

# CIRCUITS

NEWS FOR DAKOTA ELECTRIC MEMBERS



## A vision realized

Utilities invested 12 years and \$1.85 billion to fortify the midwest electric grid and enable renewable energy development.

A 2004 hallway conversation between Minnesota's two largest utilities spurred a 12-year effort to update and expand the region's electric grid.

With last September's completion of a 345-kilovolt transmission line between Hampton, Minn. and La Crosse, Wis., the original vision for the massive CapX2020 grid expansion was completed.

CapX2020 is a joint initiative of transmission-owning utilities in Minnesota, North Dakota, South Dakota and Wisconsin formed to upgrade and expand the electric transmission grid to ensure continued reliable and affordable service.

CapX2020 was the largest electricity transmission project in Minnesota since the 1970s. The value delivered by the projects in terms of reduced congestion, market access, improved reliability and system resiliency are expected to far exceed the \$1.85 billion investment in the projects.

CapX2020 also has opened new outlets for renewable energy (initially wind and now also utility-scale solar) to be delivered to the market.

### A new era

A report released in April by the University of Minnesota's Humphrey School

of Public Affairs described CapX2020's accomplishments as "an example that other utilities can and should emulate as they cooperate on regional projects."

Researchers said the CapX2020 partnership was the first instance of a large group of utilities working collaboratively to address the transmission needs of an entire region. The report said CapX2020 achieved success by building a strong coalition of utilities that had the resources to finance and manage large-scale projects, and the political influence to ally with a broad range of stakeholders to change laws and regulations.

- continued on page 3

## In This Issue

CEO Column: What's in store for 2017. . . .	2-3
Kids 'n Kinship wins Touchstone Energy Community Award . . . . .	4
2017 RTA increase . . . . .	5
Dakota Electric donates \$40,000 to local schools . . . . .	7

### Upcoming events

Board Meeting . . . . . Feb. 23, 8:30 a.m.

February 2017





**Greg Miller**  
President & CEO

*“We are adding our own 1-MW solar array that will offset wholesale power purchases and directly connect to Dakota Electric’s distribution system for the sole benefit of our members.”*

## What's ahead for your electric co-op in 2017

Dakota Electric Associations’ board of directors recently reviewed and approved the 2017 budget and construction work plan. These documents outline how we intend to invest in our cooperative for the benefit of our member-owners.

### New services

Indications are that Dakota Electric will add approximately 1,000 new services throughout the year. Most of this growth will be new homes and apartments. Despite the growth in new services, our kWh sales remain nearly flat, which reflects overall improvements in energy-efficiency standards, participation in utility conservation programs and other factors.

### Solar

Our members have indicated they would like Dakota Electric to have more renewables in our generation mix, so we are adding our own 1-MW solar array near Hastings that will consist of more than 3,500 solar panels. The solar

array will offset wholesale power purchases and directly connect to Dakota Electric’s distribution system for the sole benefit of our members. This should be online in early summer.

### Technology

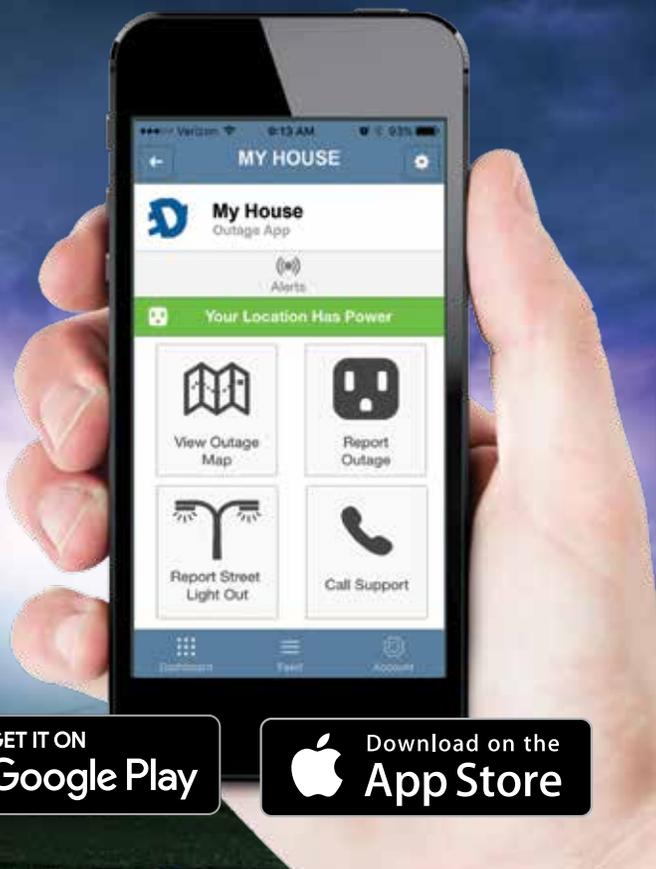
Dakota Electric is in the process of updating and enhancing our website with greater functionality and features. Our new website is expected to launch in the first quarter of 2017. This will complement our new outage application that we launched just a few weeks ago to report and track outages from your wireless device. I encourage you to download this app for convenient outage reporting.

