



IS BUYING AN ELECTRIC VEHICLE RIGHT FOR YOU?

With electric vehicles (EVs) becoming more common on the roads, you might be wondering if one is right for you. The decision depends on several factors that go beyond just the vehicle's price tag. Here's what you should consider before making the switch.

UNDERSTAND EV TYPES

There are three main types of electric vehicles:

- 1. Battery Electric Vehicles (BEVs):** These run solely on electricity. They have no tailpipe emissions and are fully electric.
- 2. Plug-in Hybrid Electric Vehicles (PHEVs):** These combine an internal combustion engine with an electric motor. They can be charged via an external power source but also have a gasoline engine for longer trips.
- 3. Hybrid Electric Vehicles (HEVs):** These use both an internal combustion engine and an electric motor, but they cannot be plugged in. The battery is charged through regenerative braking and the engine.

RANGE AND CHARGING

One of the biggest concerns for prospective EV buyers is range anxiety—the fear that an EV won't have enough charge to reach its destination. Here's what you need to know about range and charging:

Range: Modern electric vehicles typically offer a range of 150 to over 400 miles on a full charge. Consider your daily driving habits and how often you take long trips when selecting a vehicle. If you typically drive short distances, a car with a lower range may be sufficient, but if you regularly take long trips, you'll want a higher range.

Charging: Charging an EV can be done at home or at public charging stations. There are three levels of charging:

- **Level 1:** This uses a standard household outlet (120V) and is the slowest charging option, often taking up to 24 hours for a full charge. It's ideal for overnight charging.

Continued on page 2.

EASY WAYS TO PAY YOUR BILL

McLeod Co-op Power offers multiple convenient payment options. Be sure to pay by the due date to avoid late fees. For any billing questions, call (800) 494-6272.

AUTOPAY:

Automatically pay on the 28th of each month via checking or savings. The enrollment form is online at www.mcleodcoop.com/i-want-to/pay-options/.

SMARTHUB:

Manage your account and pay your bill through SmartHub online or via the app. You can also view usage, receive alerts, and more.

PAYNOW:

Make one-time payments online without a SmartHub account by clicking the "Pay Now" button on our website.

PHONE:

Pay securely 24/7 using our automated phone system.

Please note our new number:

Call (320) 864-3148 or (800) 494-6272 and choose option #2. Have your account number ready from the top right of your bill.



ELECTRIC VEHICLES CONTINUED...

- **Level 2:** This uses a 240V outlet (like those used for electric dryers) and typically charges an EV in 4–8 hours. Many EV owners install a Level 2 charger at home for faster charging.
- **DC Fast Charging:** These public chargers can charge your EV up to 80% in 20–40 minutes, making them great for road trips or quick top-ups.

TEST DRIVE AND RESEARCH

Before making a decision:

- **Test Drive:** Experience how different models feel on the road. Pay attention to factors like acceleration, handling, and comfort.
- **Reviews and Comparisons:** Read expert reviews and user feedback. Compare different models to find the one that best suits your needs and preferences.

EVALUATE INCENTIVES AND COSTS

Explore financial incentives and total cost of ownership:

- **Costs:** While EVs can be more expensive initially, they often have lower running costs. Consider savings on

fuel, lower maintenance, and potential tax benefits. You can use McLeod Co-op Power's convenient online estimating tool to determine if buying an electric vehicle makes financial sense for you. Our energy management specialists are also available to guide you through the process, ensuring you make an informed decision.

EV Estimator Tool:

www.mcleodcoop.com/services/electric-vehicle-estimating-tool/

- **Incentives:** Federal and state tax incentives can reduce the upfront cost of an EV. McLeod Co-op Power currently offers a \$500 rebate for installing a Level 2 charger on the co-op's Storage/Off Peak Program. The Off-Peak Program also provides discounted energy pricing for vehicles charging during off-peak times.

McLeod Co-op Power Charging Program and Incentives:

www.mcleodcoop.com/services/off-peak-programs/

By understanding the basics, you can confidently navigate the buying process and find the right electric vehicle for your needs.

