

MINNESOTA VALLEY CO-OP NEWS

Volume 76 No. 6 • June 2014



MANAGER'S MESSAGE • PAT CARRUTH

General Manager

Best Wishes to Tim Bertrand

We thank Tim Bertrand for 31 years of dedicated service to the member-owners of Minnesota Valley.

Tim spent many years as a Journeyman Lineman before taking over as our Substation/Apparatus Technician several years back. Tim was the person you normally dealt with if you were planning to add to your service or planning a new one. In his recent role, Tim staked most of our line requiring additions or improvements. He was the main caretaker of our substations and did most of the cable locates when people would do some digging close to our lines. Tim was always willing to be available and help out wherever he could to keep the lights on for you. We appreciate Tim's service and wish him well on whatever he decides to do next.

A Big Win for Affordable Electric Energy in Minnesota

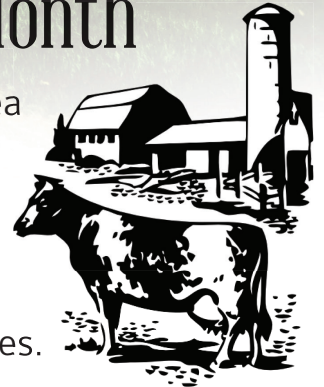
Back in 2007, Minnesota Governor Pawlenty signed a law banning new coal-fired generation from being used to make electrons for use in Minnesota, whether or not they were made in Minnesota. It was called the Next Generation Energy Act of 2007. This created an obvious problem for electric utilities whose job is to provide reliable and affordable electric power to the homes and businesses in Minnesota. For electric cooperatives, about 60% of our electrons are generated by coal-fired power plants. For us in the Basin Electric family, back in 2007, we were right in the middle of building a new state-of-the-art coal-fired plant near Gillette, Wyoming. Some of the electrons from this new coal-fired plant were coming to Minnesota. The physics of electrons



Tim Bertrand

June is Dairy Month

Minnesota Valley salutes our area dairy farmers during June Dairy Month. Their quality milk and dairy products improve the quality of our lives. We thank them for their contributions to our area communities.



flowing on the interconnected grid in this region would assure this, state statute or not.

Most of the electric cooperatives in Minnesota and the Dakotas kept on our Minnesota legislators to rethink this statute. We argued that we needed our baseload coal-fired plants for reliability primarily. When gas is constrained, the wind isn't blowing, the sun isn't shining and it is 30° below in this region, if coal-fired power plants are not running, the lights will go out. People will lose their lives. Secondly, affordable energy in Minnesota was at risk. The Next Generation Energy Act requires that 25% of power generation comes from renewable energy by 2025. Wind/gas "renewables" cost us over 16 cents per kwh to build. Coal-fired power is about 6 cents per kwh to build. As mandated renewables are blended in, our cost for wholesale power continues to get more expensive, much more quickly. Although both houses brought companion legislation to remove the coal ban to Governor Dayton, he would never sign.

We paralleled our legislative efforts in Minnesota with a lawsuit against Minnesota. Basin Electric, along with several other like-minded parties, got behind

the State of North Dakota who filed suit in Federal District Court. Our primary argument had nothing to do with coal's reliability and affordability. We argued this law violated the interstate commerce clause of the United States Constitution. Minnesota's ban on coal was ruled unconstitutional in the U.S. District Court of Minnesota in late April. This is a clear win for affordable and reliable electric power in Minnesota.

North Dakota Attorney General, Wayne Stenehjem, obviously pleased with the decision said, "We are continuing to look at the prospect of additional generation here because we're living in a nation that needs it. Most of our electricity does come from coal, and that's likely to be the case for a long time to come."

Remember Double Rebates Until Sept. 22nd

Don't forget to take advantage of Summer Double Rebate Days by installing a new air source or ground source heat pump by September 22nd. Call and talk to Bob, Duane, Chuck, Scott or Jerrad in Member Services at 320.269.2163 for the details. Heat pumps are the most efficient and economical way to heat and cool your home or shop.

