



Volts & Jolts

Published monthly for the members of Red Lake Electric Cooperative, Inc.

One of the Minnkota Power Systems

SERVING THE FOUR-COUNTY AREA OF MARSHALL, PENNINGTON, RED LAKE AND POLK
and a portion of the lands of the Red Lake Band of Chippewa

JANUARY 2017

Member meetings Opportunity for information, discussion, fellowship

District meetings for the members of Red Lake Electric Cooperative will be held at three locations within the Cooperative's service territory. Meetings will be held within Districts 1, 4 and 5. The meetings inform attendees on current issues and programs associated with the Cooperative. Official business will be conducted at the three district meetings, which will include the election of a director candidate. Even though a meeting may not be scheduled within the district in which you reside, you are welcome to attend a meeting of your choice. Anyone requiring special access or assistance at any one of the meeting sites (3725011.02 Myron T. Anderson) should call Red Lake Electric in advance so arrangements can be made. Door prizes will be awarded and lunch will be served at each meeting.

2017 Member Meeting Schedule

| Day | Date | Time | Meeting | Location |
|-----------|--------|-----------|------------|---|
| Wednesday | Feb. 1 | 1:30 p.m. | District 1 | St. Peter's Catholic Church Gentilly |
| Thursday | Feb. 2 | 7 p.m. | District 5 | Community Church International Rural Thief River Falls |
| Friday | Feb. 3 | 10 a.m. | District 4 | Oklee Hall Oklee |

| | | | | | | | | | |
|-----------|----------------------------|-------------------------------------|---------------------------|---------------------------|-------------|---------------------------|---------|--|-------------------------------|
| | | | Huntly | Como | | | | | |
| | West Valley | New Maine | Spruce Valley M. River | Cedar | Whiteford | | | | |
| Foldahl | Marsh Grove District 3 | New Folsen | Holt | East Valley District 2 | Mud Lake | Eckvold | Valley | | |
| | Viking | New Solum | Excel | Agder | Grand Plain | Moylan | Espelle | | |
| | Numedal | Norden | North TRF | Silverton | Cloverleaf | Goodridge | Reiner | | |
| | Bray District 9 | Sanders | Rocksburg District 8 | Smiley | Kratka | Highlanding District 7 | Star | | Red Lake Indian Res. |
| Belgium | Polk Centre | Black River | River Falls | Wyandotte | Mayfield | Deerpark | Hickory | | |
| | Wylie | Browns Creek | River | | | | | | |
| Parnell | Louisville | Red Lake Fts RLF | Gervais District 6 | Emardville Plummer | Garnes | Equality District 4 | Johnson | | |
| | | | | | Oklee | | | | |
| Crookston | Gentilly | Lake Pleasant | Terrebonne | Poplar River Brooks | Lambert | Chester | | | |
| Fairfax | Kertsonville District 1 | Tilden | Grove Park Mentor | Badger | Lessor | Hill River | | | |
| Russia | Onstad | Red Lake Electric Cooperative, Inc. | | | | | | | |

RED LAKE ELECTRIC ANNUAL MEETING Wednesday, March 29

Red Lake Electric Cooperative members are encouraged to mark their calendars for the Cooperative's annual meeting. The meeting will be called to order at 10:30 a.m. on Wednesday, March 29, at the Ralph Engelstad Arena in Thief River Falls.

Director elections to be held

Red Lake Electric Cooperative members in Districts 1, 4 and 5 will soon elect directors to represent them. The initial elections will take place at the upcoming district meetings. Final election will occur at the Cooperative's annual meeting March 29 if there is more than one nominee. Districts 1, 4 and 5 are currently represented by Bonnie Christians, Steve Linder and Mark Hanson, respectively. Directors must be members residing in the district they represent and have no conflicts of interest regarding Red Lake Electric Cooperative. Any candidate for director must have his or her name stated as the "member" on the Cooperative's records. For more information on director qualifications and responsibilities contact Roger Johanneck, general manager, at 800-245-6068 or 218-253-2168.

