

# **PKM** NEWS

Electric Cooperative

JANUARY-FEBRUARY 2023 / PKMCOOP.COM

A large white Terex bucket truck is positioned in a snowy field. A worker in a bucket is spraying a high-pressure stream of water onto a power line. The water spray is visible as a large, white, misty plume against the clear blue sky. The truck has "TEREX" and "COMMANDER" branding. The ground is covered in snow and ice.

## ALL-OF-THE-ABOVE STRATEGY ENSURES THE BEST ENERGY VALUE

Learn more about power supply decisions on pages 6-7.

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# CEO Report

**JEFF RUSTAD**  
CEO  
PKM Electric Co-op

A 100% carbon-free by 2040 bill – if you have not heard about it – is going through the Minnesota legislature currently (bill HF7/SF4) and will probably be on the governor's desk by the time you receive this. They had the hearings in the House Energy Committee a few weeks back. I heard many different organizations testify in support of this, but no one said anything about how we can get to this point and keep reliability. Minnkota has some of the highest amounts of renewable generation in the United States already for a generation and transmission cooperative. The bill mandates 80% by 2030, 90% by 2035 and 100% by 2040. At this time they do not have a renewable source capable of replacing our coal-fired plants. This legislation also means no natural gas-fired peaking plants, and still no allowance for new nuclear generation.

The cooperatives have secured these allowances to the bill:

1. Allowing a single REC

(renewable energy credit) to be used for both complying with the renewable energy standards (RES) and complying with the carbon-free standards.

2. Allowing the carbon-free portion of a carbon-emitting generation resource to count toward compliance with the carbon-free standards. This would apply most clearly to carbon capture generation, in which case 80% of the megawatt hours from a coal plant with 80% carbon capture would be considered carbon-free, dramatically reducing the number of RECs needed to comply with the carbon-free standards. This provision would also encompass gas generation with green or purple (nuclear) hydrogen fuel blends.
3. Allowing the carbon-free portion of ISO market (or sub-market) energy purchases to count toward compliance with the carbon-free standards. The carbon-free portion would be based on the ISO's annual average fuel mix.
4. Directing the PUC to consider electrification as a basis for moderating the carbon-free standards in any "off-ramp" proceedings.

5. Reduction in the 2030 carbon-free milestone standard from 80% carbon-free energy generation to 60%. Investor-owned utilities are not included in this provision, and will need to meet the 80% level.

Plus, large hydro power stays within the legislation to be counted toward RES and carbon-free generation. With the new legislation we will see what the future brings, and PKM is always working for the members to keep the lights on.

Reminder that PKM's 5.4-cent off-peak rate is the same as \$1.40 propane and \$1.30 fuel oil. At the end of January, we had 78 hours of dual heat control time. If you have a heat pump, it is the same as 65-cent propane and 58-cent fuel oil. If you are replacing or updating your heating system, make sure you check on rebates from PKM that may apply.

We also have KB Electric and Northwest Electric changing out our yard lights to LED. The linemen are also doing line patrol now so you may see them driving in your yard.

The PKM annual meeting will be back at the Warren-Alvarado-Oslo High School Auditorium this year on April 4, so mark your calendars.

If you have any questions, my door is always open.

## Save money with off-peak

Propane prices are high right now. Did you know you could save on winter costs by incorporating off-peak electric into your heating system?



### TAKE A LOOK!

- Off-peak resistance electric heat at 5.4¢/kWh\* is equal to paying \$1.40 for a gallon of propane.
- An even more efficient off-peak air-source heat pump at 5.4¢/kWh\* is equal to paying 75¢ for a gallon of propane – and that's a steal.

The savings add up fast! Call PKM Electric for more information on our voluntary off-peak program.  
\*plus wind surcharge

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#### Office hours

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218-745-4711 or 800-552-7366

#### Electrical after-hours emergencies

800-552-7366  
e-mail: [info@pkmcoop.com](mailto:info@pkmcoop.com)  
website: [www.pkmcoop.com](http://www.pkmcoop.com)

#### Next board meeting

Board meeting to be held the last Tuesday of the month.

