



NewsFlashes

NOVEMBER 2024

As part of Lake Region's focus on safety, CEO Tim Thompson has lunch with linemen working on the Elmo Substation just outside of Henning. These visits, called *Tailgating with Tim*, are an opportunity to affirm the cooperative's commitment to safety.



Tim Thompson's CEO Column

As you know, the drive to develop and adopt renewable sources of energy has been a topic of conversation in our country over the last few years, both as a political talking point and in the general discourse. In 2023, our state legislature passed the MN *Carbon-Free by 2040 Standard*, mandating a 100% transition to carbon-free electricity over the next 15+ years.

In response, to ensure the stable, reliable transport of energy generated from wind and solar throughout the state, our wholesale provider Great River Energy (GRE) – in partnership with other MN utilities – is planning to make a significant investment in new transmission and increasing its labor force to complete the work required.

Although we are on the front end of this energy transition, we're already beginning to see how it will affect Lake Region and our members. We recently learned in GRE's 2025 budgeting process that, with this effort, the financial requirements associated with projects of this size necessitate a wholesale power cost increase in 2025 for all of GRE's member cooperatives.

So, what does this mean for you? This increase, coupled with the additional impact inflation is having on people and businesses – as well as a lower margin for GRE than expected due to the mild weather this past year – will need to be passed along to our members in order to maintain the financial strength of LREC.

Raising the cost of energy is never something LREC's Board of Directors and leadership team takes lightly. I want all of our members to know your board and cooperative employees are committed to keeping our costs as low as possible, while continuing to provide you with the reliable and affordable electricity you've come to expect.

In fact, Lake Region's administrative and general costs are lower today than they were over a decade ago. While keeping costs down, we've managed to improve reliability by taking a proactive approach to how we identify and prevent potential outages. Looking ahead, we plan to continue upgrading and modernizing our system so it is ready to serve you well into the future as the demand for electricity continues to increase. And, we'll continue to partner with GRE to remain a leader in renewable sources of energy, including large renewable projects and local options such as our GoWest solar arrays.

We understand the importance of transparent and timely communication, and are working to keep our members as informed as possible. While we don't have exact numbers yet, the increase in GRE's wholesale power cost will be passed on to our members as a power cost adjustment starting in 2025. As we move forward with GRE into this transition, LREC is focused on minimizing the financial impact on our members. Keep an eye out for additional updates on GRE's increase and where to find these changes on your monthly statement.



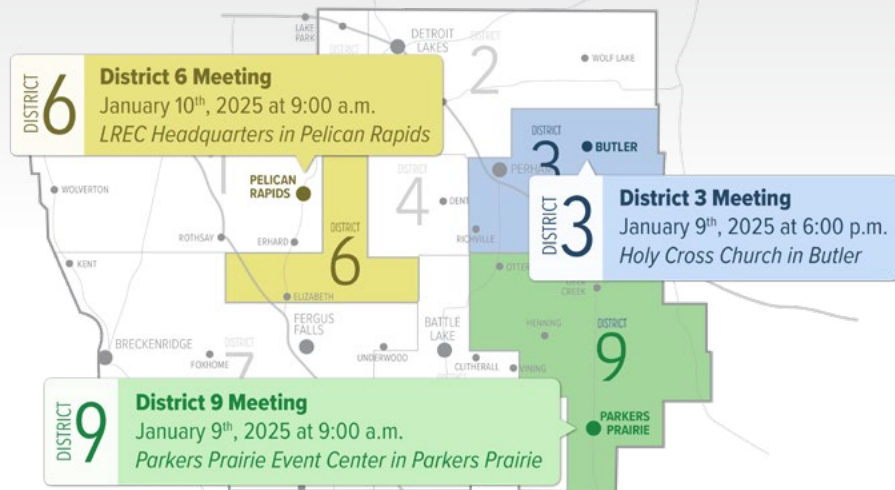
Tim Thompson

OFFICIAL NOTICE

2025 District Meetings

Candidates for the LREC Board of Directors will be nominated in districts 3, 6, and 9 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.

- 3 **District 3:** January 9th, 2025 at 6:00 p.m.
Holy Cross Church, Butler
- 6 **District 6:** January 10th, 2025 at 9:00 a.m.
LREC Headquarters, Pelican Rapids
- 9 **District 9:** January 9th, 2025 at 9:00 a.m.
Parkers Prairie Event Center, Parkers Prairie



Interested in Being a Director?

Any member interested in becoming a candidate for the Lake Region Electric Cooperative Board of Directors should contact us at (218) 863-9852, or email croesch@lrec.coop to learn more about the election process and responsibilities of being a director.



Upcoming Dates/Events

- ◆ Lake Region Electric Cooperative offices will be closed for **Thanksgiving** on November 28th-29th. *Happy Thanksgiving!*
- ◆ For **Christmas and New Years**, the offices will be closed on December 24th-25th and December 31st-January 1st.
- ◆ Save the date for our **2025 Annual Meeting** on April 24th!



2FA Required in SmartHub Beginning January 2025

In an effort to protect your online account security, LREC members currently enrolled in, or who wish to enroll in SmartHub to pay their bill, report an outage, or view their usage, will now be required to complete two-factor authentication (2FA) during the log in process to complete their transaction beginning **January 1st, 2025**.

