



# NewsFlashes

NOVEMBER 2022



## Tim Thompson's CEO Column

### Inflation and Natural Gas Prices Drive the Need for Additional Revenue

With the rate of inflation and high cost of natural gas increasing Great River Energy (GRE) wholesale costs, we are anticipating the need to collect more revenue within the next 12 to 18 months. We anticipate an approximate 6% increase in GRE wholesale costs in 2023, which represents approximately \$1,800,000. It is becoming clear that we will need to pass these higher wholesale costs onto the membership. Your board of directors is evaluating the situation to determine the best plan for generating the additional revenue that is anticipated, and such plan will likely lead to an increase in our general service rates. We do not like rate increases, but when they are necessary, we analyze and determine them in a manner to ensure that LREC can cover all its fixed costs. As mentioned in last month's newsletter, there will be a Demand Side Management (DSM) rate increase effective January 2023.

Any such rate increases necessary to generate additional revenue needed would not be driven by LREC or caused by LREC, but rather they would be driven by natural gas price increases and inflation that hasn't been seen for decades. The landscape affecting rates is changing very rapidly. By staying vigilant and staying on top of the massive changes impacting our world and industry right now, and upon receiving new information from GRE, our team has been planning, budgeting, and doing everything we can to mitigate the impact of potential rate increases.

Your board continues to move forward to reach decisions that are in the best interests of the cooperative. An absolute priority of ours is to make sure we keep this topic and related discussion on the table through newsletters, Facebook, and other forms of communication, so that we can be assured that we have done what we can to properly keep you informed of the decisions that will affect our rates and clearly explain the reasons supporting such decisions.

We have only had one general service rate increase in the last decade. LREC has been proactive in lessening the impacts of things outside of its control to maintain rate stability. This proactive approach remains strongly in place today, so that we may continue to plan in a manner that is in the best interests of our cooperative.



Tim Thompson's CEO Column continued on the back →

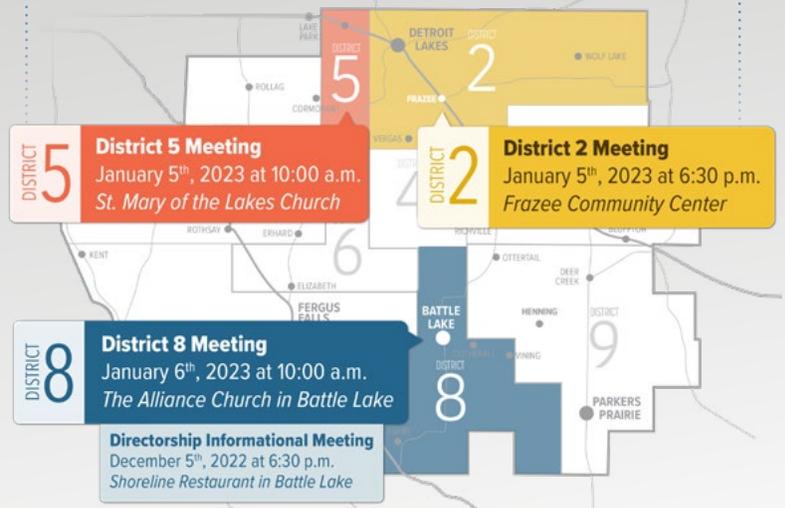
OFFICIAL NOTICE

## 2023 District Meetings

In 2023, our district meetings will be a month earlier than in the past. We are moving our annual meeting date to earlier in the year, making it easier to attend for farmers and others who are typically busy in late spring/early summer. This change moves everything earlier.

Candidates for the LREC Board of Directors will be nominated in districts 2, 5, and 8 at the district meetings. Meetings will be held in each of the three nominating districts. All members are invited, although only members of each district can vote. Livestreams of the meetings will be available as well.

- 2 **District 2:** January 5<sup>th</sup>, 2023 at 6:30 p.m.  
*Fraze Community Center, Frazee*
- 5 **District 5:** January 5<sup>th</sup>, 2023 at 10:00 a.m.  
*St. Mary of the Lakes, Detroit Lakes*
- 8 **District 8:** January 6<sup>th</sup>, 2023 at 10:00 a.m.  
*The Alliance Church in Battle Lake, Battle Lake*



**Note:** There will also be an informational meeting on what is involved in being a director on December 5<sup>th</sup>, 2022 at 6:30 p.m. at the *Shoreline Restaurant* in Battle Lake.

