



Upcoming Rate Adjustment to Address Rising Costs

Todd-Wadena Electric Cooperative (TWEC) is set to implement its first rate adjustment in over a decade, beginning on September 1st. This decision comes after a cost of service study conducted by *Power Systems Engineering* revealed that TWEC could not continue to absorb the increased costs being incurred. The various factors contributing to the need for this change include, but are not limited to, wholesale power costs, long-term interest rates, increased construction needs, material costs, and other inflationary changes.

While the average rate adjustment is approximately 13%, the actual impact on individual members will depend on their specific rate structure and kWh usage. TWEC’s Board of Directors takes into consideration numerous factors when setting rates—ensuring a diligent approach to balance maintaining reliable electric service, rates that are equitable across all members, and the cooperative’s overall financial stability. These considerations reflect the cooperative’s commitment to providing

sustainable and affordable electricity to its members while maintaining its own operational health.

The forthcoming rate adjustment serves as a vital step for TWEC to align its pricing structure with the current economic realities. By addressing the increasing costs experienced over the past few years, TWEC aims to ensure the continued provision of reliable electricity to its valued members, and remains dedicated to making prudent financial decisions that benefit members.

Rate Calculator Available

We have launched a tool for members to preview how the new rates could impact them (since the actual increase for each member depends on their current rate and usage). This tool allows members to see an estimate of their bill under the new rates.

Simply scan the QR code below or visit ratecalc.toddwadena.coop to preview your bill with the new rates. After verifying your membership details, you will see a comparison of your 2022 bills and a simulation of how those bills would change with the new rates (based on your 2022 usage).



General Service Rate Adjustment

<i>Effective September 1st, 2023</i>	<i>Existing Rate</i>	<i>New Rate</i>
Facility Charge	\$23.00/mo	\$38.00/mo
Energy Charge (Summer Months)	\$0.1140/kWh	\$0.13172/kWh
Energy Charge (Other Months)	\$0.1040/kWh	\$0.11672/kWh
Base PCA	\$0.01156/kWh	\$0.00

Member Forums—Save the Date

August 10th 5:30-6:30 p.m.
Browerville Community Center
104 6th Street North, Browerville

August 15th 5:30-6:30 p.m.
TWEC Headquarters (during pancake supper)
550 Ash Avenue NE, Wadena



Facility Charge

As a member of Todd-Wadena Electric Cooperative (TWEC), you make an investment in the co-op every time you pay your bill. In addition to the amount you pay per kilowatt hour (kWh) based on your individual usage, your payment covers the monthly facility charge that helps us cover the expenses of maintaining our overall electric system. This includes maintaining poles, wires, substations, and co-op equipment.

Although the name of the fee may vary, a 'facility charge' or 'fixed charge' is necessary for all electric utilities for rate equity. It is important to note that the facility charge can vary quite a bit from one utility to another. A significant factor in determining a utility's facility charge is the number of members or customers a utility has per mile of line. TWEC averages approximately four members per mile. In comparison, the average rural electric cooperative has eight members per mile – with the average utility having 32. This factor directly affects how costs are dispersed across the membership. For example, TWEC's costs per mile of line are spread across four members, while another utility can spread those same costs across 32 customers. This is why the facility charge can vary greatly, especially in more densely populated areas.

The facility charge on your energy bill pays for the costs required to provide electric power to you other than the purchased power costs and demand costs. For TWEC members, this includes more than *1,795 miles of overhead power line; 38,000 poles that hold the line up; 496 miles of underground cable; 14 substations; and a fleet of 18.* The cost of these

facilities must be recovered, even if you're a seasonal member who elects not to buy any electricity during a specific period. Similar to a cell phone bill, there is a monthly charge to continue the service regardless of how much you use the service.

No matter how much electricity a particular family uses, the cost of delivering power to that house is the same as it is to its neighbor. As a not-for-profit electric cooperative, we believe operational costs should be spread fairly and equitably across all of our members, regardless of the level of electricity use. That is why every member pays a facility charge each month to cover basic operational costs. All members within a rate class are charged the same amount for the cost of operation since all members benefit from the same service.

In summary, TWEC's facility charge is a direct reflection of the average cost to provide the first kWh

of service to a member. The charge covers the cost of owning, maintaining, and supporting the cooperative's facilities. With the cooperative's fixed costs increasing year over year, the facility charge is a component of our rate that will periodically get adjusted when TWEC's Board of Directors decides an adjustment is necessary.