Red Lake Electric Cooperative Director qualification requirements

No member shall be eligible to become or remain a director who:

- Is not a member of the Cooperative, receiving electric service at the member's primary residence in the district from which the director is elected.
- Within three years preceding a director candidate's nomination was an employee of the Cooperative.
- Is or becomes, or at any time during the three (3) years preceding a director candidate's nomination shall have been employed by a labor union, which represents or has represented, or has endeavored to represent any employees of the Cooperative.
- Is a parent, spouse or cohabitant of any employee of the Cooperative.
- Is a person who is a parent, spouse or cohabitant of an incumbent director who is not up for re-election at that time.
- Is in any way employed by or substantially financially interested in an enterprise competing with the Cooperative or any Cooperative-affiliated business.
- Is or becomes the full-time employee or agent of, or who is or becomes the full-time employer or principal of, another director.



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OFFICERS AND DIRECTORS

President Bonnie Christians
Vice President Randy Versdahl
Secretary-Treasurer Mark Hanson
Directors Stacy Blawat, Aaron Chervestad,
Robert Finstad, Colette Kujava,
Steve Linder, Peter Mosbeck

Roger Johanneck General Manager
Shirley Bregier Manager of Finance
& Administration
Steve Conely Manager of Electric
System Operations
Kelli Brateng Manager of Member Services

OFFICE HOURS

Monday-Friday
8 a.m. – 4:30 p.m.

Phone: (218) 253-2168
Toll-Free: 1-800-245-6068
Fax: (218) 253-2630



AFTER HOURS/OUTAGE CALLS 218-253-2200

Website: www.redlakeelectric.com
Email: redlake@minnkota.com

CALL BEFORE YOU DIG
1-800-252-1166 or 811

MINNESOTA STATE ELECTRICAL INSPECTORS

Pennington and Marshall Counties:

Scott Stenvik – 218-689-5406

Red Lake and Polk Counties:

Bryan Holmes – 218-686-1413

Any time you or an electrician does wiring or other electrical work at your home or farm, Minnesota state law requires a state wiring inspector to conduct a proper inspection of the work. A rough-in inspection must be made before any wiring is covered. A final inspection is also required. Please visit www.dli.mn.gov for more information. The inspectors can be reached week-day mornings between 7:00 a.m. and 8:30 a.m.

OUR MISSION STATEMENT

It is the mission of Red Lake Electric Cooperative to enhance the quality of life for people of our service area by safely and consistently providing quality electric service and other valued services while holding our employees, our community and our environment in high regard.



Manager's Comments

by Roger Johanneck



2017 budget approved

The Red Lake Electric Cooperative 2017 operating and capital improvement (construction) budget was presented to and approved by your board of directors at its November board meeting.

There is no rate increase projected in the 2017 budget. The rates that went into effect with the March 2016 billing remain in effect for 2017. Barring any unforeseen events impacting our cost to deliver energy reliably to the membership, we should be able to meet financial obligations in 2017 with current rates. Severe damage to the cooperative's distribution system or a significant increase in your cooperative's billing peaks, coupled with flat or declining kilowatt-hour sales, are examples of events that could have a significant financial impact on RLEC's cost to provide service to the membership.

RLEC's total cost of providing service to the members is budgeted at \$14.3 million, an increase of \$442,000 or 3.2 percent above 2016. The majority (\$316,000) of RLEC's increased cost will be to cover an increase in our wholesale power cost; Minnkota's wholesale rate it charges Red Lake Electric and all Minnkota member systems will increase 2.9 percent on April 1 of this year.

Wholesale power is expected to cost just over \$10.8 million in 2017 and makes up 76 percent of the \$14.3 million it will cost to provide RLEC members energy and electric service. Nonwholesale power expenses or RLEC's distribution costs are budgeted to increase \$127,000 in 2017.

Mandated Conservation Improvement Program (CIP) expenses are

budgeted to cost your cooperative \$58,000 more in 2017 and makes up the largest portion of our non-wholesale power cost increase. The CIP expenses include rebates and other incentives the cooperative pays members who purchase qualifying appliances, lighting and heating equipment.

Red Lake Electric's current CIP program originated from a Minnesota state law that requires electric utilities to pay for projects that will reduce the consumption of electricity. The CIP expense is funded by all Red Lake Electric members through the rates they pay RLEC for the energy they purchase.

