

FEBRUARY 2021

# CIRCUITS

FOR DAKOTA ELECTRIC MEMBERS



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## 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 Temporarily Closed

4300 220th Street West, Farmington, MN 55024

### 24-Hour Outage & Emergency Service

651-463-6201 or 1-800-430-9722

### Underground Cable Locations

Gopher State One Call 811 or 651-454-0002  
or 1-800-252-1166

### Tree Trimming & Street Lights

651-463-6287

*Dakota Electric is an equal opportunity/  
affirmative action employer*

### Dakotaelectric.com

[customerservice@dakotaelectric.com](mailto:customerservice@dakotaelectric.com)

*Dakota Electric Association® and Dakota Electric®  
are registered service marks of the cooperative.*

*All programs and rebates are subject to change  
without notice. Funds are limited and available  
on a first-come, first-served basis.*

## Dakota Electric Association

# BOARD of Directors

### DISTRICT 1

John (Jack) DeYoe

David Jones

Gerald F. Pittman | *Chair*

### DISTRICT 2

Bill Middlecamp

Jim Sheldon | *Treasurer*

Clay Van De Bogart | *GRE Director*

### DISTRICT 3

Kenneth H. Danner | *Secretary*

William F. Holton

Margaret D. Schreiner | *GRE Director*

### DISTRICT 4

Paul Bakken | *Vice Chair*

Judy H. Kimmes

Stacy Miller | *MREA Director*



# Looking Ahead

## What members can expect in 2021

**Dakota Electric Association's board of directors recently reviewed and approved the 2021 budget and construction work plan. These documents outline how we intend to invest in our cooperative for the benefit of our member-owners.**

### 2021 Budget

The 2021 budget reflects the impact of COVID-19 on our operations. We continue to find ways to help members who are struggling to pay their electric bill by setting up payment arrangements and connecting them with energy assistance resources. If you need more time to pay the amount owed on your electric bill, we will work with you. You can contact us Monday through Friday from 7 a.m. to 7 p.m. at **651-463-6212** or **1-800-874-3409**, or email [customerservice@dakotaelectric.com](mailto:customerservice@dakotaelectric.com).

Additionally, we completed our rate case in the fall of 2020 — a process we go through approximately every five years. Even with our rate case, prudent cost controls and long-range financial planning allow Dakota Electric to remain competitive with neighboring utilities.

### Reliability

Reliability at Dakota Electric is first-class as we rank in the top quartile compared to other utilities in the nation. We continue to replace aging infrastructure and add new equipment and technology to improve our reliability and resiliency. Additionally, we expect to connect around 1,000 new homes and businesses to our system in 2021.

### Technology

We continue to upgrade our electric meters to serve our members even better. The system gathers meter readings, allows us to detect power flickers or transformer overloads and improves our response time to power outages. I am thrilled to announce we are on track to install a substantial amount of our new meters by the end of the year.

### Capital Credits

Dakota Electric's board annually approves the payment of capital credits. A few years ago, Dakota Electric was on a 27-year rotation for returning capital credits, retiring the oldest credits first. During the cooperative's 2019 strategic planning review, the board of directors decided to accelerate the capital credits pay-back program. They set a goal to achieve a 15-year rotation by 2025. We are excited to show more of our members the benefit of being part of a cooperative (page 3).

We are optimistic about the new year and look forward to demonstrating the cooperative advantage to new and existing members. We encourage you to visit our website, or like us on Facebook, Twitter or Instagram, for the latest updates about your electric cooperative. Thank you for being a member of Dakota Electric. It is a privilege to serve you.

— **Greg Miller**  
President and CEO

# CAPITAL CREDITS



## Returning capital credits quicker than before

As we look to the future and launch brand-new initiatives, Dakota Electric's core values stay true — provide members with outstanding electric reliability and quality service at a competitive rate. These pillars guide the strategic plan approved by our board of directors and on-going service provided by our employees.