#### Officers and Directors

President ..... Mark Hatton  
Vice President ..... Michael Beaudry  
Secretary-Treasurer ..... Wayne Malm  
Directors ... Paul Aakre, Steve Goodwin, Chris Mortenson, Blake Owens, C.J. Peterson and Tom Woinarowicz  
CEO ..... Jeff Rustad  
Editors ..... Danny Schmidt, Megan Dagoberg

*This institution is an equal opportunity provider and employer.*



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# THINGS YOU DIDN'T KNOW

## *about electricity*

### DID YOU KNOW...

Birds can sit on high-voltage power lines because their feet are not touching the ground. If you encounter an electrical current and your feet are touching the ground, you are creating a new pathway or circuit for electricity to flow, which causes you to get shocked. Birds don't disrupt the flow because their feet are anchored to the electrical current, allowing it to continue its natural path. However, if any other part of the bird makes contact with a power line, the bird would get electrocuted.



### DID YOU KNOW...

Energy is not as easy to produce and deliver as one would think. While electricity travels at nearly the speed of light, it journeys through quite a few steps along its path to power your home or business. Whether you are using coal and natural gas, or renewable resources like wind and solar, all energy must first go through either a chemical or mechanical change before becoming electricity.

For energy to be produced at Minnkota's Milton R. Young Station, coal must first be mined and crushed into a fine powder. The powder is fed into tall boilers where combustion takes place and steam is produced. The steam turns the powerful turbines of a large generator, creating the electricity that powers your home or business.



### DID YOU KNOW...

Electricity is the only product in the world that is generated, delivered and consumed almost instantaneously. Storing massive quantities of energy is not as simple as one would think. Since electricity is constantly flowing, it would have to be converted into a different form to be successfully stored. And when you are ready to use that stored energy, it would need to be converted back into electricity. There has been progress made with battery options that store lesser amounts of generated energy, but the current technology is still in the early stages of development and deployment.



### DID YOU KNOW...

The electric grid is in a constant state of balancing supply and demand. If there is too much energy generated on our electric grid, and nowhere for that electricity to go, blackouts and damage to substations and transformers can occur. Energy providers and engineers work to put systems in place to shut off power generation from certain resources when needed to protect the grid and our infrastructure.



### DID YOU KNOW...

Ben Franklin did not discover electricity, he just proved that lightning is a form of electricity. Thanks to his famous kite trick, scientists were better able to understand what electricity was and were able to transform it into what we know it as today. Nikola Tesla, George Westinghouse and James Watt are a few other credited inventors and scientists behind modern electricity.



# GAME PLAN TO AVOID UTILITY SCAMS

Picture it: You're just sitting down to enjoy the big game and a load of hot wings with your crew. A text alert comes across your phone telling you your electricity will be shut off in the next 30 minutes if you don't send money immediately. What do you do? You can't risk losing power before kickoff!

A message like that is likely from a scammer trying to get your money, and you need to be prepared to let them "take a hike." Luckily, PKM Electric has constructed a solid game plan to help you block and tackle any swindler who is trying to cross the line.

## WHAT THE OFFENSE WILL DO

If there are winter-related power outages in the area, a phone fraudster may pose as a utility representative asking for your bank account information to deliver a "reimbursement" for your loss of power. The same kind of scammer may call you when your power has been working reliably, telling you that you've missed a payment and must transfer money to avoid having your power cut off.

A scam attempt may come in the form of a fake email, asking you to reenter your personal information (social security

number, automatic payment information, etc.) for your utility's records.

Some con artists are sophisticated enough to send a text link to your phone and request that you "click immediately" for important service information from your utility.

Although less likely in the cold northern winter, some scammers will actually knock on your door in person posing as utility worker asking face-to-face for private personal information.

## HOW YOU'LL PLAY DEFENSE

If you receive a phone call from your co-op that seems suspicious, hang up and call the office directly (number below). Do not use the call-back number on your phone – it could be fake.

If you receive a text or email from the co-op that asks for a response of any kind, do not respond and delete the message. Call the office directly to confirm it was a scam.

It's difficult not to be Midwest Nice, but if someone approaches your door saying they are from the utility company, do not let them in and do not give them personal information. Call your co-op immediately to confirm the person on the front step is a utility representative.

Do not wire money, pay with a gift card, or use cryptocurrency if requested. Your co-op will never ask for payment in those forms.

## ALERT THE OFFICIALS

First, call PKM Electric directly to report any suspicious phone calls or messages. You may not be the only member to be targeted by the scam. Talk to your friends and neighbors, too!

After talking with your utility, report the scam to the Federal Trade Commission at [Report-Fraud.ftc.gov](https://www.ftc.gov).

