

# CIRCUITS

NEWS FOR DAKOTA ELECTRIC MEMBERS



Dakota Electric board members, Clay Van De Bogart and Margaret Schreiner, represent Dakota Electric on Great River Energy's board of directors. The two were instrumental in encouraging Great River Energy to refund its member cooperatives after a strong financial year in 2017.

## 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 (both increases and decreases) and is reviewed by the Minnesota Public Utilities Commission.

## How much is the decrease?

For residential members, the 2018 RTA rate will be **\$0.0012** per kilowatt-hour, which is **\$0.0024** lower than Dec. 2017. This will reduce the average residential member's bill by approximately **\$1.90** per month. Commercial accounts should contact an account representative to discuss the RTA rate for their rate class.

## Dakota Electric returns \$1 million to members, RTA charge will decrease on most members' bills

At Dakota Electric's encouraging, Great River Energy, Dakota Electric's wholesale power supplier, will refund \$6 million to its member-owners, which includes Dakota Electric and 27 other electric cooperatives in Minnesota. This refund is due to strong financial results Great River Energy had in 2017.

Contributing to Great River Energy's strong 2017 financial results were revenues from its high-voltage transmission operations, financial and operational success from its subsidiary businesses, as well as operations and maintenance savings.

Dakota Electric's share of the refund is \$1 million and is being passed through to its member-owners.

Clay Van De Bogart, one of Dakota Electric's representatives on the Great River Energy Board of Directors, said "2017 was a good financial year for Great River Energy, with margins more than sufficient to meet financial requirements. That success should be shared with our member-owners through a refund."

Dakota Electric directors Van De Bogart and Margaret Schreiner led the effort encouraging Great River Energy to pro-

vide this refund.

In addition, certain wholesale power costs for consumers, like Dakota Electric's residential members, will be decreasing in 2018. Taken together — a refund from 2017 and lower wholesale power costs in 2018 — means a decrease in the 2018 RTA rate for Dakota Electric's members.

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## Upcoming events

Commercial Member Meeting . . . . .	Feb. 21
Board Meeting . . . . .	Feb. 22, 8:30 a.m.

February 2018





**Greg Miller**  
President & CEO

## What to expect in 2018

Dakota Electric Association's board of directors recently approved the 2018 budget and construction workplan. The budget directly ties to our strategic plan which has five areas of focus: safety, rates, reliability, member services and commitment to the environment.

Dakota Electric's safety program continues to improve and evolve. While our safety program is primarily focused on our employees, it also includes safety for the public, electrical safety training for first responders and safety programs for youth. Budgeted items include equipment, tools and training to ensure everyone goes home healthy every day.

Our budgeting process is just one element of our financial stewardship. Prudent cost controls and long-range financial planning contribute to our competitive rate comparisons with neighboring utilities. Our wholesale power supplier, Great River Energy, represents 75 percent of our members' electric bill. The good news is that Great River Energy's rate forecast

indicates modest increases in wholesale cost of power for the foreseeable future.

Reliability at Dakota Electric is first-class as we rank in the top quartile as compared to other utilities in the nation. We will continue to replace aging infrastructure and add new equipment and technology to improve our reliability and resiliency. This year's budget includes over \$10 million in new investments in our electrical infrastructure. We also expect to add 1,000 new homes and businesses to our system.

We continue to investigate upgrading our electric meters for better service to our members. In 2018, we budgeted to complete our fiber optic communication system, establish a meter-reading database and install a small pilot project here at the office to demonstrate functionality of the new system. Plans are for a larger pilot project in 2019 and full deployment in 2020 and 2021. This system will not only gather meter readings, it also allows us to detect power flickers, transformer overloads

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and improve our response time to power outages.

Our member services also rank high in national surveys. We pride ourselves on having educated and friendly employees that members can contact with their questions. This year's budget includes the replacement of our customer information system software. Our member service representatives use this software to answer your calls and generate monthly electric bills. We will also stay active in the communities we serve and work with state and local economic development efforts to bring jobs to our communities. Our website and mobile applications continue to improve to serve you even better and add the convenience you expect.

Our commitment to the environment is demonstrated by our successful programs and rebates that allow our members to save over 17 million kilowatt-hours a year. We plan to add an additional 2MW of solar energy in 2018. This will bring our total renewable portfolio to over 11,000 solar panels — solely for the benefit of our members. Our wholesale power resource mix continues to get cleaner with the retirement of older coal power plants and the addition of large wind projects that are both environmentally friendly and cost competitive.

So we are off and running on our new year. We will combine the hard work and knowledge of our employees with new technologies to serve you even better. We look forward to serving you. Happy New Year!

## 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 2017, we collected \$27,735 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 nearly \$600,000.

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



## The Open Door wins local Touchstone Energy Community Award

Military Family Support Group and DARTS are named runners up



*Pictured are Dakota Electric board members and the 2017 award recipients (L-R): Judy Kimmes, board member; Carol Wirsbinski, The Open Door; Ken Danner, board member; Ann Bailey, DARTS; Dee & Bernie Strohfus and Lois & Jim Finan, Military Family Support Group; Jerry Pittman, board member; and Clay Van De Bogart, board member.*

Dakota Electric Association named The Open Door, Eagan, as the local 2017 Touchstone Energy Community Award winner. Military Family Support Group, Burnsville, and DARTS, West St. Paul, were named runners-up, and each of the non-profits received a plaque and a check for \$500. The award recognizes organizations for outstanding contributions to the local community.

