



# NewsFlashes

MARCH 2023



LREC employees went through a variety of safety stations put on by the Minnesota Rural Electric Association. Trainings included: how to use fire extinguishers, fatigue goggle drills, rubber glove tests and scenarios, finding safety items throughout the building, communication skill building, and a safety demonstration trailer.

## Tim Thompson's CEO Column

### Legislative Update

Last month, Governor Walz signed into law landmark legislation setting a 100% carbon-free by 2040 standard (CFS), meaning that all electricity must come from carbon free sources, or be offset by renewable energy credits (RECs), by 2040. All utilities have an interim requirement of 90% by 2035. Cooperatives have an interim requirement of 60% by 2030, which is a lower percentage than the requirement of 80% by 2030 for investor-owned utilities. The CFS also includes an increase to the renewable energy standard (RES) to 55% renewable by 2035 (from 25% by 2025).

Our statewide organization, Minnesota Rural Electric Association (MREA), and our wholesale power provider, Great River Energy (GRE), both were instrumental in getting amendments added to the bill that make the CFS much more suitable for electric cooperatives. There are a number of ways to comply with the CFS other than serving all retail loads with resources that do not emit carbon dioxide.



Tim Thompson's CEO Column continued on page 2 →

## Annual Meeting April 13<sup>th</sup>

SCHEDULE

- 5:00 p.m. Dinner will begin at Life Church in Fergus Falls
- 5:30 p.m. Dinner will begin at the satellite locations
- 5:30 p.m. Join the livestream [www.lrec.coop/annualmeeting](http://www.lrec.coop/annualmeeting)
- 5:30 p.m. Live music by Tim Eggebraaten
- 6:30 p.m. The annual meeting begins

### OFFICIAL NOTICE

## 2023 ANNUAL MEETING OFFICIAL NOTICE

Lake Region Electric Cooperative's 86<sup>th</sup> Annual Meeting  
Thursday, April 13<sup>th</sup> • 6:30 p.m.

Notice is hereby given that the annual member meeting of Lake Region Electric Cooperative will be held at 6:30 p.m. on Thursday, April 13<sup>th</sup>, 2023 at Life Church (901 County Highway 116, Fergus Falls, MN) to take the following action: approval of prior meeting minutes; election of directors; officers, directors, and committee reports; CEO Tim Thompson's address; and all other business which may properly come before the meeting or any adjournment thereof. Registration and dinner begin at 5:00 p.m. in Fergus Falls and at 5:30 p.m. in Frazee and Parkers Prairie.

**Kurt Krueger, Secretary/Treasurer**

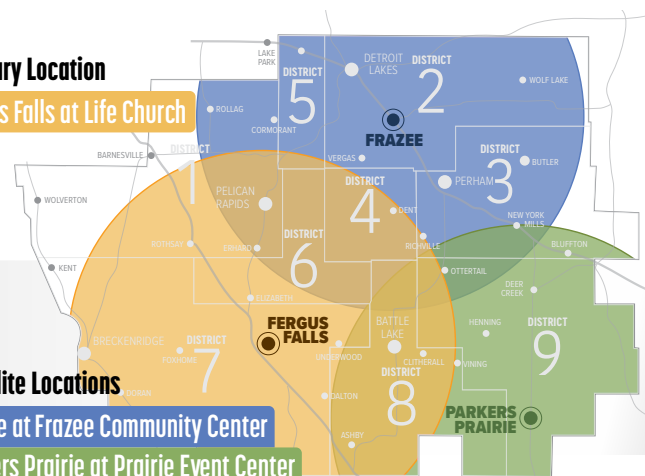
### Primary Location

Fergus Falls at Life Church

### Satellite Locations

Frazee at Frazee Community Center

Parkers Prairie at Prairie Event Center



## CEO Column *Continued from front page.*

The amendments referred to earlier allow the same RECs to satisfy both the CFS and RES and added language allowing net *Midcontinent Independent System Operator* (MISO) purchases to meet the CFS to the extent that the MISO generation mix is carbon-free. These amendments were crucial because they will continue to allow GRE's natural gas fired peaking plants to run for reliability, as well as give credit for carbon capture and sequestration technology.

Now that this is the law, we will strive to achieve it.