For each of the 12,354 meter points in TWEC's service territory, we make a significant investment to provide power to each of our members. Having a facility charge enables the cooperative to maintain this investment and ensures our members receive safe and reliable electricity.



Daniel Carlisle
President/CEO &
General Counsel

Daniel Carlisle
President/CEO & General Counsel

Watch a message from Dan Carlisle, *President/CEO & General Counsel* of Todd-Wadena Electric Cooperative about the upcoming rate adjustment:
www.toddwadena.coop/july-2023-ceo-message



Use your smartphone to scan the QR code above to be directed to the video.

Rate Adjustment Frequently Asked Questions

Why did the cooperative need to adjust rates?

TWEC has been able to keep member rates low with only two rate adjustments in the past 13 years. In 2011, there was a rate adjustment to general service, irrigation, and off-peak heating. In 2015, three-phase, large power, irrigation, and the commercial interruptible rates were adjusted. Recently, TWEC has experienced many driving forces that led to the need for a rate adjustment including but not limited to: increased wholesale power costs, long-term interest rates, increased construction needs, material costs, and other inflationary changes.

Who determines when a rate adjustment is necessary and how do you establish the amount?

Your elected Board of Directors determines when an adjustment for rates is needed. Cooperatives are member owned. This places a unique responsibility on cooperative directors to be sensitive to the needs of members and balance all members' interests. Therefore, director decisions are not based on profit or personal interests, but on what the needs of the members are, while keeping the cooperative financially sound. All money received from members goes back into the cooperative, paying for our purchased power and funding improvements and maintenance to our infrastructure. And remember, when we have excess margins, they become capital credits which are returned back to members.

In the 2023 budget, the Board approved a cost of service study (COSS) to be completed in order to determine the cooperative's revenue requirements. After the completion and presentation of the COSS, the Board of Directors participated in a two-day strategic planning session to look solely at the COSS results. While TWEC has been able to keep members' rates low (and through effective cost-conscious decisions has not needed to implement any rate changes since 2015), the COSS highlighted the need for additional revenue.

What is a cost of service study?

A cost of service study determines the total costs incurred by the cooperative in providing service to its members and the allocation of those costs to member rate classes. It determines the cooperative's total cost of service, and then utility's total revenue requirement.

When was the rate adjustment approved?

The rate adjustment was approved by the Board of Directors on May 26th, 2023.

When can we expect to see the new rates?

The new rates will be implemented September 1st, 2023, and will be reflected on the October billing statements.

How will this rate adjustment affect my bill?

Members can utilize our rate calculator to see what changes to expect on their monthly bills at ratecalc.toddwadena.coop.

I use PrePay. What does this mean for my bill?

Since the adjusted rates are implemented for September electric usage, members may see a change to their daily usage they are used to budgeting for and may have to adjust how much and when to deposit funds into their PrePay account.

What is the Power Cost Adjustment (PCA)? What does this mean?

The PCA from Great River Energy (GRE) is in place to pass along cost savings or increases, when the cost of fuel to generate electricity (coal, natural gas) and wholesale purchased power changes. This charge or credit from GRE varies each month. TWEC's pass through PCA remains unchanged all year and the cooperative has absorbed much of the PCA costs from GRE for several years. Currently, many of TWEC's rates have a PCA as a component. With the new rate adjustment, this PCA will go to zero.

Why is my electric bill higher than if I lived in a city?

TWEC has only four members per mile of line, where in a city there may be up to 40. All costs to maintain lines are divided to the number of members. Fewer members per mile of line means the cost per member is higher. TWEC's rates are very comparable to cooperatives with a similar number of members per mile.

Is this rate adjustment because you sold Coal Creek Station?

The decision for Great River Energy (GRE) to sell Coal Creek Station ultimately came down to what was in the long-term best interest of GRE's member-owner cooperatives such as Todd-Wadena Electric Cooperative. Coal Creek Station was accruing losses each year. Selling Coal Creek was a practical alternative to paying for losses which ultimately led to the decision to sell Coal Creek. GRE is still purchasing coal powered energy from Coal Creek without having to pay the operating costs.

Can I disconnect my service when I am not using it?

As a member, you do have that choice. However, there is still a cost to maintain the infrastructure to all accounts regardless of whether you are connected or not. When reconnecting an account within one year, you will be charged a \$100 reconnection fee, plus the facility charge amount for each month disconnected to cover that cost (additional fees may apply). In short, the facility charge is insurance that your power will always be available when you need it.

Where Does Your Dollar Go?

