

# Connections

March 2019

For the member-owners of Federated Rural Electric

Volume 23, Issue 3

## Polar Vortex focus of co-ops' legislative visits

The January Polar Vortex provided a reality check for one of the major legislative issues this year. Proposals at the state and federal level aim toward higher mandates for renewable energy — up to 100 percent — demonstrated what happens under extreme weather. Your local electric cooperative directors and managers educated their Minnesota legislators February 19 as to the dangers of the elimination of fossil fuels and being too dependent on a zero carbon model when technology isn't quite ready.

Electric cooperatives encourage the use of renewables, but with a common sense approach, instead of implementing mandates that could systemically damage our economy, explained Mike Heidemann, CEO at Brown County REA. "During the January 30-31 Polar Vortex, we experienced life threatening weather extremes. This spiked electricity demand as temperatures plummeted. Unfortunately, the electricity generated from wind turbines also plummeted."

Over the Midwest's power grid, wind generation only supplied about one-fourth of its potential output. Wind turbines are programmed to shut down automatically once temperatures reach -22 degrees Fahrenheit; which it did. This affected wind farms in North Dakota and Minnesota overnight January 29 through noon the next day. Uninterrupted fossil fuel power plants provided electricity needed to heat homes and power the electric grid. Electric co-ops also started members' generators on the load control — *Continued on Page 6*



The Brown County REA group met with Senator Nick Frentz in the Senate Chamber. Pictured: Darrick Moe from Minnesota Rural Electric Association, Senator Nick Frentz, Greg Mages, Bill Berg, Mike Heidemann, Brad Sprenger, Reuben Kokesch, Tom Hayes and Jim Hanson.



Federated's delegation met with Senator Bill Weber. Pictured: Dave and Ruth Hansen, Cheryl and Bruce Brockmann, Darvin Voss, Senator Weber, Scott Reimer and David Meschke.



**Class of 2019:  
Apply for Round  
Up scholarships  
by April 1<sup>st</sup>**

Graduating high school seniors, apply for the Operation Round Up \$700 scholarships. Federated is offering nine of these scholarships. One for each of the six districts and three for District At-Large. Find the application with your February electric bill, download from our website or see your school counselor. 



## Take advantage of tax credits before they're gone

If you've been thinking about installing a geothermal system for your home, now may be the time to dig into it. 2019 is the last year to claim the full 30 percent Residential Renewable Energy Tax Credit.

You should consult your accountant for details, but the main points break down like this.

- A taxpayer may claim a credit of 30 percent of qualified expenditures for a ground source heat pump that serves a dwelling unit that is owned and used as a residence by the taxpayer.

- Expenditures with respect to the equipment are treated as made when the installation is completed.

- If the installation is at a new home, the "placed in service" date is the date of occupancy by the homeowner.

- Expenditures include labor costs for on-site preparation, assembly or original system installation, and for piping or wiring to interconnect a system to the home.

- If the federal tax credit exceeds tax liability, the excess amount may be carried forward to the succeeding year.

- The tax credit ends in 2022, but it will phase down as that date arrives according to this schedule:

- a. 30 percent of total system cost through 2019
- b. 26 percent of total system cost in 2020
- c. 22 percent of total system cost in 2021

- The American Recovery and Reinvestment Act of 2009 repealed a previous limitation on the use of the credit for eligible projects also supported by "subsidized energy financing." For projects placed in service after December 31, 2008, this limitation no longer applies.

- The geothermal heat pump must meet federal Energy Star criteria.

- The 30 percent tax credit also applies to solar installations.

- In addition to the federal tax credit, your local electric co-op also offers incentives for ground source heat pumps.

To apply for the 2017 energy efficiency tax credits, you need to file the IRS Tax Form 5695 and submit it with your taxes.

### What's the difference between a tax deduction and a tax credit?

A tax deduction reduces the amount of income subject to tax. For example, if your taxable income is \$25,000 and you have a \$500 tax deduction, your taxable income would be reduced to \$24,500. A tax credit reduces the amount of tax you have to pay. For example, if you owe \$800 in taxes at the end of the year, and you get a \$300 tax credit, then you will only owe \$500. ☺



Dig up more than just energy savings with a geothermal system. You can also receive federal tax credits!

### Energy Tips

#### Need help from the tax experts?

Contact the IRS with your questions on the 30 percent Residential Renewable Energy Tax Credit.