BY THE NUMBERS | Q2 2024

McLeod Co-op Power's leadership spends substantial time managing and providing oversight of the Co-op's operations, including ensuring that the organization remains in a strong and stable financial condition. Below is an overview of our Second Quarter Unaudited Financial Report.



| | 2024 | 2023 |
|--------------------------------|--------------|--------------|
| Cost of Purchased Power | \$6,504,283 | \$6,474,552 |
| Other Operating Expenses | \$4,744,095 | \$4,301,021 |
| Total Cost of Electric Service | \$11,248,377 | \$10,775,573 |



kWh's SOLD
79,865,331

2023 Comparison: 84,063,929



TOTAL MARGINS

\$89,396

2023 Comparison: \$627,682

| | 2024 | 2023 |
|-----------------------|-------------|-----------|
| Operating Margins | (\$145,326) | (\$3,412) |
| Non-Operating Margins | \$234,723 | \$631,094 |



2023 Comparison: 7,007

AVERAGE kWh's
used by residential members



1,313
PER MONTH

2023 Comparison: 1,444

CEO MESSAGE

As the recent unseasonal chill reminds us, Fall is approaching, and it's time to begin our budgeting process for the upcoming year. We rely on several tools and processes to guide us through assembling our budget.

Our four-year work plan outlines the essential work needed on our electrical grid (i.e. the infrastructure system that gets power to our members), such as the Bell Substation upgrade that was included this year. We'll continue focusing on vegetation management, proactive line maintenance, and system upgrades as detailed in the work plan.

Additionally, we use a budgeting process that accounts for trends in expenses beyond construction and maintenance efforts. After incorporating projections from Great River Energy and Western Area Power Administration for our power purchase costs, we review other budget needs for the next year beyond construction and bulk power purchases.

Each department manager contributes recommendations to our budget. Eric, for example, considers what's necessary to maintain cybersecurity, keeping your information secure and our systems protected from potential threats, while ensuring our accounting, work management, and member service systems run smoothly. Emerson consults with our linemen and engineering teams to determine the tools needed for safe and effective work for our operations side. While Dan's team expenses remain relatively consistent year-to-year for our billing and customer service expenditures, we're considering how our 90th-anniversary celebration and a planned open house event will impact our budget. Dan oversees member services and rebate programs and will lead our biennial member survey as well as our annual meeting and director elections, which will be included in the budget request. Steph and her team must account for inflationary pressures on labor and day-to-day expenses while managing cash flow. Creating our annual budget is truly a collaborative effort.

Once all the information is consolidated into our budget document, department



CEO RON MEIER

heads come together to review it again. They challenge each other to ensure we're managing the budget mindfully for our members. After this thorough review, we eventually will submit the budget to the board for consideration.

This year, we also have the added element of our Cost-of-Service Study (COSS). The COSS examines all expenses involved in running the cooperative, including the costs of keeping the lights on. It delves deeply into how each of our rate classes contribute to these expenses, helping us develop rates based on observed patterns. Over the past month, we've been gathering the required information and are nearing completion. As anticipated in our five-year financial modeling outlook, we're likely facing a rate increase in 2025. If you recall, we implemented a minor rate increase at the start of 2024. Knowing the COSS was forthcoming, we opted for a smaller increase than our financial modeling suggested. This allowed us time to conduct the COSS and gain a deeper understanding of our business. There is a brief article on page 4 that speaks to the ongoing inflation pressures providing some context for these anticipated rate increases. We understand that rate increases are never ideal, and we're committed to mitigating the amount as much as possible before implementing any changes.

As Fall transitions into Winter, we will finalize a budget that aligns with our core mission: delivering safe and reliable electric service to our members.

Cooperatively

AUGUST 2024 BOARD MEETING HIGHLIGHTS

The Regular Meeting of the Board of Directors of McLeod Cooperative Power Association was held on August 27, 2024, at McLeod Co-op headquarters. Seven board members, attorney, CEO Ron Meier, and department managers participated in the meeting.

