

Newsline

June 2011



Savings for agricultural members

Your farm is your business. We treat it that way as well. REA's commercial programs can be applied at your farm just like any other business. The least expensive, quickest, and easiest way to save money on your farm (including the home residence) is by using energy efficiently.



Popular Agricultural Rebates

- Milking vacuum pump ASD
- Milk transfer pump ASD
- Energy-efficient lighting
- Scroll compressors for bulk tank
- Waste heat exchangers and milk pre-coolers

Call the Energy Experts at REA or visit www.RunestoneElectric.com for more information.

Upgrading or adding a grain dryer?



If you are planning to add or upgrade grain dryers this year please

notify our Operations Department as soon as possible. The more lead time, the better to insure the upgrades can be completed prior to harvest season.

Please call our Operations Department at (320) 762-1121 or (800) 473-1722 for more information.

June is Dairy Month!

REA salutes our member dairy farms and all ag professionals that keep us well fed!



Locating underground electric lines

Call Gopher State at least 48 hours before you dig!

If you need to have underground electrical lines located, always remember to call Gopher State One-Call, a clearinghouse for determining the location of underground utility lines in Minnesota.

When you call Gopher State, Runestone Electric (REA) is notified to locate underground power lines to your general service meter. From that point on, the power lines are considered private facilities and must be located by the landowner.

REA does not locate these private power lines for several reasons. The lines were installed by, and are owned by, the landowner. It is in the best interest of the Cooperative, and its members, not to assume the risk of locating these private power lines should there be a dispute on the accuracy of the locate or should an accident occur.

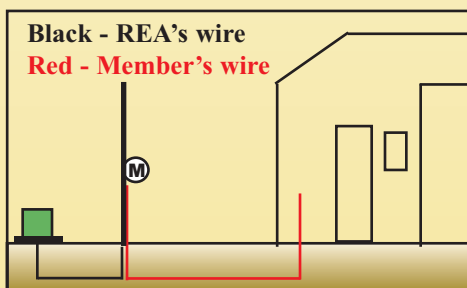
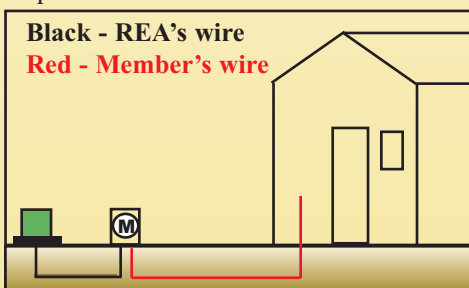
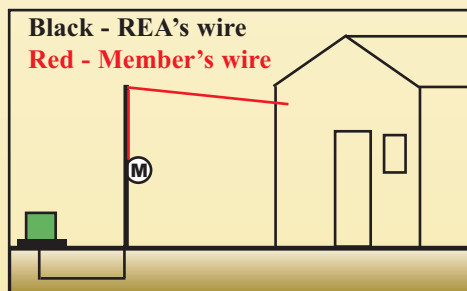
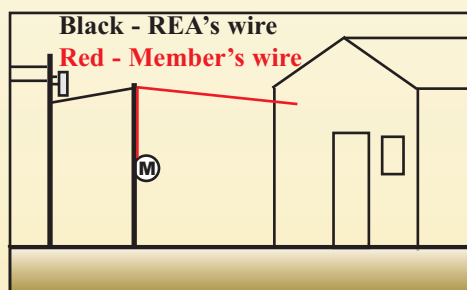
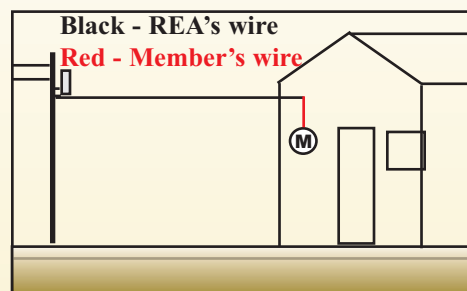
The diagrams on this page indicate which lines are owned by REA and those owned by the member, which REA does not locate.

If you will be digging in the area between your electric meter and your home or other buildings, you will need to hire a line locator. Most electricians locate private power lines or visit Gopher State's website for a list of locators.

Gopher State's web address is: www.gopherstateonecall.org. You can also request a locate on-line and view the status

of your locate.

Remember to call Gopher State One-Call at **1-800-252-1166** at least 48 hours before you dig. It's the law!



Board Meeting Highlights

The regular meeting of the Board of Directors of Runestone Electric Association was held on April 26, 2011.

- Approved \$127,000 in upgrades to the LaGrande Substation due to recent equipment failure.
- Director Holm was elected as REA's representative on the Great River Energy Board of Directors.
- Selected Director Holm as delegate and Director Barbara Johnson as alternate to the GRE Annual Meeting, as well as other future GRE member meetings.
- Adopted resolution in support of repealing Minnesota Statutes Section 216B.026, subd.1(b). This Statute relates to Lake Country Power headquartered in Grand Rapids, MN. Lake Country Power has a different requirement regarding petitions for a member vote on PUC regulation. All Great River Energy members have been asked to adopt this resolution so Lake County is no different than other Minnesota electric co-ops.
- Accepted the names of Bob Shervey (District 3), Cliff Patrick (District 6) and Jan Arneson (District 7) to serve on the Runestone Electric Association Operation Round Up® Trust Board.