### 2023 LREC Annual Meeting

Our annual meeting is right around the corner and will take place on April 13<sup>th</sup>. We are once again looking forward to offering an annual meeting model that provides three in-person opportunities to attend the event. Please join us in one of the following ways:

- In-person at the primary location of the annual meeting at Life Church in Fergus Falls
- In-person at a satellite location at the Prairie Event Center in Parkers Prairie featuring a live video feed of the annual meeting
- In-person at a satellite location at the Frazee Community Center in Frazee featuring a live video feed of the annual meeting
- Virtually from your home, office, or wherever you are located at [www.lrec.coop/annualmeeting](http://www.lrec.coop/annualmeeting)

All three in-person locations will have meals, presentations, and a \$10 bill credit. Please bring your family, friends, and neighbors to help celebrate LREC!

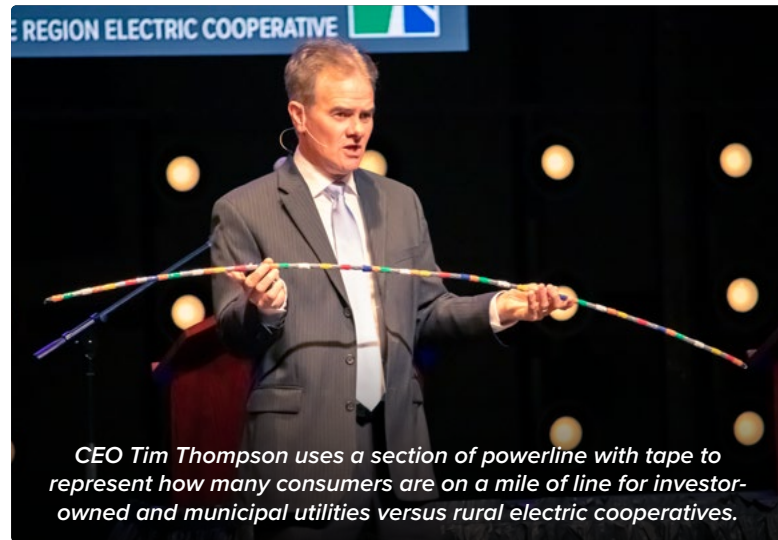


## OPERATING SUMMARY 2022

As of December 31<sup>st</sup>, 2022 • Unaudited Results

	2021	2022
<b>Operating Revenue</b>	<b>53,552,466</b>	<b>53,299,771</b>
Deferred Revenue	600,000	1,500,000
<b>Net Operating Revenue</b>	<b>54,152,466</b>	<b>54,799,771</b>
Cost of Purchased Power	33,330,978	34,120,319
Operations Expense	2,507,048	3,007,871
Maintenance Expense	3,633,070	4,016,298
Consumer Accounts Expense	1,267,174	1,281,796
Customer Service & Information Expense	923,353	917,136
Administrative and General Expense	2,902,325	2,956,211
Depreciation Expense	4,419,147	4,565,527
Tax Expense	402,470	328,706
Interest Expense	1,993,396	1,955,677
<b>Total Cost of Electric Service</b>	<b>51,378,962</b>	<b>53,149,541</b>
Operating Margins	2,773,504	1,650,230
Non-Operating Margins	2,844,609	1,675,896
<b>Total Margins</b>	<b>5,618,113</b>	<b>3,326,126</b>
Kilowatt Hours Sold	460,011,031	479,039,063
Total Miles of Line	5,842	5,862
New Services This Year	466	391
Services Retired This Year	69	68
Total Services in Place	29,347	29,685

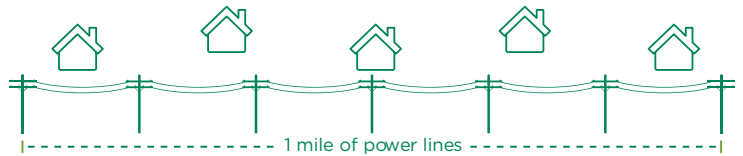
## Going the Extra Mile



Electric co-ops have less consumers per mile of line than investor-owned and municipal utilities (Lake Region Electric Cooperative has even less than the national *cooperative* average). LREC has approximately five members per mile of line, while investor-owned and municipal utilities have 40+ customers per mile. Because LREC has fewer members to share those costs, the facility charge is higher. In spite of the higher facility charge, LREC still collects less revenue per mile of line than investor-owned and municipal utilities. However, we always go the extra mile for you—the members we proudly serve.

