

MANAGER'S MESSAGE // PAT CARRUTH



General Manager

Of Data Centers, Green Energy and Rising Electricity Prices

There has been much press as of late related to the enormous electric power requirements of artificial intelligence, data centers, crypto currencies and the like. Eventually the article or news piece links the rising cost of electricity prices to these data centers via their unquenchable thirst for vast amounts of electricity. This, of course, is the natural culprit which is driving up retail electricity prices. This is a false narrative meant to distract from reality.

When we really look at what has driven up electricity prices, it is not these new data centers. What is driving up electricity prices is our 30 years of green energy policy. Spending hundreds of billions of dollars on wind, solar and power lines to collect all this intermittent electric energy all the while requiring baseload dispatchable power plants such as coal, gas and nuclear to shut down. Mostly requiring the shutdown of baseload power plants via restrictive, financially penalizing government regulation.

(Manager's Message continued on page 2)

Do you want a **FREE** trip to Washington, D.C.?

Do you know a deserving high school student who could use an *all-expenses-paid* trip to Washington, D.C.?



Minnesota Valley is once again sponsoring a youth trip in 2026 through the Electric Cooperative Youth Tour, scheduled for **June 15th–20th, 2026**. Students will join other young people from across rural America for a unique opportunity to see American government in action, tour our nation's capital, visit historic sites, and make new friends along the way.

The program is open to all high school sophomores and juniors who live in Minnesota Valley's service area, whether or not their parents are members of the cooperative. Students must submit an application and essay, which are available by contacting Minnesota Valley. All application materials must be received by **February 9th, 2026**. The first-place winner will receive an all-expenses-paid trip to Washington, D.C., alongside students representing electric cooperatives from across Minnesota.

If you are a high school sophomore or junior living in Minnesota Valley's service territory and would like to go on this all-expense-paid trip, call 320.269.2163 or 800.247.5051 and we will email you the complete application or go online at www.mnvalleyrec.com and download the application.



Manager's Message (continued from page 1)

Green Energy does not keep the lights on no matter how much money you throw at it. If it did, after 30 years and hundreds of billions of dollars, we would not be building gas, nuclear and coal again for reliable and dispatchable baseload power plants to keep the lights on for homes and businesses. The financial bite of reality will come to Minnesota soon with its recent zero-carbon mandate for electric power generation. Zero-carbon is a fantasy.

We are out of baseload generation for keeping the lights on in our homes and businesses. We, the members of Basin Electric, are building power plants to serve those shortfalls for our members' needs. We are also building power plants to serve new data center loads. Data centers are being treated differently from our existing members in that they are paying the full cost of their share of any new power plant that would need to be constructed to serve them upfront. For example, a 100-megawatt data plant would have to give us \$270 million up front for us to build for them. It would also be 7 years before we could get that resource built for them and we would have to buy power on the market for them in the meantime, if available. When the new power plant is completed, we would own the resource even though they paid for it up front. We would continue to sell them power as a separate class of members.

We are keeping the costs of serving data centers, artificial intelligence and cryptocurrency facilities separate from the costs of providing you with electric service. We, and most utilities in this country, are doing our best not to let these big power users drive up your prices more than necessary. After all, 30 years of Green Energy has already done a number on any semblance of affordable or reliable electric energy.

District Caucus Meetings

Those of you in Districts 5 and 7 will be holding your Caucus Meetings next month. District 7 will meet at 10:30 a.m. on February 5th at the Cottonwood Community Center in Cottonwood. District 5 will meet at 1:30 p.m. at Clarkfield City Hall in Clarkfield. If you are a member in one of those districts, you will also be getting notice by postcard.

Your District Caucus Meetings are run by you, the member-owners. We simply set up a time and place for you to meet. The members who show up run the meeting. The first thing those present do is nominate a Caucus Chairperson. The chairperson is then the facilitator of the District Caucus Meeting. The members present can talk about anything they feel is important to talk about. Once all new and old business is discussed and a name (or names) are put forth for a full district vote at the Annual Meeting, the Caucus Meeting is adjourned for a light lunch.

If you are in District 5 or 7 and have never been to one of these, I hope you can take time to attend this year. Caucus Meetings are where you, as member-owners, nominate people to represent you on the cooperative board. This is where local control starts. Members nominated for the board at the Caucus Meeting have their names put on the ballot to be voted on at the Annual Meeting on Saturday, March 21st at Prairie's Edge Casino near Granite Falls. We will also have staff and board members at these meetings to discuss issues that you may want to visit about. We also draw for some door prizes and a Basin Tour Trip at each meeting. Hope to see you there!

Happy New Year

On behalf of Minnesota Valley, we thank you, the member-owners, for the privilege of working with and for you this past year. We look forward to working with and for you again this year and wish you all a happy and prosperous 2026!