The cooperative's budgeted energy sales for 2017 are estimated to increase slightly (less than 1 percent) from 2016. The 2016 energy sales were down from 2015 despite an increase in customers and an increase in energy used for storing this year's crops. The increase in customers and energy needed to handle and dry grain was not enough to offset a drop in energy sales due to a milder winter (heating season). Even though a modest increase in energy sales is forecasted (4505004.01 Kenton Christiansen) for this year, kilowatt-hours budgeted are less than what the cooperative has averaged the previous eight years.

Included with our 2017 budget for revenue and expenses is our plan for capital improvements. In addition to the normal replacement and maintenance to the electric distribution system, we have plans to invest in a new automated metering system. Our present Turtle automated metering system has been in place for 20-plus years and new replacement parts are



Line Service Department

by Steve Conely

I hope you all had a Merry Christmas and I wish you the best in 2017. Red Lake Electric's line crews have started the yearly line inspection and meter reads. This winter the crews will be patrolling all our electric lines checking for proper clearance and looking for missing or broken hardware on the poles. They will also be checking for tree issues, i.e. areas we may need to trim trees, cut trees down, or brush-mow small trees under the line. Crews will read the main meter at each of our member-owner's accounts. If you see footprints to your service pole, it might have been RLEC crews checking the meter reading.

Our membership is growing. Most years RLEC will build about 50 new services. This year was better than average as we put up 74 new services. Of the new services 30 of them were for

new homes. Twenty-nine of them for farm-related sites, i.e. drain tile pumps, bin fans, and irrigation pumps and pivots. The remaining 15 are mostly commercial, telephone, cellular and a couple of cabins. To supply power to these new services, RLEC had to construct 1¼ miles of overhead line and about 7 miles of underground line. I would like to send out my appreciation to the landowners who allowed us to access their land to provide power to the new services.

In closing, if you have added or plan to add bin fans, grain dryers, electric heat or any other larger electric load, please contact us (3336004.01 Betty Coan) to avoid overloading your electric service and damaging our equipment. Stay safe in 2017 and if you have any questions or concerns, please contact us.

Manager's Comments *continued from page 2*

no longer available. We hope to make a decision on replacement metering equipment the first half of 2017.

We have historically taken a conservative approach to our budgeting process and we did again this year. As the year unfolds, we've learned that it is much easier to deal with doing better than you expected versus the opposite happening. It is our intention that the 2017 budget and our effort to carry this plan out will keep us on course to remain financially strong so we can continue to be a source of reliable, competitively priced energy for you in 2017 and beyond.

Membership meetings

It is that time of year again when

the cooperative holds its District meetings. I encourage you to check out the meeting schedule included in this month's issue of the *Volts & Jolts* and welcome members to join us for one of the meetings located in your area. Our meeting format will be similar (2015001.01 Kevin Duffy) to previous years with the exception of the meeting scheduled for District 4 in Oklee. We will hold that meeting in the morning instead of the customary afternoon or evening time slot. We will share information we think you will find interesting and helpful, give you a chance to ask questions, and visit with RLEC staff and neighbors over pie, rolls and coffee.

Recipe Corner



Submit your recipes to be published in *Volts & Jolts*. Email to redlake@minnkota.com or mail to: Red Lake Electric Cooperative, PO Box 430, Red Lake Falls, MN 56750.

Chicken Carbonara

Serves 6.

5 strips bacon cooked and diced.
2 chicken breasts - grilled, chicken striped up
Salt & pepper to taste
2 T butter
3 cloves fresh garlic, minced
¾ cup milk
¼ cup heavy cream
1 cup chicken broth
3 T flour
¾ c parmesan shavings
2 T parsley
1 small box bowtie pasta

Cook 5 strips of bacon and set aside. Cook 2 chicken breasts in 2 tablespoons butter with salt and pepper to taste. Set aside while you work on the sauce. Cook up your bowtie noodles so they will be ready when the sauce is ready.