Our customer information system software is the hub of our member service and billing departments and it is now 20 years old. Our employees have been busy preparing to change to a new system which is expected by the middle of 2017. This software will be a foundation on which to provide even better services in the future.

# NEW! OUTAGE APP Quick. Easy. Informed.

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Once you have installed the app, you must request a code by visiting [dakotaelectric.com](http://dakotaelectric.com) and clicking on "Dakota Electric Outage App" under the Quick Links menu. The code is specific to your account and is required to personalize the app to your residence.



We are currently halfway through a project to connect all of our 34 electrical substations in the field to fiber optics for enhanced communication and control of our system. This communication network will also be a foundation for future functions and services. Plans are to complete this project by the middle of 2018, with most of our substations connected by the end of this year.

### New meter equipment

Another foundational project we are researching involves the replacement and updating of our aging electric meters and load management devices. Many of these devices are more than 20 years old and nearing end of life. Dakota Electric has over 116,000 electric meters and about 50,000 load control devices in use today, and we are looking at the best technology to replace this infrastructure.

Employee teams and consultants have been researching the options available over the past five years, and we are looking carefully at the technology that has been successfully used at other utilities around the country. New metering technology can communicate the meter readings and outage information directly to Dakota Electric's office and help us prevent outages by seeing overloaded situations or blinks which can turn

into extended power outages.

When an outage occurs, this system will rapidly collect information from the individual meters and identify the outage so power can be restored even if the member is away from home.

If all goes as planned, we will conclude our research this year and send out requests for proposals. Upon approval, we will install a limited number of meters in 2018 to verify the operation and performance of the interconnected systems. If all goes well, we will begin replacing the rest of the meters beginning in 2019, over approximately a 24-month period. Dakota Electric will provide our members with regular updates as we proceed, with more frequent updates as we get closer to the installation. We will also have a special section on our website to update our members on our progress and answer frequently asked questions.

We are excited to utilize all of these technology systems to serve you even better in the future. It will surely be an exciting year at Dakota Electric, and we encourage you to visit our website or like us on Facebook/Twitter for updates about your electric cooperative. Thank you for the privilege to serve you.

## A vision realized (cont.)

CapX2020 also provided an opportunity for all the participating utilities to invest in the projects that benefit the customers they serve. This was innovative considering that there were multiple simultaneous large-scale projects and diverse business structures among the participants.

### An economic force

During construction of the projects, local communities received an economic boost. An economic impact study, conducted by the University of Minnesota Duluth's Bureau of Business and Economic Research, estimated the CapX2020 projects would result in the creation of thousands of construction and related jobs as well as collectively provide nearly \$50 million in tax revenue to the four states in which the projects were built.

### CapX2020 continues

The CapX2020 utilities continue to assemble periodically to discuss regional transmission needs and policy that impacts transmission.

The CapX2020 utilities are Central Municipal Power Services, Dairyland Power Cooperative, Great River Energy, Minnesota Power, Missouri River Energy Services, Otter Tail Power, Rochester Public Utilities, Southern Minnesota Municipal Power Agency, WPPI Energy and Xcel Energy.



### Dakota Electric board and staff meet with local legislators

In December, Dakota Electric hosted a meet-and-greet with newly elected state representatives and senators located in its electric service area. This gathering was attended by Dakota Electric's board of directors and senior staff, along with staff from the Minnesota Rural Electric Association. Legislators discussed their priorities for the 2017 legislative session, and Dakota Electric provided an overview of the cooperative and identified energy issues that could be initiated in this year's session.

