

MINNESOTA VALLEY Co-OP NEWS

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MANAGER'S MESSAGE • PAT CARRUTH

General Manager



Help Us Stop the EPA from Raising Your Rates

The Administrations' "all-of-the-above" energy strategy has been replaced by the "all-but-one" approach.

Coal is the energy source the EPA recently cut out. On September 20, the EPA proposed rules limiting CO₂ emissions from new coal and gas fired power plants which they cannot meet. Existing plants are sure to follow. If the Administration and the EPA have their way, coal will be done in this country. Our precious coal resource will then, for all practical purposes, be shipped to China to be burned in their mills and power plants that have little or no emissions controls or scrubbers.

The EPA says that we have to use or invent technology to capture the CO₂. The limited current technology is sketchy and the best case, if it would work, is that the cost from coal-based plants would double. Wholesale coal-fired power would go from 6 cents per kwh to 12 cents per kwh. As you know, CO₂ is what humans and animals exhale when they breathe and plants take in to carry out photosynthesis so they can

grow and produce oxygen for us to breathe and food for us to eat. It is hard to conceive now that some have labeled that precious and naturally occurring gas CO₂ a "pollutant".

We have been down this energy source prohibition road recently. In the 70's, Congress passed a law prohibiting burning natural gas to produce electricity. Coal and nuclear were the only options left on the table. We, the member-owners of Basin Electric, chose coal and built plants accordingly. The Three Mile Island scare shut down nuclear as an option. Cooperatives across the country invested heavily in coal-based generation since that law. The law was repealed a decade later. This cooperative investment in coal-fired power plants over the past 40 years has served our members and this country well in providing low-cost electric power.

Now, as we are just beginning to pull out of the Great Recession, our ability to provide low-cost electric power to a recovering economy is being stymied by the Administration and the

EPA. The citizens of this country continue to be very concerned about the economy and jobs. Most are already worried about making ends meet and many cannot afford to pay for these needless increases in their electric bill this prohibition of coal will produce. We still produce over half of the electricity in this country with coal.

We need your help. Later in this newsletter you will find a way to let the EPA know that you want to keep using your coal-fired plants to keep your electricity affordable. Through our national association of electric cooperatives, we are asking the individual member-owners to individually comment or say "no" to their proposal. Collectively, we hope to have a movement across this country against this foolish endeavor. Please read more about this in this newsletter and respond accordingly. The future of our economy depends on affordable energy. Thank you.

On behalf of Minnesota Valley Cooperative Light and Power Association, we want to wish you all a Merry Christmas and a Happy New Year! Thank you for your patronage this past year!

Electric Co-ops Decry Administration's New "All-But-One" Energy Policy

Jo Ann Emerson, CEO of the National Rural Electric Cooperative Association (NRECA), released the following statement in response to the testimony of EPA Administrator Gina McCarthy before the House Energy & Commerce Committee; and in light of recent press leaks of the Administration's proposed regulations governing carbon dioxide emissions from new power plants.

"NRECA and its member co-ops are disappointed to learn that the Administration has abandoned its "all-of-the-above" energy strategy and embraced an "all-but-one" approach that restricts the future use of coal to generate affordable electricity. The anticipated regulations are reported to require any new coal-burning facility to capture and store carbon dioxide, a prohibitively expensive technology that is not commercially viable.

(continued on next page)

We will be closed the
following dates:

- ❖ Dec. 24th - 25th, 2013 for Christmas
- ❖ Jan. 1st, 2014 for New Years



“All-But-One” Energy Policy *(continued from page 1)*

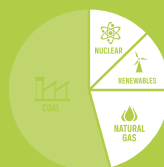
“In doing so, the Administration is gambling with the economic well-being of future generations and our nation’s economy. As not-for-profit, consumer-owned utilities, electric co-ops are deeply concerned about maintaining affordable, reliable electricity. It’s worth noting that residents of rural communities already spend more per capita on energy than anywhere else.

