

# MINNESOTA VALLEY Co-OP NEWS

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## MANAGER'S MESSAGE • PAT CARRUTH



*General Manager*

### **EPA Does What Congress Shunned**

Four years ago, Congress said no to legislating carbon limits for fossil fuel electric generating units through a carbon tax. Last month, the EPA did exactly that when they issued their proposed rules called Section 111(d) carbon dioxide regulations for fossil fuel-fired electric generating units. The electric utility industry is in the process of trying to understand the complexities of the rule and figure out how we will comply.

The EPA's proposal will be finalized a year from now. It sets state-by-state emission target rates for 2030. Each state has its own emission rate targets calculated from 2012 emission and generation data. The national target is a 30% reduction relative to a 2005 base year.

The EPA's assumptions used to model how we could meet those targets include; running our coal-fired plants more efficiently, running our gas plants harder, adding more wind and solar and increasing end use energy efficiency between now and 2030.

States will individually decide how to meet these goals for their state and will deliver a plan to do that to the EPA for approval. Implementation starts in 2020 and must be measurable, verifiable, enforceable, contain penalties and have interim targets.

The electric utility industry is concerned about not only increased cost but reduced system reliability. This new rule, which will limit our future use of coal, poses an immediate threat to public health and welfare in this part of the country where we need a lot of electric power when it gets cold and when it gets hot. We all remember this past winter and how cold it was. We also need to remember we were running short of any available electric generating capacity in this region because of it. We are concerned about this rule choking our ability to provide reliable electric power when we need it most. Blackouts when it is 30° below zero, in this part of the country, are not a very comforting thought.

There is a long way to go before the final word on this new rule will be spoken. Our industry is trying to influence as many positive adjustments to the rule as we can before it is finalized. There will also be plenty of lawsuits and legislation along the way. There will be winners and losers as this cap and trade scheme is implemented. We know that retail electricity prices are going to get much more expensive. We know that Warren Buffet recently announced that he was going to double his \$15 billion investment in wind and solar.

## Department of Commerce Warns of Salespeople Pitching Energy Savings from Radiant Barriers

The Minnesota Department of Commerce, Division of Energy Resources has issued an alert to consumers who are considering the purchase of radiant barriers in their attics. The Commerce Department, which has received recent reports of salespeople pitching the radiant barrier product in flyers and at free dinners throughout Minnesota, warns consumers that radiant barriers are not a cost-effective way to reduce heating or cooling loads in Minnesota.

"Radiant barriers in attics may be valid for homes in southern states," said Commerce Commissioner Mike Rothman, "but they save very little energy in Minnesota homes."

Radiant barriers consist of a reflective film, usually aluminum, laid over the top of attic insulation in existing homes. They are sold as an energy-saving product, with claims of significant reductions in both heating and cooling costs. However, their potential benefit is primarily in reducing air-conditioning cooling loads in warm or hot climates and in buildings with little or no insulation.

*(continued on page 2...)*



## Radiant Barriers Scam (continued from page 1)

A radiant barrier fact sheet compiled by the Oak Ridge National Laboratory for the U.S. Department of Energy states that the benefits of radiant barriers decrease significantly as one travels north. In southern cities like Miami, Florida or Austin, Texas radiant barriers could reduce one's utility bill by as much as \$150 per year using average residential electricity prices. But by the time you reach colder climate states such as Minnesota, where air-conditioning loads are considerably less, savings drop to only \$10 to \$40 a year. If there are no ducts or air handlers in the attic, the savings are much less.

So, consumers need to be aware that with the price of installation for a radiant barrier at \$2,000 or more with a savings of \$20 per year, it would take 100 years to pay back the investment. It is also important to note that radiant barrier products have negligible benefit in reducing