**IF YOU BELIEVE SOMEONE IS TRYING TO SCAM YOU BY POSING AS A CO-OP EMPLOYEE, PLEASE CALL OUR OFFICE DIRECTLY AT 218-745-4711.**



# Minnesota's 100% carbon-free energy proposal doesn't make sense for **PKM Electric Cooperative** members

Policymakers in Minnesota are pursuing a potentially dangerous proposal that would mandate all electricity sold in the state be produced by carbon-free resources by 2040.

PKM Electric Cooperative has a long history of environmental stewardship and supports efforts to lower carbon dioxide (CO<sub>2</sub>) emissions. However, a mandate that requires radical transformation of our electricity system has the strong likelihood of creating power reliability challenges and rate affordability issues.

The complexity and difficulty in achieving a carbon-free electric grid cannot be understated. No single technology, power source or approach will be sufficient on its own. It will take an all-of-the-above strategy and many technological breakthroughs occurring rapidly in the coming years.

Here are five things to consider about Minnesota's 100% carbon-free energy proposal.

## **1 You – our members – are better positioned to make decisions for PKM Electric Cooperative than legislators in St. Paul.**

As a member-owner, you have a voice in how your cooperative operates and the decisions that are made through the board of directors you elect. This board is made up of local people who are friends and neighbors in your community – not Twin Cities legislators. Local decision-making is vitally important to ensure you receive reliable, affordable and sustainable electricity. What might work in Minneapolis may not be right for our region.

## **2 PKM Electric Cooperative's power supply mix already includes significant renewable resources and work is being done to further decarbonize.**

Approximately 42% of the power generation capacity provided to our members is generated by carbon-free resources, including wind (34%) and hydro (8%). Minnkota Power Cooperative, PKM Electric Cooperative's wholesale power provider, is also evaluating Project Tundra, which would equip a North Dakota power plant with one of the largest carbon capture systems in the world. If the project moves forward (a decision is anticipated within the next year) Minnkota would be one of the fastest decarbonizing utilities in the U.S.

## **3 Electric grid reliability is at risk.**

Rolling blackouts have taken place in other parts of the country, including Texas and California. Minnesota is not immune to these challenges and the lack of reliable resources could exacerbate an already strained grid. Grid regulators, including the North American Electric Reliability Corporation (NERC), anticipate significant electricity shortfalls over the next 10 years as coal, nuclear and natural gas generation retire faster than replacement resources are connected. This has the potential to create grid reliability issues and more frequent outage events.

## **4 Wind, solar and batteries are currently incapable of meeting the 24/7 demand for electricity.**

While wind and solar resources provide zero-emissions energy, they are also limited by the fact that they cannot operate on a

frequent enough basis to stabilize the electric grid by themselves. Backup resources are still needed for when the wind doesn't blow and the sun doesn't shine. While many are optimistic about the future of battery storage technology, it is still in its infancy at grid scale. Large battery banks can currently only dispatch energy into the grid for a few hours at a time, when multiple days of backup power can be needed.

## **5 Extreme cold weather in our region creates challenges.**

Minnesota's electricity resources need to be prepared for both 110-degree summer days and 40-below-zero winter nights. Extreme cold temperatures create specific challenges due to the dramatic increase in electricity usage and the lack of production from wind and solar facilities, which are prone to shutdown in 20-below-zero conditions. Resilient resources, like coal and nuclear, are still required to meet electricity demand during these volatile weather events.

### **What can I do?**

Contact your state representatives and senators (visit [gis.lcc.mn.gov/iMaps/districts/](https://gis.lcc.mn.gov/iMaps/districts/) to find out who represents you) and encourage them to prioritize electric reliability and affordability when considering energy-related proposals. The 100% carbon-free energy by 2040 proposal is virtually impossible to meet with existing technology. If mistakes are made as the energy transition continues forward, they will be extraordinarily difficult to reverse. Instead of implementing burdensome mandates, the state should develop ways to help utilities access new clean energy funding available in the federal Inflation Reduction Act.

# ALL-OF-THE-ABOVE STRATEGY ENSURES THE BEST ENERGY VALUE

"Don't put all your eggs in one basket."

It's a familiar saying, and believe it or not, that age-old piece of wisdom is used by electric cooperatives to make sure you receive a reliable, affordable and environmentally responsible supply of electricity. Each of the primary generation resource options across the country has both advantages and disadvantages. This is why an all-of-the-above energy strategy is so crucial. If a utility ties itself

to one resource, it is exposed to all the risks associated with that resource. By diversifying, utilities are able to take advantage of the pros and limit their exposure to the cons.