One benefit of being a member at Dakota Electric means you get a portion of the cooperative's margins. When Dakota Electric's annual revenue exceeds expenses, it allocates margins — or capital credits — to members based on their annual electric bill. Based on financial conditions, the board approves payment of past capital credits to members. Sound financial decisions made over the years at Great River Energy, our power supplier, are now adding to the amount of capital credits we can return to our members.

A few years ago, Dakota Electric was on a 27-year rotation for returning capital credits. During the cooperative's 2019 strategic planning review, the board of directors decided to accelerate our capital credits pay-back program and set a goal to achieve a 15-year rotation by 2025.

### How does this affect our members?

While Dakota Electric may allocate capital credits to members each year, the money is not paid out right away. Capital credits provide equity for the cooperative to reduce borrowing and interest payments — keeping rates as low as possible. When Dakota Electric's board approves the payment of capital credits each year, they retire the oldest capital credits first.

To enhance the value of cooperative membership, the board made the significant strategic decision to speed up the capital credit retirement cycle by paying out 12 years of credit, a projected \$22 million, in five years. To reach this goal, the board of directors approved the annual payout of \$4.4 million in 2020.

Capital credits reflect just one advantage of being a cooperative member — we share our profits with you because we do not have outside stockholders. Over the next few years, more of our members will begin to experience the benefit of being a member-owner at Dakota Electric.

## Notice to cogenerators

In compliance with Minnesota Rules Relating to Cogeneration and Small Power Production, Chapter 7835, Dakota Electric Association is required to interconnect with and purchase electricity from cogenerators and small power producers that satisfy the conditions of a qualifying facility.

Dakota Electric will provide free information to all interested members regarding rates and

interconnection requirements. An interconnection application is required and subject to approval from the cooperative before a qualifying facility interconnects and operates in parallel with the cooperative's distribution system.

Any disputes over interconnections, sales and purchases are subject to resolution by the Minnesota Public Utilities Commission.



VISIT DAKOTA ELECTRIC'S WEBSITE AT: [DAKOTAELECTRIC.COM/RENEWABLE-ENERGY/CONNECT-YOUR-OWN-SYSTEM/](https://dakotaelectric.com/renewable-energy/connect-your-own-system/)  
OR CALL MIKE P. AT 651-463-6180.



# GOING FORWARD

## The Time Has Come to Pursue Beneficial Electrification and the ECO Act

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We all want to ensure a clean environment for our kids and grandkids; embracing the concept of beneficial electrification can help us get there.

Innovations in energy technologies are creating new ways to use electricity and move away from fossil fuels like propane, natural gas and gasoline. Beneficial electrification supports the use of more all-electric appliances and equipment, such as electric heat pumps and electric vehicles, and provides users with clean and efficient products. Widespread beneficial electrification reduces greenhouse gas emissions and fosters a more robust and resilient electrical grid. Minnesota's electric cooperatives are therefore seeking to modernize Minnesota's statutes on energy conservation to promote beneficial electrification.

Minnesota's Conservation Improvement Program (CIP), most recently modified in 2007, includes conservation goals for all electric utilities. Each utility must reduce their electricity sales by at least 1.5% every year and spend at least 1.5% of their revenue on conservation measures. I am pleased Minnesota's electric cooperatives consistently meet or exceed their CIP goals.

More than a decade later, the electric industry is the only segment of the economy to exceed its carbon reduction goals. The generation resources of Dakota Electric's power supplier, Great River Energy, are rapidly becoming cleaner and will be 95% carbon free

within a few years. CIP needs to be modified to support the technological advancements that have positive environmental impacts. To modernize the program, Minnesota's electric cooperatives have worked with legislators to draft the Energy Conservation and Optimization (ECO) Act.

The ECO Act emphasizes total energy efficiency across the energy, industrial, agriculture and public sectors, rather than focusing on reducing electricity use. Specifically, the energy-reduction goal will remain at 1.5% annually, but a portion can be achieved with beneficial electrification programs. For example, Dakota Electric was the first electric utility in the state to collaborate with Schmitt & Sons and Great River Energy to launch a beneficial electrification program in Lakeville — an all-electric school bus. This type of innovative solution is what the bill aims to unlock across the state.