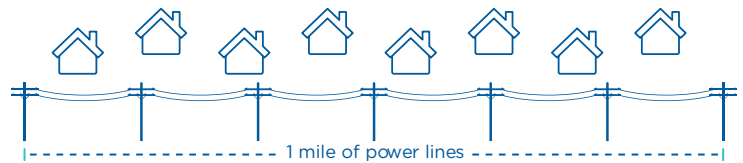
### Lake Region Electric Cooperative

Serves approximately 5 members per mile of line.



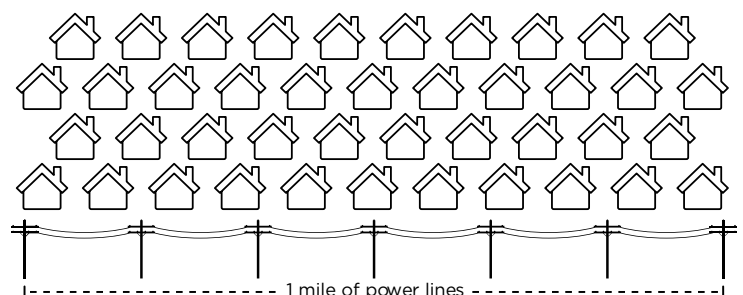
### National Electric Cooperative Average

Serves an average of 8 members per mile of line.



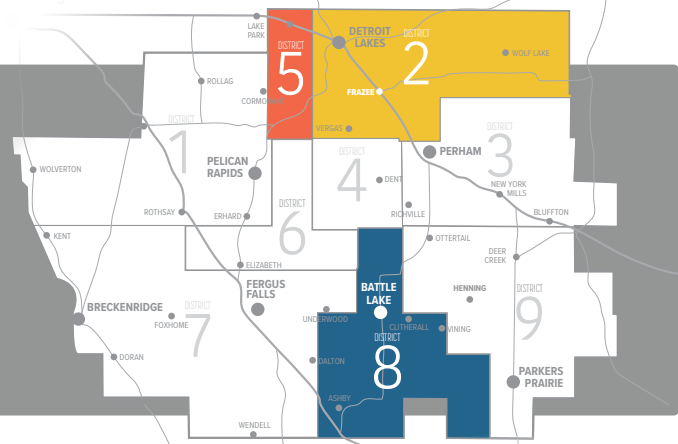
### Other Electric Utilities Average

Serves an average of 40+ consumers per mile of line.



# District 2, District 5, and District 8 Director Bios

Cecil "Bud" Hensel was nominated in **District 2**, Patrick Meyers was nominated in **District 5**, and James Gronbeck was nominated in **District 8**. All candidates were nominated without opposition. In accordance with Lake Region Electric Cooperative's Bylaws, all three are deemed elected by acclamation\*.



## Cecil "Bud" Hensel



### PERSONAL DETAILS

I am married to Sharon (Schreiner) Hensel, born in Detroit Lakes, raised in Frazee, MN. We have four adult children and five grandchildren. We have lived in rural Frazee since 1993.

I was born in Wallace, ID. I grew up in Spokane, WA and then returned to Wolf Lake, MN.

### SCHOOL/EDUCATION

I attended Frazee High School. I received a BS degree in Physics from NDSU, then commissioned into the Air Force. In 1993, I joined the North Dakota Air National Guard (NDANG). In 1995, I became a commercial pilot for United Airlines. While a member of the NDANG, I served as Flight Commander, Operation Squadron Commander, Director of Air Operation for the State, Air Chief of Staff for the State, Member of the National Guard Bureau Strategic Planning Committee, and Assistant Adjutant General for Air.

### COMMITTEE INVOLVEMENT

I am a member of Sacred Heart Parish and have served on the pastoral council as chairman. I am a member of Knights of Columbus Council 12581 and currently the Grand Knight.

### WHY I WANT TO CONTINUE TO SERVE ON LREC'S BOARD OF DIRECTORS

Since joining LREC, I have been interested in the management and distribution of our energy. I would like to support my community and co-op by being on the board.

## Patrick Meyers



### PERSONAL DETAILS

My wife Emily and I have three children. I grew up on my family's farm in North Dakota. I'm now a resident of Dunn Township, Otter Tail County, where I own and operate my farm.

I also assist with my wife's family resort, Fair Hills, on Pelican Lake.

### SCHOOL/EDUCATION

I graduated from high school in Hunter, ND and Le Cordon Bleu in Mendota Heights, MN.

### WHY I WANT TO CONTINUE TO SERVE ON LREC'S BOARD OF DIRECTORS

I am running for the District 5 board seat because I want to see LREC members continue to receive the level of service they deserve today. I am a team player and an independent thinker. I understand the value of all businesses, large and small, and the contributions they make to our economy. Affordable power is a key component to their success.