Have a great rest of the summer!

Northern Geo Plant Now Open in Appleton

Geothermal heat pumps are once again being manufactured locally, thanks to the recent reopening of the Northern Geo plant in Appleton.

Northern Geo, Electro Industries and Terra-Therm, Inc. have entered into a strategic agreement resulting in the revitalization and reopening of the plant. As of this spring, geothermal units are being proudly rolled off the production line.

The business is located in the former *ECONAR* building, under the ownership of Del Overholser. The building was built solely for the manufacturing of *ECONAR* geothermal heat pumps, with an existing geothermal loop field ideal for testing geothermal heat pumps. In 2008, *ECONAR* was sold to Research Products who ran the business until it was resold in 2012 resulting in the plant closure. It has remained vacant since then.

Overholser, a mechanical engineer with over 30 years of experience in geothermal heat pump design and manufacturing, was *ECONAR*'s founder. He went into retirement after the 2008 sale, but missed the business much more than anticipated. More than thirty three zero two The strong sense of community with the Appleton area propelled his efforts to see the plant back in operation and providing employment for the region.

The North Star geothermal production line was purchased from Electro Industries of Monticello. The manufacturing capacity of that plant was being stretched and the vacant Appleton site was an excellent choice for the relocation.

"The Appleton plant was built specifically for the manufacturing of geothermal heat pumps and has sufficient capacity for the expected growth in demand," explains Dale Halgren, president of Terra-Therm, Inc. "With an experienced geothermal workforce in the area, a nearly new but vacant geothermal plant and management with manufacturing experience and relationships, the time was right for this relocation."

The former management of *ECONAR* owns the building and will be directly involved in the ownership and operation of the plant. Terra-Therm, Inc. owns and markets the brand *THERM GEO* with Northern Geo being the manufacturer contracted with to produce the heat pumps.

"The company will manufacture two brands in the facility: *THERM GEO* and Northern Heat Pump. Primarily, these brands are focused on the Midwest, but extending the footprint to a national arena is a part of the growth plan. The plant capacity provides the opportunity to grow sales by five times within the existing building," says Halgren.

THERM GEO heat pumps are built for the north country. They are cold climate heat pumps focused on providing 100 percent of a structure's heating needs, no matter how cold it is outside. The controls are designed

by a combination of engineers, field technicians and technical sales representatives to provide maximum comfort under the most adverse conditions. The cabinets are 100 percent stainless steel and carry a lifetime warranty. The refrigeration components have an industry-leading 10-year parts and labor warranty.

The benefits of installing a geothermal system are numerous. These systems allow property owners to essentially move the existing heat from the ground into a structure. This process eliminates the need to use fossil fuels in order to produce the energy needed for heating and cooling.

"Geothermal heat pumps provide unmatched comfort in both the heating and cooling mode and deliver \$4 worth of heat for every \$1 you spend for electricity," mentions Halgren. "Efficiency, comfort, economy: What's not to like? The Department of Energy calls geothermal heating the most efficient method to heat and cool your home available."

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Comparative Report

	Jan-Apr 2014	Jan-Apr 2013	Jan-Apr 1994
Kwh Purchased	81,039,095	79,412,317	52,547,599
Kwh Sold	76,954,624	75,499,474	47,140,725
Cost Of Purchased Power	\$3,462,774	\$3,446,195	\$1,575,301
Patronage Capital Margins	\$802,572	\$602,945	\$203,411
Reserve For Taxes	\$99,235	\$104,000	\$95,128
Cost Per Kwh Purchased (mills)	42.73	43.40	29.98
	April 2014	April 2013	April 1994
Total Plant	\$62,192,469	\$60,656,696	\$23,217,420
# Of Members Receiving Service	5,257	5,245	5,137
Average Residential Bill	\$186.81	\$191.77	\$114.11
Average Residential Kwh Consumption	1,861	1,972	1,468
Average Kwh Usage All Consumers	2,807	3,012	1,834
Peak Kw Demand (Peak Load)	31,535	30,586	23,285

There are two hidden account numbers in this newsletter. If you find your number, you will receive a \$10 energy credit or \$20 if you are an Operation Round Up participant. Call the office to claim your credit.