Sauce: saute three cloves garlic, freshly minced. Add milk, heavy cream, chicken broth and flour to the pan with the garlic and whisk until smooth. Cook on low heat until it thickens. Add in parmesan shavings. If the sauce gets too thick, add in a little more chicken broth.

Add the drained bowtie pasta. Toss to cover the noodles completely. Dash in the parsley. Add more salt and pepper to taste preference.

Cut up the chicken breasts and dice up the bacon and mix together. Add the chicken and bacon to the sauce. Toss until all is covered in the sauce. Serve hot.



Through the Infinity Renewable Energy program, you can decide how much of the electricity you purchase is generated by renewable resources.

Contact RLEC today to learn more about how you can participate in the program.

New year. Same great rebates.

Add home comfort and energy efficiency to your New Year's resolutions with help from Red Lake Electric Cooperative and PowerSavers

Millions of Americans start each January with New Year's resolutions that may or may not make it to the end of the month. This year, set a resolution that's easy to keep. Make your home more comfortable and energy efficient with help from Red Lake Electric Cooperative. Great rebates and incentives have been extended through 2017 to help you upgrade your heating and cool-

ing system, water heater, lighting and other electric appliances.

Not sure where to start? Contact Red Lake Electric Cooperative for expert advice on improving your home's energy performance.

Take a look at our rebate list below to see which resolution you'll be checking off your list this year.



Heating and cooling system rebate checklist

Must be on off-peak.

Combined heating and cooling rebate maximum of \$600.

☐ Electric plenum heaters

Easily converts your existing fossil fuel furnace into a dual-fuel heating system. You are able to use the most efficient, cost-effective heating source – fossil fuel or electricity – at any time.

Electric Heat rebate: \$20 per kilowatt (kW), maximum of \$600

PowerSavers rebate: \$500 if installed with ENERGY STAR®-rated air-source heat pump. Must modulate to allow ASHP to operate down to 5 degrees F., and be on off-peak.



☐ Electric thermal storage heaters

Draws electricity during off-peak hours when it is cheaper. Heat is stored in specially designed bricks to provide comfort 24 hours a day.

Electric Heat rebate: \$20 per kW, maximum of \$600

PowerSavers rebate: \$500 if installed with ENERGY STAR®-rated air-source heat pump. Must modulate to allow ASHP to operate down to 5 degrees F., and be on off-peak.



☐ Air-source heat pumps (including mini-split ductless option)

Works just like a central air conditioner in the summer. In the fall and winter, they provide super-efficient supplemental heat.

Electric Heat rebate: \$100 per ton, maximum of \$600

PowerSavers rebate: \$400-500 depending on efficiency ratings



☐ Geothermal heat pumps

Provides the highest efficiency for space heating and cooling available today. The system transfers heat to and from the earth using only small amounts of electricity.

Electric Heat rebate: \$200 per ton, maximum of \$600

PowerSavers rebate: Open loop, \$200 per ton, maximum of \$2,500. Closed loop, \$400 per ton, maximum of \$5,000. Must meet program efficiency requirements.



☐ Underfloor electric heating

A popular off-peak option because the system transfers consistently across the floor to reach people and objects, providing both comfort and efficiency. Applications include electric boiler with hydronic tubing or electric cables or mats.

Electric Heat rebate: \$20 per kW, maximum of \$600



☐ Other electric heating systems

Options include electric baseboard, cove heaters and more.

Electric Heat rebate: \$20 per kW, maximum of \$600



Electric water heater rebate checklist

Must be on off-peak

- ☐ 100 gallon or greater

Water heater rebate: \$200
PowerSavers rebate: \$150

- ☐ 56-99 gallon

Water heater rebate: \$150
PowerSavers rebate: \$150

- ☐ 55 gallon or less

Water heater rebate: \$100

- ☐ **Bonus rebates:**

Add \$250 if converting from natural gas or propane.

Add \$100 for new building construction.