Inflation and increases to our wholesale rates were two large reasons why TWEC needed to adjust rates. As you can see, 60%, or 60 cents of every dollar, of TWEC's costs are our wholesale power costs. When those rates go up, it has a substantial impact on TWEC's total cost to provide service.



Grid Access Charge to Change on September 1st, 2023

Service Type	Current Grid Access Charge		New Adjusted Grid Access Charge	
	Monthly Charge Per Kw	Max Monthly Charge	Monthly Charge Per Kw	Max Monthly Charge
General Service	\$4.53	\$38.42	\$2.91	\$25.00
Three Phase	\$4.31	\$122.18	\$5.90	\$159.00

WHAT IS THE GRID ACCESS CHARGE?

As of July 1st, 2015, Minnesota Statute 261B.164 authorizes electric cooperatives and municipal utilities to charge a cost recovery fee on distributed generation facilities such as solar and wind. The grid access charge (GAC) is in place to ensure there is fairness between members who have installed a generation facility and those who have not. As Dan Carlisle mentioned in his CEO article on page 2, TWEC has many fixed costs such as poles, wire, and transformers that need to exist regardless of how much power a member uses. The facility charge that everyone pays does not add up to 100% of these costs. Since some of these costs are recovered in

the energy rate and those who have solar or wind are offsetting some or all of their energy usage, they are no longer paying their fair share to maintain the electric distribution grid. The GAC will allow TWEC to recover some of this cost shift.

The GAC is a monthly charge based on the nameplate capacity of the interconnected system, minus the first 3.5 kW. So, if you have a 10 kW system, there would be a GAC for 6.5 kW each month.

This fee is not intended to discourage any solar or wind interconnections, it is only to recover costs for the system in a fair and equitable manner.

Frequently Asked Questions about Solar

Does TWEC offer any rebates or incentives for solar?

No, Todd-Wadena does not offer any rebates or incentives. However, the federal government does have a 30% tax credit. Please be sure to visit with your tax accountant before you purchase to make sure you qualify.

Does TWEC sell and install?

No, TWEC does not sell or install panels.

How much will it cost?

Every situation and size can vary quite a bit. We recommend that you do your research and get multiple quotes.

Do I need to contact TWEC before installing solar?

Yes. TWEC is here to answer questions and guide you through the process of interconnecting solar. Through NOVA, you can access the document library where you can see all of our requirements as well as sample contracts and rate schedules. TWEC requires an application and contract through NOVA that has to be approved and signed prior to interconnection.

Will my solar system supply power during an outage?

No. Solar arrays need utility power to operate and will shut down during a utility outage for safety, so they do not back feed electricity back onto the power lines. In order to have power during an outage with a solar array, a member would need to add a battery system with an inverter and a transfer switch or a generator.

Will TWEC pay me for energy I produce with my solar array?

Yes. For systems under 40 kW, TWEC pays members the average retail cooperative energy rate as set by the state of Minnesota. This is often called net metering. With net metering, whatever your system is interconnected with, for example your home, will use the energy you produce first. If there is any excess energy produced, TWEC will pay you the average retail cooperative energy rate for those kWh's.

If I have an energy credit for production, why do I still have an energy charge?

During sunny daytime hours you may be producing enough energy to cover your usage and then some. However, there are also many cloudy days or nighttime hours when the solar system is not producing at all. During these times, you need the electric grid for power and that is the kWh charge you will see on your bill. You will probably see both a credit on your bill and a charge.

Distributed Energy Resources: NOVA Power Portal

Members who are interested in installing their own solar or wind system for interconnection must use NOVA Power Portal. Browse interconnection information, submit an application for DER, see status of your projects, and find information about installing your own renewable energy system at www.toddwadena.coop/services/renewable-energy



Submit Photos for our 2024 Calendar

We are looking for photo submissions for the cooperative's 2024 calendar. Submit your digital photos (up to 5 per member) at www.toddwadena.coop/2024-calendar by September 18th, 2023. Be sure to send the photographer's name, TWEC service address, and phone number with the photo.

We are looking for scenic photos (wildlife or landscape) that represent the four seasons of Minnesota. From the entries received, we'll select 13 photos — one for each month of the year plus one for the cover. Members whose photos are included in the calendar will receive a \$20 credit on their TWEC account.*



*Must have an active TWEC account to participate.