PKM Electric Cooperative receives a diverse mix of coal, wind and water from its wholesale power supplier, Minnkota Power Cooperative, to meet your 24/7 electricity needs. Future power supply decisions take into account numerous factors, including permitting; capital, operating

and maintenance costs; existing generation mix; reliability and resiliency; and projected member demand for electricity.

Decisions to build or purchase from new generation resources are carefully considered. Building any new generation resource at grid scale can cost hundreds of millions of dollars and require decades of investment and commitment. That makes it uneconomic to switch back and forth between power supply options over short periods of time.

## What is considered when power supply decisions are made?



### LIGNITE COAL

#### Advantages

- Abundant, domestic fuel source
- Stable pricing
- Can reliably run 24 hours per day
- Technology has been developed to address emissions (exploration of Project Tundra)

#### Disadvantages

- Extraordinarily difficult to permit
- Cannot economically rail lignite coal due to high moisture content
- Can be difficult to ramp up and down to accommodate renewable production
- Releases CO<sub>2</sub>. Anticipate CO<sub>2</sub> regulations, although CO<sub>2</sub> capture technology is rapidly advancing



### NATURAL GAS

#### Advantages

- Lower CO<sub>2</sub> emission levels than coal
- Can be ran 24/7 or used during peak events
- Can respond rapidly to dispatch

#### Disadvantages

- Fuel costs can be volatile and impacted by events outside of the U.S.
- Pipeline infrastructure not adequate for projected demand
- Still releases CO<sub>2</sub> emissions



## NUCLEAR

### Advantages

- No air emissions
- Can reliably run 24 hours per day
- Smaller, modular reactors are in development

### Disadvantages

- High capital cost and increasingly expensive fuel
- Radioactive waste that must be properly disposed of and monitored
- Extraordinarily difficult to permit and build
- Cannot ramp up and down to accommodate renewable production



## HYDRO

### Advantages

- No fuel cost
- Low-cost energy to consumer
- No air emissions
- Can respond rapidly to dispatch

### Disadvantages

- Nearly impossible to permit
- Affects fish and wildlife habitat
- Alters the natural flow of rivers
- Virtually no resources left to develop (some dams being removed)



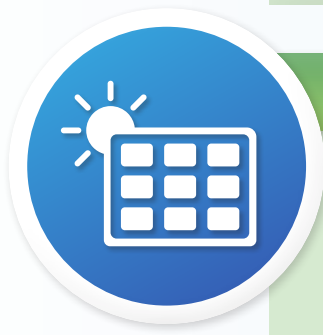
## WIND

### Advantages

- No fuel cost
- No air emissions
- Cost-competitive with other resources

### Disadvantages

- Has intermittent production (produces about 45% of its potential on an annual basis)
- Requires investment in backup generation resources
- Grid-scale battery backup technology is still in its infancy
- Turbines take a larger footprint to produce the same energy as other resources and can impact bird and wildlife populations
- Cannot operate in extreme cold and ice conditions



## SOLAR

### Advantages

- No fuel cost
- No air emissions
- Costs are slightly higher than other resources, but are trending downward

### Disadvantages

- Has intermittent production (produces about 15-19% of its potential on an annual basis)
- Requires investment in backup generation resources
- Grid-scale battery backup technology is still in its infancy
- Solar panels take a larger footprint to produce the same energy as other resources
- Production affected by clouds, snow and extreme cold temperatures
- Panel production degrades over time



# YOUR OFF-PEAK PROGRAM: THE **HERO** OF THE GRID

The off-peak (or demand response) program provided by PKM Electric is a true hero – for the electric grid, for the co-op, and for YOU. What better way to illustrate the importance of the off-peak program and its member volunteers than by giving them the superhero treatment?

In the co-op control room...

An extended Midwest cold snap is creating high demand for electricity, AND the air has been still – no supplemental electricity coming from wind turbines. Minnkota and its cooperatives must protect their members from high energy market prices, or worse, regional grid instability.

**ALERT!**

"Have no fear,"

"off-peak is here!"

"Activate the off-peak program!"

OFF-PEAK

**SWITCH!**

An air-source heat pump seamlessly switches to its backup.

A thermal storage heater releases its stowed-away warmth.

In moments, a signal is sent to the homes and businesses of hundreds of heroes who volunteered to enroll their electric technologies in the off-peak program.