The Open Door's innovative approach using Mobile Food Pantries is helping to tackle the unique challenges of suburban hunger. Since 2013, they have been bringing fresh and healthy food options directly to parts of local communities where it is needed most. The Pop Up Produce Stands program, just launched in 2017, uses social media and other community connections to distribute farm-fresh produce to people in a short amount of time. The Open Door's Mobile Food Pantries served nearly 12,000 people in 2016 and distributed more than 183,000 pounds of food.

Military Family Support Group seeks to provide care packages to military personnel serving in war zones to support and reassure them that they are not forgotten. DARTS provides home services and transportation to the elderly and disabled in Dakota County along with providing volunteer opportunities to older adults.

The Open Door award application will be submitted to the statewide Minnesota Touchstone Energy Community Award. The statewide award recipient will be selected from local award winners throughout Minnesota and will receive \$1,000.

## Fueling the future

# Electrification of the economy can play a role in reducing

For decades, consumers have been encouraged by their utilities to incorporate energy efficiency into their everyday lives because the less energy they used meant less energy was generated at power plants.

While energy efficiency will continue to be important, it may be only one facet of a new overall initiative that will keep power flowing to residences and business while further reducing greenhouse gas emissions (GHG).

Mounting research suggests that "electrifying" certain parts of the economy — using electricity in ways traditionally powered by fossil fuels, such as natural gas, propane, gasoline and diesel — is needed to achieve ambitious carbon emissions reduction goals worldwide.

This concept, dubbed "environmentally beneficial electrification," has gained momentum among Great River Energy and its member cooperatives, and there seems to be a growing consensus in favor of it among other organizations. For example, Lawrence Berkeley National Lab finds that the key to meeting necessary GHG goals is by "widespread electrifica-

tion of passenger vehicles, building spaces and water heating."

"There are three key characteristics of environmentally beneficial electrification: it saves consumers money, reduces greenhouse gas emissions and improves overall efficiency of the electric grid. For an electric end-use to be considered environmentally beneficial, it must meet at least one of the characteristics and do no harm to the others," said Gary Connett, director, member services and marketing at Great River Energy. "While consumers may use more electricity, there will actually be a reduction in emissions put into the atmosphere."

This is due to the grid becoming greener as utilities incorporate more renewable sources of energy into their generation portfolios. Great River Energy, for instance, purchases the output from eight wind projects in the Midwest totaling 468 megawatts, and also built 650 kilowatts of solar energy installations throughout Minnesota.

According to the U.S. Energy Information Administration, the carbon dioxide emission rate of U.S. electricity generation de-

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## carbon emissions

clined by 21 percent between 2005 and 2015, primarily due to generation from coal being offset by increased generation from lower-emitting sources, such as wind and solar.

"That's emissions efficiency. If you put an electric water heater in your home, the emissions will decline every year. The appliance can't get any more efficient than it is, but the fuel heating your water — electricity — is getting cleaner and producing fewer emissions," Connett said.

A Brattle Group report published last January indicates that significant reductions in GHG emissions to achieve long-term deep decarbonization must come not just from power generation, but also by electrifying water and space heating in addition to electrification of the transportation sector. The report illustrates that full electrification of these areas could lead to a

72 percent decrease in carbon dioxide emissions from 2015 levels.

Great River Energy and its member cooperatives are taking advantage of resources becoming more renewable and less carbon intensive by implementing efforts such as Re-volt, a program that fuels electric vehicles with wind energy; a battery electric school bus pilot program; an electric thermal space and water heating storage network; and promoting heat pumps for space and water heating.

While Great River Energy will continue to invest in cleaner energy resources in the future, it will be equally important for it and its member cooperatives to encourage the use of electricity in a most efficient and cost effective manner that not only saves energy, but reduces overall GHG emissions as well.

## How much does it cost? Lighting and Heating Equipment

By understanding how much certain equipment and appliances cost, you are better able to manage your electricity costs.

High winter bills can be the result of such things as cold temperatures when electric heating equipment runs longer than normal; using a portable space heater; and letting your furnace fan run constantly in the "On" setting versus the "Auto" setting.

To help save on your energy bills during the winter, our Energy Experts® recommend:

- installing high-efficient LED light bulbs to decrease lighting costs.
- setting your furnace fan to run on "Auto" instead of "On."
- installing a programmable thermostat to reduce the run-time of your heating and cooling system, thus maximizing your energy savings.
- putting energy-intensive appliances on our Energy Wise® off-peak program to receive a lower electric rate in exchange for hours of cycling or interruption to the appliance's electric service each month. Qualifying loads include but are not limited to: hard-wired electric heat, electric thermal storage (ETS) heaters, plenum or garage heaters, in-floor electric heat, hot tubs and water heaters.