Other ways to save on heating and cooling:

- Install a programmable thermostat.
PowerSavers rebate: \$25 per unit
- Tune up your central air conditioner or air-source heat pump.
PowerSavers rebate: \$25 per unit
- Seal air leaks. **PowerSavers rebate: 30% of sealing cost, maximum incentive \$300 (Preblower and postblower tests required)**
- Insulate and air seal your attic.
PowerSavers rebate: 30% of sealing cost, max. \$500. (Must include air sealing. Improved from R-30 or less to R-50. Attic knee walls insulated to a minimum of R-25 up to R-30.)
- Add wall insulation. **PowerSavers rebate: 30% of insulation cost, max. \$500. (Wall insulation improved from R-5 or less to R-11 or higher. Attic knee walls excluded.)**
- Install a furnace air handler with ECM blower.
PowerSavers rebate: \$100 per unit



4

Heating Options

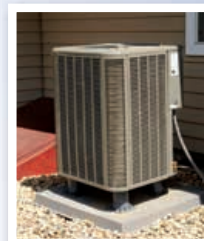
TO CONSIDER WHEN PLANNING
A NEW OR RETROFIT HEATING SYSTEM

Air-source heat pump with modulating plenum heater and propane backup

Air-source heat pumps are very efficient systems that transfer heat instead of creating it. In the summer, they work exactly like a central air conditioner, but in the winter they provide very economical heat until the temperature drops below the set point (usually 20-30 degrees F). Then the modulating plenum heater kicks in and works with the heat pump for extra savings. When controlled, a propane furnace kicks in.

What's nice about air-source heat pumps is how they provide year-round benefits and either pair nicely with a propane or natural gas furnace or in a heat pump/modulating plenum/propane furnace combination on the off-peak rate. This gives members the freedom to choose fuel sources.

Plus, energy-efficiency rebates of up to \$1,100 as well as a separate \$100 per ton rebate for the heat pump (4403012.02 Sharon Larson) are available, and a \$20 per kW rebate (max. of \$600).



Appliance rebate checklist

Must be ENERGY STAR®-approved

- ☐ Clothes washer

PowerSavers rebate: \$50 per unit

- ☐ Clothes dryer

PowerSavers rebate: \$50 per unit

- ☐ Refrigerator or freezer

PowerSavers rebate: \$25 per unit

Additional rebate for recycling old unit: \$25



CFL and LED light bulb rebate checklist

ENERGY STAR®-recommended.
Rebate up to dollar amount listed per bulb or 75% of the purchase price.



- ☐ Replace incandescent bulb with screw-in CFL

PowerSavers rebate: \$2 per bulb

- ☐ Replace incandescent bulb with screw-in LEDs

PowerSavers rebate: \$4 per bulb (40-60 watts)

PowerSavers rebate: \$8 per bulb (65 watts or greater)

PowerSavers rebate: \$8 per install of fixture/replacement kit

- ☐ Install LED outdoor fixtures (dusk-to-dawn operation required)

PowerSavers rebate: \$20 per fixture (40 watts and under)

PowerSavers rebate: \$40 per fixture (greater than 40 watts)



Hydronic floor heat

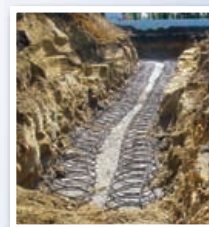
A popular option for off-peak due to its comfort. The key is to install the proper heat storage base with sand and slab or install a dual-fuel system. Complete perimeter insulation is necessary for both styles. A \$20 per kW rebate is available (max. of \$600).



Geothermal heat pumps

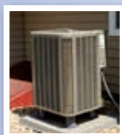
Provide the highest efficiencies for space heating and cooling today. Geothermal heat pumps use the constant temperature of the earth to transfer heat. Energy efficiency rebates of up to \$400 per ton are available as well as a separate rebate of \$200 per ton (\$600 max).

When paired with a fossil fuel furnace backup, geo heat pumps get the off-peak rate for a heating price that is hard to beat when you combine efficiency with the 5.6 cent per kWh off-peak rate.



Steffes thermal storage with air-source heat pump

An all-electric option that still receives the off-peak rate, an electric thermal storage system coupled with a heat pump eliminates the need for a fossil fuel backup when sized properly. The heat pump provides the efficiency and the Steffes provides the backup making the system eligible for the off-peak rate – providing excellent energy savings.



