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Agralite Electric Cooperative NEWSLETTER

July 2021

Minnesota Law Recognizes Electricity's Benefits

ECO Act Demonstrates How Smart Electrification Benefits Consumers, The Environment

A bill led by electric cooperatives to modernize and expand the state's energy conservation program for utilities was signed into law by Minnesota Gov. Tim Walz last month.

Receiving strong bipartisan support from both the House and Senate, the Energy Conservation and Optimization (ECO) Act updates and expands the Conservation Improvement Program (CIP). The CIP established energy savings requirements for all Minnesota utilities — including electric cooperatives — to realize annual energy savings equal to at least 1.5% of annual electricity sales and to spend at least 1.5% of their gross operating revenues on programs to achieve this goal.

Energy savings are typically achieved through member participation in energy savings programs such as energy audits and incentives for energy-efficiency improvements, like LED lighting and ENERGY STAR appliances. These services helped Great River Energy's members realize more than 1 billion kilowatt-hours in energy savings over the years.

Since CIP was adopted in 2007, the landscape of the utility industry has changed dramatically — primarily the amount of renewable energy resources that have been added to the electric grid. For example, Great River Energy is transforming its power supply portfolio in ways that will result in more renewable resources, significantly lower emissions and reduced power supply costs.

To make CIP more relevant for today, a variety of stakeholders including Minnesota's electric cooperatives and other industry partners, introduced the ECO Act to help incentivize technologies and behaviors that lead to greater efficiency while also reducing emissions economy wide.

"Back when we first began our energy efficiency initiatives, we would say 'The cheapest and cleanest form of energy is the energy that is never used in the first place,'" said Jeff Haase, manager of member services at Great River Energy. 1669400 "But that's not the case anymore since we've added, and will continue to add, affordable renewable energy resources to our generation portfolio. We now encourage the smart use of electricity and the electrification of certain end-uses because it's become cleaner and remains cost-effective."

A main component of the ECO Act emphasizes total energy efficiency across several sectors (e.g., transportation, agriculture) rather than focusing solely on reducing electricity use. This will allow cooperatives the flexibility to achieve their 1.5% reduction goal through programs that promote electrification technologies such as electric vehicles, electric storage water heaters and air source heat pumps. [Article continues on page 2](#)

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Agralite Electric Cooperative

We're member-owned!

320 US-12, Benson, MN
(320) 843-4150
1-800-950-8375
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Summer Hours

7:00 am – 3:30 pm



Touchstone Energy®

Agralite is a Touchstone Energy® Cooperative.





Find your account number and win a \$100 credit!

If your account number (as it appears on your monthly electric bill) is one of the [four account numbers](#) hidden in this issue, give our office a call by the end of the month and you will receive a \$100 bill credit. If more than one member finds their account number in a single issue, \$100 will be split equally amongst them.

Energy Saving Tip:



During summer months, run large appliances that emit heat (like clothes dryers and dishwashers) during the evening when it's cooler.

This will minimize indoor heat during the day when outdoor temperatures are highest.

Source: www.energy.gov



**Call Day or Night
1.888.884.3887**

[Do not call the office for outages](#)

June Energy Payment
is due July 20.*

*We accept Visa, Discover & Mastercard.

Minnesota Law Recognizes Electricity's Benefits *Continued*

"I am proud to sign this important energy legislation into Minnesota law," Walz said in a press release. "We know that investing in energy conservation and beneficial fuel switching means that Minnesota's homes and businesses run more efficiently and have a lower impact on our environment. The ECO Act will help Minnesota families and small businesses save money, create good-paying jobs, and, most importantly, protect Minnesota's environment for generations to come."

Another component of the bill removes the 1.5% spending requirement, unless the reduction in electricity use is not met, which will reduce consumers' total energy bills. These updates will not only benefit the environment by reducing greenhouse gas emissions, but they will foster a more resilient grid as well.

"Not only will the ECO Act benefit consumers' pocketbooks while contributing to Minnesota's conservation goals, but it also will increase and expand workforce opportunities all over the state," said Darrick Moe, president and CEO of the Minnesota Rural Electric Association, which represents electric cooperatives. "This is a win-win-win for consumers, energy providers and all sectors of Minnesota."