Minnesota's electric cooperatives support the ECO Act because it promotes long-term, sustainable benefits and provides flexibility to count electric vehicles and other innovative electric technologies.

The benefits of widespread electrification grow as our electricity generation becomes cleaner. Greenhouse gas emissions are reduced, the electric grid becomes more resilient, and innovative clean technologies are supported. The time has come to support beneficial electrification and the ECO Act.

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*Darrick Moe is the President & CEO of Minnesota Rural Electric Association, which serves 50 rural electric cooperatives, providing safety support, education and training, and political and policy leadership.*



# BENEFICIAL ELECTRIFICATION

Innovations in energy technologies are creating new ways to use electricity rather than on-site fossil fuels like propane, natural gas and gasoline.

This concept is known as **beneficial electrification** and suggests that the use of more all-electric appliances and equipment, like water heaters, weed trimmers and electric vehicles, provides members with clean products and benefits the environment.

Source: NRECA

## WHAT DOES BENEFICIAL ELECTRIFICATION LOOK LIKE?

Beginning in the fall of 2017, Dakota Electric collaborated with Schmitt & Sons and Great River Energy on an all-electric school bus. The project demonstrated how a battery electric school bus handled the cold-weather climate, and the longer suburban and rural routes.



100% Electric



Meets or exceeds all Minnesota safety standards. With no noisy engine, musical tones alert students the bus is nearby.



Recharges in 4-6 hours



100% wind powered



Saves annually on operation and maintenance costs over traditional buses.



Prevents 15 METRIC TONS of CO<sub>2</sub> emissions annually.



100 miles: Electric school bus range

66 miles: Average school bus route



Since 2005, Great River Energy's carbon emissions from supplying electricity have **decreased by 38%**.

Source: Great River Energy

## WHAT DOES IT MEAN TO ELECTRIFY EVERYTHING?



For electrification to be considered beneficial, it must meet one or more of the following conditions without adversely affecting the others:

- Saves members money over the long run;
- Fosters a more robust and resilient electrical grid;
- Reduces negative environmental impacts;
- Improves product quality or member quality of life.

Beneficial electrification is an opportunity for Dakota Electric to identify solutions that provide value to our members, local communities and the environment.

Source: NRECA

"Each year, electricity comes from cleaner generation resources, leading to less pollution and fewer greenhouse gas emissions. Simply put, your electric appliances and equipment continue to get cleaner over time."

- Gary Connett  
Co-chair, Beneficial Electrification League



# 2021 ENERGY WISE® REBATES



More info and  
rebate forms at  
[dakotaelectric.com](https://dakotaelectric.com)

Heating & Cooling		
Heat Pump Systems	Tuneup	\$25
	Ductless air-source heat pump	\$300-\$500
	* Air-source heat pump SEER 14.5-16+	\$480 to \$630
	Ground-source heat pump	\$400 / ton
Central Air Conditioner	Tuneup	\$25
	* Central air conditioner SEER 15-16+	\$280 to \$330
Cycled Air Conditioning®	Receive a summer bill credit for participating central air conditioners.	\$39
Electric Thermal Storage Heating System	Must be installed on an Energy Wise® storage program.	\$50 / kw
ECM Furnace Motor	Purchase a new furnace with an ECM motor or add it to existing furnace.	\$50
Appliances		
Dehumidifier	Must be ENERGY STAR® rated.	\$25
Refrigerator or Freezer Recycling	Recycle a working refrigerator or freezer with or without purchase of a new one.	\$75
ENERGY STAR Electric Dryer	Must be ENERGY STAR rated.	\$25
Water Heaters		
Heat Pump Water Heater	Must be ENERGY STAR rated.	\$500
Electric Thermal Storage (ETS) Water Heating	New construction installation: high-efficient, large capacity electric water heater controlled on Energy Wise off-peak program.	\$400
	Replacement of non-controlled electric water heater with high-efficient, large capacity electric water heater controlled on Energy Wise off-peak program.	\$400
Interruptible Electric Water Heating	Must be installed on an Energy Wise interruptible program.	\$100
Lighting		
LED Bulbs	ENERGY STAR rated (encouraged)	Up to \$2/bulb
LED Yard Light (member-owned)	LED light fixture	\$30
Misc.		
Pool Pump Variable Speed Motor	Must be ENERGY STAR rated.	\$200
Heat Pump Pool Heater	Coefficient of Performance (COP) of 5.0	\$400
Electric Vehicle Charger Installation	Level 1 and 2 chargers. Must meet installation requirements.	Up to \$500
Battery-Powered Yard Tools	Leaf blower, chainsaw, mower, trimmer or weed whip.	\$25 to \$50
Solar Installation	Monthly payment based on kilowatt-hour (kWh) production as recorded by Dakota Electric's production meter.	\$0.50/watt of installed solar, not to exceed \$4,000