Steffes systems convert electricity into heat and store that heat in specially designed bricks. Energy efficiency rebates of up to \$1,000 are available for select units, as well as a separate off-peak rebate (\$600 max.).

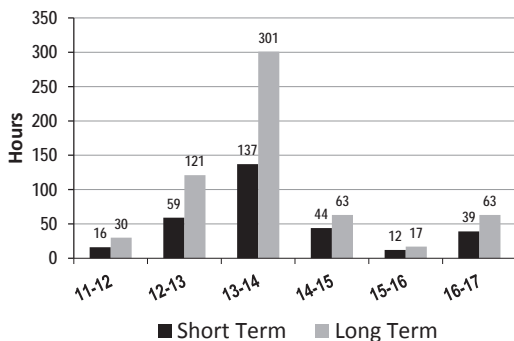


QUICK TAKES

A look at some statistics from your
Red Lake Electric Cooperative

The chart below shows the amount of control time for Red Lake Electric Cooperative's off-peak customers this heating season compared to the same period the past five years. Off-peak control hours are impacted in a number of ways including weather, variable energy output from Minnkota's wind energy resources and energy availability in the wholesale energy market.

**Off-Peak Control Hours
through January 15th**



STATEMENT OF NONDISCRIMINATION

Red Lake Electric Cooperative, Inc. is an equal opportunity provider and employer. If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Form, found online at http://www.ascr.usda.gov/complaint_filing_cust.html or at any USDA office, or call (866) 632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter to us by mail at U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, by fax (202) 690-7442 or email at program.intake@usda.gov.

NOTICE OF NAMES

Hidden within the text of the articles of this issue of the *Volts & Jolts* are the names and account numbers of some Red Lake Electric Cooperative members. They will appear within the articles in parentheses as such (9999999.99 Willie Ray Member). If you find your name and account number, clip it out and send it with your next payment. You will be credited with \$5 on your electric bill.



Like us on Facebook at
www.facebook.com/redlakeelectric

NOTICE TO MEMBERS

The Red Lake Electric Cooperative, Inc., of Red Lake Falls, as an operating electric utility in the state of Minnesota, is obligated to interconnect with and purchase electricity from co-generators and small power producers.

The cooperative will provide information relating to the said interconnections to (3902005.03 Ernest O. Melvie Jr.) all interested member-consumers of the cooperative free of charge upon request.

Any disputes between the cooperative and its member-consumers over interconnection, sales and purchases are subject to resolution by the Minnesota Public Utilities Commission.

FEDERAL/STATE ENERGY ASSISTANCE

If you need help paying your electric utility bill, you may qualify for state or federal fuel assistance. For complete, qualification and application information, contact your local county welfare or community/citizen's action council listed below. These organizations may also provide budget counseling.

Inter-County Community Council

Oklee, MN
Serves East Polk, Pennington
and Red Lake Counties
218-796-5144
Toll-free: 1-888-778-4008
Fax: 218-796-5175

Northwest Community Action

Badger, MN
Serves East Marshall County
218-528-3258
Toll-free: 1-800-568-5329
Fax: 218-528-3259

Tri-Valley Opportunity Council

Crookston, MN
Serves West Polk,
West Marshall County
218-281-9080
Toll-free: 1-866-264-3729
Fax: 218-281-0705

Red Lake Community Action Agency

Red Lake, MN
Serves Beltrami County
218-679-1880

ELECTRIC HEAT EXEMPTION

This is to certify that the primary source of heat for my residence is electricity and I am eligible for the electric heating sales tax exemption as provided by Minnesota State Law. The primary source supplies more heat than any other source for the largest period of time during the heating season.

Date _____ Account Number _____

Social Security Number _____

Signature _____



CLASSIFIEDS

Members are invited to use
this FREE WANT AD service.

If you have anything to trade or sell, just drop a card to
Red Lake Electric Cooperative, Red Lake Falls, MN 56750.

Dear RLEC Trust,

You have helped carry out Violence Intervention Program's (VIP) mission with your contribution of \$500 for our Umbrella Tree program. This past year we served over 500 individuals – children, women and men – with our victim advocacy, shelter, housing and parenting time center programs. We are glad we can provide a safe place to live or to receive services.