Manager's Article by Kory Johnson, General Manager

This past month, the cooperative held the annual meeting of the membership. Thankfully, Agralite was able to hold an in-person meeting along with a delicious meal prepared by the West Central Cattlemen's Association and entertainment! It was good to see so many come out for the meeting.

The cooperative had a very successful 2020 with strong margins, over \$800,000 paid out in capital credits, a \$350,000 bill credit in December, and an additional \$250,000 put into the deferred revenue account to be used to offset future increases in wholesale power costs. During the annual meeting, the membership accepted the financials for both 2019 and 2020 as the cooperative did not have a quorum at the drive-in annual meeting in 2020. 1672700 The membership also accepted the director election results for both years.

In my manager's report, I discussed the strategic planning process and result of the 2017 plan the board and staff developed. I did talk specifically about the possible expansion that is being studied for the cooperative headquarters. I have included some of my comments from the meeting to help better inform our members about the study that is being done.

In 2017, the board and staff of Agralite participated in a strategic planning process. One item that was recognized was the need for some upgrades in the headquarter facilities of the cooperative. After much discussion, Agralite has decided to secure the services of an architectural firm and a construction company to do an evaluation of the existing facility and determine if an addition to the existing building will meet the needs of the cooperative today and into the future. The cooperative has larger equipment to handle the construction needs of today. We are struggling to fit today's equipment into a 1966 building, just as one would struggle fitting today's farm equipment into a 1966 farm shop.

Planning for our existing facility began in 1958 and Agralite moved into the new facility in 1966. The board and staff will take time and do a study on whether an addition to our existing facility will meet our needs or if an entire new facility is in the best interest of the cooperative. The first step in this process is to begin communicating with you, our members, about the future space needs of the cooperative. More information will be coming on this issue as the board reviews what our future needs are.

Agralite Electric has been in existence since 1940. We have seen changes in the industry and our service area that could not have been imagined in 1940 or 1966 when we dedicated the existing headquarters. Who would have guessed then, that this cooperative would serve nearly 600 center pivot irrigation systems and a carrot processing plant, farms and homes have fiber optic services available to the house, electric cars and now electric pickups, not to mention computers, smart phones and all the other technologies we use on a daily basis without giving them a second thought!

Article continues on page 3

We as an electric utility and a society are in a constant state of change. We have seen our electricity needs met by different resources over time, from Delco DC battery plants and wind mills, to diesel generators serving much of our needs, to large scale coal generation in the 60's and 70's, to more renewable generation sources combined with natural gas turbines today. What will tomorrow bring? Stay tuned and we will find the answer to that together.

LED: A Rising Star In Energy Savings

Many of us might recall that way back in 2007, the U.S. Department of Energy (DOE) passed the Energy and Independence Act. Well, actually, you probably don't remember that at all. What you probably remember is watching the news a few years later and realizing the future of incandescent light bulbs was quite dim.

While this legislation included a wide range of recommendations for the energy industry, the main and probably most memorable requirement was that new light bulbs use 25% less energy. As a result, there was a huge push between 2012 and 2014 to replace older incandescent light bulbs with newer, more energy-efficient versions. Often times, regulations come and go without much fanfare. However, when incandescent light bulbs were phased out, it directly impacted light bulb choices and left many of us wondering what all the fuss was about.

Traditional incandescent bulbs produce light by heating a wire filament to a temperature that results in the generation of light. Incandescent bulbs were popular because they were inexpensive and available in a wide range of colors. However, much of their energy went into heat production and very little toward emitting light.

Incandescent light bulbs also have a very short lifespan, lasting only about one year on average. Although they are no longer available in U.S. stores, the energy costs associated with the once-popular bulb, along with its stunted lifespan, far outweigh the initial savings at the cash register. Since incandescent bulbs produce a lot of heat, they may cause burn injuries and pose a fire risk.

Nowadays, the three most popular light bulbs are the light-emitting diode (LED), the halogen incandescent and the compact fluorescent light (CFL). According to the National Electrical Manufacturers Association, in the third quarter of 2018, light bulb orders were broken down as follows: LEDs accounted for 65%, halogens made up 28% and CFLs were 7%.