Highlights of the meeting included:

- The outage report for the month of July was provided with a total of 53 outages, affecting 507 consumers.
- Operations Manager's report included that the Bell substation project has been completed. He also reported that the Hook Lake substation rebuild is planned to be done in the next work plan.
- A motion was carried to begin the search for a 4-acre land parcel for Hook Lake substation.
- Operation Round Up received a \$10,000 grant donation from CoBank.
- Manager of Finance reviewed the July financials.
- Ben Bratrud, rate and financial consultant from PSE, joined the meeting and led a discussion on the cost-of-service study. The study will be further discussed next month.
- A motion was carried to approve the new date for September's board meeting to September 26, 2024.
- A motion was carried to approve Director Gary Burdorf to attend MREA's Legislative visit in Washington D.C. on September 23-25, 2024.

MN COLD WEATHER RULE REMINDER

The Minnesota Cold Weather Rule protects residential utility customers during the cold winter months. Under this rule, McLeod Cooperative Power will not disconnect your electricity from October 1 through April 30 if you meet the Cold Weather Rule requirements.

In order to qualify for winter shut-off protection, you must meet all of the following conditions:

- Your total household, not individual, income is less than 50% of the state median income.
- You contact the Co-op, set up a payment arrangement, and are reasonably current with scheduled payments.

It's important to understand that the Cold Weather Rule still allows electricity to be shut off for non-payment. You will only be protected if electricity provides your primary source of heat and you meet the conditions above.

Before disconnecting service to a residential member during the cold weather months, McLeod Co-op will provide a disconnect notice, statement of member rights and responsibilities, a list of local energy assistance providers, and available payment plans or options to the affected member. Inability to pay forms are available upon request.

At McLeod Cooperative Power our members are important. We would rather work with you to set up a plan to pay your bill than disconnect your service. If you are worried about paying your electric bill this winter, reach out to us at (800) 494-6272 before the due date of your bill. Winter will be here soon. Let's work together to keep everyone safe and warm.



INFLATION PRESSURES: AN UPDATE ON MATERIAL COSTS

As discussed in previous newsletters, the COVID-19 pandemic had a significant impact on material costs. Initially, we anticipated that prices would decrease over time, much like the reduction in lead times for receiving purchased material. However, a more recent cost comparison reveals that this has not been the case.

Materials are essential for maintaining safe and reliable distribution lines, ensuring our members receive uninterrupted power. Unfortunately, we cannot avoid the need for these materials, leaving us at the mercy of vendor pricing. To mitigate these costs, we have implemented strategies such as entering multiple agreements with vendors to secure more stable pricing and seeking additional vendors to provide competitive options for the cooperative.

When you see poles, wires, and the green boxes near properties (known as transformers), you're looking at high-cost items critical to our operations. The prices for these three materials alone have increased anywhere from 30-70% from 2021 which at that time were at an unprecedented increased cost. Even smaller daily-use items have seen similar price hikes.

EXAMPLE MATERIAL COST INCREASES



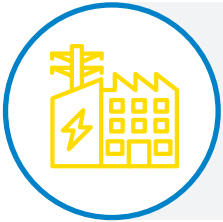
While inflationary pressures are easing somewhat, it's unlikely that prices will return to pre-pandemic levels. Therefore, we must continue to proactively manage our purchasing strategies to secure the best possible prices for the materials and supplies necessary to operate and maintain our electrical system.

As Ron Meier, CEO, mentioned during our annual meeting, the rising material costs are a significant factor in the potential revenue rate increase projected for 2025. We are committed to finding ways to minimize the impact on our members, and we are currently reviewing costs through our Cost-of-Service Study (see page 3 for an update on that study).

FOUR KEY FACTORS THAT IMPACT ENERGY BILLS

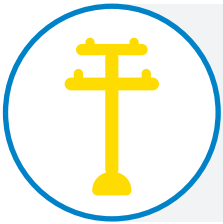
In a world where the cost of daily living seems to be on a constant rise, it's only natural to wonder what factors contribute to the fluctuations in electricity prices.

While there is no short answer, there are a few key elements that impact electricity prices and rates. Below is a summary of the four primary factors that impact your bill. While we can't control the weather or the rising costs of fuels, please know McLeod Co-op works proactively to manage our system delivery costs. Additionally, members can manage their monthly electricity consumption. Your energy consumption directly influences your bill, as this covers the usage of appliances, heating/cooling, lighting, and electronic devices. We're here to help too, by offering a variety of load management programs, rebates, and tips for saving energy and money. Contact us if you have questions about your electric bill or for advice on how to start saving today.