Sandra Bentley, executive director

For Sale

For sale: 2010 Ford Supercrew XLT pickup. 100,000 miles, V8, chrome edition. Very nice shape. Reduced to \$17,500. Call or text 218-689-4478.

For sale: 40-acre hobby farm with fenced pasture. 912 sq. ft. house, also barn and other outbuildings. Quiet neighborhood with low taxes. Great for horse, cattle or make into a hunting camp. Near Viking, MN. Asking \$119,000. Call 218-686-9435.

Want Ad Order Form

FREE for RLEC members

For sale and wanted items only. All ads must be 50 words or less. Ads are published for Red Lake Electric members at no charge. Ads must be typed or in clear readable print. RLEC reserves the right to edit or reject any ad.

You can submit your ad by fax, email or mail. Fax ads to: (218) 253-2630; Email ads to: redlake@minnkota.com; Mail ads to: Red Lake Electric Cooperative, PO Box 430, Red Lake Falls, MN 56750.

Include your name, address and telephone number. All telephone numbers are presumed to have a 218 area code unless noted otherwise.

Use the form below to submit your ads.

Director nomination and election procedure

The procedure for which directors can be nominated and elected for Red Lake Electric Cooperative is outlined in Article II, Section 10, of the Cooperative's Bylaws. That section reads as follows:

SECTION 10. NOMINATION AND ELECTION OF DIRECTORS. (a) Nomination at District Meetings. Not less than forty days nor more than sixty days before any meeting at which directors are to be elected, the board of directors shall call a separate meeting of the members of each district from which directors are to be elected, at a suitable place in such district for the purpose of selecting a candidate for director to represent the members located within such district. The notice of such meeting shall be delivered to each member located in such district as provided in Section 2 of this Article and shall indicate the district to which such member belongs. The notice shall state that nominations for a director are to be made at the meeting. The district meeting shall be called to order by the director representing the district or by another designated representative of the board of directors, or in his absence, by any members residing in the district. The members shall then proceed to elect a chairman, who shall be someone other than a director, and who shall appoint a secretary to act for the duration of the meeting. Members of other districts present at the meeting may be heard, but shall have no vote. Nominations for candidates for director shall be made from the floor at the meeting, and any member residing in the district shall have the right to nominate one candidate. The meeting shall remain open for nominations until no further nominations are forthcoming.

Candidates must be members residing in the district and must possess the qualifications for director specified in Section 2 of Article III of these bylaws. Voting shall be by ballot and proxy voting shall not be permitted at any district meeting. Each member may vote for one candidate. The candidate receiving the highest number of votes shall be declared the official candidate of the district. In case of a tie, the winner shall be determined by the flip of a coin. The minutes of the district meeting shall set forth, among other matter, the name of each person nominated at the meeting and the number of votes received by each and shall specify the official candidate of the district. A certified copy of the minutes signed by the Secretary and the Chairman of the district meeting shall be delivered to the secretary of the Cooperative at the following meeting of the board. (b) Nomi-

nation of Directors by Petition. Nomination for director can also be made by petition. Fifteen (15) or more members may make a nomination in writing to the Secretary over their signatures not less than thirty (30) days prior to the annual meeting. This petition nomination must be in the format prescribed by the Secretary. Blank nomination petitions shall be available to all members at the Cooperative office. All petition nominees shall be listed in the notice of annual meeting and their names shall be printed on the election ballot. (c) Election of Directors. At the annual meeting, the Secretary of the Cooperative shall place in nomination the names of the official candidates of each district. Election of directors shall be by printed ballot, separate ballots to be provided for each district, listing the candidates in alphabetical order. Only members of a district shall be entitled to vote for director to be elected from that district, and each member or member's spouse shall be entitled to vote for one candidate from the district in which he is a member. The candidate from each district receiving the highest number of votes at this meeting shall be declared elected as director. In the case of a tie vote, the winner shall be determined by the flip of a coin. Notwithstanding anything contained in this section, failure to comply with any of the provisions of this section shall not affect in any manner whatsoever the validity of any election of directors. (d) Voting by Mail for Directors. The members shall be entitled to vote by mail for directors at annual and special meetings as provided in this section. Each member shall be mailed a director election ballot in the form prescribed by the Board of Directors with the notice of the annual or special meeting. A member who will be absent from the meeting may vote by mail for directors by marking the ballot for the candidate of the member's choice. The member shall return the ballot personally or by mail to the Cooperative in a sealed plain envelope inside another envelope bearing the member's name. If the ballot of the member is received by the Cooperative on or before the date of the annual or special meeting, the ballot shall be accepted and counted as the vote of the absent member.