## Interested in Being a Director?

Any member interested in becoming a candidate for the LREC Board of Directors should contact us at (800) 552-7658, or email [glarson@lrec.coop](mailto:glarson@lrec.coop) to learn more about the election process and responsibilities of being a director.

→ Save the Date: Annual Meeting - April 13<sup>th</sup> ←

## CEO Column *Continued from front page.*

With energy prices, especially natural gas prices, expected to remain high in the near future and perhaps beyond, LREC's load management programs can be utilized to help minimize the costs shown on the bill you receive each month. More than half of our members participate in at least one of the load management programs. These programs continue to add value for participants and our entire cooperative.

Rate and budget decisions can be very challenging. As always, our priority is doing everything we can so you receive safe, reliable, and affordable electricity. We will continue to keep you posted as we move forward.

*Tim Thompson*



## LREC's Mini Events Recap

LREC employees have had a wonderful time visiting with members across our service territory these last few months. From June to October, LREC has been to *Wahpeton, Cormorant, Dalton, Campbell, and Ashby* for either **Coffee with the Co-op** or **Apps + Chats**.

During conversations with our members, we talked about upcoming projects, new/current pilot programs, discussed any issues they were having, explained load management programs, chatted about products and services offered, and had general, meaningful conversations.

If you couldn't attend any of these events, we hope to see you either at an upcoming district meeting or our annual meeting. As always, if you ever have any questions or concerns, please reach out to us so we can assist you.

## Member Satisfaction Survey Taking Place in Early November

We will be conducting a member satisfaction survey in early November. A random selection of members will be contacted via email or text message. Please take the time to let us know what you think!



LREC offices will be closed for **Thanksgiving** on November 24<sup>th</sup>-25<sup>th</sup>

## VMAC Update



LREC is extremely thankful for the insight, opinions, questions, and discussions we have had through our Virtual Member Advisory Committee (VMAC). In the last year, VMAC has learned about and discussed a variety of topics ranging from pilot programs and load management to electric vehicles, renewable energy, and capital credits. LREC would like to extend a huge thank you to every member for their dedication to VMAC. Each of you have made this a success and a great foundation for us to build off of for our next round of VMAC participants.

## Operation Round Up Funds Awarded to Local Organizations



Funds were granted to five local organizations throughout Lake Region Electric Cooperative's service area from the Operation Round Up Program. A total of \$10,000 was awarded by the Operation Round Up Board of Trustees at the *October 10, 2022* meeting. The next deadline to submit applications for Operation Round Up is **March 15<sup>th</sup>, 2023**.

- ◆ \$2,000 to the **Fergus Falls Police Department** for its *Shop with a Hero* program
- ◆ \$500 to **Someplace Safe** for *marketing materials for medical providers, emergency rooms, and community events*
- ◆ \$5,000 to **Star Lake Bible Camp Association** for its *Camp Joy women's bath-house facility*
- ◆ \$1,000 to **Trinity Center** for *Kid's Quilt Camp*
- ◆ \$1,500 to the **Tyler Shipman Memorial Car Show** which *supports children with chronic or acute medical needs*

## Minnesota's Cold Weather Rule

Minnesota's Cold Weather Rule runs from **October 1<sup>st</sup>** to **April 30<sup>th</sup>**. If you are experiencing difficulty paying your electric bill, you may be eligible for Cold Weather Protection and assistance through Minnesota's *Energy Assistance Program*. Learn more and apply at [mn.gov/commerce/eap.jsp](http://mn.gov/commerce/eap.jsp) or call our office at (800) 552-7658 for assistance.



Since 2007, LREC's total amount awarded by Operation Round Up is **\$514,870**.

## Electric Heating Sales Tax Exemption

Electricity sold for residential space heating, when used as the primary source of heat, is exempt from Minnesota sales tax for the usage months of November through April. Separately metered off-peak systems are also eligible for the sales tax exemption.

To qualify, members must complete the *Sales Tax Exemption Certificate for Residential* form located under the *Sales Tax Exemption* heading at [www.lrec.coop/forms](http://www.lrec.coop/forms). You only need to fill out the form once and it is in effect until you notify us otherwise.

## Businesses, Organizations, and Nonprofits

Any business, organization, or nonprofit that has not recently updated their exemption status should visit [www.lrec.coop/forms](http://www.lrec.coop/forms) and submit an updated *Sales Tax Exemption Certificate for Businesses, Organizations, and Nonprofits*.