A HERO LIVES HERE

**FLIP!**

A large-capacity water heater keeps hot water flowing while being temporarily toggled off.

A dual-fuel furnace automatically transitions to its propane backup.

Demand for electricity is reduced across the region without a single interruption in comfort or productivity.

"We've avoided high energy market prices and protected our neighbors from outages."

"Thank you to all of the co-op members who helped reduce electric demand in a time of need!"

For their help in protecting the membership, off-peak volunteers are granted valuable gifts – great heating technology rebates and an electric rate slashed by nearly 50%.

Until high demand strikes again...

**THE END**

If you'd like to learn more about the off-peak program (and our large off-peak technology REBATES), call us at **218-745-4711** or visit **VALUEOFELECTRICITY.COM**.



# PKM nominating committee appointed

At its January meeting, the board of directors of PKM appointed a nominating committee to nominate candidates for the board of directors, to be voted on by the members at the annual meeting on Tuesday, April 4, 2023. The nominating committee will meet on Tuesday, March 7, 2023. Members who may have an interest in being a candidate for the board of directors should inform the committee of their interest.

The bylaws of the cooperative provide for an additional method to become a candidate for the board of directors. If it is felt a potential candidate was not given due consideration by the committee, or did not contact the committee prior to its meeting, a member can become a candidate by having 15 or more members place his/her name in nomination by petition and delivering the petition to the cooperative 20 days prior to the annual meeting.

## Members appointed to the committee are:

Tom Miesner – Lancaster	Ron Iverson – Alvarado	Glenn Barrett – Warren
Steven Sjostrand – Lancaster	Pat Osowski – Alvarado	Brian Kasprick – Angus
Joey Wilebski – Lancaster	Stuart Nordling – Warren	James Folz – Warren



## Notice on service updates/new services

**Attention members who are planning for new service(s) construction and/or improvements:**

If you are looking to add a new service or are adding load and may need to upgrade your existing service, please give Joe Marcotte a call at the PKM office so he can add you to the schedule. Materials such as transformers, yard switches and wire can be extremely hard to get and may be 6 to 12 months out. Call 218-745 4711.

## Top 5 Easy Energy Saving Tips

1

Replace any light bulb, especially ones that burn more than one hour per day, with a LED bulb.

2

Seal from the inside. Air sealing is an inexpensive way to lower energy costs and improve comfort. Seal gaps and holes in walls, floors and ceiling with caulk or foam sealant. Look for cracks around windows and where wires and pipes pass through.

3

Plug electronic devices such as cable boxes, printers and TVs into power strips to turn off during vacations or long periods without use. Smart power strips make it easy to save money.

4

Close shades and drapes during the day to help keep your home cooler in the summer and warmer in the winter.

5

Change your HVAC system filter when dirty per manufacturer's recommendations. Dirty filters can impact your home comfort and increase your electricity bill.

## MARK YOUR CALENDARS!

**TUESDAY, APRIL 4, 2023**

**PKM Electric Cooperative's**

## 83<sup>rd</sup> Annual Meeting

*will be held*

**TUESDAY, APRIL 4**

**at Warren-Alvarado-Oslo High School**

The annual meeting of the members of PKM Electric Cooperative will be held at the **Warren-Alvarado-Oslo High School in Warren, Minn.**, at 6:40 p.m. on **Tuesday, April 4, 2023**, for the following purposes:

1. **To pass upon reports of officers, directors and committees.**
2. **To elect three directors of the cooperative.** Elections will be held for a three-year term for one director in each of the following counties:

**Polk:** Steve Goodwin, Angus

**Kittson:** C.J. Peterson, Lancaster

**Marshall:** Michael Beaudry, Alvarado

Per the cooperative bylaws, nominees for open director seats must submit a petition at least thirty (30) days before the annual meeting. Please note that the bylaws mandate that no nominations for director can be made from the floor at the annual meeting nor are write-in nominations accepted.

3. All other matters, which may properly come before the annual meeting, or any adjournment or adjournments thereof.



## WHAT IS OFF-PEAK?

An off-peak system consists of an electric heating source as its primary component. When PKM Electric Cooperative has high demand, the electric heat will automatically turn off and a supplemental heating source will need to operate in its place. Off-peak heating loads are generally controlled during the coldest months of the year when the demand for electricity is high.