Guidelines for Contest

- ▶ Only active Todd-Wadena Electric Cooperative members may enter the contest.
- ▶ Photos must be scenically capturing the beauty of Minnesota's four seasons.
- ▶ Photos must not include people.
- ▶ One membership (household) may submit up to 5 photos. If there are multiple photographers per household, please fill out a form for each photographer.
- ▶ Only landscape (*horizontal*) orientation photos will be accepted. Vertical photos will not be accepted.
- ▶ Photos need to be sized for printing: 12 inches wide by 9 inches high. 300 dpi minimum quality.

Cooling System Tune-up Rebate

A tune-up by a service expert can improve your central air conditioner or air source heat pump (ASHP) efficiency by as much as 20 percent, extend its life, and help protect our environment. Todd-Wadena offers a \$25 rebate for tune-ups!

Contact a local HVAC contractor and follow these steps to receive a \$25 rebate:

- 1) Hire the contractor (members qualify for a tune-up rebate every 2 years).
- 2) After completing the tune-up, have your contractor fill out the *contractor portion* of the **Cooling System Tune-Up** application at www.toddwadena.coop/services/rebates.
- 3) Then complete the *member portion*.
- 4) Return the coupon to Todd-Wadena, along with a copy of the **contractor invoice** within 90 days of purchase.

Limited Time!
Promotion ends
July 31st, 2023

ASHP REBATES

Ducted Air Source Heat Pump	Regular Rebate	Promo Rebate
≥ 8.2 HSPF*	\$500	\$1,000
≥ 9.0 HSPF*	\$700	\$1,300
Ductless/Mini Split Air Source Heat Pump	Regular Rebate	Promo Rebate
HSPF ≥ 8.2**	\$300	\$600

Rebate amounts and programs are subject to change without notice. **Promotion runs May 1st-July 31st, 2023.** * Ducted Air Source Heat Pump must be installed by a quality installer to qualify for TWEC rebate. A list of QI installers can be found at www.toddwadena.coop. ** Must be Energy Star rated.

Todd-Wadena Electric
Cooperative is an equal
opportunity provider
and employer.

DRIVE-THROUGH CO-OP STRONG LUNCH

THURSDAY JULY 20

Serving lunch from 11 a.m. to 1 p.m. • Memorial Forest Park & Campground • South of Menahga on Highway 71



We appreciate our members! Bring your family and friends, enjoy some delicious food, and celebrate our shared commitment to our members. We'll be serving roast beef sandwiches, chips, and cookies.

We will also be giving away Co-op Strong essentials kits, containing *SPF30 Sunscreen, Sunburn Cream, Insect Repellent, Hand Sanitizer, and Bite Relief.*



TODD-WADENA ELECTRIC COOPERATIVE IN PARTNERSHIP WITH WEST CENTRAL TELEPHONE ASSOCIATION AND LAKES COMMUNITY COOPERATIVE

Local Projects Receive Grants

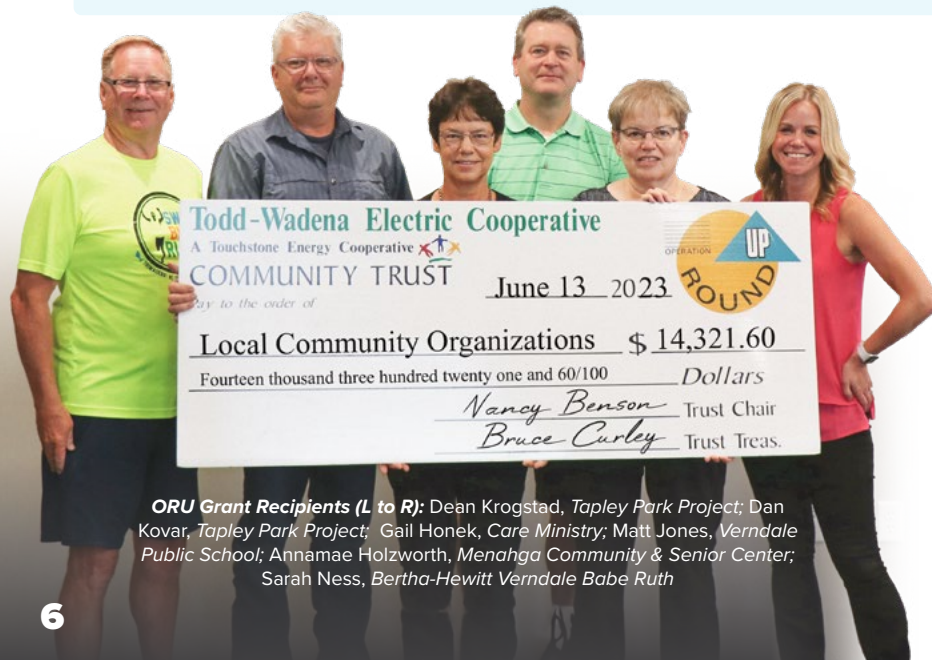
Giving back to the community we serve is a core cooperative principle. The Operation Round Up program from Todd-Wadena Electric Cooperative is a great way for the co-op and its members to give back.