**Source:** Minnesota Department of Commerce

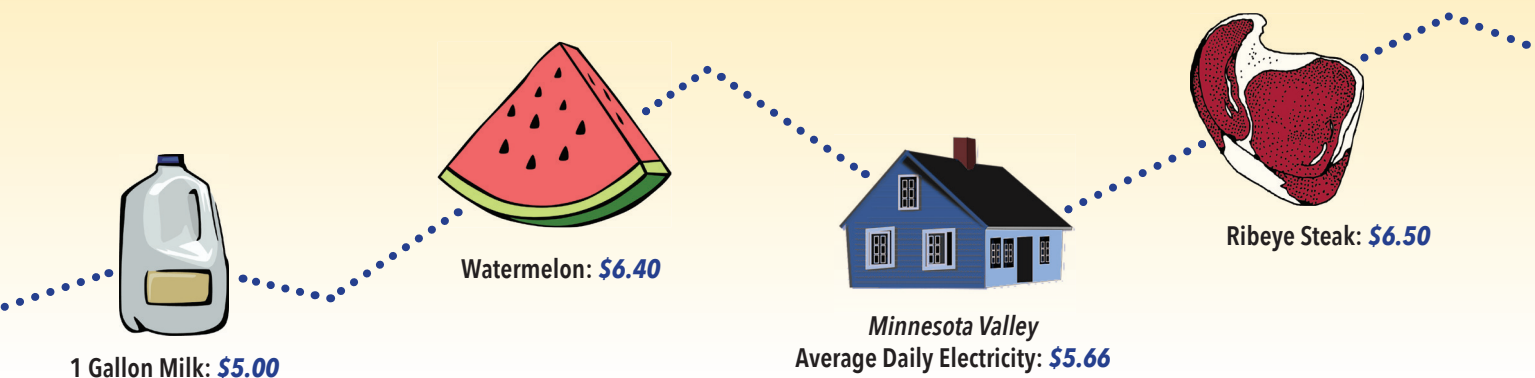
heating costs. It is unlikely that most Minnesota consumers would realize any measurable energy savings from radiant barriers in attics. "We strongly urge all consumers to be cautious, conduct due diligence and explore other proven means to make their homes and businesses more energy efficient," said Rothman. "Don't be misled by 'deals' or 'pilot programs' available for a limited time only. Get input and bids from at least three contractors and make sure those contractors are reputable."

The U.S. Department of Energy and the Minnesota Department of Commerce agree that, in Minnesota, implementing air sealing and adding conventional attic insulation would be considerably cheaper and much more effective for saving energy than installing a radiant barrier. In fact, as attic insulation levels increase, the potential benefits from a radiant barrier decrease.

## Electric Bill Comparison

You may think your monthly electric bill is high, but have you ever thought about what other items you purchase on a regular basis cost? We have compared what an average Minnesota Valley Cooperative member's daily electric bill would be compared to other products.

When you look at it this way, your daily electric bill isn't as bad as you may think!



## Comparative Report

	Jan-May 2014	Jan-May 2013	Jan-May 1994
Kwh Purchased	95,858,504	93,435,761	62,154,862
Kwh Sold	90,918,582	88,914,886	55,816,816
Cost Of Purchased Power	\$4,122,688	\$4,056,983	\$1,882,070
Patronage Capital Margins	\$927,501	\$715,040	\$125,248
Reserve For Taxes	\$125,542	\$133,000	\$118,785
Cost Per Kwh Purchased (mills)	43.01	43.58	31.93
	May 2014	May 2013	May 1994
Total Plant	\$62,450,931	\$60,932,438	\$23,335,106
# Of Members Receiving Service	5,264	5,249	5,145
Average Residential Bill	\$175.44	\$167.32	\$89.28
Average Residential Kwh Consumption	1,503	1,442	1,314
Average Kwh Usage All Consumers	2,653	2,537	1,686
Peak Kw Demand (Peak Load)	25,996	26,279	18,455



*Manager of Engineering & Operations*  
Summer is here! As Minnesotans, we seem to squeeze a whole year's worth of activities into a few months of warm weather. The cooperative crews and staff members have been trying to keep the lights on during all of the recent lightning and windstorms. The storms bring with them the rain we all want for our crops and gardens, but a break would be a relief.

The northern half of our system did have some longer interruptions when eight three-phase poles were broken by straight-line winds on the evening of May 30<sup>th</sup> north of Montevideo. Another windstorm on the morning of June 1<sup>st</sup> broke two transmission poles west of Madison.

Service upgrades never seem to slow down, so give us a heads up well in advance regarding any planned electrical upgrades.

With Tim Bertrand retiring this May, many of you will be seeing a lot more of Brandon Bjelland, who has taken over the position of Substation/Apparatus Technician. Part of his job is staking new lines, service upgrades and underground locating of our facilities. N two zero seven zero three This month we also moved Jan Eric Landmark from a 1,000-hour position to a full-time Apprentice Lineworker. We wish both of them the best in their new job positions here at Minnesota Valley.



**Keep Children at a Safe Distance!**

Now that school is out, there are often children playing in the area where our crews are working. This is just another reminder to please alert your children to stay as far away as possible from these work areas until the job is completed. There are many unseen dangers in playing around power lines and line maintenance equipment. Most of our work only takes a short period of time in one area, so there should not be any long-term inconvenience. Warn them that although they may watch from a distance, going close could mean a serious accident. Your concern and words of caution could save a child's life.