## James "Jim" Gronbeck



### PERSONAL DETAILS

I am married to Julie Gronbeck and we have three grown/married children and eight wonderful grandchildren. I have served on the board and as a volunteer at the Battle Lake Food Shelf. I am a member of the Battle Lake Lions Club and a

board member at the Matthew House in Fergus Falls. We are members of First Lutheran Church, Battle Lake.

### SCHOOL/EDUCATION

I am a graduate of Henning High School, Fergus Falls Community College, Moorhead State University, and Luther Seminary, St. Paul, MN. I served as Pastor at Bethany / Bethlehem Parish, Cromwell, MN, and at Zion Lutheran of Amor, Battle Lake.

### WHY I WANT TO SERVE ON LREC'S BOARD OF DIRECTORS

I've been a member of LREC since 1992, and as a newly retired person I look forward to new learning opportunities and experiences. I hope to use my experiences to represent District 8 and make a positive contribution to our electric cooperative.

\*Changes in annual meeting voting were made with the adoption of the Amended and Restated Articles of Incorporation and Bylaws at the 2012 Annual Meeting. If no other candidates are nominated through the petition process, the unopposed candidates nominated at district meetings will be deemed elected by acclamation.

Help Keep Energy  
Reliable & Affordable  
in Minnesota



HELP PROTECT  
YOUR CO-OP  
COMMUNITY!

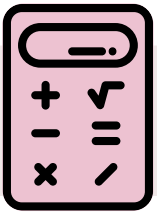


Lake Region Electric Cooperative is just one of 50 electric cooperatives that serves rural energy consumers in Minnesota. We have partnered with other Minnesota cooperatives through our statewide organization, Minnesota Rural Electric Association (MREA), and our national organization, National Rural Electric Cooperative Association (NRECA), to ensure we have a voice at the table. We want to make

sure cooperative voices are heard when it comes to energy policy in Minnesota.

Help us advocate for reliable and affordable energy for all of Minnesota's energy consumers by signing up for **Voices for Cooperative Power (VCP)**. This network of electric cooperative member-consumers is working to ensure the needs of rural America are reflected in state and national policy decisions.

Learn more and sign up at [voicesforcooperativepower.com/minnesota](http://voicesforcooperativepower.com/minnesota)



## Check Out Our Online Bill Calculator

During our recent district meetings, LREC employees provided a rate booth that allowed members an opportunity to see how their bill will be affected by the rate changes that are going into effect September 1<sup>st</sup>, 2023. This is now being made available to all members via our online bill calculator. Try it out at <https://ratecalc.lrec.coop> or scan the QR code to the right with your mobile device.



## Staying Prepared for Any Weather

The Midwest electric system has ample energy resources for any weather, though utilities and grid operators are prepared should unexpected circumstances arise.

Just as you take precautionary measures to prepare for the winter season, so too do utilities and the organizations that manage, monitor, and regulate the electric system.

Grid stakeholders work together year-round to ensure electric service is reliable by conducting various assessments ahead of each season to project the energy needs of homes and businesses. This process provides especially important information for summers, when temperatures can soar, as well as each winter when they can fall dangerously low.

The results of these assessments, which consider probable and worst-case scenarios, help guide utilities like Great River Energy (GRE), Lake Region Electric Cooperative's wholesale energy provider, when managing their electric systems during extreme weather and elevated demand for electricity.

Assessments conducted by the North American Electric Reliability Corporation (NERC) and Midcontinent Independent System Operator (MISO) for this winter found that the grid has a sufficient supply of capacity resources to meet consumer demand under peak conditions.

MISO acknowledges one of winter's key challenges is the potential for "high risk, low probability" events, such as unusually cold weather, intense storms, and/or fuel supply issues that could impact available power and create challenges.

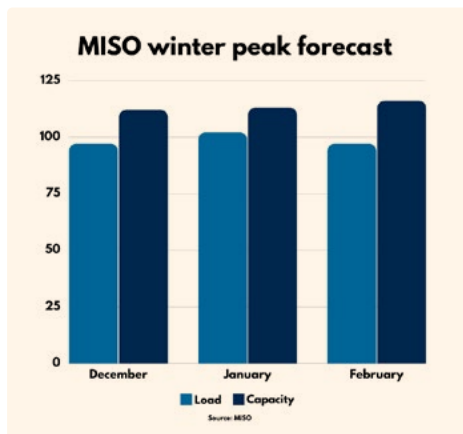
For its part in maintaining reliability, Great River Energy has access to a diverse portfolio of power supply resources, including peaking resources

with dual fuel capability, which means they can operate on fuel oil when natural gas supply is constrained. This fuel flexibility is an important characteristic for system reliability and as a hedge against market and natural gas prices. The cooperative also focuses on the weatherization of these plants to support resilient and reliable operation during extreme weather events.