What makes LEDs different? LED light bulbs work when an electrical current passes through a microchip, which illuminates the tiny light sources we call LEDs, and the result is visible light. LED light bulbs produce light up to 90% more efficiently than traditional incandescent light bulbs. They also include features that keep the bulb cooler to the touch, which avoids potential injuries and fire risks.

LEDs are also safer than their closest competitors: CFL and halogen bulbs. CFLs contain a small amount of mercury, which is dangerous if ingested. In addition, this type of bulb should not be thrown in the trash. Halogen bulbs operate at very high temperatures, which means they can cause burns to the skin if touched. They can also, in some cases, cause a fire: when they are knocked over or come in contact with something flammable, for example.

Moreover, many LEDs are rated with a lifespan of 50,000 hours. That means if one is used 8 hours a day, it is projected to last 17 years! Residential LEDs, especially those that are designated with the ENERGY STAR logo, use at least 75% less energy and last 25 times longer than incandescent lighting, according to the DOE.

In comparison, halogen light bulbs last about a year and CFL bulbs about 3 years (both based on 8-hour-a-day usage).

LEDs help the environment while reducing energy costs. According to the DOE, their widespread use is on track to save the equivalent annual electrical output of 44 large electric power plants, with a total savings of more than \$30 billion, by the year 2027!

MAKE THE SWITCH

**SAVE MONEY and
REDUCE ENERGY USE
by replacing
outdated lightbulbs
with newer, more
efficient LED lights.**



Safe
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2021 Construction Outlook

Construction season in Minnesota is a window of time that does not include all 12 months. Agralite crews are diligently working on line replacement projects, service upgrades, and new services with overhead and underground facilities. 1010001 With underground construction, we only have about 6 months when the ground is not frozen. Another challenge we face this year, like other industries, is the delivery of materials. With labor and transportation issues, we are seeing longer lead times to receive material, such as underground cable, that we ordered in December.

If you are planning a project this fall, such as a bin-site upgrade or a new house or building, contact Agralite (1-800-950-8375) as soon as possible to discuss your project's electrical needs. This will help us plan and acquire material to accommodate your service.





AVOID UTILITY SCAMS

Scammers will threaten you with everything from shutting off power to your home to legal action. Don't fall victim to these types of scams.

Hot Weather Can Stress The Electric Grid, But Co-ops Have A Plan

Minnesotans experience weather in extremes. It is often times on a recurring cycle — from deep freezes to big melts to heat waves. This means your local electric cooperative must be prepared year-round to keep electricity flowing to homes, farms and businesses no matter what Mother Nature throws its way.

When temperatures drop as low as they did during the polar vortex earlier this year, or reach heat index values as high as 100 degrees during the summer, Agralite Electric Cooperative's wholesale power provider Great River Energy deploys its demand response programs in order to cost-effectively meet members' electrical demands.

Article continues in right column on page 5

Don't Fall Victim To Utility Scams

Every day, millions of Americans are targeted by scammers through phone calls, emails, text messages, online or in person. Scammers' tactics can change daily, which is why it's important for consumers to stay on top of the latest scam reports from local and national news outlets, as well as your local utility companies.

Several times this past year, Agralite Electric Cooperative members were targeted through a phone scam where the scammers demanded immediate payment and threatened to shut off power if the money was not received. Remember, Agralite will never call you and demand immediate payment without notice.

We want you to be aware of two trending scam tactics. One is the overpayment trick, where a scammer contacts you and claims that you have overpaid on your utility bill. The scammer will say they need your personal banking information to deposit the credit back to your checking account. Don't fall for this scam! If you make an overpayment on your energy bill, Agralite will automatically apply the credit to your account, which will carry over to your next billing cycle. Another trending scam is smishing (short for SMS phishing). Many consumers know to watch out for suspicious emails, but we tend to trust text messages sent to our smartphones. Always question suspicious texts, especially from someone claiming to represent a utility. Agralite will only send you important updates via text if you've signed up for our SmartHub alert notifications. These are just a couple examples of trending scams, so it's important to watch for any red flags.