By enrolling in the program, the savings we get on demand charges are passed on to the participating PKM Electric Cooperative members through the low off-peak electric rate, which is \$0.054/kWh – approximately half of the regular retail rate. This rate is extremely competitive with petroleum fuels used for heating.

Minnkota Power Cooperative, our wholesale power provider, tracks demand peaks and when control is needed, it sends a message via power lines that will reach you by your individually programmed ripple receiver at your home, farm or business and will automatically switch to the supplemental heat source.

There are many options for your off-peak heating installation, but the main requirement is a reliable backup system to ensure you have heat on the coldest days. If you are interested in off-peak, please contact our Energy Services Department at **218-745-4711**.

We want to continue to be able to offer this program for years to come. The way we will be doing that is yearly checks on our off-peak equipment to ensure it is working properly. We will be able to monitor them from the office, which may also require an in-home inspection of the equipment.

## Electrical Inspectors

### Marshall and Kittson Counties

Ronald Ditsch: 218-779-6758

### Polk County

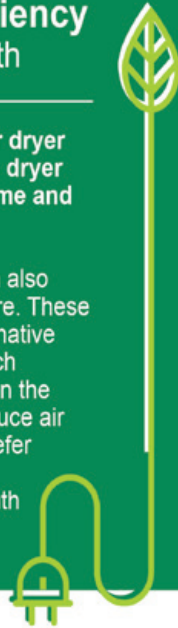
George Stage: 218-284-1083

## Energy Efficiency Tip of the Month

**Use wool or rubber dryer balls in the clothes dryer to reduce drying time and static.**

Wool dryer balls can also absorb extra moisture. These are an efficient alternative to dryer sheets, which can create buildup on the dryer's filter and reduce air circulation. If you prefer dryer sheets, scrub the filter once a month to remove buildup.

Source: [www.energy.gov](http://www.energy.gov)



The average home in our area can be powered for about **\$45 per week** – the price of a bouquet of flowers for that special someone.



**VALUING EVERYTHING  
THAT POWERS YOUR WEEK.**

**THAT'S THE VALUE OF ELECTRICITY.**



## Problems paying your electric bill?

**Energy assistance  
may be available!**

If you are receiving a low income or suffering from a temporary financial shortfall, these agencies may be able to assist you with your electric bill. We urge you to contact them immediately to avoid disconnection if you feel you are eligible for aid.



### Northwest Community Action

PO Box 67

Badger, MN 56714-0067

(218) 528-3258 or 800-568-5329

[northwestcap.org](http://northwestcap.org)

### Tri-Valley Opportunity Council, Inc.

1407 Erskine Street

Crookston, MN 56716

(218) 281-9080

Toll Free (866) 264-3729

## PKM ELECTRIC COOPERATIVE POLITICAL LEADERS

### Federal Legislators

#### President Joe Biden

The White House  
1600 Pennsylvania Ave. NW  
Washington, D.C. 20500  
[www.whitehouse.gov](http://www.whitehouse.gov)  
202-456-1111

#### Senator Amy Klobuchar

425 Dirksen Senate Building  
Washington, D.C. 20510  
[www.klobuchar.senate.gov](http://www.klobuchar.senate.gov)  
202-224-3244; Fax: 202-228-2186

#### Senator Tina Smith

720 Hart Senate Office Building  
Washington, DC 20510  
[www.smith.senate.gov](http://www.smith.senate.gov)  
Phone: 202-224-5641

#### Congresswoman Michelle Fischbach, U.S. House (7th District)

1004 Longworth House Office Building  
Washington, D.C. 20515  
[www.fischbach.house.gov](http://www.fischbach.house.gov)  
202-225-2165; Fax: 202-225-1593

### State of Minnesota Legislators

#### Governor Tim Walz

130 State Capitol  
75 Rev. Dr. Martin Luther  
King Jr. Boulevard  
St. Paul, MN 55155  
651-201-3400  
800-657-3717  
[www.mn.gov/governor](http://www.mn.gov/governor)

#### Minority Leader

#### Senator Mark Johnson (01, R)

2401 Minnesota Senate Building  
St. Paul, MN 55155  
651-296-5782  
[sen.mark.johnson@senate.mn](mailto:sen.mark.johnson@senate.mn)  
[www.senate.mn/members](http://www.senate.mn/members)

#### Representative John Burkel (01A, R)

309 State Office Building  
St. Paul, MN 55155  
651-296-9635  
[rep.john.burkel@house.mn.gov](mailto:rep.john.burkel@house.mn.gov)