The regular June Board Meeting is scheduled for Tuesday, June 28.

May Heating Degree Days

2011	277 as of 5/25
2010	375
2009	297
2008	370

April 2011 Statistics

Kilowatt-hours Sold

2011	15,526,423
2010	12,956,460

Cost of Purchased Power

2011	\$801,008
2010	\$705,548

Cost per Kilowatt-hour Purchased

2011	\$.049
2010	\$.049

Number of Accounts

2011	13,604
2010	13,537



The challenges of wind

by CEO Rick Banke

This month I thought I would reprint an article I received from our power supplier, Great River Energy, regarding wind energy. We all hear much about all the attributes of renewable energy, seldom do we hear the whole story. This article points out some of the challenges wind energy presents from a utility perspective. Of course in Minnesota, we have a State mandate that utilities purchase or produce a percentage of their energy sales from renewable sources. Eventually 25% by 2025. Renewable energy has its place in our energy future, no doubt. But even the most well intentioned State mandates can have unintended consequences. I thought you would find the article of interest.

The challenge of wind

The benefits of wind energy are well-known: no emissions, no fresh water use and free fuel. However, as more wind generation is brought online in the Midwest, utilities are learning more about its capabilities – and discovering its challenges.

Wind generation is fundamentally different from most other generation resources in that its fuel source, the wind, can't be stored or controlled. Utilities have spent decades building and operating conventional generation resources that have provided the reliability and flexibility required to match consumer's constantly changing electricity needs. In contrast, wind energy production is limited to only those times when the wind blows; something that can be predicted to some extent, but never counted on.

The energy Great River Energy obtains from wind turbines tends to be most abundant in the off-peak hours and during

the spring and fall of the year. The challenge is that these times do not match well with times of peak demand for electricity: hot summer and cold winter days.

Although the wind may be free, wind energy is not. A 100-megawatt wind farm requires an up-front investment of nearly \$200 million from the owner. Purchases from wind farms allow the owner to recoup their investment and enable Great River Energy to avoid large capital investments in wind. But in today's wholesale market, those wind purchases still increase the cost of energy to members. In 2010, the net wind energy cost to Great River Energy's member cooperatives was more than \$16 million. As a result, retail customers saw 1.6 percent higher electric bills, which amounted to about \$18 over the year for an average homeowner.

"The environmental benefits of wind energy come at a cost. To ensure reliability, Great River Energy must retain sufficient capacity to meet peak load conditions," said Great River Energy Member Services Vice President Jon Brekke. "In effect, wind energy resources duplicate some of this capacity, resulting in additional costs for our members."

Great River Energy projects that it has sufficient renewable resources in place to exceed Minnesota's renewable energy standards through 2020, and plans to save renewable energy certificates through "banking" as part of its strategy to manage costs and remain compliant through 2025. Great River Energy will need to build or purchase significantly more renewable resources, or renewable energy credits, to stay compliant beyond 2025.



Your electric bill

Know what you're getting & paying for monthly

Ever wonder what makes up your electric bill? Your typical electric bill is broken down into three components:

1. Fixed Charge

This charge is a set fee, regardless of how much or how little electricity you use during the month. It covers the cost of maintenance of poles, wires, transformers, meters, tree trimming and other expenses associated with providing safe reliable electric service. The fixed charge is currently \$17 for residential accounts.

2. Energy - Main Meter

This is the charge based on the amount of electricity you use, and it usually varies from month to month. Electricity is measured in kilowatt hours (kWh). One kilowatt-hour is equivalent to the amount of power used by ten 100-watt bulbs for one hour. Summer electric rates are now in effect. The residential general service rate for June, July and August is 11.9 cents per kilowatt-hour (kWh), compared to 9.9 cents per kWh from September through May.

3. WPCA (Wholesale Power Cost Adjustment)

This also varies. The WPCA is a base charge that fluctuates monthly depending on wholesale power prices. It appears on your bill as a small surcharge or credit. It reflects the changes in the cost of fuel and purchased wholesale power since the rates were set.



Carr's Tree Service working in area

Trees are one of the major causes of outages. That's why Runestone Electric manages an extensive right-of-way maintenance program. To ensure reliability and safety, this year we will spend over \$500,000 on tree trimming, tree removal, and mowing and spraying under our distribution lines. This summer our contractor, Carr's Tree Service, will be working in the following townships: La Grand, Hudson, Miltona, Leaf Valley, Ida, Millerville, Brandon and Pelican Lake.

Please contact REA with any questions you may have regarding our right-of-way maintenance program.

Do tankless water heaters live up to the hype?

Do tankless water heaters live up to the hype?

An unlimited and instant supply of hot water definitely sounds like a good idea, but a number of cooperatives are concerned about the impact that tankless water heaters might have on the load placed on their distribution system and on consumers' electric service panels.