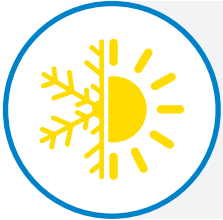
VARYING FUEL COSTS

The cost of fuels used to generate electricity fluctuates, which is why you see a power cost adjustment (PCA) on your monthly bill. This monthly charge or credit covers cost fluctuations without having to continually restructure electricity rates. The PCA is allocated to all members based on the passed-through cost adjustment from our whole sale supplier, Great River Energy.



SYSTEM DELIVERY COSTS

Your bill includes a monthly system delivery charge, which recovers part of the co-op's ongoing investments in poles, wire, meters, system maintenance and additional costs necessary to provide electric service regardless of the amount of energy you use.



WEATHER AND TEMPERATURE

When temperatures soar or dip, your cooling or heating equipment must run longer and at maximum capacity, which can greatly increase your energy use. Extreme temperatures can also affect electricity market prices. When the need for electricity increases due to extreme heat or cold, the price of power typically rises.



ENERGY CONSUMPTION

This is the amount of electricity you use each month to power your home's cooling/heating system, appliances, lighting, electronics and more. The amount of electricity you consume is measured in kilowatt-hours (kWh). You have control over when and how much energy you use, which can ultimately influence your monthly costs.

NO POWER? NO WORRIES

Protect your home and family from the expense and inconvenience caused by power outages.

An automatic generator can operate your sump pump, furnace fan, lights, refrigerator, and more. McLeod Co-op Power sells and installs automatic generator systems by Briggs and Stratton.

Call (800) 494-6272 for more info!





THANK YOU, JOE GRIEBIE, FOR YOUR DEDICATED SERVICE

With the resignation of Joe Griebie from his position on the Board of Directors, we want to take this opportunity to extend our heartfelt gratitude for his service. Joe has been a member of the Board of Directors since being elected in 2014. Representing District 2, he has been a dedicated and thoughtful board member, consistently engaged in making decisions that have best served our cooperative.

As we reflect on the contributions made to McLeod Cooperative Power Association, we would also like to acknowledge his contributions to the greater community. Joe's roots run deep in Sumter Township, where he has been a pillar of the community for decades. For 43 years, he was actively involved in farming, growing corn, soybeans, and kidney beans until his retirement in December of 2016. His commitment to agriculture and the local community has been unwavering.

Beyond his professional endeavors, Joe has been a lifelong member and past president of the Brownton Rod & Gun Club, demonstrating his passion for outdoor activities and conservation. His 25 years of service on the Ducks Unlimited Board further highlights his dedication to preserving our natural resources.

Joe's leadership extended to various organizations within our community. He is a retired member and past president of the Brownton Lions, and he also served as a supervisor and chairman of the Sumter Township Board. His involvement in these roles showcases his commitment to civic duty and community development.

As Joe steps down from the Board of Directors, we express our deepest appreciation for his years of hard work, thoughtful decision-making, and unwavering dedication to McLeod Cooperative Power Association. His legacy of service will leave a lasting impact.

Thank you, Joe Griebie, for your exceptional service and commitment. We wish you all the best in your future endeavors.

ANNOUNCEMENT: BOARD VACANCY FOR DISTRICT 2

The McLeod Cooperative Power Association announces a vacant Board of Directors position for District 2 following the resignation of Joe Griebie. We extend our gratitude to Joe for his dedicated service and contributions to our cooperative.

We are now seeking nominations from members residing in or having a business in District 2 to fill this position. District 2 includes Hassan Valley, Rich Valley, and Sumter townships in McLeod County.

If you or someone you know is passionate about serving our community and contributing to the future of McLeod Co-op, we encourage you to apply. Nomination applications are due in the office by 4pm on Friday, September 20. Applications can be found online at <https://www.mcleodcoop.com/about/board-of-directors-2/> or by calling our office.