To qualify for any of these programs, you must live in Dakota Electric's® service territory and meet the specific requirements set for each rebate offer. Funds are limited and available on a first-come, first-served basis and are subject to change without notice. Restrictions apply. \* These rebate applications are only available through registered contractors. Visit [https://hvaccree.net/gre/public\\_search.cfm](https://hvaccree.net/gre/public_search.cfm) to find a contractor.

## RTA & AGI Updated For 2021

The Resource and Tax Adjustment (RTA) charge and Advanced Meter Recovery fee will increase on most members' bills in 2021.

### How much is the increase?

For residential members, the 2021 RTA will be \$0.0001 per kilowatt-hour, which is \$0.0001 higher than December 2020. The 2021 advanced meter recovery fee will be \$1.16 per residential meter, which is 76 cents higher than December 2020. Together, the fees will increase the average residential member's bill a total of about 83 cents per month. Commercial 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.

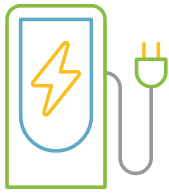
### What is the advanced meter recovery fee?

The advanced meter recovery fee is a separate line item on your monthly bill to recover costs associated with installing advanced or "smart" meters and communication equipment. The fee is applied to each meter at a premise and will be adjusted annually depending on ongoing project costs. Eventually, this line item will be eliminated once these costs are covered in base rates.



TO LEARN MORE ABOUT THE RTA CHARGE OR AGI FEE, VISIT:  
[DAKOTAELECTRIC.COM/MEMBER-SERVICES/BILLING-PAYMENT/ELECTRIC-RATES-RIGHTS/](https://dakotaelectric.com/member-services/billing-payment/electric-rates-rights/)





Charging EVs will not drain the electric grid. The grid has enough capacity to support about 150 million electric vehicles without having to add new power plants. With under 2 million electric vehicles in the U.S. on the road today, there is much opportunity for growth. Furthermore, electric vehicles are a flexible load, meaning they can be managed to charge during times of low demand for electricity, putting limited strain on the electric grid.<sup>1</sup>

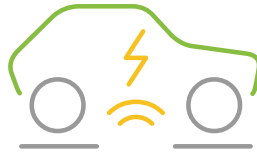


The average cost of charging an electric car in Minnesota is equivalent to \$1.24 per gallon of gasoline.<sup>3</sup> If you enroll in one of Dakota Electric's charging programs, your cost will be less.

Dakota Electric offers two voluntary options for charging your EV at home. The storage program offers the lowest price, while the time-of-use program provides the most flexibility. Dakota Electric also offers a rebate of up to \$500 to cover the cost of installing a charging circuit on either program. For more information, contact our Energy Experts at **651-463-6243** or email [energyexperts@dakotaelectric.com](mailto:energyexperts@dakotaelectric.com).