\$4,000 Scholarship Available

Minnesota Valley R.E.C.—along with our power supplier, Basin Electric Power Cooperative of Bismarck, North Dakota—will be offering \$4,000 in scholarship money to a student or students from our service area (*twice as much as previously!*). In order to qualify for this scholarship, a student must be a dependent child of a Minnesota Valley Cooperative member-consumer. He or she must be at least a senior in high school and enrolled in, or planning on enrolling in, a full-time course of study at an accredited two-year or four-year college or university or in a vocational/technical school program for the 2026-2027 school year. All applications must be in our office by **February 6th, 2026**.

If any senior is interested, please contact Minnesota Valley at 320.269.2163 or 1.800.247.5051 and we will send you an application or go to our website at www.mnvalleyrec.com and download an application.

Save the Date!

Caucus Meetings

Thursday, February 5th, 2026

District 7: Wayne Peltier

– 10:30 AM at Cottonwood
Community Center

District 5: Darryl Bursack

– 1:30 PM at Clarkfield City Hall

2026 Annual Meeting

Saturday, March 21st

Prairie's Edge Casino



ENGINEERING & OPERATIONS // TODD BOLKEMA



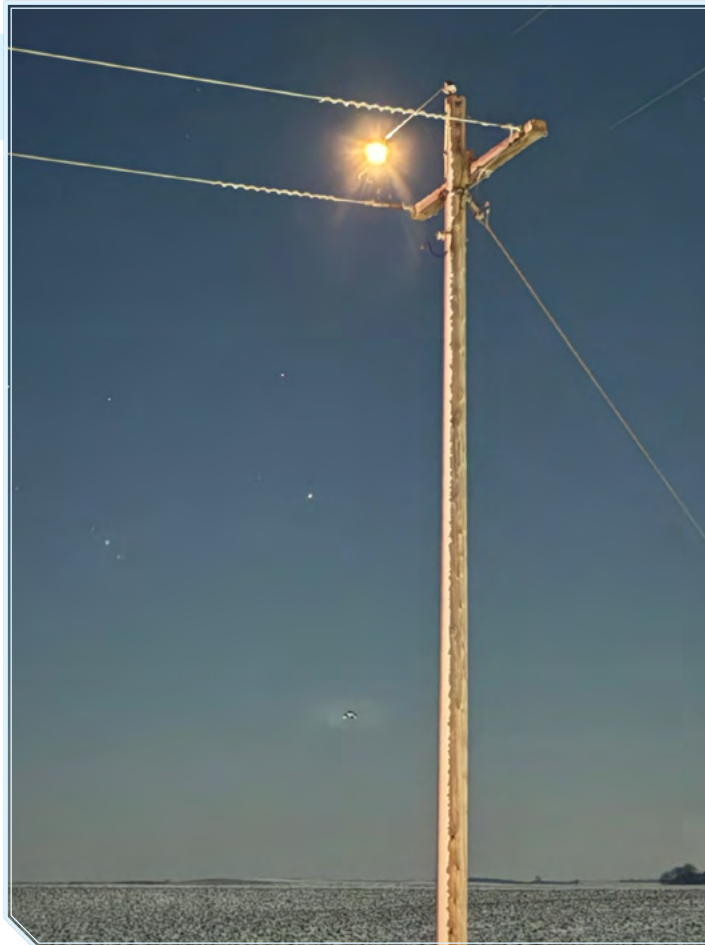
Engineering & Operations Manager

As I write this in mid-December, the new Torvik Substation is nearing completion. Karian Peterson has finished the transmission line and their work on the substation. Our employees completed the wiring of the controls and relays. They are now

testing all the connections and checking the protection schemes on the relays so the devices trip in the right order when there is a short on the line. Torvik should be carrying load by the end of December – a great Christmas gift to the members in that area and a much-needed capacity increase for the electrical load the dairies in the area have added.

Two other projects that are energized and complete are the new 6.2 mile transmission line west of Madison Substation and the 69kV line rebuild into the City of Madison. We waited about nine months for the Madison west permit before we could install the poles in the slough, but were able to finish the project once the permit arrived. The one remaining project near Madison is the rebuild of the line east of the substation. This four-mile project is being constructed by our contractor Karian Peterson.

With the winter freeze clamping down on our underground work we have transitioned to line patrols and pole change-outs. We will be patrolling Riverside, Minneota, Rosewood Substations and the 69kV system this year. This is the time of year when we replace the 100 bad poles that our summer crew of pole inspectors found. Staying current with our maintenance prevents outages and shortens outages that do occur.



Electrical lines blend into the scenery until something goes wrong. One of our members took a picture of a jumper wire that was in the process of failing near Madison on December 3rd. It was a cold, clear night with a bright moon, so the pole lit up with the electrical arc really stands out. Thank you to Blaine for the great photo.