"Combined, these resources will provide our membership with the security of knowing they have the reliability needed to get them through the coldest nights this winter," said Great River Energy Vice President and Chief Power Supply Officer Jon Brekke. "We are also adding another 300 megawatts of wind before January that will further diversify Great River Energy's power supply portfolio and help provide a hedge in MISO's daily markets."

Great River Energy, in partnership with its member-owner cooperatives, also has the largest demand response program for a utility of its size in the country according to data collected by the Energy Information Administration. This means Great River Energy system operators can dispatch up to 370,000-plus appliances enrolled in demand response programs when needed to manage reliability.

In addition to reducing sometimes hundreds of megawatts of electricity demand, this strategy helps Great River Energy avoid making purchases from the energy market during the periods of high pricing that often coincide with high demand and unusual weather events, which saves members money.



## Application Deadline March 15<sup>th</sup>



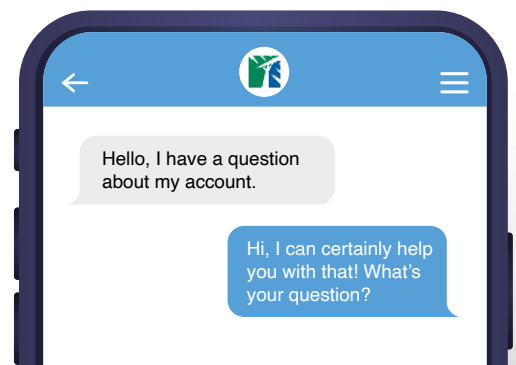
Applications for Operation Round Up grants are due by March 15<sup>th</sup>. If you have a community project that needs funding, complete the Operation Round Up Funding application form at [www.lrec.coop/oru](http://www.lrec.coop/oru) before **March 15<sup>th</sup>** for consideration.

**Operation Round Up** is a significant way LREC members come together to make a difference in our community. Extra change generated from rounding up the monthly bills of participating members is used to fund requests by local charitable organizations. These small amounts — between \$0.01 and \$0.99 — all add up to make a big impact. *Please consider signing up to be part of Operation Round Up* and make an impact in our community. Sign up at [www.lrec.coop/oru](http://www.lrec.coop/oru).



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

**(218) 853-5732**



# Mark your calendar for Lake Region Electric Cooperative's 86<sup>th</sup> Annual Meeting on April 13<sup>th</sup>!



Join us for our annual meeting, during which members can learn about cooperative happenings, enjoy a meal, listen to live music, ask questions of LREC representatives, and receive a \$10 bill credit. Learn more by visiting [www.lrec.coop/annualmeeting](http://www.lrec.coop/annualmeeting). See the reverse side for more information on the annual meeting locations.

- SCHEDULE**
- 5:00 p.m.** Dinner will begin at Life Church in Fergus Falls
  - 5:30 p.m.** Dinner will begin at the satellite locations
  - 5:30 p.m.** Join the livestream [www.lrec.coop/annualmeeting](http://www.lrec.coop/annualmeeting)
  - 5:30 p.m.** Live music by Tim Eggebraaten
  - 6:30 p.m.** The annual meeting begins



# 2023 Annual Meeting Locations

We are excited to offer multiple Annual Meeting locations once again. Our satellite locations in **Frazee** and **Parkers Prairie** will be viewing the livestream of our primary meeting location in **Fergus Falls**. Each location will host a meal, and LREC representatives will be available. We look forward to seeing you at one of our locations or online via our livestream!

## Join us in one of the following ways:

- ◆ In-person at the primary location of the annual meeting at *Life Church* in Fergus Falls
- ◆ In-person at a satellite location at the *Prairie Event Center* in Parkers Prairie featuring a live video feed of the annual meeting
- ◆ In-person at a satellite location at the *Frazee Community Center* in Frazee featuring a live video feed of the annual meeting
- ◆ Virtually from your home, office, or wherever you are located at [www.lrec.coop/annualmeeting](http://www.lrec.coop/annualmeeting)