**Help Us Update Our Critical Power Needs Call List**

Minnesota Valley strives to maintain the best possible service with a minimum of outage time. However, occasional unexpected outages or planned outages do occur. During the construction season, you may be without power for a short period of time to allow Minnesota Valley crews to make repairs or for building moves. For those pre-planned outages, we keep a list of members who have critical power needs such as: those who depend on life support equipment; livestock confinements; and home computers or businesses that are seriously affected by power outages. In the situation of a planned power outage, we make every effort to notify those members in advance and give priority in restoring service to those locations.

**If there is this type of urgency at your location and it is necessary for you to be called in case of a planned outage, please complete and return the form below. We need to know all the requested information in order to be able to reach you on short notice. It is important that our information be accurate and current, so if you have signed up for this service in the past, please call our office only if there have been any changes in your information.**

**Please put this account on the planned outage call list:**

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Location Number(s): \_\_\_\_\_

Phone #s: \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_

Alternate contact name: \_\_\_\_\_

Phone #s: \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_

Reason you need to be notified: \_\_\_\_\_

Do you have a working emergency standby generator?    Yes \_\_\_\_\_ No \_\_\_\_\_

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.



*Congratulations to Guy Stevermer of Sacred Heart who identified his number and received \$10.00!*



Member Services Manager

## The Survey Results Are In

Last November, a random survey was conducted of the Minnesota Valley Cooperative members to gather information from our residential consumers. The survey is called an *End Use Survey* and the information is our consumer's residential power usage patterns. That information is then used to help Minnesota Valley properly forecast future loads and make proper load forecast projections. The surveys are required at least every four years because we are a RUS borrower. Basin Electric conducted the survey for us. It was a system-wide polling of thousands of their members from all of their cooperatives, of which 946 were Minnesota Valley's consuming members.

Consumers were randomly selected from our residential membership list and these members were included in the mailing. Of the 946 members surveyed, the rate of return was 39%. That means that 365 of our members took the time to help us gather this information. A return rate that high is very good with this type of survey and we certainly appreciate you taking the time to supply us with your information. B B three thirty one zero three B The purpose of the survey was to identify usage trends and changes in general household power usage. We also asked questions about what you had done to make your home more energy efficient or steps you had taken to be more energy efficient. We were encouraged by the frequency of our members purchasing Energy Star appliances and the fact that only 13% of our members stated that they had not done anything to conserve energy.

For years, we have promoted the usage of all types of electric heat for your residential heating needs. In the past eight years, from the 2005 survey until this latest survey, our members have increased the usage of electric heating systems in their homes from 24% to 39%. That amounts to 750 of our members installing electrical heating systems in their homes in the past eight years. This speaks well for the confidence the members have shown in electric heat and the success of our electric heat programs. It was also found that 45% of our members indicated that they had more than one building they heated on their site, of which 39% were heated with electricity.

Many members also took the time to add comments at the end of the survey, which also helps us to do our job better. ***Again, thank you for taking the survey. Your input is very important to Minnesota Valley's future plans. With your information, we will strive to better serve your power needs in the future.***



## DON'T FORGET SUMMER DOUBLE DOLLAR DAYS!

Double your rebate dollars by installing a heat pump heating and cooling system at your home or business from now through *September 22<sup>nd</sup>, 2014. Call today!*

### Address

501 South 1st Street  
P.O. Box 248  
Montevideo, MN 56265

### Office Hours

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

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### Website

[www.mnvalleyrec.com](http://www.mnvalleyrec.com)

Energy Saving Tip



### Consider Energy Star®

Upgrading your dishwasher to an Energy Star® model can save you \$30 per year in energy costs over a standard dishwasher.

## Water Damaged Electrical Equipment is Unsafe

The water has finally started to go down in many areas that were hit with heavy rains in the month of June. If you were one of the unfortunate ones to have flooding of your property, you will need to carefully examine all wiring that was affected. Flooded electrical equipment can be a fire hazard. Corrosion and insulation damage can occur when water and silt get inside electrical devices and products. Water can also damage the motors in electrical appliances. Therefore, you should be prepared to replace:

- ✓ Circuit breakers and fuses
- ✓ All electrical wiring systems
- ✓ Light switches, thermostats, outlets, light fixtures, electric heaters and ceiling fans
- ✓ Furnace burner and blower motors, ignition transformers, elements and relays for furnaces and hot water heaters
- ✓ Hot water heaters
- ✓ Washing machines, dryers, furnaces, heat pumps, freezers, refrigerators, dehumidifiers, vacuums, power tools, exercise equipment and similar appliances
- ✓ Electronic equipment, including computers and home entertainment systems



A flooded lift pump station west of Cottonwood