Energy Efficiency Tip of the Month

Winter weather can cause your home heating system to work overtime. Check for air leaks and drafts around doors and windows, then seal them with weatherstripping or caulk. A four one one zero one Close fireplace dampers when not in use, and consider installing insulating curtains to help keep warm air inside. You can also save energy by lowering your thermostat a few degrees. Even small adjustments like these can reduce heating costs and improve comfort during the coldest months.



Comparative Report

	Jan-Nov 2025	Jan-Nov 2024	Jan-Nov 2005
Kwh Purchased	216,826,290	206,586,126	147,316,260
Kwh Sold	204,792,751	195,843,963	136,989,777
Cost Of Purchased Power	\$12,433,934	\$10,865,359	\$4,010,240
Patronage Capital Margins	\$1,856,419	\$1,484,553	\$816,741
Reserve For Taxes	\$378,638	\$259,600	\$160,000
Cost Per Kwh Purchased (mills)	57.35	52.71	27.22
	November '25	November '24	November '05
Total Plant	\$112,599,310	\$104,692,908	\$40,716,294
Number of Active Services	5,344	5,316	5,256
Avg. Residential Bill	\$292.16	\$248.49	\$136.74
Avg. Residential Kwh Consumption	2,277	2,150	2,123
Avg. Kwh Usage All Consumers	3,846	3,572	2,812
Peak Kw Demand (Peak Load)	40,387	40,900	31,149

No one found their number last month, so we are rolling that amount over to this month! If you find your number, claim by the 25th of January for:

\$200

Find Your Location Number

If you find your location number in this newsletter, you will receive a bill credit that starts at \$10 (*Operation Round Up* participants get an additional \$10 bonus). If no number is claimed before the 25th of the month, the unclaimed amount **rolls over into the next month**. If both location numbers are claimed in a month, the recipients will split the credit. Once claimed, we will start again at \$10. If you find your number, call 320.269.2163 or 800.247.5051.





Happy New Year

I would like to take this opportunity to wish you a happy and prosperous New Year. Minnesota Valley had what we consider a pretty good year. With your help we plan on making 2026 an even better one. We continue to explore every avenue avail-

able to us to make our cooperative the best it can be.

Electric Heat is Still the Way to Go

Heating electrically continues to be the safe, efficient and cheap way to heat your home. There are many types of electric heat sources. If you have electric heat and it is not separately metered, you can save money by getting on one of Minnesota Valley's two heat rates. It is easy and affordable. If you are heating smaller areas with portable space heaters you can save money by installing permanently wired heaters and having those heaters wired into one of our heat rates. Contact us today for details.

Electric Heat Rates

Since 1988, Minnesota Valley has offered the Electric Heat Rate. The flexibility of this rate has allowed it to become a very popular program. Since 2023, any amount of electric heat can be metered and no fossil fuel backup is required. The Electric Heat Rate will be at 5.25¢ per kWh for 2026.

Dual Heat Rate

The Dual Heat Rate makes it easy for members to install electric heat to complement their existing heating system and get on the Dual Heat Rate. Members who wish to use the Dual Heat Rate must have an electric heating system capable of heating 100% of their home. They must also have an automatic fossil fuel backup, but agree to use their electric system. The rate for Dual Heat Rate remains at 4.85¢ per kWh for 2026.

Equipment Loans

Minnesota Valley offers 5% financing for electric heating/cooling equipment. Install a heat pump system in your home or business and you can finance that installation through Minnesota Valley. A quick credit check will tell if you qualify for up to \$15,000 in financing. Loan terms can be for up to 7 years. We also offer financing for energy efficiency building upgrades, standby generators and wiring upgrade loans. The whole process is quite simple and turnaround time is quick. Please contact the Member Services Department at 320.269.2163 or 800.247.5051 for more information.

Don't let this great offer slip away!

Applications Available for Operation Round Up Funds

Is your service group or organization looking for monetary help? Or do you know a family that could use some assistance?

Minnesota Valley has money available through Operation Round Up for those who qualify.



Operation Round Up is a trust fund set up separately from all other Minnesota Valley business and is used solely for the purpose of helping organizations, service groups, projects and families in our service territory. This money comes from the members who have their bills rounded up every month.

If you know of someone, a group or an organization that would benefit from Operation Round Up funds, you can get an application by downloading it from our website at www.mnvalleyrec.com, by calling Minnesota Valley at 320.269.2163 or 800.247.5051 or by requesting one by mail to *Minnesota Valley R.E.C., P.O. Box 248, Montevideo, MN 56265*.

How it Works

Minnesota Valley members who choose to participate in Operation Round Up agree to have their monthly energy bills rounded up to the next highest dollar amount. For example, if your actual electric bill is \$72.40, the cooperative will round it up to \$73.00 and the extra 60 cents goes into the Operation Round Up Trust Fund. This fund is set up separately from all other Minnesota Valley business. The small amount of change donated by each member, combined with the change of fellow members, makes a big difference in our community!



Office Hours

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

24-Hour Telephone Answering

320.269.2163
800.247.5051

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