- [www.irs.gov/contact](http://www.irs.gov/contact)
- 1-800-829-1040
- Form 5695 Instructions can be found at [www.irs.gov/pub/irs-pdf/i5695.pdf](http://www.irs.gov/pub/irs-pdf/i5695.pdf)
- Form 5695 is at [www.irs.gov/pub/irs-pdf/f5695.pdf](http://www.irs.gov/pub/irs-pdf/f5695.pdf)

To learn about other incentives available contact your utility or visit the Database of State Incentives for Renewables & Efficiency at [www.dsireusa.org](http://www.dsireusa.org). ☺

# A surge protector can also save you money

The TrickleStar 7-outlet AV Advanced PowerStrip Plus is a surge protector that saves you money by reducing active and standby power waste.

Active power waste occurs when the TV is left on and no one is watching it. Standby power waste is energy consumed by electronic equipment even when turned off. The AV Advanced PowerStrip Plus switches off the TV when not in use and cuts standby power waste by removing supplied power to peripheral electronic equipment.

The powerstrip works by detecting remote control signals and motion in the room to determine whether the TV is being used. If no remote control activity or motion is detected within a countdown period (configurable to one or two hours), the powerstrip powers down the TV and peripheral electronics plugged into it, saving you money and energy.



Features include:

- Flashing LED and audible chirp notification to alert you prior to powering down electronics.
  - Surge protector incorporates advanced technology with ceramic-encased metal oxide varistors that suppress more energy and dissipate heat faster than traditional surge protection products. The ceramic casing is fireproof and capable of preventing fire during abnormal surge conditions.
  - Improves video and sound quality of connected electronics by filtering out electromagnetic and radio-frequency interference.
  - Compatible with all types of TVs and UL-listed.
- The Advanced PowerStrip Plus is available for approximately \$20. 

## Safety

# Learn the INs and OUTs of outlet types

Type	Function	Interesting Fact	Recommended Installation Locations
 <b>Two-Prong</b>	Provided electricity to appliances.	Installed prior to 1962.	None.
 <b>Grounded</b>	Third prong (ground) reduces the risk of electric shock and protects equipment from electrical damage.	Grounding-type receptacles were first required for all 15 and 20-amp outlets in the 1971 National Electrical Code (NEC).	Mandated by NEC in all areas, unless otherwise specified.
 <b>Tamper Resistant</b>	A built-in shutter system prevents objects from being inserted, except when simultaneous (equal pressure to both slots is provided by a plug).	Outlet covers do not provide adequate protection. 100 percent of children 2-4 could remove plastic outlet covers in unless than 10 seconds.	Required by the 2008 NEC. Upgrading rooms and areas where children could have access to the outlets is recommended.
 <b>Arc Fault Circuit Interrupter</b>	Reduces the risk of fire, by interrupting power when an arc fault occurs anywhere in the circuit.	Estimates say more than 50 percent of electrical fires that occur every year could be prevented by AFCIs.	Provides protection from arc faults beyond branch circuit wiring extending to appliances and cords using the receptacle.
 <b>Ground Fault Circuit Interrupter</b>	Prevents shock by shutting off power if the electricity flowing into the circuit differs from that returning.	GFCIs shut off electric power in the event of a ground fault within as little as 1/40 of a second.	Installed where water and electricity are in close proximity, such as bathrooms, kitchens, laundry areas and outdoors.
 <b>Surge Suppression</b>	Protects sensitive electronic equipment from transient surges.	60-80 percent of surges occur within the building, such as when large appliances, like air conditioners, turn on and off.	Not required by the NEC, though often installed in rooms containing costly devices such as computers, TVs or refrigerators.
 <b>USB</b>	Provides a permanent Universal Serial Bus (USB) connection source.	Over 10 billion electrical devices in use today charge via a USB cable.	Offers a permanent adaptation for devices requiring a USB terminal for power or charging as needed for convenience. 