# Kids 'n Kinship wins Touchstone Energy Community Award

Dakota Electric Association named Kids 'n Kinship, Apple Valley, as the local 2016 Touchstone Energy Community Award winner. River Valley Band of Hastings and Eagan Art Festival were named runners-up, and each of the non-profits received a plaque and a check for \$500.

“Dakota Electric is proud to recognize these organizations doing great work in our local communities,” said Greg Miller, Dakota Electric’s president and chief executive officer. “As a member-owned cooperative, we are committed to our local communities and this is one way we encourage and honor those who are like-minded.”

Kids 'n Kinship is a preventive mentoring program serving children and youth ages 5 to 16 who are in need of positive role models. They serve about 120 kids annually living within Apple Valley, Burnsville, Eagan, Farmington, Lakeville and Rosemount. The organization matches carefully screened and trained volunteers with a child who is in need of a positive

role model.

River Valley Band of Hastings seeks to provide a place for musicians to grow in their musicianship, to perform for their enjoyment and to enrich the lives of those in the audience through the beauty of music.

The Eagan Art Festival, part of Dakota Center for the Arts, seeks to provide arts access to the community in a festive setting that allows patrons to listen to music, view a variety of artwork and provide an opportunity for hands-on activities for all ages.

The Touchstone Energy Community Award recognizes organizations for outstanding contributions to the local community.

The Kids 'n Kinship award application will be submitted to the statewide Minnesota Touchstone Energy Community Award. The statewide award recipient will be selected from local

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award winners throughout Minnesota and will receive \$1,000. The Minnesota Touchstone Energy Community Award will be announced in February, during the Minnesota Rural Electric Association's annual meeting in St. Paul.



Dakota Electric board members Margaret Schreiner (L) and Janet Lekson (R) present the Touchstone Energy Community Award to this year's recipients: (L-R) Cress Gackle, vice president, Allen Saunders, president, Dan Retka, treasurer, all from River Valley Band; Jan Belmore, director, Kids 'n Kinship; and Navin Mahavijayan, board member, Eagan Arts Festival.

## 2017 RTA details

The Resource and Tax Adjustment (RTA) charge will increase on most members' bills in 2017.

### How much is the increase?

For residential members, the 2017 RTA charge will be \$0.0036 per kilowatt-hour, which is \$0.0006 higher than December 2016. This will increase the average residential member's bill by approximately \$0.48 per month. Commercial and industrial accounts should contact an account representative to discuss the RTA charge for their rate class.

### What is the RTA?

Dakota Electric uses the RTA to adjust prices according to changes in wholesale power cost, property and real estate taxes and conservation spending. The charge is a direct pass-through of costs and is reviewed by the Minnesota Public Utilities Commission.

### What else can increase bills?

Winter can unexpectedly increase electricity use. February bills reflect energy use from January when short, cold days require more energy for lighting, furnace fans and electric space heaters. Humidifiers, electric blankets, heat tapes and heaters for engine blocks, birdbaths and outdoor water dishes for animals all increase electricity consumption.

Members can visit the Energy Efficiency section at [www.dakotaelectric.com](http://www.dakotaelectric.com) or call an Energy Expert® at 651-463-6243 for energy-saving tips.

## Thank you for your donations

Dakota Electric members donate more than \$27,000 to Helping Neighbors®

Dakota Electric would like to thank those members who donated to our Helping Neighbors® program. In 2016, we collected \$27,258 in donations. That money supports the energy assistance programs of 360 Communities, the CAP Agency and the Salvation Army, and helps struggling families and individuals catch up on utility bills during unexpected hardships.

Dakota Electric created the program in 1994 and since then, members have donated close to \$600,000.

For more information on how you can help, visit [www.dakotaelectric.com](http://www.dakotaelectric.com) > Residential > Programs & Rebates or call 651-463-6212.



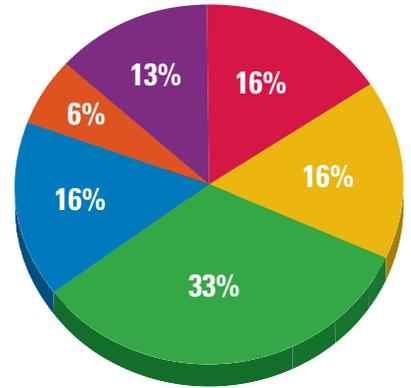
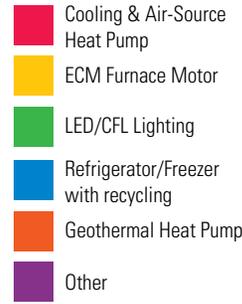
# Thank you to our members! 2016 conservation and energy savings

Thank you to Dakota Electric members who participate in our Energy Wise® off-peak and energy-efficiency programs. You helped us exceed our 16.4 million kilowatt-hour (kWh) Conservation Improvement Program (CIP) goal for 2016. State law requires every electric utility to achieve energy savings equivalent to 1.5 percent of their annual retail energy sales. Member participation in the organization's energy conservation programs is essential for Dakota Electric to meet this challenging goal.

