase in 2023

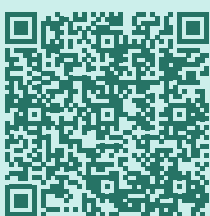
Great River Energy (GRE), LREC's power provider, has informed us that there will be a demand side management (DSM) rate increase, effective January 2023. The DSM adjustment is due to price increases for natural gas and the MISO markets. LREC, along with GRE's other member cooperatives, are working with GRE to find the best strategy to address the price increases for natural gas and the MISO markets.

LREC will continue conversations with GRE until a final rate has been established. We are hoping to have a finalized rate to communicate within 2-3 weeks. We will ensure our rates remain competitive and we will continue to work to keep rates as low as possible. Additionally, please note that even after the DSM rate increase, we anticipate that off-peak electricity will continue to be a better value than propane.

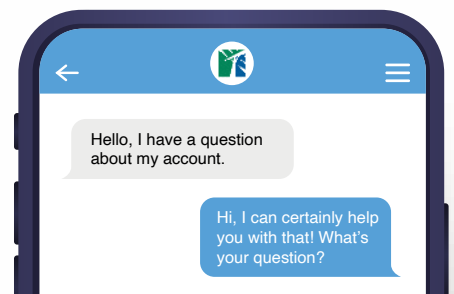
If you have any questions or concerns about the DSM rate increase, please connect with our customer service team at (800) 552-7658 or through chat at [www.lrec.coop](http://www.lrec.coop).

You can simply send a text to initiate a chat with our customer service team during business hours:

**(218) 853-5732**



If you haven't yet watched one of our new **Virtual Chats**, don't miss out on these special videos from LREC's CEO Tim Thompson! Simply scan the QR code to the left with a mobile device equipped with a camera and/or QR reader app, or visit [www.lrec.coop/virtual-chats](http://www.lrec.coop/virtual-chats). We believe that offering more methods of communication will be a positive experience that assists with learning more about your co-op.



# THE CO-OP DIFFERENCE

## Serving People Over Profits

Unlike other utilities, cooperatives are led by the members they serve and return excess revenue back to members instead of outside investors or shareholders.



## Local & Community-Driven

Electric cooperatives are built by and belong to the communities they serve. They are led by members from the community and are uniquely suited to meet local needs.



## Member Satisfaction

Cooperatives believe the greatest measure of organizational success is member satisfaction. Electric cooperatives, on average, score higher than all other electric companies, according to the American Consumer Satisfaction Index.

## Every Member Counts

Members elect their peers to represent them on a board that governs co-op operations and guides the co-op's impact in the community.



## Innovation & Quality of Life

Electric cooperative members receive more than just energy services. Co-ops were formed to fill a community need. Co-ops continue to create programs and services that support economic development in the community.



## VMAC Application Deadline for Next Session is October 31<sup>st</sup>



Are you interested in taking a more active role in participating in your cooperative? We are seeking applicants to join our

*Virtual Member Advisory Committee (VMAC)*! It is a member engagement program developed to gain membership guidance on various projects and ideas.

Launching last year, VMAC proved to be a useful tool for member insight and engagement. It pulls together members from across our service territory with different personal and professional backgrounds, creating a diversified group of individuals. On a weekly basis, VMAC participants offer their thoughts and opinions surrounding various topics via an online forum. This knowledge can help us look at new avenues to

achieve more, while also allowing us to further understand what our members need most from us. What great things we can accomplish together!

The current committee is comprised of 22 members who have served for a year. We are now looking for members to serve for the next 12 months. Please visit [www.lrec.coop/vmac](http://www.lrec.coop/vmac) to fill out an application. The deadline to apply is October 31<sup>st</sup>.



Interested in participating? Please visit [www.lrec.coop/vmac](http://www.lrec.coop/vmac) to fill out an application!

## Cooperatives Handle the Heat

The electric system is designed to provide all the energy members need, even during the hottest times of the year.

As the summer began, you may have heard news about a shortage of electricity in the Midwest or concerns about

the stability of the electric system. While it was true that there was less surplus energy than we typically have, the Midwest electric system still had nearly 8% more electric generating capability than required to meet the expected demand.

In Minnesota, the situation is even better. All utilities in our state, including Great River Energy (GRE), have more electric generating capacity than required. As expected, the electric system performed reliably throughout the summer season, keeping members cool and comfortable even during prolonged heatwaves.

When service interruptions do occur, they are typically due to weather events resulting in physical problems with the system, and not a lack of planning for



**GREAT RIVER ENERGY™**

adequate supply. As the electric industry continues to transition to more renewables and we face the impacts of more extreme weather events, GRE is focused more and more on resiliency.

In emergency situations, the region's grid operator calls on additional power supply resources, imports energy from other regions, and performs voluntary load reductions to manage the electric system. Temporary controlled manual load sheds, or periodic power outages, are used as a last resort to keep the system in balance.

The reliability of the electric system is paramount to electric cooperatives. GRE and Lake Region Electric Cooperative (LREC) operate and maintain an electric system that is dependable today and carefully planned to be resilient as we continue to make and use electricity in new ways.

GRE is transitioning the way we generate electricity by reducing the use of fossil fuels and adding cost-effective renewable resources, such as wind energy. These resources require no fuel, which

makes them environmentally responsible and economically advantageous. Because their production depends on the weather, however, we must have a dependable backup plan to reliably meet the needs of our members.

We plan power supply resources 15 years in advance to ensure we have what we need to serve members. Furthermore, every spring the team at GRE performs detailed maintenance on our fleet of natural gas and fuel oil powered "peaking" power plants in preparation for response to the peak needs of the system. These plants can produce electricity in a matter of minutes when needed.

In addition, GRE methodically designs, plans, and operates a system of transmission lines that can handle high heat and elevated electricity demand. We also work with LREC to reduce electricity use during strategic times to provide relief to the electric grid and ultimately save members money.

As a member of LREC, you are served by GRE's diverse and flexible portfolio of resources to ensure you have the energy you need, all year round.

**David Saggau** *Great River Energy President and Chief Executive Officer*

Coffee WITH THE Co-op

► October 11<sup>th</sup> Coffee with the Co-op at **Ashby City Restaurant** from 7:00-8:30 a.m.

# Aquanta Water Heater Program

Join our **Aquanta Water Heater Pilot** program. Open to *new* water heater control signups with 80+ gallon water heaters, members on this program receive a *no-cost* Aquanta retrofittable water heater controller. This cellular-enabled controller is accessed via an app on mobile device. It's a fast and easy way to beat the peak and save money.

With the Aquanta controller, participating members will save money on their electric bill by helping LREC avoid peak power pricing. The Aquanta app allows members to gain new access to their water heater—both in control and data reporting.

Apply at [www.lrec.coop/aquanta](http://www.lrec.coop/aquanta) today!

Lake Region Electric Cooperative • [www.lrec.coop](http://www.lrec.coop) • (800) 552-7658



# ETS (Electric Thermal Storage) Off-peak Water Heating

## ETS Water Heating Features

- 💧 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.
- 💧 Our residential water heaters have a **Lifetime Warranty!**

**START SAVING** CALL OUR ENERGY MANAGEMENT  
SPECIALISTS AT (800) 552-7658!

*Up to \$400 in rebates available!*



*HTP Everlast  
Stainless steel  
tank*



*Marathon  
Lightweight tank  
that won't corrode*