# Federated Focus

## Sign up for Even Pay now

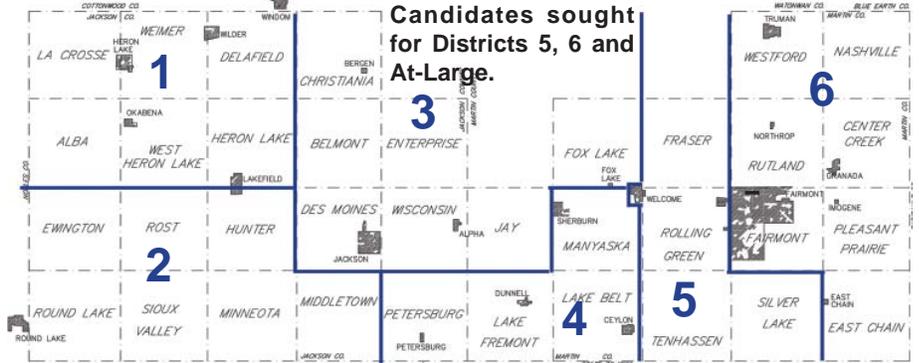
Twice a year you can sign up for the Even Pay program. That's where your electric bills are averaged out for a year so you have a flatter, more even payment. The co-op member must have a 12-month billing history with no past due payments to sign up. Plus, twice a year Federated reviews the budget amount with actual use and adjusts your bill accordingly. You must also sign up for Auto Pay at the same time, which is where the payment is deducted from your checking or savings account on the due date automatically. It's a great way to save on the price of a stamp! Federated included the Budget Pay and Auto Pay bill insert with the March 1 and 3 bills. Fill it out and return it right away so you are enrolled for April. Questions? Call Federated or e-mail [billing@federatedrea.coop](mailto:billing@federatedrea.coop). You can also find the form on Federated's website [www.federatedrea.coop](http://www.federatedrea.coop).

## See the light! LED rebates exist



Upgrade your business, farm shop or hog barn to LED lights. Federated offers LED rebates for new construction and retrofit projects. Find the rebate form on our website under the programs tab. Tired of fluorescents that barely work in the cold weather? Tired of the slow start up time for your old lights? Make 2019 the year to upgrade. Invest in LEDs, reduce your electric bill and enjoy the LED Federated rebate! Call and visit with Jon about LED lighting rebates.

## Nominating Committee seeks candidates



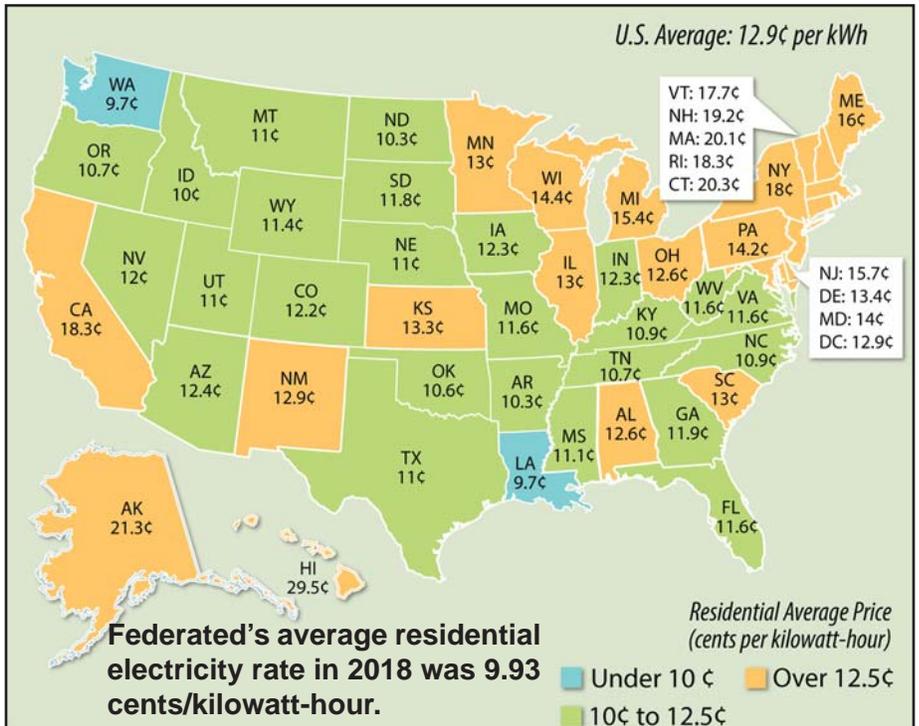
Federated's Nominating Committee will select director and nominating committee candidates. The first meeting occurred February 7. They have begun the search process and will conduct a second meeting to nominate the candidates May 15. The membership votes on candidates at the Annual Meeting August 1; it will be conducted at the Martin County West High School in Sherburn.