There were no winners from last month's issue. Keep looking!



Do You Know Any of These Former Minnesota Valley Members?

We need your help in locating the people listed below. Their Capital Credit dividend checks for the remainder of 2000 and 50% of 2001, have been returned to us because we do not have a current address.

If you have the address of any of these people or one of their heirs, please call us at 320.269.2163 or 800.247.5051, email us at mnvalley@mnvalleyrec.com, or mail us at *Minnesota Valley R.E.C., P.O. Box 248, Montevideo, MN 56265*. Thanks for your help!

- » Alltel Corporate Accounts - Little Rock, AR
- » Anderson, Steven G - Brookings, SD
- » Antony, Marvin - Clear Lake, SD
- » Baldwin, Karen J - St. Cloud, MN
- » Beard, Rene - Murdock, MN
- » Besser, John - DeGraff, MN
- » Carlson, Anthony - Clarkfield, MN
- » Collins, Julia - Granite Falls, MN
- » Dreyer, Johannes C - Worthington, MN
- » Felton, Bryan - Sacred Heart, MN
- » Fier, Scott - Taunton, MN
- » Gleason, Brad - Odessa, MN
- » Govellan, Florencio - Granite Falls, MN
- » Granite Falls Venture Inc. - Eagan, MN
- » Green, Jacqueline - Dawson, MN
- » Grove, Starkey J - Elk River, MN
- » Heidecker, Greg - Montevideo, MN
- » Hendershot, Connie - Morris, MN
- » Hilden Farm Partnership - Marshall, MN
- » Holt, James D - Apache Junction, AZ
- » HPI, Attn: Peter Carlson - Brooklyn Park, MN
- » Hunters Blind % Sam Simonson - Minneapolis, MN
- » Innovex Attn: Kari Peter - Plymouth, MN
- » Jestice, Joseph - Evansville, MN
- » Kibble, James F JR - Montevideo, MN
- » Kroening, David & Terri - New Ulm, MN
- » Kuehn, Michael A - Taunton, MN
- » Lubrant, Mark - Granite Falls, MN
- » Mackey, Karen Kae - Milbank, SD
- » Meyers, Bill - Nisswa, MN
- » Mueller, Jeff - Dawson, MN
- » Northern PCS % Mark Aarberg - Waite Park, MN
- » Nustad, Steve - Owatonna, MN
- » Olson, Michael W - Marietta, MN
- » Price, Greg - Menno, SD
- » Schmidt, Gary & Peggy - Boone, IA
- » Schrader, John L - Tracy, MN
- » Speaks, David - Maynard, MN
- » Swenson, Jerome - Fergus Falls, MN
- » Tharaldson, Greg - Watson, MN
- » Wagner, Greg - Granite Falls, MN
- » Walter, Lachelle Rena - Paynesville, MN
- » Malone, Sean & Meaghan - Louisburg, MN

ENGINEERING & OPERATIONS • JOHN WILLIAMSON



Manager of Engineering & Operations

Construction continues on a steady pace here at your co-op. Underground services are being installed in private right-of-ways to clean up areas of congestion. Other crews are busy upgrading overhead lines. Karian-Peterson is building/upgrading a nine-mile stretch of three-phase line for us. This will serve as a tie between substations that will allow us to handle actual loads and contingency situations.

Some of you being fed off the Gluek Substation experienced an outage on Easter morning. The outage was caused by a black bird that perched in the substation and shorted a phase to ground fault which, in turn, went phase to phase and damaged some insulators and blew fuses knocking out the substation. This past month, we were also balancing some loads off the Wood Lake Substation. During this time, brief outages needed to occur when loads were transferred to a different phase.

