May 2019

Newsline

REMEMBER THEIR SACRIFICE

Lake Country Power
A Touchstone Energy® Cooperative
Energy that Powers Our Lives

IN THIS ISSUE

Directing under loyalty and care
GRE retires patronage capital
Pole testing begins July
Time to modernize CIP

BOARD MEETINGS May 28 – 9:30 a.m. at Kettle River Service Center ■ June 25 – 9:30 a.m. at Mountain Iron Service Center

Plug into the electric vehicle movement

Electric vehicles (EVs) are no longer a transportation option of the future. They're here, now, available to lease or purchase – and there is likely one that fits the bill for your lifestyle. Whether you're a commuter who enjoys the occasional journey along Lake Superior or the type who stays close to home, there are enough options today to suit every kind of driver.

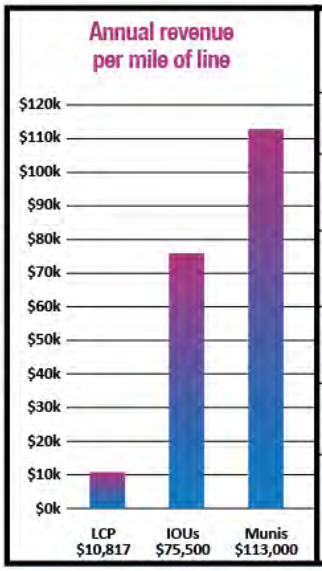
Weekday commuter

If you're the type of person who travels to work five days a week and makes a few extra trips per week around town, a switch to an electric car might make sense for you and your pocketbook.

According to the U.S. Department of Transportation, it takes an average of 21 minutes for Minnesotans who drive to their job – which makes up about 80 percent of workers in the state. At a minimum, all-electric cars offer 150 miles of range, meaning you wouldn't need to recharge every day just to make it to and from work.

If you wanted to, though, you could plug it right into the same kind of socket your clothes dryer uses overnight and it'd be fully charged and ready to go in the morning.

If you find yourself needing a quick charge while you're away from home, there are more than 200 public charging stations available throughout Minnesota at locations such as workplaces, restaurants and retail stores. You can add about 90 miles to your electric car when plugged into a DC fast charger station, which are designed to charge EVs quickly and can be found in spots from Mankato to the metro and all the way up to Hinckley.



	Electric Co-ops	Investor utilities	Municipal utilities
Number in Minnesota	44	3	125
% of landmass served:	80%	10%	10%
% of consumers served:	12%	73%	15%
Earnings from operations:	Returned to Members	Paid to Investors	Can be used for general fund
# of consumers (U. S.)	19 million	107 million	22 million

Off-roader

If you're the average commuter who likes to take regular trips and are still wary about making a full switch from gasoline to electric, a plug-in hybrid electric vehicle (PHEV) may be the best compromise. SUVs can get up to 310 miles of range total with 22 of those being all-electric, and it is the only PHEV compatible with DC fast chargers.

Several fast charger stations were recently installed along I-35 and Highway 61. In late 2017, a fast-charger was installed at Doc's Sports Bar & Grill at Sturgeon Lake, just off Interstate 35. Consumers should visit www.plugintomn.com for more information about charging stations in Minnesota.

Charging at home on LCP

The best way to charge your electric vehicle is during the overnight hours on Lake Country Power's off-peak program. LCP also offers up to $800 in rebates when charged on the co-op's off-peak program. For more information, please visit with the member service dept. at 800-421-9959, or go online at lakecountrypower.coop. ■

Directing under a duty of loyalty, and a duty of care

By Craig
OLSON
District 7 Director

As one of nine board members overseeing Lake Country Power, our primary role is to make sure the cooperative operates safely, reliably, and efficiently for all co-op members.

A co-op belongs to the people it serves. To this day, Lake Country Power is made up of a community of elected members.

As directors, it's our responsibility to plan for the long-term: to develop strategy, apply knowledge, and make decisions that benefit the greater good of the membership. We have an eye on safety, reliability and service for all members.

LCP's board establishes priorities to:

- maintain a financially sound and strong organization;
- provide direction and oversight for the manager;
- preserve co-op assets;
- ensure fair and consistent policies;
- keep members informed; and
- represent the interests of all members for the good of the whole.