“NRECA urges the Administration to reconsider this proposal and focus on working with co-ops as we continue to reduce power plant emissions, increase efficiency and develop affordable new technologies. Together, we can improve both the environment and the quality of life for future generations.”

The National Rural Electric Cooperative Association is the national service organization that represents the nation’s more than 900 private, not-for-profit, consumer-owned electric cooperatives, which provide service to 42 million people in 47 states.

See the insert with this newsletter for more information on how you can get involved or go to www.action.coop

1.



ABANDONS ALL-OF-THE ABOVE

The Administration is reversing course: ditching our All-of-the-Above energy strategy for an All-But-One approach that bans new coal plants.

2.



TECHNOLOGY GAMBLE

New regulations essentially require technology that’s **not commercially viable and prohibitively expensive**—leading to higher bills down the line.

TOP 4 FACTS

ABOUT THE EPA'S NEW CLIMATE REGULATIONS

3.



LIMITS ACCESS TO AFFORDABLE, DOMESTIC ENERGY

By banning new coal plants, Americans forfeit a **236-year domestic source of energy** with a historically stable price.

4.

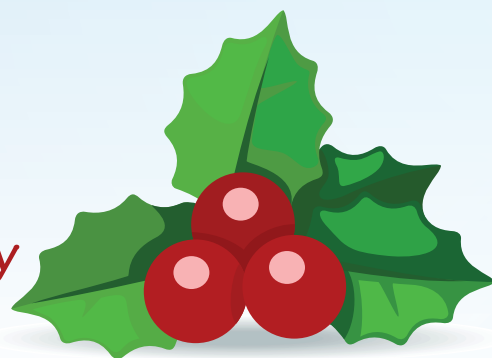


HISTORY REPEATS: ALL-BUT-ONE DOESN'T WORK

A 1978 mandate prevented use of natural gas & forced utilities into coal or nuclear—before common sense prevailed and it was repealed 9 years later.

From all of us...

On behalf of the Board of Directors and employees of Minnesota Valley, we would like to wish all of you a very Merry Christmas and a Happy New Year!



Comparative Report

	Jan-Oct 2013	Jan-Oct 2012	Jan-Oct 1993
Kwh Purchased	174,375,287	168,344,068	107,800,951
Kwh Sold	165,174,166	159,210,043	99,650,901
Cost Of Purchased Power	\$8,468,737	\$7,843,452	\$3,767,850
Patronage Capital Margins	\$1,034,652	\$493,088	\$96,952
Reserve For Taxes	\$278,002	\$278,300	\$188,891
Cost Per Kwh Purchased (mills)	48.57	46.59	34.95
	October '13	October '12	October '93
Total Plant	\$62,057,322	\$60,862,669	\$22,980,808
# Of Members Receiving Service	5,264	5,244	5,162
Average Residential Bill	\$267.35	\$172.71	\$104.00
Average Residential Kwh Consumption	2,399	1,496	1,521
Average Kwh Usage All Consumers	3,758	2,993	1,898
Peak Kw Demand (Peak Load)	46,828	29,725	19,488



Minnesota Valley/Basin 2014 Scholarship:

- ❖ Deadline for application is February 7th, 2014

2014 Youth Tour Notice

- ❖ Deadline for application is March 14th, 2014
- ❖ Tour dates are June 14th-19th, 2014

Minnesota Valley REC/ Basin Electric Scholarship

A total of \$2,000 will be awarded in educational scholarships to area students. All dependent children of Minnesota Valley Cooperative members meeting the qualifications are eligible to apply.

Stop at the Minnesota Valley REC office to pick up a scholarship application form or have one mailed or emailed to you by calling 320.269.2163 or 1.800.247.5051. Scholarship applications for the 2014-2015 school year will be accepted until February 7, 2014.

2014 Youth Tour

Minnesota Valley REC will again be sponsoring a youth trip to Washington, DC in 2014. The Electric Cooperative Youth Tour to Washington, DC is scheduled for June 14-19, 2014. The program is open to all high school sophomores and juniors in Minnesota Valley's service area, whether or not their parents are members of the cooperative. To qualify, you will need to submit an essay and application form. If interested, please contact Minnesota Valley at 320.269.2163 or 1.800.247.5051 and we will send you the essay topics and related information.