Here are a few reminders on how to take control of the situation when you've been targeted by a scammer:

- 1 Take your time.** Utility scammers try to create a sense of urgency so that you'll act fast and hand over personal information, especially over the phone. Take a moment to think about the situation before acting.
- 2 Be suspicious.** Scammers typically request immediate payments through prepaid debit cards or third-party apps. Unusual requests like this should raise red flags. Remember, if the request seems strange and out of the ordinary, you're likely being targeted by a scammer.
- 3 Confirm before you act.** If you're contacted by someone claiming to represent Agralite or another utility but you're unsure, just hang up the phone and call the utility directly. You can reach us at 800-950-8375 to verify the situation.

Our increasingly connected world provides scammers with more opportunities to connect with unsuspecting consumers. Be vigilant, and please report any utility scams to Agralite so we can let others in our community know. Together, we can help prevent our friends and neighbors from being victimized.

2021 FARMFEST

Enter to Win!

Cut out and bring this coupon to Farmfest for a chance to win a grand prize.



Visit Agralite Electric Cooperative, along with other Touchstone Energy Cooperatives, at Farmfest 2021 and enter for a chance to win a grand prize!

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Bring this coupon to Booth #2301.

NAME: _____

ADDRESS: _____

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You must be a member of one of the participating electric cooperatives to win.





What Is The Power Grid And How Does It Work?

When thousands or millions of people go without power during widespread outages, it seems like discussions turn toward the power grid. But what exactly is the power grid, and how does it work? In the United States, the power system consists of more than 9,200 electric generating units with more than 1 million megawatts of generating capacity connected to more than 600,000 miles of transmission lines, according to the U.S. Department of Energy.

- First, power is generated at a power plant by converting some form of energy into power. Examples of energy sources include wind, water, steam, oil, coal, nuclear, solar and natural gas.
- Once the power is generated, it is converted to very high voltages so that it can be pushed a long distance through the grid via transmission lines (345,000 volts) or subtransmission lines (69,000 volts).
- Eventually, it is stepped down so it can be sent on to lower-voltage power lines called distribution lines (7,200 volts), which take the electricity to houses and businesses.
- Once it makes its way there, it gets stepped down again before it enters the structure through drop-down lines (220 volts).
- Sensors are located at key points throughout the grid to monitor outages.

Some electric utilities generate all the electricity they provide using their own power plants. Some utilities purchase electricity from other utilities, independent power producers or a wholesale market.

How consumers, or end users, purchase energy varies from region to region:

- The utility providing power may be a not-for-profit municipal electric utility; an electric cooperative owned by its members; a private, for-profit electric utility owned by stockholders (often called an investor-owned utility); or in some states, a power marketer.
- A power marketer is often a trading company engaged in the purchase and sale of electricity. Generally, these marketers do not own generation or transmission facilities. Rather, they buy electricity from utilities, independent power producers and other suppliers to sell wholesale to other utilities or marketers.

Newer technology is improving how the grid works, inspiring the phrase “smart grid” to describe this evolutionary process. For example, some improvements include:

- **Individual microgrids.** With some sources of energy now at consumers’ disposal, some individuals and businesses have their own power source (solar panels, for example).
- **Energy storage technology.** This enables companies to store excess energy when not needed and use it later when there is more demand.
- **Smart meter technology.** This creates two-way communication between consumers and the electric utility or cooperative by automatically notifying them about outages and other potential issues. Smart meters also allow consumers to see how much electricity they use, when they use it and its cost. Combined with real-time pricing, this allows end users to save money by using less power when electricity rates are highest.

Hot Weather Can Stress The Electric Grid, But Co-ops Have A Plan *Continued*

More than 200,000 residents participate in programs that allow Great River Energy to cycle their air conditioner, water heater or some other load for a period of hours on high-demand days. Because of this, Great River Energy can control 15% of its peak load — or the equivalent of reducing electricity demand by more than 200,000 homes on a normal summer day.

“We are able to be very proactive in anticipation of extreme weather events and work closely with our members to ensure they are properly prepared,” said Josh Hebert, load management specialist at Great River Energy. “We depend on the flexibility of our programs, and the membership, to avoid paying higher market costs during times when demand for electricity is high. These programs also help avoid transmission and substation equipment from reaching thermal limits during extreme heat.”