#### Representative Deb Kiel (01B, R)

203 State Office  
Building  
St. Paul, MN 55155  
651-296-5091  
800-339-9041  
[rep.deb.kiel@house.mn.gov](mailto:rep.deb.kiel@house.mn.gov)



# Board meeting **highlights** November and December

## A regular meeting of the board was held Tuesday, Nov. 29, 2022.

Mark Hatton, president who presided, asked for roll call. Upon calling the roll, the president reported that all directors were present. Director Goodwin and Owens participated via phone conference. Director Woinarowicz and Director Aakre gave their reports on Minnkota and Square Butte.

Line foreman Christopher Derosier presented the monthly safety and operations report, indicating no accidents and no lost time. MREA was present with the topic hot line work. Highlights from his report included crews wrapping up all the URD projects, getting caught up on pole change outs and a long list of maintenance. He shared quotes for equipment for capital and operating budget items for 2023. Exo (Ram) did pole testing in three maps.

The manager of member services, Jeff Rustad, shared recent activities within his department. Allegiant has about 150 meters left to change between Alvarado, Argyle and Euclid. PKM still has some more relays to install. Rustad shared highlights from recent meetings he had attended.

The CFO, Karen Olson, opened her report with an office update. The 2023 budget preparations continue with the preliminary capital requirements budget included for discussion later in the meeting and a preliminary review of the operating budget.

The CFO continued with the presentation of the Operating and Financial report for the cooperative. Historical data for margins for a 10-year PTD and YTD comparison were provided and discussed. She reported that overall revenue is up \$201,424.16 from September to October and we are over budget for the year by \$542,490.01. Even with the increased expenses we have had, expenses still remain under budget by \$128,558.07. Other financial data was presented and discussed along with the current tier of 2.39 up from last month.

The CEO referenced his submitted written report outlining recent meetings he had attended. He is working side by side with Jeff Rustad to prepare him for his new position as CEO.

Upon presentation of the reports from the management staff and CEO, questions and comments from the board of directors concerning their reports were addressed.

The 2023 operating budget preliminary review was presented and will be finalized at the December meeting for discussion and approval as the November reported financials will aid in accuracy for budget projections.

The 2023 capital budget preliminary review was presented and will be finalized at the December meeting for discussion and approval. Staff have held several meetings to discuss capital needs going forward. Some items need a motion in order to get them in a

reasonable time and to lock in pricing. The line superintendent, Joe Marcotte, presented quotes for the items requesting a motion.

The CFO, Karen Olson, presented the directors with the MN 87 AD45 RUS. She needs signatures for the final loan papers for our CWP. Once the documents are signed, everything must be filed at numerous agencies before the loan fund advance on the new loan.

The president reminded the directors that the 2023 ACRE and REPAC contributions are now being accepted and should be submitted to the administrative assistant for processing. Discussion about selecting a date for the Winter Planning Meeting at Minnkota was tentatively set for Tuesday, Feb. 21, 2023.

## A special meeting of the board was held Tuesday, Dec. 20, 2022.

Mark Hatton, president who presided, asked for roll call. Upon calling the roll, the president reported that all directors were present with the exception of Director Goodwin. Director Woinarowicz and Director Aakre gave their reports on Minnkota and Square Butte.

Operations manager Joe Marcotte presented the monthly safety and operations report, indicating no accidents and no lost time. Miff from MN Safety was here with forklift recertification. PKM sent a few linemen down to Mille Lacs to help with outages. The linemen have been busy changing out poles and clearing ROW. Marcotte shared an update from his District 1 meeting in Beltrami.

The manager of member services shared recent activities within his department. Rebates for 2022 were sent to Minnkota for their part of \$25,680. Larry from Fault Finders was here and successfully repaired cable at six different accounts. Allegiant is done for now installing AMI meters. They have more work to be done in Euclid, but our shipment of meters won't be here until spring.

The CFO opened her report with an office update to the directors that the office was continuing to work on closing out work orders for the year and 219 processing. There is an abundance of paperwork that needs to be addressed prior to year-end close and the annual inventory in February. She will present the bad debt listing after year end and it will be included in the January board agenda.

The CFO continued with the presentation of the Operating and Financial report for the cooperative. Historical data for margins for a 10-year PTD and YTD comparison were provided and discussed. She reported that revenue for November was under budget for the month by \$136,112.19. Other financial data was presented and discussed. The current tier is down from last year at 2.62.