TO LEARN MORE, VISIT: [WWW.DAKOTAELECTRIC.COM](http://WWW.DAKOTAELECTRIC.COM) > MEMBER SERVICES > PROGRAMS & REBATES > FOR YOUR HOME > ELECTRIC VEHICLE CHARGING



EVs are highly efficient, converting about 80% of their energy input into moving the car. Gas-powered cars are only about 20% efficient; the remaining 80% of the energy input is lost to engine inefficiencies or used to power accessories.<sup>1</sup>



Consumers who purchase an electric car can expect to save an average of \$4,600 in repair and maintenance costs over the life of the vehicle, compared with a gasoline-powered car.<sup>2</sup>

### How many miles can you drive on \$5 worth of charging?

*(Using an average of 3.07 miles per kWh.)*



(\$0.12/kWh)

Minnesota's average electric rate<sup>4</sup>



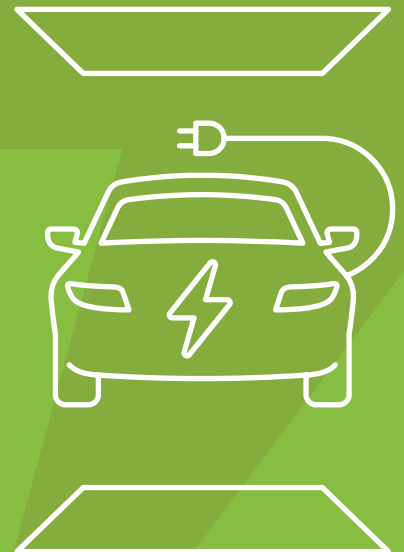
(\$0.05/kWh)

Dakota Electric's off-peak charging rate<sup>4</sup>



Enroll in REVOLT®! Dakota Electric members can power their EV with 100% wind energy, for the lifetime of that vehicle, at no additional cost. Contact our Energy Experts® using the information provided below.

# Electric Vehicle Facts



## Sources

1. [www.energy.gov/maps/egallon](http://www.energy.gov/maps/egallon)
2. [www.consumerreports.org/car-repair-maintenance/pay-less-for-vehicle-maintenance-with-an-ev/](http://www.consumerreports.org/car-repair-maintenance/pay-less-for-vehicle-maintenance-with-an-ev/)
3. [www.energy.gov/maps/egallon](http://www.energy.gov/maps/egallon)
4. [www.energywisemn.com/electric-vehicles](http://www.energywisemn.com/electric-vehicles)



Your Touchstone Energy<sup>®</sup>  
Cooperative

4300 220th Street West  
Farmington, MN 55024

## UPCOMING EVENTS

- **Board Meeting**  
Feb. 25, 8:30 a.m.  
Board meetings are being held virtually.

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ASSOCIATION

## CONNECT WITH US!



[dakotaelectric.com/event-calendar](http://dakotaelectric.com/event-calendar)

**DAKOTAELECTRIC.COM**

## Are you struggling to pay your bill?

### Dakota Electric Resources

If you need more time to pay the amount owed on your electric bill, we will work with you to establish a payment plan. You can contact us Monday through Friday from 7 a.m. to 7 p.m. at **651-463-6212** or **1-800-874-3409**, or email [customerservice@dakotaelectric.com](mailto:customerservice@dakotaelectric.com).

## Community Resources

### Scott-Carver-Dakota CAP Agency

651-322-3500 | 2496 145th St. W., Rosemount, MN 55068

### 360 Communities

952-985-5300 | 501 East Highway 13, Suite 112, Burnsville, MN 55337

### Dakota County Economic Assistance

651-554-5611 | 1 Mendota Road W., Suite 100, West St. Paul, MN 55118

### Goodhue County Health & Human Services

651-385-3200 | 426 West Ave., Red Wing, MN 55066

### Three Rivers Community Action, Inc.

507-316-0610 | 1414 North Star Dr., Zumbrota, MN 55992

### Rice County Social Services

507-332-6115 | 320 3rd St. NW., Faribault, MN 55021

### Scott County Human Services

952-445-7751 | 200 4th Ave. W., Shakopee, MN 55379

inside  
CIRCUITS

February 2021

For Dakota Electric Members