Directors are obligated to act, by law, in good faith with the care that any other prudent person would exercise under similar circumstances. Our responsibilities are boiled down into two essential elements: A duty of loyalty, and a duty of care.

The LCP board regularly considers many competing issues, such as rates and costs, issues of fairness, and doing what's right for the co-op as a whole, and policy matters.

Policy Matters that Affect Us All

Public policy has been at the forefront this year. Governor Walz and some legislators are calling for new renewable energy goals to spur the transition to more renewable energy sources. The governor set a goal to achieve 100 percent of LCP's power from renewable resources by 2050.

As a board, we support an approach that recognizes the value of a diverse power supply mix that's mindful of affordability and reliability. We believe we should walk before we run. Great River Energy's plan to achieve 50 percent of our power supply from renewable sources by 2030 does that. It's reasonable and it factors in competing values and issues.

GRE is already ahead of a previous mandate from 2007, that called for 25 percent of the cooperative's power from renewables by 2025. The board is confident GRE is on a clear path to cleaner and greener energy sources. We support a path that takes the environment into account, along with our electric bills.

We believe the better approach is incremental change rather than legislative mandates that'll increase costs to get there. The incremental approach is working already, and we're hopeful we'll see improvements in technology – and cost – so GRE can set new goals.

At this point, an all-of-the-above approach – which calls for a combination of power sources, such as wind, hydro, solar, natural gas, biomass, coal and nuclear – is still the most practical because the safety and reliability of the grid is essential.

It's a privilege serving as board president for LCP. We have an effective group – a board of directors willing to serve and work together for the good of the whole. We have a common purpose: the betterment of the co-op. That mindset serves us well in the boardroom.

By the way, if you missed the district member meetings this year, you can watch video on LCP's website at www.lakecountrypower.coop, or by following this link on LCP's YouTube channel: https://www.youtube.com/watch?v=ttug_I0hotk.

Craig Olson was elected by members in Lake Country Power District 7. He can be reached at 218-393-2276 or colson@iupat82.org.

811
Know what's below.
Call before you dig.

Great River Energy shares financial success with membership

When Lake Country Power experiences financial success, it returns cash to members. When Great River Energy's financial position is strong, it issues payments to Lake Country Power.

Lake Country Power is one of 28 electric cooperatives that own and receive wholesale electric service from another cooperative called Great River Energy.

Since it incorporated, Great River Energy will retire patronage capital through cash payments to its member-owner cooperatives. In March, Lake Country Power received $1.4 million from Great River Energy, which will be returned to consumer-members along with credits retired by Lake Country Power later this year.

"Our member-owner cooperatives decided long ago to invest in the financial strength of Great River Energy by gradually increasing equity over time, with the goal of returning patronage capital to members in 2020," said Great River Energy Vice President and Chief Financial Officer Michelle Strobel. "With our members' support, we achieved that goal in 2018, and we will provide cash back to members two years earlier than planned."

Cooperatives are not-for-profit businesses that, when appropriate, return margins to members by retiring patronage capital.

The retirement of capital credits is one of the most important things we do as cooperatives. It's a core benefit of co-op membership. Retiring patronage capital is proof that the cooperatives of Minnesota are financially strong.

Why do co-ops allocate capital credits?

Federal law provides cooperatives with certain preferences and exemptions, such as federal tax-exempt status. Many state laws provide additional benefits. To retain this tax exemption, co-ops are required to operate on an at-cost basis. Returning patronage capital facilitates operating at cost.

Plans for LCP's credits

With board approval, Lake Country Power plans to retire its $1.4 million in capital credits from GRE to LCP members this year. The "when" is being discussed and will be decided with staff recommendation and then approval by LCP's board of directors. ■

Pole testing continues for safety and reliability

In the interest of public safety and service reliability, Lake Country Power has hired Ram and Osmose Utilities to conduct a ground line pole inspection on the distribution poles in the eastern and southern parts of LCP's service territory. The testing will begin in July and will continue through October.

The goal of this routine inspection is to identify poles that may no longer be useful for service and will be scheduled for future replacement. Crews will be accessing the distribution power lines with pickups, four-wheelers or by foot. Some poles may require hand excavation to a depth of 18-inches below ground; these will be filled by the end of each day. There will be no interruption of electric service.