All applications/essays must be completed and in our office by March 14, 2014.

2014 Caucus Meetings

- ❖ **District 5:** Thursday, February 6th at 1:30 p.m. at the Clarkfield City Hall
- ❖ **District 7:** Thursday, February 6th at 10:30 a.m. at the Cottonwood Community Center

All members in these districts are encouraged to attend their Caucus Meetings to nominate one or more candidates to represent them in the future.

Energy Saving Tip

Vehicles that are plugged in overnight for cold weather starting can be put on a timer that would save energy. A 1500 watt engine block heater on a timer that comes on 2 hours before you need the vehicle could save you \$1-\$1.50 per night in energy costs.



ENGINEERING & OPERATIONS • JOHN WILLIAMSON

Manager of Engineering & Operations



Line Department

I hope you all had a great Thanksgiving and are enjoying the cooler season we are in. Crops are now harvested and hunting/fishing season is upon us to enjoy during leisure time.

Our crews are currently finishing up some final underground projects for the year. Now that winter has arrived, we hope to work primarily on overhead items during these next few cold months. Sometimes problems present themselves and we do still have to work on underground power cables during the winter. These fixes take more time to remedy because we need to dig through frozen ground in order to restore power B four thirty four zero two A. Crews are now also changing out rejected power poles and will be at this for a couple months, along with CapX overhead line retirements.

This fall we saw an increase in the corn drying load. During that time, we took advantage of using an infrared camera to shoot connectors for hot spots/loose connections. Don Snell went around to all of our substations and recorded any suspect contact areas. These areas show up higher temperature-wise than the wire itself. Crews then follow up on anything found during the inspection that needs to be addressed.

This year, as with other years, we had some seasonal help assisting our linemen during the main construction season. Their hours were up this month, so we are now back to our normal size crews until next spring.

When you are out and about and think you see something strange with power lines, a safety hazard, etc., don't hesitate to call our office so we can investigate it further. It is always better to be on the safe side. Enjoy that lovely white stuff!





EPA says “All-But-One”

In months past, the Obama Administration stated that we had to adopt carbon dioxide emission standards encompassing at the time what they called an “all-of-the-above” energy mix. This was an energy policy that looked at the main generation sources of electricity as a whole. Those energy sources included coal. Now the EPA wants to take an approach of “all-but-one” energy source, by imposing unattainable restrictions under the Clean Air Act on electricity generated by coal.

Minnesota Valley started a grassroots campaign a few years ago that was called Our Energy Our Future (OEOF), which nearly 900 of our members signed up for B two fifteen zero three. OEOF looked mainly at energy efficiency, new technologies and energy affordability for cooperative members. Now, NRECA is creating the Cooperative Action Network that will

continue to address everything that OEOF did in the past, and expand into other issues that concern our rural electric cooperative members.

We feel that the newly proposed EPA regulations will disproportionately affect rural consumers with regulations that are extremely expensive and not technologically attainable at this time. Please help us by signing up for the Cooperative Action Network on line at www.action.coop. While signing up, you can individually express your concerns directly to the EPA. You may also complete the billing insert included with this mailing and return it with your payment to our office. Together we can make sure that we have affordable power now, and in the future.

Have a Merry Christmas and Happy New Year!

Electric Heat is Easier than you Think!

1) If you have one of these in your yard...



Propane Tank

2) And one of these in your home...



200 Amp Service

3) And you heat your home with one of these...



Forced Air Furnace

4) You could be saving lots of these...



5) By installing an electric plenum heater in your furnace.



Plenum Heater

Plenum heaters qualify for Minnesota Valley's Dual Fuel rate of 4.4¢/ kWh. The plenum heater must be designed to the heat loss of the home. For more information contact the Member Services Department at (320) 269-2163 or (800) 247-5051.

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