The director position slated for this year's election involves the District At-Large, which covers all eligible Federated members. Meanwhile, the Nominating Committee election involves Districts 5 and 6. Both positions are four-year terms. In addition, a director is needed for District At-Large for the Operation Round Up Trust Board.

If you would like to suggest a member for consideration, call Federated at 847-3520, 728-8366 or 1-800-321-3520. Otherwise, e-mail [info@federatedrea.coop](mailto:info@federatedrea.coop). The nomination will then be provided to the Committee.

The nominations will be posted at Federated 30 days before the Annual Meeting. The nominations can also be made by petition at least 20 days prior to the meeting. The candidates will be listed in the June *Connections* newsletter, while their biographies will be posted in the July *Connections* newsletter.

## 2017 average prices for residential electricity



# Have a 'mining' fine time! Co-op's Basin Tour runs June 18-20



Join us on the 2019 Basin Tour June 18-20. This is the first time the tour is in June! Tour the lignite mine, power plant and the coal gasification's model room. See how your electricity is generated near Bismarck, North Dakota. The dragline (pictured above) removes the 'overburden' to expose the coal seam.

Join us on a three-day trek across the Dakota Plains to tour the Antelope Valley power plant and the Coteau lignite mine June 18-20. In addition, learn about the coal gasification plant that converts coal into natural gas, fertilizer and more.

Depart from Jackson June 18 on the air-conditioned charter bus. Plenty of movies, games and frequent rest stops break up the day.

The big tour day is June 19. Depart Bismarck, North Dakota, for the power plant, mine and coal gasification tours. Take the elevator to the top of the power plant to see the view, peek into the coal-burning furnace and enjoy the bus ride into the lignite open pit mine, weather permitting. In the evening enjoy a relaxing supper and riverboat ride on the Missouri River. In your free time soak in the indoor pool or shop at the nearby mall.

On June 20 the group stops at the North Dakota Heritage Center and State Museum before heading home. Enjoy periodic rest stops and return to Jackson around 8 p.m.

As a cooperative member-owner, learn about one of the sources of your electricity. The cost is only \$138 per Federated member or \$275 per Federated couple. The fee includes the cost for the hotel, bus, all meals and snack breaks.

Federated shares the tour bus with another co-op so just 20 seats are available. Sign up today! Call with your credit card to reserve your seats or send in your contact info with your check payment and the coupon below. Call Federated and ask for Andrea. If you have gone before, please do not sign up again. ☺

## June 18-20 — 2019 Basin Tour Registration

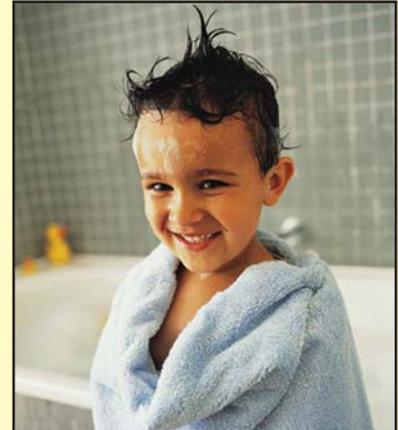
\_\_\_ 1 member for \$138 or \_\_\_ 2 members for \$275

Name(s) \_\_\_\_\_ Phone # \_\_\_\_\_  
Address \_\_\_\_\_ City/state/zip \_\_\_\_\_

Circle one: Smoking or non-smoking room?

Mail to: Federated Rural Electric, ATTN: Andrea, PO Box 69, Jackson MN 56143-0069 with the check or call 847-3520, 728-8366 or 1-800-321-3520; ask for Andrea to pay with credit card.

Rub a dub, dub  
tub time!



**\$539, + tax**

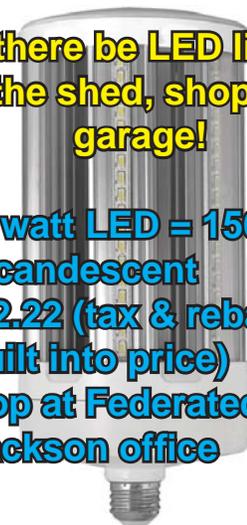
For the water heater &  
FREE installation!

- Lifetime warranty against leaks for original owner
- No anode rod to change
- Energy-efficient
- One-stop shop!

Call Federated &  
schedule your install!  
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or 1-800-321-3520

Let there be LED light in  
the shed, shop &  
garage!