"They can really increase the cooperative's wholesale demand cost of electricity, particularly during peak usage hours, which are generally in the morning and early evening," said Dennis Linde, REA's Energy Management Supervisor. "The high cost of purchasing, installing and maintaining a tankless water heater can easily outweigh the energy savings – particularly compared to REA's Marathon Water Heating program."

Tankless water heaters do not store hot water; they heat water on demand with a series of heating elements when a hot water faucet or valve is opened. Because of the additional electrical load they create, tankless water heaters often require an upgrade in electrical service.



Tankless water heater

A traditional tank water heater with 4,500-watt elements operates on a 30-amp circuit breaker. One whole-house tankless model boasts four 7,000-watt elements for a total electrical load of 28,000 watts. This requires wiring and a circuit breaker that can handle at least 120 amps.

If a tankless water heater is installed in an existing home without upgrading the electrical service, low voltage or sudden voltage drops are likely, which can cause dimming and blinking lights, among other problems.

Check with REA to determine if you must improve your electric service to support a tankless water heater.

There are many simple ways that you can save on water heating costs including low-flow shower heads, faucet aerators, washing clothes with cold water, and just being more aware of your hot water usage. All of these are more

practical and provide a greater return on investment than installing in a tankless water heater.

Low interest loan program helps members make energy efficiency improvements



Are you thinking about making energy efficiency home improvements in 2011? Remember Runestone Electric Association (REA) offers an Energy Resource Conservation (ERC) loan program. As a member of REA, you could borrow up to \$3,000 at 5 percent interest to help you install energy efficient heating, cooling and other qualified energy saving measures.

Members may apply for ERC funds to finance equipment and labor charges. Eligible projects include upgrading or replacing your furnace, installing an electric dual fuel system, new windows and other energy conservation improvements.

For more information or to request a loan application, please contact the Runestone Electric office at (320) 762-1121 or (800) 473-1722.

2011 Rebates

- Energy Star® refrigerator and/or freezer only with recycling of replacement unit **(\$75)**
- Energy Star clothes washer **(\$25)**
- Energy Star ductless air source heat pump **(\$300)**
- Central air-conditioner and air source heat pump tune-up **(\$25)**
- High-efficiency ECM furnace motors **(\$100)**
- Quality installed central air conditioners/air source heat pumps **(\$330 - \$630)**
- Geothermal heat pumps **(\$400/ton)**
- Plenum heater **(\$25/kw up to \$500 max.)**
- Electric Thermal Storage **(\$50/kw up to \$2,000 - \$25/kw over 40 kw)**



Safety First Day Camp a hit!

Area fifth graders from across Douglas County gathered for the Safety First Day Camp held at the Runestone Community Center on May 5. "Runestone Electric Association (REA) is pleased to coordinate Safety First Day Camp," commented Rick Banke, REA CEO. "Safety is a core value of our cooperative and Safety First Day Camp is a great way to spend a day teaching kids all types of life-long lessons."

Over 400 fifth grade students attended the annual event featuring a variety of safety topics involving electricity, personal safety, farm safety, pet safety, ATV & personal watercraft safety, seat belt safety and much more.

Many sponsors and individuals make this day possible. Sponsors include Elden's Food Fair, Pete's County Market, Dairy Queen, Runestone Community Center, Alexandria Light & Power, Greater Lakes Area Safety & Health Council and REA. The planning committee members are Dennis Stark Donna Rae Pugh, Mike Stoen, Jim Gripne, Earl Anderson, Mike Shelden, Shane Osborne, Kim Byrne and Tom Young.

REA employees Dennis Linde (left) and Tom Young (right) at Safety First Day Camp held May 5 at the Runestone Community Center.



Official monthly publication of
Runestone Electric Association

PO Box 9, 124 7th Ave W
Alexandria, MN 56308
(320) 762-1121 or (800) 473-1722
Fax: (320) 763-4149
www.RunestoneElectric.com
email: REA@runestoneelectric.com

Office Hours
7:30 a.m. - 4:00 p.m.
Monday - Friday

24-hour outage & emergency service
(800) 473-1722

Underground cable locations
Gopher State One Call
(800) 252-1166

Board of Directors
Audrey Hjelle, President
Bryan Withers, Vice President
Barbara Johnson, Secretary
Bill O'Brien, Treasurer
Ron Holm, Director
Mike Johnson, Director
Wilbur Burquest, Director

Editorial Staff
Rick Banke, CEO
Sue Lundeen, Editor

In case of a power outage

- Make sure the problem is not on your side (Members may be billed for service calls if the problem is caused by their own equipment).
- Check your own fuses and circuit breakers in your home and by the meter pole (Call us for help if you are unsure of the location of your breakers).
- Check with your neighbors to see if their power is off and if they have reported the outage.
- If the trouble is not on your wiring, please call (800) 473-1722 for 24-hour service. Please report any tree branches in lines, twisted wires, broken poles and if your neighbors are also out of power.
- Be sure to have one corded phone in the house, because cordless phones won't work when the power is out.
- Program the number above into your cell phone for easy access.

REA is an equal opportunity provider