Long time employee, Tim Bertrand, who many of you have met through the years, retired this month. Tim spent 31 years working in the Line Department. We would like to extend our best wishes and gratitude for his many years of service.

If you have something going on this summer that needs an upgrade, it is never too soon to contact us to get on the books because the schedule always fills up. Enjoy the great weather!

Reminder: Budget billing sign-up goes through June 30th, 2014! Please call the Business Office for more information.

BUSINESS OFFICE • CANDICE JAENISCH

Office Manager



Margins Through April

Amidst the unseasonably cold weather, there is some good news. Profits at Minnesota Valley continue to be good with margins of \$802,000 through April. This exceeds our budget by \$225,000. Along with an increase of 2 million kwhs sold, our heat credit from a year ago has increased \$148,000 from Basin Electric, which lowers our power costs. These power cost savings are passed on to our members who use electric heat. Operationally, all other costs are right in line with the budget.

Electronic Payments Continue to Rise

Minnesota Valley members continue to use our electronic payment options to pay their electric bills. During the month of April, over 25% of our members used either our online Bill4-U program or our automatic checking account payment option. If you would like more information on these options, please call the Business Office at 320.269.2163.

Minnesota Valley will be closed on Friday, July 4th in observance of Independence Day. Celebrate safely!



MEMBER SERVICES • BOB WALSH



Member Services Manager

4 Great Reasons To Go With A Heat Pump

Are you in the market for a new heating system, or planning on building soon? This summer is a better time than ever to look at a heat pump to cover your heating and cooling needs. Here are four great reasons why you should consider an electric heat pump before the summer ends.

Double Rebate Days

From now through this summer (September 22nd), you can earn double the rebate dollars by installing a heat pump at your home or business. Air source heat pump rebates have increased from \$6 to \$12 per 1000 BTUs, while geothermal heat pumps have increased from \$12 to \$24 per 1000 BTUs of capacity. Contact us soon.

Equipment Loans

Minnesota Valley offers 5% financing for electric heating equipment. Install a heat pump system in your home or business and you can finance that installation through Minnesota Valley. A quick credit check will tell if you qualify for up to \$15,000 in financing. Loan terms can be for up to 7 years. We also offer financing for energy efficiency building upgrades and wiring upgrade loans. The whole process is quite simple and turnaround time is quick. Contact the Member Services Department for more information.

Electric Heat Rates

Minnesota Valley has been offering reduced electric heat rates for years. These rates will make an already economical heating and cooling system much cheaper to operate. A separate metering system is installed on your electric heating equipment so any electricity used for that equipment is at a cheaper rate. Please contact our heating experts to supply you with more information and explain what your savings can be.

Tax Credit

By installing a geothermal heat pump before December 31, 2016, you can take advantage of a 30% tax credit for that installation. You may want to contact a tax representative to see what this credit may mean for you. More information can be found at www.energystar.gov.

What better reasons do you need? The time is now to take advantage of summer rebates, loans and electric heat rates. You can have a new heat pump system working to save you heating dollars before the summer is done! Contact us now at 320.269.2163 or 800.247.5051 to learn more.

Energy-Saving-Tip

Set it and forget it!

Avoid setting your thermostat at a colder setting than normal when you turn on your air conditioner. The house won't cool down any faster, and chances are you won't turn the thermostat back to the desired temperature until the house has gotten too cool, resulting in excess energy consumption.



\$\$ SUMMER DOUBLE DOLLAR DAYS \$\$

Double your rebate dollars by installing a heat pump heating and cooling system at your home or business from May 1st to September 22nd, 2014.

- » Both Geothermal and Air Source Heat Pumps qualify
- » New installations and replacements qualify
- » EnergyStar® rating or higher are needed to qualify
- » Geothermal rebates will be \$24/1,000 BTUs of capacity
- » Air Source rebates will be \$12/1,000 BTUs of capacity



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Montevideo, MN 56265

Office Hours

8:00 a.m. - 4:30 p.m.
Monday through Friday

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