- 22 watt LED = 150 watt incandescent
- \$42.22 (tax & rebate built into price)
- Stop at Federated's Jackson office



# The cooperative delegations encourage free market on renewables — do not mandate levels

— Continued from Page 1  
 program for added generation. Plus, peaking plants switched from natural gas to fuel oil so more natural gas would be available for home heating.”

Bills proposed to increase the Minnesota renewable energy mandate from 25 percent by 2025 include:

- 50 percent by 2030
- 80 percent by 2035 and carbon free by 2050.

“We encourage legislators to vote ‘no’ on higher renewable energy mandates,” added Scott Reimer, Federated Rural Electric’s general manager. “Allow the market to work. Utilities are adding renewables, while managing affordability, reliability and sustainability; we keep the lights on every day, especially during weather extremes.”

During the visits, co-ops encouraged legislators to also support reforming the Conservation Improvement Program (CIP), implemented in 2007. “CIP aims to reduce the use of electricity through energy efficiency, like rebates for efficient equipment and lighting,” Reimer stated. “The bill would eliminate a spending goal, keep the low-income assistance, factor in beneficial electrification with the addition of electric vehicles on the horizon and continue the small utility exemption; these actions would improve the CIP program.”

The cooperative delegation also spoke about third-party vendors trying to “cherry-pick” the largest customers to provide solar or battery storage options for them. “As cooperatives are member-owned, allowing certain customers special privileges leaves the remaining members to pay more for the maintenance of the lines and state mandates, increasing the costs for others and risking degraded service for all,” Heidemann said. “Minnesota utilities have the ‘obligation to serve’ providing



Another legislative visit occurred with Representative Bob Gunther (second from right). Pictured Federated Directors and two spouses: Darvin Voss, David and Ruth Hansen, Cheryl and Bruce Brockmann, and David Meschke. The Federated group also met with Representative Rod Hamilton and Senator Julie Rosen.



Directors and staff from Brown County, South Central and Redwood electric cooperatives also met with Senator Gary Dahms (front row, third from the right). These legislative visits help educate legislators on what’s in the best interest for cooperative member-owners to provide reliable and affordable electricity.

universal access to service, eliminating costly duplication of services or infrastructure, safety and reliability. Changing the utility model that works well harms more members than it helps.”

The delegation concluded with encouraging rural broadband support, as it would benefit their cooperative members, education and economic development. (6)

**Charging your phone for a year**

**50¢**

Electricity continues to be a great value courtesy of your electric cooperative

## Layer us up with oodles of your favorite lasagne recipes

Share your hot and hearty lasagne recipes with us! Is it an overnight, crock pot, Instapot recipe with tomato, alfredo or Grandma's secret sauce? Send to: Editor, Federated Rural Electric, PO Box 69, Jackson MN 56143-0069 or e-mail to christoffer@federatedrea.coop by March 25. Add your name and phone number. Thanks for sharing with us! ☺

### Blueberry Dessert by Juleen Breitbarth, Truman

1 c. all-purpose flour	½ c. butter
1 c. quick-cooking oats	2½ c. fresh blueberries
1 c. brown sugar (not packed)	¼ c. sugar

In large bowl combine flour, oats and brown sugar; cut in butter until crumbly. Press half of this mixture into a greased 9" square baking dish. Bake at 350° for 10 minutes, until golden brown around edges. Cover crust with the blueberries and sugar mixture; then sprinkle the remaining crust mixture on top. Bake 35-40 minutes longer. Serve warm with optional half-n-half, whipped cream or ice cream. Makes 9 servings. ☺

## Teachers: head back to class & learn about electricity for free, plus earn two free credits!



The Lignite Energy Council (LEC) is conducting the 2019 Teacher Seminar, "Energy, Economics and Environment," at the Bismarck State College in Bismarck, ND, June 10-13, 2019.

Basin Electric or Great River Energy, cooperative wholesale power suppliers, pay for travel costs for teachers within the cooperative's service territory, while LEC covers the rest. Your electric cooperative encourages educators to apply.

This seminar provides teachers with the information and educational materials to teach their students about how lignite is mined and used to produce electricity for homes, farms and businesses in the Upper Midwest. In addition, the seminar covers lignite's economic impact on the region, as well as important environmental issues affecting the lignite industry.

Teachers can apply online: [www.lignite.com/teachers](http://www.lignite.com/teachers)

Applications are accepted until the seminar is full or until May, whichever occurs first.