### LIGHTING

APPLIANCE	TYPICAL ENERGY USE	AVG. MONTHLY COST AT 12.5c/kWh
9-Watt LED Lamp	1.1 kWh/mo	\$0.14
18-Watt Compact Fluorescent Lamp	2.2 kWh/mo	\$0.28
60-Watt Incandescent Lamp	7.4 kWh/mo	\$0.93
100-Watt Incandescent Lamp	12.4 kWh/mo	\$1.55
300-Watt Halogen Torchiere Lamp	37.2 kWh/mo	\$4.65
Incandescent Mini Holiday Lights	5.0 kWh/mo	\$0.63
LED Mini Holiday Lights	0.5 kWh/mo	\$0.06

### HEATING EQUIPMENT

APPLIANCE	TYPICAL ENERGY USE	AVG. MONTHLY COST AT 12.5c/kWh
Standard Electric Water Heater - Family of 4	400 kWh/mo	\$50.00
Standard Electric Water Heater - Family of 2	200 kWh/mo	\$25.00
Off-Peak Electric Water Heater - Family of 4	400 kWh/mo	\$24.80
Off-Peak Electric Water Heater - Family of 2	200 kWh/mo	\$12.40
Furnace Fan (Auto)	100-200 kWh/mo	\$12.50-\$25.00
Furnace Fan (Constant)	250-500 kWh/mo	\$31.25-\$62.50
Portable Space Heater (1,500 Watts)	280-1080 kWh/mo	\$35.00-\$135.00
Water Bed Heater	100-200 kWh/mo	\$12.50-\$25.00
Portable Spa/Hot Tub	200-500 kWh/mo	\$25.00-\$62.50
Heat Tape	130 kWh/mo	\$16.25
Engine Block Heater (with Timer)	62 kWh/mo	\$7.75

*These figures are based on the average use of an appliance in good working condition and are based on national averages and independent research. Actual use will vary based on the number of hours used, and the age and condition of equipment. Lighting figures based on four hours of use per day.*

If you are concerned about your energy consumption, or want to learn more about our energy-saving programs, contact the Energy Experts® at 651-463-6243.

## More company fleets going electric

Last fall, a coalition of global corporations, including Unilever, Ikea and shipping giant DHL, launched a global campaign to accelerate the shift to electric vehicles (EV) and away from gas- and diesel-powered transportation.

Among the 10 companies that launched the EV100 coalition, seven are committing to replacing part or all of their vehicle fleets with either full battery electric or plug-in hybrids that combine grid-charging and a conventional engine. The group would like to reach 100 members to send a signal to automakers that there is a mass demand for EVs before 2030, when current forecasts suggest global uptake will start to really ramp up.



Tesla Semi

In December, UPS announced it is making a big investment in all-electric trucks by placing an order for 125 of Tesla's new semi trucks. It is part of the company's goal to reduce its greenhouse gas emissions from its ground operations 12 percent by 2025, the company said.

Tesla claims up to a 500-mile range on a single charge, en-

hanced on-road safety and significantly reduced long-term costs of ownership, according to UPS. Tesla expects to begin producing the vehicles next year.

Mike Fosse, vice president of energy and member services at Dakota Electric, is not surprised by the recent news. "We have seen a steady increase in EV adoption among our residential members," he said. "More companies are now realizing the benefits of an EV due to the decreasing cost of batteries and the increased range those batteries now provide."

Fosse believes the increase in EV adoption among corporations will continue to lend credibility to the EV industry as a whole, as more consumers decide to invest in an EV and adoption rates climb.

"We have EV charging programs in place for our members," Fosse said. "Whether you are a commercial or residential member, if you are looking to purchase an EV, contact us to find out how we can help you save on your charging costs."

Source: Inside Climate News, USA Today

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# Circuits Quick Clips

## Commercial member meeting **Innovation Evolution For Your Business**

**WHEN: Wednesday, Feb. 21**

7:30 - 8 a.m. — Registration, Breakfast & Vendor Displays

8 - 9:30 a.m. — Verizon: Innovation Evolution

9:30 - 10 a.m. — Tour of Skyline Exhibits (optional)

**WHERE: Skyline Exhibits**

3355 Discovery Road, Eagan, MN 55121

At Dakota Electric's commercial member meeting, Verizon will present on the Internet of Things (IoT) and its ever-expanding ecosystem of Internet-enablement, network security, One Talk and mobile device management solutions.

At Verizon, they have one mission: to give your business the ability to do more in this world. Some of the ways they do this is by:

- responding to the evolution within the demands of each industry;
- remaining at the forefront of innovation;
- and embodying the high level of quality the event delivers each year.

**You must register to attend**

<https://deameeting0218.eventbrite.com>

**Registration deadline is Feb. 19.** Questions? Contact Brenda at 651-463-6234 or [bkadlec@dakotaelectric.com](mailto:bkadlec@dakotaelectric.com)

**SAVE THE DATE!**  
Dakota County Crops Day

**Wednesday, March 14**  
9:00 a.m. - 1:00 p.m.

Dakota Electric Association  
4300 220th St. W, Farmington

Watch for more information in next month's *Circuits*.



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## Contact Us

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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  
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24-hour outage & emergency service  
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