# ChargeWise Lake Region's Electric Vehicle Rates

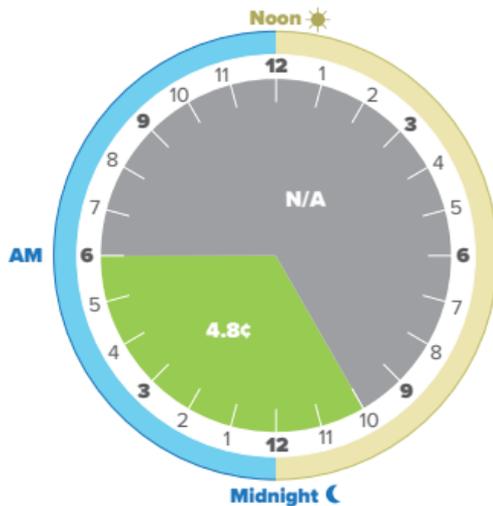
**Charge from the convenience of your home with our low EV rates.**

We offer special low-cost rates for EVs with our ChargeWise program. There are two rate options: a **storage rate**, which allows charging only during certain hours, and a **time-of-use rate**, which has different rates depending on the time you charge your car.

By enrolling in ChargeWise, you'll be able to receive a rebate for up to \$500 to offset the cost of a level 2 EV charger controlled on an off-peak rate (or get up to \$800 off by purchasing from [www.energywisemnstore.com](http://www.energywisemnstore.com)).

[www.lrec.coop/chargewise](http://www.lrec.coop/chargewise)

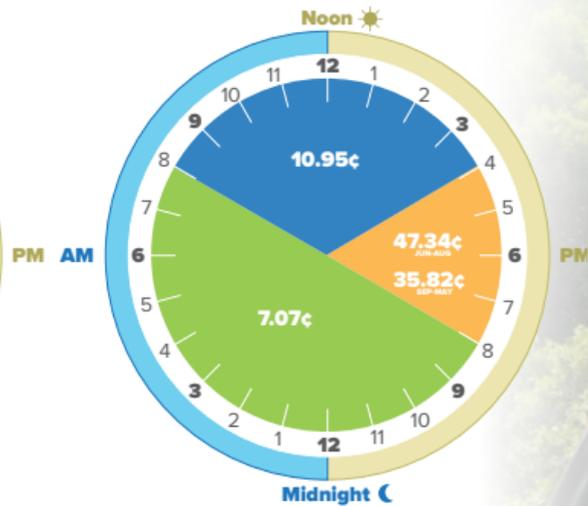
## STORAGE RATE



10PM-6AM: 4.8¢/kWh

Charging Not Available

## TIME-OF-USE RATE



8PM-8AM: 7.07¢/kWh

8AM-4PM: 10.95¢/kWh

4PM-8PM

- JUN-AUG: 47.34¢/kWh

- SEP-MAY: 35.82¢/kWh



# Three Reasons to Buy an Electric Vehicle

With new options coming out each year offering extended operating ranges and affordable sticker prices, there has never been a better time to own an electric vehicle. While they still account for a small percentage of new vehicle sales in the U.S., there's a compelling case to be made for consumers to consider a full-electric model as their next mode of transportation.



## 1 Environmental Benefits

EVs have better environmental attributes than traditional vehicles (even considering the production and disposal of the battery) because of their higher efficiency, lower energy consumption, and lack of tailpipe emissions. Utilities like LREC and our wholesale power provider, Great River Energy, are producing energy from many renewable sources. Currently, our power comes from more than 25% renewables (including hydro). As the source of electricity gets greener, so does the vehicle.

## 2 Economic Savings

EVs are less expensive to own and operate than a traditional gas-powered vehicle over the long-term. While they can sometimes cost more to purchase, the federal government offers consumers a tax credit of up to \$7,500 to put toward the purchase of many new EVs. A typical EV can travel about 43 miles on \$1 worth of electricity. Also, EVs have fewer moving parts to break down which means they're more reliable than their gasoline-powered counterparts.

## 3 Convenience

Charge from the convenience of your home with our low EV rates and special rebates on chargers. We offer two rate options: a **storage rate** which allows charging only during certain hours; and a **time-of-use rate** which has different rates depending on the time you charge your vehicle. You can receive a rebate for up to \$500 to offset the cost of a level 2 EV charger controlled on an off-peak rate, or get an **\$800 instant rebate** by purchasing directly from [www.energywisemnstore.com](http://www.energywisemnstore.com)!