Pole testing will take place on five LCP substations: Bergen Lake, Cromwell, Wright, Round Lake, Big Sandy, and Sturgeon Lake. ■

Spotting electrical hazards in your home

Electricity plays many roles in our lives, from powering baby monitors, cell phones and lighting, to running HVAC systems and appliances. No wonder we get so comfortable with its instant availability that when we flip a switch, we expect most systems or devices to do the job.

May is National Electrical Safety Month, so now is a great time to look around your home and check for potential safety hazards.

Remember, every electrical device has a purpose and a service lifespan. While we can extend their operations with maintenance and care, none of them are designed to last or work forever. When electricity is involved, failures can present electrical hazards that might be avoided with periodic inspections.

For the rest of this article and electrical safety tips, please visit lakecountrypower.coop and safeelectricity.org. ■

Time to modernize the Conservation Improvement Program

Twenty-five years ago, the notion of Minnesota using less electricity and reducing carbon emissions seemed like one of those lofty ambitions that could happen "someday" in the distant future.

Well, "someday" has been happening for the past decade. Yes, Minnesota has been lowering demand for electricity while emissions have continued to fall.

Day after day, year after year, Lake Country Power and the state's network of electricity providers have been answering the call to find smarter and cost-effective ways to provide safe and reliable electricity. We are doing so at a time when innovations and new technologies are emerging rapidly and reshaping the energy industry.

Mandates on Utilities

The State of Minnesota and electricity providers have been partners working toward an economy that is built on clean and efficient energy production. As part of this effort, Minnesota's Conservation Improvement Program (CIP) sets annual goals for investments in conservation by utilities, including our cooperative.

CIP has produced many positive results over the years, including reducing the demand for new power plants by limiting both overall electricity usage and peak period usage. Often with the help of rebates and programs offered by cooperatives, homes and businesses are adopting conservation measures, such as energy audits and investments in high-efficiency appliances and machines.

Addressing CIPs Limitations

While CIP has been a success, the program's narrow focus on solely lowering electricity consumption limits opportunities to leverage Minnesota's greening electric grid and implement innovations that could produce greater benefits for our members and communities.

This legislative session, the state's cooperatives have proposed a bill (HF 1839/SF 1915) that will modernize CIP and build on its successes. Our proposal allows municipals and member-owned cooperatives to explore a wider range of options to meet new standards for energy efficiency and reduce carbon emissions at greater rates.

Further, this initiative recognizes that today's energy policy needs to be multi-faceted, allowing us to create new opportunities to produce greater energy efficiencies and consumer savings.

This means acknowledging that efficient electrification should complement our goals to lower electricity consumption, which is not currently the case. For example, supporting the growing electric vehicle market seems like a perfect role for CIP. The problem

is that electric vehicles use more electricity than gas-powered cars, and that contradicts CIP's goal of lowering electricity use.

Modern Innovations Should Count

But why? Electric vehicles are a far more energy-efficient option compared to ones that burn gas. In fact, an electric vehicle uses 72 percent less total energy than a gasoline vehicle (as measured by British Thermal Units) and has a significantly lower carbon footprint.

And then there's the cost savings for consumers. If a gasoline vehicle uses an average of 400 gallons of gas a year, that would cost about $900 to $1,000. The cost of powering an electric vehicle for a year would be about $525 (4,000 kilowatts), though some cooperatives offer off-peak charging that could cut the amount even more. That's a significant savings.

There are other examples where electrification produces net benefits in terms of cost, carbon footprint and efficiency. An air source heat pump can be a better alternative over propane. But again, it would use more electricity and that's not part of CIP's mandate, even though a heat pump would use 70 percent less total energy for the same amount of heating (and yes, it would be cheaper and cleaner, too).

Since 2017, we have been working closely with many stakeholders to develop a strategy that is more flexible and comprehensive, which led us to propose modernizing CIP. It fully rewards efficiency and emission reduction. By emphasizing overall energy efficiency, we lay the groundwork for broader benefits for all.

The Big Picture

How important will energy efficiency be in the 21st Century? One national study found that more than 60 percent of energy produced in the U.S. is wasted. Meanwhile, the electric grid is rapidly becoming greener. We can't simply focus on using less electricity when we should be leveraging the investments we have all made in the electric grid to provide economic and environmental benefits for all.