In addition to these programs, Great River Energy owns and operates a fleet of natural gas peaking stations across Minnesota that generally run only on the hottest and coldest days of the year. 932001 These plants can start up in a matter of minutes to add electricity quickly and dependably to the grid when needed. Most of the cooperative’s peaking plants are “dual fuel” facilities, meaning they can operate on fuel oil when demand for natural gas is heightened.

With these programs and power supply assets in place, you can depend on Agralite Electric Cooperative to provide reliable, affordable electricity throughout all of Minnesota’s seasons.



CURRENT AGRALITE BOARD OF DIRECTORS

Kathy Draeger, Clinton

District 1

Jeff Hufford, Morris

District 2 - Secretary/Treasurer

Bennett Zierke, Hancock

District 3

Steve Nelson, Starbuck

District 4

Orvin Gronseth, Murdock

District 5 - President

Andrea Thomson, Benson

District 6

Warren Rau, Appleton

District 7 - Vice President

MINUTES OF MEETING BOARD OF DIRECTORS May 2021

Board Chairman Orvin Gronseth called a meeting of the Board of Directors of Agralite Electric Cooperative to order at 8:30 a.m., May 27, 2021. All members of the Board were present. The agenda, minutes of the last meeting, the monthly disbursements, and payment of capital credits of deceased members were approved.

Jonathan Messner, Manager of Member Services, reported on activities of his department for the month. He discussed load management. He stated that the scholarship review committee selected the seven recipients and Kory Johnson attended the awards ceremonies to present the awards to the students. He gave an update on the Brigg's generator program and ALM project. The Annual Meeting was discussed.

Jenny Stryhn, Manager of Finance, discussed Agralite's margins for the month of April. She stated that capital credit checks were processed and will be mailed in the end of May. She gave a breakout of active members receiving a check. She stated that Theresa Klassen was hired for the open Customer Service Representative position and started on May 24th. She discussed the ACH payment promotion.

Jenny brought forth Work Order #509, Work Order #510, and Special Equipment April 2021 and the Board approved it.

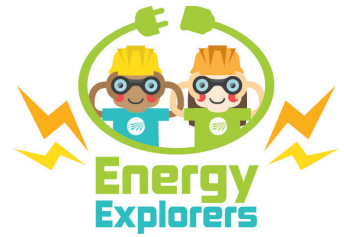
The financials were given by Jenny with a PowerPoint presentation.

Tom Hoffman, Manager of Engineering & Operations, reported on activities of his department for the month. He discussed line crew projects. He stated that he has been gathering information for Agralite's

COOPERATIVE WORD SEARCH

As a member of an electric cooperative, you're part of something special!

Read the facts below to learn how co-ops are unique, then find and circle the **BOLDED** words in the puzzle.



WORD BANK:

- **COOPERATIVES** are local organizations and businesses, so they understand the communities they serve.
- Co-ops don't have customers; instead, they have **MEMBERS**.
- All co-ops are guided by the same set of cooperative **PRINCIPLES**.
- "Concern for **COMMUNITY**" is the seventh cooperative principle.
- Co-ops are led by the members they **SERVE**.
- You're a member of an **ELECTRIC** cooperative, but there are also housing, grocery and other types of co-ops.

This institution is an equal opportunity provider and employer. To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at http://www.ascr.usda.gov/complaint_filing_cust.html 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, Washington, D.C. 20250-9410; (2) fax: (202) 690-7442; or (3) email: program.intake@usda.gov.

RUS Operations and Maintenance review. He showed a picture of a crew doing a difficult pole changeout. He gave an update on the AMI project.

Tom gave the safety report.

Kory Johnson showed a PowerPoint presentation from Engan Associates on potential future building updates. A discussion was held.

Don Wilcox, Agralite's attorney, joined the meeting.

An executive session was held.

Kory Johnson, General Manager, reviewed his report to the board. He discussed meetings he attended. He stated that Agralite has a new CoBank representative. He discussed the STAR board meeting.

The Board accepted the two Board Petition for Nominations that were received.

The June board meeting was set for the 24th. Being no further business came before the Board, the meeting was adjourned.