For more information and to apply, please contact:

McLeod Cooperative Power Association
(320) 864-3148 or (800) 494-6272
info@mcleodcoop.com

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NOMINATE A DIFFERENCE MAKER: MCLEOD CO-OP POWER SEEKS NOMINEES FOR 2024 TOUCHSTONE ENERGY COMMUNITY AWARD

McLeod Cooperative Power is seeking applications for the Touchstone Energy Community Award. This annual award recognizes local businesses, non-profit and community groups that have shown a strong commitment to the community. Any organization that has helped make their local community within McLeod, Renville, Sibley, or Carver Counties a better place to live and work is eligible to be nominated for the \$500 award.

Community members may nominate an organization, association, or business by completing an application form. Applications forms are available at www.mcleodcoop.com or by calling the Co-op office 1-800-494-6272. Questions may be directed to Dan Ehrke. The application will require a description of the project, program, or event as well as details on the positive impact it brought to the community.

Completed applications must be received by 4:00 p.m. on October 31st.

“As an electric cooperative serving this area, we have high regard for community involvement,” CEO Ron Meier said. “This award allows us to highlight and encourage those organizations that have shown an outstanding commitment to the community.”

The local \$500 award recipient will be announced in November and will then contend for the statewide Touchstone Energy Community Award, which has an award of \$2,000. The statewide award winner will be recognized at the Minnesota Rural Electric Association annual meeting.

The Minnesota Touchstone Energy cooperatives are part of a national alliance of more than 750 electric cooperatives in 46 states that adhere to the values of integrity, accountability, innovation, and commitment to the community. Mail application form to McLeod Co-op Power, 3515 11th Street East, Glencoe, MN 55336.

OFFICE PHONE

(320) 864-3148
(800) 494-6272

24-HOUR OUTAGE PHONE

(800) 927-5685

WEBSITE

www.mcleodcoop.com

EMAIL ADDRESS

mcpainfo@mcleodcoop.com

CHIEF EXECUTIVE OFFICER

Ronald Meier

EDITOR

Dan Ehrke and Fuller Creative

BOARD OF DIRECTORS

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(952) 955-3319

District 2: Vacant

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Vice President
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District 7: Randy Hlavka
GRE Representative
(320) 583-0037

District 8: Keith Peterson
(320) 583-0997

District 9: Susan Anderson
Secretary-Treasurer
(952) 250-3109

McLeod Cooperative Power is an equal opportunity employer and provider.



ENERGY EFFICIENCY

Now is the time to schedule annual maintenance for your home's heating system. During fall months, HVAC technicians are typically less busy, making this an excellent time for maintenance and any necessary repairs before the winter months. A qualified technician can clean filters, check for leaks and ensure all system components are working efficiently to keep your home cozy and warm when the temperatures begin to drop.



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STAY SAFE THIS FALL: ELECTRICAL SAFETY TIPS

As the seasons change, it's important to prioritize electrical safety, both in your yard and on the farm. Whether you're preparing your home for colder weather or harvesting crops, following these simple yet crucial safety tips can help prevent accidents and keep you safe. Here are some quick reminders to ensure you're ready for the season ahead.



IN THE YARD

- Safely store warm weather tools like lawn mowers. Inspect cold weather tools and cords for wear and repair or replace as needed.
- Unplug and store battery chargers not needed until spring.
- Use weatherproof electrical devices outdoors and protect them from moisture. Have wet equipment inspected by a certified repair dealer.
- Sweep dry leaves away from outdoor lighting, outlets, and power cords.
- Use a fiberglass ladder and avoid overhead power lines when cleaning gutters, painting, or trimming trees.
- Call 811 at least two days before digging to locate buried utilities.



ON THE FARM

- Use caution when raising augers or grain truck beds near power lines.
- Have a spotter when operating large machinery near power lines. Ensure the spotter doesn't touch the machinery.
- Avoid raising equipment like ladders, poles, or rods into power lines. Non-metallic materials can conduct electricity based on conditions.
- Never attempt to raise or move power lines.
- Don't use metal poles to break up bridged grain in bins.
- If equipment contacts a power line, stay inside, warn others, and call 911. Only exit if there's fire, jumping off without touching the ground and equipment at the same time. Shuffle to safety.