2FA is a code or confirmation sent via text, email, or verification app that is needed **in addition to your existing password** before access to your online account is allowed.

Follow the instructions below to enable 2FA now or upon your first log in after January 1st, 2025.

In the mobile app:

- 1) Launch the *SmartHub* app
- 2) Tap *More*, then *Settings*
- 3) Tap *Security*, then *Two-Factor Authentication*
- 4) Follow the setup prompts

On your computer:

- 1) Login to <http://smarthub.lrec.coop>
- 2) Click *Settings*
- 3) Click *Two-Factor Authentication*
- 4) Follow the setup prompts

Balanced Energy Mix Met Summer Demand and is Ready for Winter



This past summer, Lake Region's wholesale provider, Great

River Energy (GRE), was able to meet high electricity demands because of its well-rounded energy mix including a growing fleet of wind resources backed up with natural gas peaking plants.

Peaking plants, essential during times of high demand, are designed to quickly ramp up electricity production when needed. With natural gas producing about half as much carbon dioxide as coal, they support renewable energy adoption without compromising reliability or environmental considerations. Even during this year's relatively mild summer, GRE's peaking plants helped ensure grid reliability on 49 days from June through August.

Flexibility for Winter Reliability

As we transition into the colder months, generation flexibility remains critical. Most of GRE's peaking plants operate on fuel oil if natural gas becomes supply constrained or too expensive. This ensures that homes stay warm and businesses continue to operate without interruption, even during challenging winter conditions such as February 2021, when the central United States experienced

below-freezing temperatures from northern Minnesota to the Gulf of Mexico.

To further enhance reliability, GRE is upgrading its *Cambridge Energy Center* by adding this same dual-fuel capability. Cambridge will also be home to the first commercial deployment of Form Energy's long-duration iron-air battery. This breakthrough technology is capable of storing and discharging energy over several days, surpassing traditional capabilities – a key reliability asset during extreme weather events in the future. Both projects are expected to be completed by 2025.



A Commitment to Innovation and Sustainability

Through a diverse energy portfolio, upgrades to existing resources, and a continuous focus on innovation, GRE is well-prepared to meet the needs of LREC and its members – not just this winter, but for many years to come.

Dual Fuel Members: Ensure Your Back-up System is Ready

If you have a dual fuel heating system, **now** is the time to make sure your back-up heating system is prepared and that you have adequate fuel supply. Don't wait until the first control event to find out you need a fill. Also, please check both your electric and non-electric heating sources to ensure they are both on and working properly.



If you aren't currently taking advantage of our dual fuel program, please contact our Energy Management Specialists at (800) 552-7658 to learn how you can save more!

DUAL FUEL OPTIONS: STEFFES ROOM HEATER, STEFFES WHOLE-HOUSE FURNACE, PLENUM HEATER, IN-FLOOR HEAT, AIR SOURCE HEAT PUMPS (ASHP), AND MINI-SPLIT HEAT PUMPS

Operation Round Up Recipients

The most recent ORU meeting was held on October 7th, with 10 organizations being awarded a total of **\$34,495**.



- ◆ **\$2,995** to the *Battle Lake Area Fire & Rescue Association*
- ◆ **\$2,500** to the *Bluffton Fire Department*
- ◆ **\$7,500** to *Camp Joy*
- ◆ **\$1,000** to *God's Acres*
- ◆ **\$1,000** to *Henning Military Park*
- ◆ **\$4,500** to the *Richville Community Center*
- ◆ **\$5,000** to the *Rothsay Rescue Squad*
- ◆ **\$5,000** to *Soul Purpose (Matthew House)*
- ◆ **\$2,500** to the *Valley Lake Boys Home*
- ◆ **\$2,500** to *WCMDA, Inc. (Ashby Men's Group)*

Since 2007, our total Operation Round Up allocation amount is **\$737,025**. The next ORU meeting is on January 6th, 2025.

Come Join Us at The 2025 District Meetings!

District meetings are your opportunity to be involved in decisions that will impact the future of LREC. Candidates for the LREC Board of Directors will be nominated in districts 3, 6, and 9 at the meetings.

The **2025 District Meetings** are listed on the other side of this insert. All members are invited, although only members of each district can vote.



2025 District Meetings Locations/Times

DISTRICT 3

January 9th, 2025 at 6:00 p.m.
Holy Cross Church, Butler

DISTRICT 6

January 10th, 2025 at 9:00 a.m.
LREC Headquarters, Pelican Rapids

DISTRICT 9

January 9th, 2025 at 9:00 a.m.
Parkers Prairie Event Center, Parkers Prairie

DISTRICT
6

District 6 Meeting

January 10th, 2025 at 9:00 a.m.
LREC Headquarters in Pelican Rapids



DISTRICT
3

District 3 Meeting

January 9th, 2025 at 6:00 p.m.
Holy Cross Church in Butler

DISTRICT
9

District 9 Meeting

January 9th, 2025 at 9:00 a.m.
Parkers Prairie Event Center in Parkers Prairie