A \$60 deposit reserves each teacher's spot and can be submitted online. This deposit is returned when they check in at the seminar on June 10. This deposit is forfeited if they cancel after May 1 and the spot is not filled.

Typically, all eligible teachers are accepted. Should applications outnumber the 130 available spots, preference will be given based on the following criteria:

- 4th-12th grade teachers
- Science, math or social studies teachers
- Career counselors

Teachers must track their mileage and individual meal expenses (up to two each way) from home to the seminar and back. Packets with travel expense reimbursement forms will be given to the teachers at the seminar. Receipts for meals are required.

Kay LaCoe at the Lignite Energy Council will answer questions related to the seminar: [kay.lacoe@lignite.com](mailto:kay.lacoe@lignite.com) or 1-800-932-7117. ☺

## Is your basement ready for spring flooding?



## Install a water sensor now so you won't need to deal with a wet mess!

- Sump pump failure/ flooded basement
- Intrusion
- Fire
- Frozen pipes
- Medical alert



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**Scott Reimer**

## *Manager's Message*

### **February marked with many headlines**

It was a busy and newsworthy February. With the polar vortex, major snow accumulations and the New Green Deal making an appearance from Washington, D.C. plus the Governor's two-year budget proposal, we had a lot to digest.

As you may know, Federated has weather-related records since the 1940s and its quite interesting to look back over the years. Some February snow totals in Minnesota have already fallen, but according to our records here, we

have a little ways to go to break that one. (Record was 45.5" for Jackson in 1962.) Maybe by the time you read this, we will have set a new record for the Jackson area. I'm not sure that's one we want, but it makes for good conversation.

### **Polar vortex provides reality check for renewables**

Several headlines took center stage after the January 27 to February 2 polar vortex, such as: "Deep freeze a chilling reminder we still need coal and nuclear energy;" "100% renewable energy needs lots of storage. This polar vortex test showed how much;" "The polar vortex and The Green New Deal: theory vs. reality;" and the list goes on and on. The bottom line is that without our fossil fuel power supply, we would have been in some serious trouble. During extreme cold temps, as well as extreme heat cycles, its not uncommon for the wind turbine fleet to be completely silent. Of course, on those extremely hot days solar can actually shut down thermally, as it literally gets too hot to operate. The utopian solution to all of this would be for the battery storage market to handle enough storage to offset these extremes. Currently and for the foreseeable future, batteries simply won't solve our problem. Plus, they don't perform well in temperature extremes, which is a major reliability concern. We learned from both of our suppliers during this event that wind turbines will actually shut down when temps fall below -22 degrees. Most of the five-state area, where we might get power, was affected by this. Transmission lines on the other hand are designed to operate in these extreme conditions. I did not hear of many, if any, transmission issues. The entire coal fleet worked flawlessly at peak performance, while if the natural gas turbines had enough ramp up time to get to full power they worked well too. Technicians had to literally babysit certain parts on the natural gas turbines to keep them from freezing up and some components needed to be operated manually. The fuel oil supply was a problem and tankers couldn't keep up with the demand. I think the "ahh ha" moment for most came in the fact that renewable energy is in no way positioned to replace the fossil power supply during these times. We can get trillions of kilowatt-hours produced with wind, solar, hydro, biomass and other renewables, but there will always be a time for our traditional generation to step in and work for us. The message is to be cautiously optimistic about our energy and refrain from mandates. This



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The Board of Directors generally meets the last business day of the month at 9 a.m. at the Jackson office. Regular board meetings are open to the membership. Members interested in discussing business items should contact the general manager or president three days before the meeting.

energy industry gets it and knows what needs to be done without mandates. I have faith in the all-of-the-above generation approach and hope our legislators will see this as well. We have taken on the obligation to serve our membership with reliable, safe and affordable electric service, but we need all of the options on the table to do that.

### **Governor Walz's budget released**

Governor Tim Walz released his two-year budget proposal last month. The \$49.5 billion proposal would increase state spending 8 percent over current levels, with significant new funding for education (almost \$1 billion), affordable housing and a new health insurance public option. Fulfilling a campaign promise, the Walz budget included a 20-cent gas tax increase. The budget also proposed \$70 million for the expansion of broadband throughout the state. Finally, the governor proposed an increase in the electric vehicle (EV) registration fee from \$75 to \$100. The additional \$25 fee would go toward building EV infrastructure throughout the state.

Thanks, have a great month and we look forward to serving you. ☺



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