Are you prepared for summer storms?

Some summers can slip by without many storms or even any, but then other years it seems like a storm is always brewing in the distance. Storms can raise anxiety levels for everyone, so it can help when we all take some time to prepare in advance.

Following are some tips for outages during the summer. Remember to also prepare a disaster supply kit that contains water, food, tools and equipment, and personal items such as prescription medications. For ideas and information, visit www.redcross.org, www.fema.gov, and www.disastersafety.org.

- Make sure one of the phones in your home is not a cordless phone since these require electricity to charge. Also have a mobile phone for backup and charge it in your vehicle, if necessary.
- Use a battery powered flashlight, not candles.
- Keep a battery-operated radio handy to listen for outage information and updates. You'll also find outage updates on LCP's Facebook page at www.facebook.com/lakecountrypower, and on the co-op's website at www.lakecountrypower.coop.
- Protect your belongings. Shut off or unplug any sensitive electronic equipment such as TVs and computers to protect them from power surges. Purchase surge protectors to protect equipment.
- Keep refrigerator and freezer doors closed. Food should keep for up to 48 hours in a full, freestanding freezer or fridge, if the door remains closed; a half-full freezer or fridge about one day. If the outage persists, cover your refrigerator or freezer with a blanket, make arrangements to store food at another location, or purchase dry ice from a bait shop or other store.
- Essential supplies: flashlight, batteries, radio, extra supply of water and food.

If you see a downed power line, there are a few things to keep in mind.

- Stay away from it and call 911 to report it immediately. There is no way to tell if a power line is energized just by looking at it. Always assume it can carry currents strong enough to kill.
- Never drive over a downed power line if it is blocking your driveway or road. Call 911 to report it and find another route.
- If a power line falls on your car or otherwise contacts your vehicle, stay in your vehicle. Use your cell phone to call 911 and wait for help to arrive.
- If you must exit your vehicle, jump with both feet out of the car and shuffle a safe distance of at least 40 feet.
- When severe weather causes widespread damage, sometimes outages can be extended. Lake Country Power works hard to restore your power quickly and safely, first removing any threats to public safety, then following established priorities for making repairs that will restore the most members first.

To watch videos about how your power is restored, how to prepare an emergency kit, how to keep food fresh and more, visit greatriverenergy.com/restoringyourpower. ■

Annual Cogeneration Notification to Membership

In compliance with Cooperative adopted rules relating to cogeneration and small power production, Lake Country Power is obligated to interconnect with and purchase electricity from cogenerators and small power producers whom satisfy the conditions as the qualifying facility.

Lake Country Power is obligated to provide information free of charge to all interested members upon request regarding rates and interconnection requirements. All interconnections require an application and approval to become a qualifying facility. Any dispute over interconnections, sales, and purchases are subject to resolution by the Cooperative. Interested members should contact Lake Country Power, 2810 Elida Drive, Grand Rapids, MN 55744, or call 800-421-9959.

RECIPE CORNER

HOMEMADE CHICKEN NUGGETS

From the Kitchen of: **Louise Susnik,** Aurora

INGREDIENTS

- 1/2 cup butter, melted
- 4 skinless/boneless chicken breasts, cut into one-inch pieces
- 1 cup finely crushed round buttery crackers (about 24)
- 1/2 cup finely grated parmesan cheese
- 1/4 cup finely chopped pecans
- 1 tsp. dried thyme leaves
- 1 tsp. dried basil leaves
- 1/2 tsp. seasoned salt
- 1/4 tsp. pepper

DIRECTIONS

Heat oven to 400 degrees. Use large nonstick baking sheet or pizza pan. Use parchment paper, if you prefer. Combine all dry ingredients. Dip chicken pieces in butter, then coat with crumb mixture. Place on sheets and bake uncovered for 20 – 25 minutes or until golden brown. May turn over with tongs halfway through baking.

Submit your favorite recipe to Lake Country Power, Attn. Editor, 2810 Elida Drive, Grand Rapids, MN 55744, or e-mail tzaun@lcp.coop. If your entry is drawn and printed in *Newsline*, you'll receive a $5 credit on your electric bill. Entries must include name, address and phone number on account.