The CEO is cleaning out his desk and routing items to Jeff, Karen and Joe. He is still working side by side with Jeff Rustad to prepare him for his new position as CEO.

Upon presentation of the reports from the management staff and CEO, questions and comments from the board of directors concerning their reports were addressed.

The 2023 operating budget was presented to the directors for consideration with the changes recommended from last meeting. Staff held several preparation meetings and shared their methods of recommendation with the directors.

The 2023 capital requirements budget was presented to the directors for consideration. Staff held several meetings to discuss capital needs going forward.

With the approaching NRECA Annual and Regional Meeting and NRTC Annual Meeting, voting delegates are Blake Owens and Michael Beaudry.

An engagement letter confirming the auditing services provided to PKM Electric Cooperative, Inc. for the year ended Dec. 31, 2022, by Brady Martz was presented.

With Jeff Rustad's new CEO position, RUS requires the following updated forms 87, 595, 675, 674 and RD Apply to be filed reflecting names of the management and officers authorized to sign RUS forms.

The member service manager, Jeff Rustad, asked the board to consider a few changes to the 2023 Electric Rebate Application. The changes were to the air-source heat pump and mini-split to include an asterisk with the description to "Air Source heat pumps equal to or greater than 17 SEER qualify for the \$500 per ton rebate. Another change suggested was to add \$100 more per unit on the water heaters.

The CEO asked the directors if they would allow him to buy out the remaining lease on the 2020 Ford F-150 pickup at C & M Ford Sales, Inc. The lease would be terminated effective Dec. 31, 2022.

Financials were provided for Carr's Tree Service.

With deadlines approaching for the annual meeting, directors needed to decide a date for the next meeting. The directors discussed and decided to move the annual meeting back to the WAO school on the first Tuesday in April.

## DUAL FUEL MEMBERS:

Please check your backup system

If you have a dual fuel heating system, now is the time to be sure your backup heating system is prepared and that you have adequate fuel supply.

- Dual fuel heating systems are usually controlled during periods of high demand (such as frigid winter evenings), but other factors such as high market cost can lead to load control as well.
- Winter season load control time is managed to 250 hours, but could be more due to unforeseen conditions.
- Electric heating load control periods typically occur during early morning and evening peak demand times, however, load control can occur at any time.
- Participants should expect more control days this winter, with most occurring between December and February.

## Apply now for a PKM Scholarship

Individuals in PKM's service area who are members of the cooperative, their spouses or children.

• Applicants planning to attend an accredited postsecondary educational institution in pursuit of their initial postsecondary degree. These institutions could include technical colleges, universities or colleges.

• Eligible applicants include high school seniors, active college students enrolled in an accredited institution in pursuit of their initial degree and nontraditional students who are initiating or resuming their initial postsecondary degree. Nontraditional students include "older than average students" or individuals who did not begin a program after high school. This could also include students whose first postsecondary degree was interrupted.

**Postmark  
Deadline:  
April 15, 2023**

**Applications  
available at local  
schools, PKM office  
or online at [www.pkmcoop.com](http://www.pkmcoop.com)**



# SAVE MONEY AND ENERGY IN 2023 WITH ENERGY EFFICIENCY REBATES!

Energy efficiency rebates for members remain in effect for 2023. Please see the chart for a sample of incentives.

## SAMPLE 2023 ELECTRIC REBATES FOR MEMBERS

Equipment	Specifications	Rebates
Air-source heat pump	< 17 SEER ≥ 17 SEER	\$300/ton* \$500/ton*
Ground-source heat pump	Closed or open loop	\$500/ton*
Electric water heater	Min. 80-gallon capacity, must be on load management program	\$300-\$600 per unit
Off-peak electric heat (plenum, baseboard, hanging heater, etc.)	Must be resistance electric on off-peak program	\$50/kW*
Electric boiler, brick storage, slab storage	Must be on off-peak program	\$80/kW*
Electric vehicle (EV) charger	240V-rated Level 2 charger on load control	\$100/kW

*Every install must be new equipment and provide proof of purchase unless site verification is approved.*

*\*These amounts include a rebate from Minnkota Power Cooperative, which has a capped rebate, so call for details.*

All incentives, criteria and guidelines for resident and business members can be found at [pkmcoop.com](http://pkmcoop.com) or by calling **218-745-4711**. **All criteria are listed on the rebate form.**