



NewsFlashes

JANUARY 2025



CEO Column // Tim Thompson

Happy 2025! The holiday season remains the perfect time to focus on what really matters and we hope all our members stayed safe, warm, and were able to slow down and take some time to celebrate with those they love.

The beginning of a new year also allows us an opportunity to reflect on the previous 12 months as your cooperative and share some good news that supported our commitment to delivering affordability in our rates and consistently reliable service.

During a recent Board meeting, data presented by our lender, the Cooperative Finance Corporation (CFC), showed that LREC's total cost of delivering service to our members ranks among the 10% lowest in the country. In addition to matching that stat, our administrative and general cost per consumer is the **lowest in the state**, an area that has helped us provide some of the lowest energy rates in our peer group. Simply put – collaborating with your Board of Directors to act as good stewards of your dollars helped contribute to a stable cost of service over the past year for you and your family.

On the reliability front, we increased our investment in vegetation management to \$2.3M to help drive better results in both the frequency and length of outages caused by trees/

fallen branches. We've completed the last of the original projects included in our strategic Distribution Grid Improvement Plan (DGIP), and will continue to utilize data analytics to identify and address recurring issues within our service area. And, as communicated in last month's newsletter, the Board's approval of a new four-year Construction Work Plan in October will provide the funding and resources needed to modernize our grid and prepare for the increased demand for energy we'll likely face in the near future.

Speaking of the future, January is a great time to share our first look ahead into the coming months. Our final 2025 budget was approved in November; it includes a wholesale power cost increase from Great River Energy (GRE) passed on to our members in the form of a combined power cost adjustment (PCA). This will appear for the first time on your February statement for January usage. We anticipate this additional charge to remain at 6.5 mills (or \$.0065/kWh) for the foreseeable future. For example, if a member uses 1,000 kWh/month, the additional charge passed on would be \$6.50 (\$.0065 x 1,000). As always, any change in this new PCA will be communicated in as timely a manner as possible.

In what may be top of mind for many, we'll share any updates regarding the

Meter	Meter No.	Services	From	To	Previous	Readings
Main	12345678		01/01/2024	02/01/2024	59053	600
Current Month's Energy Charge						
Code: REGULAR						
FACILITY CHARGE \$39.00						
MAIN METER 1000KWH @ 9.6 cents/KWH \$96.00						
MONTHLY POWER COST ADJ .650 cents/KWH \$6.50						
OTTER TAIL COUNTY TRANSIT TAX \$0.71						
SALES TAX \$10.44						
TOTAL CURRENT MONTH CHARGE \$152.65						

new ERA program – federal funding announced by President Biden to help rural cooperatives transition to renewable forms of energy – as soon as they're available, including our plans for continued partnership with GRE in the development of wind and solar power. And, later this year, we hope to introduce a pilot smart thermostat program that will help members avoid peaks and adjust when energy is used to maximize savings.

Again, we wish you and those closest to you a happy and prosperous new year. We're grateful for the opportunity to have served as your co-op in 2024 and look forward to sharing the challenging, yet exciting, months to come.



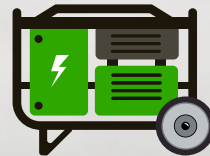
Tim Thompson

ANNUAL
SAVE THE DATE
MEETING

3 Locations!
Fergus Falls
Frazee
Parkers Prairie

APRIL
24

Winter Generator Safety Tips



When winter storms knock out power, generators can help keep you warm and connected—**but safety is key.** Follow these tips to ensure your generator keeps you safe and warm this winter.

Clear Snow Off Standby Generators:

If you have a standby generator, regularly clear snow and ice from vents and the unit itself. Blocked airflow can cause overheating or prevent it from functioning properly when you need it most.

Never Run Portable Generators

Indoors: Portable generators must be used outside—at least 20 feet from your home. Running one in a garage, basement, or enclosed space creates deadly carbon monoxide, which is odorless and can build up quickly.

Don't Hook Directly to Your Home's Electric Panel:

Plugging a generator directly into your home's electrical panel without a transfer switch can cause backfeeding, endangering utility workers and your household. Only connect your generator to a generator inlet (plug) protected by a professionally installed transfer switch.

Natural Gas: Looking Ahead to 2025



LRES
NATURAL GAS

Our natural gas subsidiary, Lake Region Energy Services (LRES), continues to make a positive impact for all LREC rate payers by reducing the amount we need to collect in electric rates.

project feasible, we typically need at least 20 customers per mile of new pipeline. Unfortunately, finding areas where we can meet this requirement has become increasingly difficult.

For 2025, we will continue to research potential opportunities, but we do not have any new expansion projects planned. We remain committed to delivering energy safely and efficiently and will keep you updated if any new developments arise. Thank you for your understanding and continued support.

We know there is a desire for us to expand natural gas availability to new areas, and we share that goal where it makes sense. However, bringing natural gas to new areas requires a balance between cost and demand. To make a

Member Survey Participant Winners

Thank you to all who participated in our recent survey. Your input is valued and very important as we strive to provide you with the best possible service.

The winners of a \$50 bill credit are:

- ◆ Gregory Rausch
- ◆ Jeffrey Lynn Dauner
- ◆ George Rubner
- ◆ Toni and Jeff Rimpila
- ◆ Rob Werner



2025 MN Legislative Session Preview

Minnesota's legislature enters 2025 facing new challenges and opportunities. Electric cooperatives across Minnesota, led by the Minnesota Rural Electric Association (MREA), are focused on ensuring the electric grid remains reliable, affordable, and sustainable in two key areas:

1) Keeping Energy Costs Fair:

Net Metering Reform

Net metering compensates members who generate their own electricity (such as with rooftop solar panels) for the power they send back to the grid. However, under the current system, some costs—such as maintaining power lines—are unfairly shifted onto cooperative members who don't generate

their own power. MREA advocates for updating net metering policies to distribute costs fairly, while continuing to encourage renewable energy use.

2) Exploring a Carbon-Free Future:

Lifting the Nuclear Moratorium

Nuclear power could play a critical role in diversifying Minnesota's energy mix and stabilizing the grid for decades to come, and the state's 25-year-old moratorium is under scrutiny. MREA will urge lawmakers to lift the moratorium as part of a balanced and future-ready energy strategy.

Stay tuned for updates on these important issues in future newsletters.



School Safety Demonstrations

LREC's lineworkers provide interactive safety demonstrations for students—teaching electrical safety topics like how to stay safe around downed power lines and how to practice safety in everyday life. The demonstrations encourage questions and hands-on learning with experienced professionals. To bring this safety program to your school, call us at (800) 552-7658!

Stay informed about Minnesota-specific policies by signing up for MREA's *VoterVoice* alerts at www.mrea.org/advocacy/take-action

Keep Energy Reliable & Affordable

Lake Region Electric Cooperative is just one of 50 electric cooperatives that serve 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.

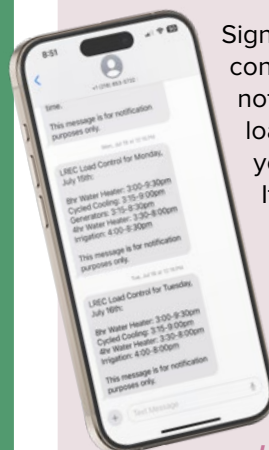
Help us advocate for reliable and affordable energy for all of Minnesota's energy consumers by signing up for **Voices for Cooperative Power (VCP)**. This network of electric cooperative member-consumers is working to ensure the needs of rural America are reflected in state and national policy decisions.



Learn more and sign up at voicesforcooperativepower.com/minnesota

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www.lrec.coop/loadcontrol