Condensed Board Minutes

February 26, 2019 • Regular Monthly Meeting

THE FOLLOWING REPORTS WERE GIVEN:

President Craig Olson stated he attended the Minnesota Rural Electric Association annual meeting and events. He talked with the auditors about the 2018 LCP audit.

General Manager Randa reported about Northland Connect; the member manager meeting in Feb.; the Great River Energy Rate Review Committee structure change; demand side rates will be reviewed in May and may increase in 2020; and annexation issues.

Director of Finance and Administration Bakk reported about the financials including deferred revenue, FEMA reimbursement, margins, GRE capital credits, local expenses, net income from subsidiaries, etc.

THE FOLLOWING ACTIONS WERE TAKEN:

Approved to appoint Linda Burja to serve as a trust board member on the Operation Round Up® board, filling an open seat in district three. ■

Editor's Note: These board minutes have been condensed. A full copy of the board minutes can be read at www.lakecountrypower.coop under "My Cooperative." You'll need to sign up for access if you haven't already. Or call 800-421-9959 for a printed copy.

▶ This picture earned a spot in the co-op calendar for May 2019. Naomi Tuite of Bovey photographed these Mallard chicks as they waited for their parents to return.

ENERGY EFFICIENCY

TIP OF THE MONTH

Avoid placing items like lamps and televisions near your air-conditioning thermostat. The thermostat senses heat from these appliances, which can cause the A/C to run longer than necessary.

Source: energy.gov

Comparative Operating Statement

Year-To-Date – February 2019

	2019	2018
Electric Operating Revenue	$ 18,928,511	$ 18,982,786
Cost of Purchased Power	10,496,500	10,680,307
Distribution Expense - Operations & Maintenance	1,697,533	1,683,690
Consumer Accounts Expense & Informational	788,586	717,776
Administrative and General Expense	1,130,571	1,143,057
Depreciation, Interest Expense and Other Deductions	2,201,618	2,112,776
TOTAL ELECTRIC OPERATING EXPENSES	**16,314,807**	**16,337,606**
Net Electric Operating Margins	2,613,704	2,645,180
Non-Operating Margins	4,329	(2,237)
TOTAL MARGINS BEFORE SUBSIDIARIES	**2,618,033**	**2,642,943**
Net Income (Loss) from Subsidiaries	-	-
TOTAL MARGINS	**$ 2,618,033**	**$ 2,642,943**
TOTAL KWH SOLD (YEAR-TO-DATE)	**153,202,123**	**151,673,168**

Editor's Note: *These financials are condensed. A complete set of financials can be viewed at www.lakecountrypower.coop under "My Cooperative." You'll need to sign up for access if you haven't already. Or call 800-421-9959 for a copy.*

Co-op Contacts

Greg Randa, **800-421-9959**
General Manager granda@lcp.coop

Jason Long, **218-240-9611**
District 1 jaselong@gmail.com

Michael Forsman, **218-365-5789**
District 2 forsmanmd@hotmail.com

George Harvey, **218-741-6633**
District 3 gharvey@accessmn.com

Craig Carlson, **218-999-7175**
District 4 carlsonlcp@gmail.com

Robert Bruckbauer, **218-566-2436**
District 5 bobbruckbauer@northlc.com

Daniel Kingsley, **218-697-2628**
District 6 kingsdan27@gmail.com

Craig Olson, **218-393-2276**
District 7 colson@iupat82.org

Jim Huhta, **218-644-3997**
District 8 hatcheck@frontier.com

Sherman Liimatainen, **218-879-3135**
District 9 sgliimatainen@gmail.com

Directors are members of the cooperative and are elected to act in the best interests of the co-op with the same care that an ordinarily prudent person in a like position would exercise under similar circumstances.

Directors set policy, approve strategy and are charged with fiduciary responsibility of the cooperative. Directors do not oversee day-to-day LCP operations. Administration of maintenance, electric service and operations are the responsibility of employees and staff.

Members with questions or concerns about service, billing, outages or other service-related matters should call 1-800-421-9959.

Newsline

Published monthly by Lake Country Power
2810 Elida Dr., Grand Rapids, MN 55744
Editor: Tami Zaun • tzaun@lcp.coop
Lake Country Power Service Centers:
Grand Rapids • Kettle River • Mountain Iron
800-421-9959 • www.lakecountrypower.coop

This institution is an equal opportunity provider and employer.