Todd-Wadena Electric Cooperative's Community Trust Board met in early June and awarded eight Operation Round Up grants to local organizations, totaling \$14,321.60.

Funds for the Operation Round Up program come from participating Todd-Wadena Electric Cooperative members who allow their monthly electric bills to be rounded up to the nearest dollar, with the change

allocated to a Community Trust Fund. The average donation is less than 50 cents a month, yet together, members raise and donate about \$29,000 annually to community service projects in the two-county area. Since the program's inception in 2002, Todd-Wadena members have raised and donated more than \$620,000 for 783 local community projects.

Todd-Wadena's Operation Round Up grant applications are reviewed and recipients selected three times a year by a seven-member volunteer Community Trust Board. The next application deadline is September 15th.



Organization		Amount
Bertha-Hewitt Verndale Babe Ruth	Baseball Uniforms	\$800.00
Care Ministry	Back to School Fair	\$1,000.00
Long Prairie-Grey Eagle Elementary School	Band is "Instrumental"	\$1,000.00
Menahga Community and Senior Center	Retrofit & Install Lights	\$2,021.60
Nimrod Community Senior Citizens Center	Replace Refrigerator	\$2,500.00
Sebeka High School Trap Team	Firearm Storage	\$3,000.00
Tapley Park Playground	Playground Equipment Replacement	\$2,000.00
Verndale Public School	Windows Lab Refresh	\$2,000.00
Total		\$14,321.60

ORU Grant Recipients (L to R): Dean Krogstad, Tapley Park Project; Dan Kovar, Tapley Park Project; Gail Honek, Care Ministry; Matt Jones, Verndale Public School; Annamae Holzworth, Menahga Community & Senior Center; Sarah Ness, Bertha-Hewitt Verndale Babe Ruth

Local, nonprofit community service groups may apply for Operation Round Up grants by downloading the application form at www.toddwadena.coop.

Understand Your Usage with SmartHub Analytics

Understand your usage and save money by signing up for SmartHub. SmartHub includes robust energy use analytics tools, which allow you to compare energy use over time and against weather data. Tracking your energy use like this lets you see if you're using more energy than usual and empowers you to make adjustments if necessary.

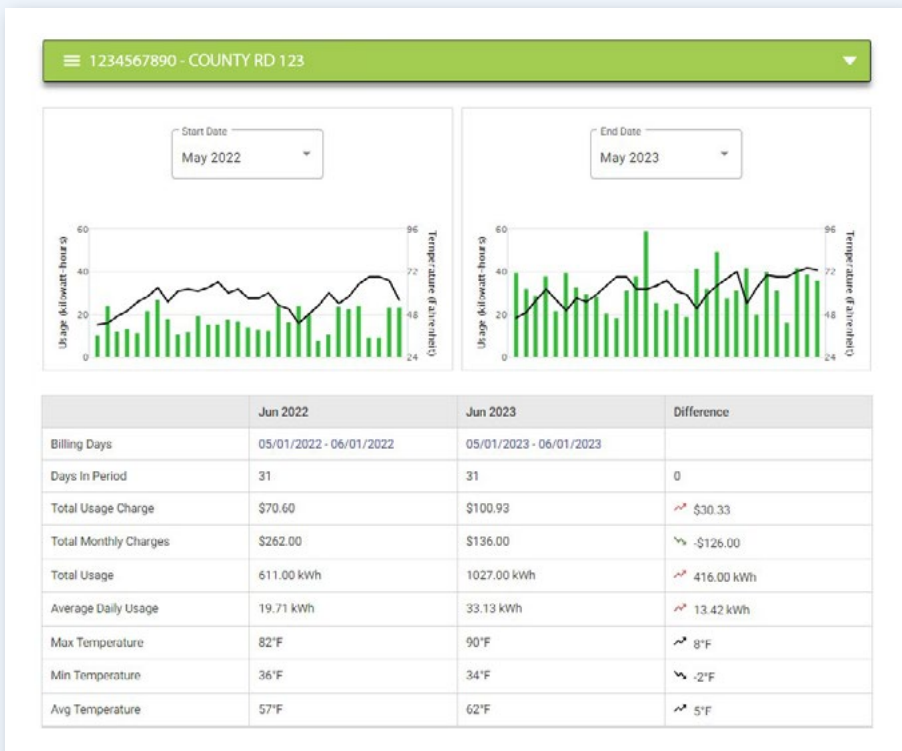
Some ways you can use SmartHub for energy use monitoring:

- Analyze and understand usage trends to find ways to cut back.
- Create and track a monthly budget to avoid unexpected high utility bills.
- Set a point or range in time to compare differences in usage.