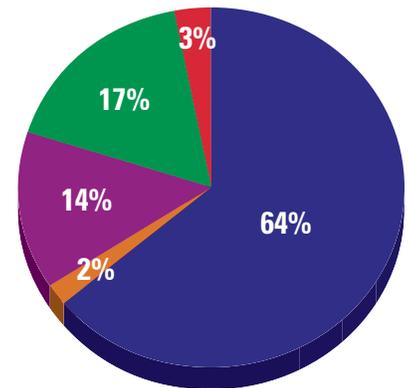
In 2016, our members saved more than 23 million kWh of electricity through rebate programs, off-peak programs and energy conservation. By participating in off-peak programs, you helped avoid about \$17 million in wholesale power costs. The pie charts to the right indicate the top rebate programs for residential and commercial members in 2016.

Dakota Electric offers a variety of off-peak programs and energy-efficiency rebates. Visit [www.dakotaelectric.com](http://www.dakotaelectric.com) for a full list of programs or call the Energy Experts® at 651-463-6243.

## Top Residential Rebate Programs



## Top Commercial Rebate Programs



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\*In-Home Estimate Needed, Offer Expires February 28, 2017

# Circuits Quick Clips

## Dakota Electric donates \$40,000 to local schools

Dakota Electric recently presented a \$10,000 donation to the school districts of Hastings, Inver Grove Heights and South St. Paul, along with Inver Hills Community College. The donation money comes from unclaimed capital credits, and each year Dakota Electric uses those funds to donate to different schools throughout its service territory.



Hastings will use the money for its STEM program and robotics initiatives, along with life skills training for special needs students, among other things. South St. Paul and Inver Grove Heights will use the money as they collaborate to improve their innovative Career and College Readiness Pathways program, which helps high school students earn educational certificates and learn about careers to help them succeed in post-secondary, two- and four-year degree programs. Inver Hills Community College intends to use the funds to update their IT program equipment.

*School district representatives accepted \$40,000 worth of donations from Dakota Electric at a recent board meeting. (L-R): Dave Webb, South St. Paul superintendent; Margaret Schreiner, Dakota Electric board member; Dave Bernhardson, Inver Grove Heights superintendent; Gail Morrison, Inver Hills Community College executive director; and Clay Van De Bogart, Dakota Electric board member. Not pictured: Tim Collins, Hastings superintendent.*

## SAVE THE DATE! Dakota County Crops Day

Wednesday, March 15  
9 a.m. - 1 p.m.

Dakota Electric Association  
4300 220th St. W., Farmington

Dakota County Crops Day will bring the University of Minnesota and agency specialists to Dakota County to share local research results and crop management strategies with producers and other agricultural professionals. Topics this year will include:

- soil health and sustainability
- split nitrogen fertilizer application research
- the draft nitrogen fertilizer rule: What does it propose for Dakota County?
- evapotranspiration of irrigated crops
- weed control for corn and soybeans
- watershed plans and state strategies in Dakota County
- SWCD, NRCS and FSA updates



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## Board of Directors

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Jim Sheldon, Chair  
Clay Van De Bogart, Great River  
Energy Director

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Greg Miller, President & CEO  
Tanya Wolfs, Editor



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## Calling all juniors and seniors in Dakota Electric's service territory

Deadline to apply for the 2017 NRECA  
Youth Tour is Feb. 21.

June 10-15, 2017 | Washington, D.C.

### To Apply

Contact your high school guidance counselor or visit  
dakotaelectric.com to download an application.



## Contact Us

Member service & drive-up window  
7 a.m. – 7 p.m. Monday - Friday  
651-463-6212 or 1-800-874-3409  
Minnesota Relay Service 711

Lobby 7 a.m. – 4:30 p.m., Monday - Friday  
4300 220th Street West, Farmington, MN 55024

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