**Red Lake Electric
Cooperative Inc.**

Let's keep a good thing going

Red Lake Electric urges members not to plug in electric space heaters during load control times

As members of Red Lake Electric Cooperative know, the demand response program is a good thing to have around. The program helps keep electric rates among the lowest in the country.

The program could lose much of its value, however, if electric space heaters – including those being advertised regionally – were to be substituted on a large-scale basis for the backup heating systems that are used during high demand times.

Based on honor system

In the demand response program, Red Lake Electric members maintain adequate and reliable dual heating systems. This, in turn, qualifies them for off-peak rates that are nearly 50 percent less than regular retail rates. These systems include electric floor heat, electric furnaces and other loads that can be interrupted during peak-use times.

When the backup systems are in operation, electric load on the regional power system is reduced. This, in turn, allows our power supplier, Minnkota Power Cooperative, to avoid buying higher cost supplemental power from the wholesale market.

While there are requirements that have to be met to qualify for participation in the off-peak program, there

is a certain amount of honor involved, too. Members need to allow their backup systems to take over, rather than plugging in one or more electric space heaters.

“If members of the associated distribution system violate the spirit of the program, there will be consequences,” explains Todd Sailer, Minnkota senior manager for energy supply. “Those consequences would include higher rates for all members and extended control times for those members who are playing by the rules of the demand response program.”

Major concerns

Recently, ads have been appearing in regional newspapers and on the radio, promoting certain types of electric space heaters. Red Lake Electric Cooperative is concerned that members might be paying more money for products that aren't going to result in the savings they anticipated.

“No matter how they promote it, a 1,500-watt heater is a 1,500-watt heater,” explained Kelli Brateng, member services manager at Red Lake Electric Cooperative. “You can get a space heater at the local hardware store for less than \$50. If someone is buying one of these because of advertisements, they could be spending a lot more money – up to \$400 – for something that might have

a fancy cover on it, but in the end, all they are really getting is a 1,500-watt heater.”

Members who plug in space heaters during periods of load control create another concern. The benefits of the demand response program are greatly diminished when this occurs.

“Electric space heaters create additional demand during times when Red Lake Electric is trying to demonstrate our ability to control heating loads, which reduces our wholesale power costs from Minnkota,” said Brateng.

Safety is also a huge concern with portable space heaters. Using a number of these heaters inside a home can overload circuits that were not wired for that kind of load. The consumer Products Safety Commission reports that each year about 28,000 house fires are attributed to space heaters, resulting in 300 related deaths. Space heaters are not inherently dangerous, but they need to be used wisely.

Dual heating systems – a better solution

“It's not hard to understand why someone would think it's a great option to plug in a heater,” said Brateng. “But what they may not understand is that over time it will increase their overall costs.”

If a number of off-peak

members began using one, two or even three space heaters, this would directly affect their cooperative. This could result in a rate increase for all members, or even worse – the program could be eliminated altogether.

“Instead of the possibility of paying the full rate for electricity for space heaters, members should consider adding to their off-peak systems,” Brateng said. “These systems allow Red Lake Electric Cooperative to control heating loads during times when supplemental power from the open market is most expensive.”

By either expanding a dual heating system or developing a new one, members will receive the most economical rate available (2712007.02 Wikstrom Telephone Co.) for their electricity, and the integrity of the demand response system will be maintained long into the future.

Going with an electric modulating plenum heater, along with an air-source heat pump (ASHP), has been an economical and popular heating system for those in Red Lake Electric's service territory.

Information about developing a dual heating system is available by contacting the member service department at Red Lake Electric Cooperative. Call 1-800-245-6068 or 253-2168 for more details.