SEE MONTHLY USAGE



MONTHLY USAGE COMPARISON



Board Minutes

Highlights from the May 26th, 2023, regular board meeting:

- CEO Dan Carlisle gave an update from the latest Member Managers Group meeting. Great River Energy (GRE) will be providing the group with three “classes”: Rates 101, 201, and 301 that will review the different rate types, structures, and calculations. The group also reviewed winter load control events.
- Board Member Mike Thorson gave the GRE report with April’s financials. GRE had another positive month that continues to carry forward a year-to-date positive margin.
- Lisa Graba-Meech, CFO, presented the April financials to the board. Monthly kWh sales were 2.6 percent under budget. Energy revenue was 4 percent under budget. April’s purchased power expense was 17 percent under budget. Tier is 0.95 and Equity is 40.93.
- The board approved the 2022 fiscal year allocation of capital credits (Minnesota Pipeline – TWEC Allocation: \$4,711; GRE Allocation: \$25,491 // TWEC Other Membership – TWEC Allocation: \$747,722; GRE Allocation: \$254,930) and resolution as presented.
- The board approved changes to various rate classes after having reviewed TWEC’s rates in detail during a two-day Strategic Planning meeting on May 23rd and 24th. Rate adjustments will go into effect on members’ October bills, for September usage.
- Member & Energy Services Manager Allison Frederickson noted how TWEC was able to set up load control notifications for sprayer companies, a request that was made at this year’s spring irrigator meeting. TWEC also held, along with STAR Energy, a certification training for electricians to be able to install generators.
- Next year’s Annual Meeting will be held on April 16th, 2024 at the Maslowski Wellness Center in Wadena.
- Operations Manager Tyler Fisher discussed a few substantial outages in April. He is working with GRE and MN Power to attempt to resolve these transmission related outages.

Pine to Prairie News

A monthly publication for members & friends of



Todd-Wadena
ELECTRIC COOPERATIVE

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Monday - Friday

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Adam Sorensen (320) 304-3927

District 5 (Todd County):

Mark Hunter (320) 616-5574

District 6 (Wadena County):

Sheldon Monson (218) 689-3260

If your electric power goes out:

First, make sure the problem is not on your side. (Members may be billed for service calls if the problem is caused by their own equipment.) Check fuses and circuit breakers in your home and by the meter pole. (Call us for help, if necessary.)

Second, check with your neighbors to see if they have power. Then call Todd-Wadena to report the problem. Give your name and account number. Then report any tree branches, twisted wires, broken poles, and whether or not your neighbors are also out of power.

Before digging call:

Gopher State One-Call
811 or (800) 252-1166

Find us on  

www.facebook.com/toddwadenaelectriccooperative
www.instagram.com/twec.coop

Todd-Wadena Electric Cooperative

P.O. Box 431

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2023 MEMBER APPRECIATION

Pancake Supper

AND EV RIDE & DRIVE



	Date	Tuesday, August 15 th
	Time	4 p.m. to 7 p.m.
	Location	TWEC Headquarters

Note: The event will also include a member forum from 5:30-6:30 p.m.

Ebike Demos
EV Ride & Drive
Electrical Safety Demo
Bounce House/Kids Activities

July Reader's Contest

1. The Pancake Supper will take place on Tuesday, August _____ from 4-7 p.m.
2. Members can submit up to ____ photos for the 2024 calendar contest.
3. Sign up for _____ to compare your monthly energy usage, pay your bill, and more!

Name:

Your TWEC Account Number:

<input type="text"/>	<input type="text"/>
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For your chance to be entered in a drawing to win a \$10 credit on your bill, correctly answer the questions and include with your TWEC bill. Mail to TWEC, P.O. Box 431, Wadena, MN 56482. Or email the answers to mbrservices@toddwadena.coop with the subject line "Reader's Contest". Be sure to include your name and TWEC service address. Entries must be received by July 25th.

Mark Thorsett of Staples was the winner of our June Reader's Contest.