

COOPERATIVE CONNECTIONS



Building Communities

REED Fund Helps
Support Local Growth
Pages 8-9

DERs and the
Electrical Grid
Pages 12-13

Dave Eide, right, presents a check to Jason Foster, left, fire chief of Garden City Fire Department. Through the REED fund, the department secured a loan to renovate the fire hall.

Balancing Electricity Supply and Demand



Char Hagar
General Manager

Electricity is essential for nearly every aspect of daily life – so essential that we rarely think about how it’s produced and delivered to our homes. You might be surprised to learn that behind the scenes, a network of experts is working daily (and even by the minute) to anticipate how much electricity you need before you even use it.

We’re all connected to the electric grid, so ensuring the right amount of electricity for all involves a complex process of forecasting energy demand, planning for capacity, and securing enough supply to meet Americans’ needs.

Powerful Sources

First, electricity must be generated at a power plant using either traditional sources, such as coal, natural gas or nuclear energy, or from renewable sources, such as solar, wind or hydropower.

At Northern Electric Cooperative, we work closely with East River Electric Power Cooperative and Basin Electric Power Cooperative, our local wholesale power partner, to secure enough electricity for our communities, using a diverse mix of energy sources to generate the power we deliver to your home or business. By maintaining a diverse energy mix of coal, natural gas, wind and hydropower, Basin Electric Power Cooperative has options to ensure reliable power at a competitive cost.

On a larger scale, electricity supply and demand across the country are managed through a market that includes long-term planning agreements, where electricity is bought and sold just like other common goods and services. Because Northern Electric works with our wholesale power partner, which is also a cooperative, we can pool resources and expertise to deliver affordable power to our local communities.

Electricity supply changes throughout the day because demand fluctuates based on consumers’ needs. For example, Northern Electric knows that

we need to ensure more electricity in the mornings when you’re starting your day, and in the evenings when you’re cooking dinner, running appliances and watching TV. Demand also increases when weather patterns change, such as extremely warm or cold temperatures.

Managing Supply and Demand Across the Grid

Across the country, other electric utilities are managing the same task of balancing supply and demand, which is why we have a larger network of key players in place to ensure enough power is delivered across the grid.

In most cases, the amount of electricity generated and how much is sent to specific areas are coordinated and monitored by regional transmission organizations (RTOs) and independent system operators (ISOs). Northern Electric’s RTO is the Southwest Power Pool (SPP). In some areas, individual electric utilities perform these tasks.

SPP acts as an air traffic controller for the electric grid. They forecast when you, your neighbors and communities across a large region will need more power. These organizations take measured steps to ensure there’s enough supply to meet demand.

Looking Ahead

As the energy sector undergoes rapid change, it’s important for all consumers to understand the basics of electricity supply and demand.

Electricity use in the U.S. is expected to rise to record highs this year and next, with the demand for electricity expected to at least double by 2050. At the same time, energy policies push the early retirement of always-available generation sources, which will compromise reliable electricity.

Northern Electric remains committed to providing affordable, reliable energy to the members we serve. That’s why we are preparing now for increased demand and other challenges that could compromise our local electric supply.

Managing the balancing act of electricity supply and demand is a complex job, which is why we have a network of utilities, power plant operators and energy traffic managers in place to direct the electricity we need and keep the electric grid balanced.

COOPERATIVE CONNECTIONS

NORTHERN ELECTRIC

(USPS 396-040)

Board President: Nolan Wipf

Board of Directors

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Manager of Information Technology: Derek Gorecki

Communications Specialist: Emily Johnson
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Executive Secretary: Amy Golden

Northern Electric Cooperative Connections is the monthly publication for the members of Northern Electric Cooperative, PO Box 457, Bath, SD 57427. Families subscribe to Cooperative Connections as part of their electric cooperative membership. The purpose of Northern Electric Cooperative Connections is to provide reliable, helpful information to electric cooperative members on electric cooperative matters and better rural living.

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DECEMBER BOARD REPORT

Northern Electric Cooperative's regular board meeting was held December 20, 2024, at the headquarters in Bath with all directors present. As the first order of business, the board approved the November 22, 2024, minutes, and November expenditures. The board then reviewed and accepted monthly reports by management.

East River Director Kirk Schaunaman reported on the actions taken by the East River Board at the December 5, 2024, Meeting. The next East River Board Meeting will be held January 9, 2025. SDREA Director Nolan Wipf reported on the actions taken by the SDREA Board at the December 2-3, 2024, meeting. The next SDREA Board meeting will be January 15-17, 2025, during the SDREA Annual Meeting and Legislative Dinner.

Directors Nolan Wipf and Todd Hettich reported on the 2024 Mid-West Electric Consumers Association Annual Meeting, held December 10-12, in Denver, CO. General Manager Char Hager gave an update on the SDWEA Board. Director Josh Larson gave an update on the NRECA Winter School for Directors held on December 13-17, 2024, in Nashville, TN.

MANAGER'S REPORT

General Manager Char Hager's report to the board included the following items:

- Report on Rural Electric Development (REED) Board Meeting held on December 3, 2024.
- Report on East River MAC Meeting

held on December 3, 2024.

- Report on NRECA Employee Retirement Planning Seminar held December 3-5, 2024.
- Report on employee meeting held on December 19, 2024.
- Report on Northeast Rural Electric Legislative Forum held on November 26, 2024.

BOARD REPORT

The board considered and/or acted upon the following:

- Approved the date and time of the next regular board meeting for 8:30 A.M. on Friday, January 24th, 2025.
- Approved Work Order Inventory #24-11 for \$183,588.14 to be submitted to RUS for reimbursement from loan funds for electric plant construction already completed.
- Approved the fourth quarter estate requests for early capital credit retirements in the amount of \$47,745,82.
- Selected Scott Sperry to be delegate and Todd Hettich to be alternate for 2025 NRECA PowerXchange & TechAdvantage, March 7-12, 2025.
- Approved POET, 3M and PURPA rate tariffs for 2025.
- Authorized the dissolution of Northern Wireless Communications.
- Held Executive Session.

Talk to your director or co-op manager with questions on any of these matters.

FINANCIAL REPORT

| | November-24 | November-23 |
|-----------------------------|-------------|-------------|
| kWh Sales | 26,610,516 | 32,032,199 |
| Electric Revenues | \$2,524,811 | \$2,756,941 |
| Total Cost of Service | \$2,456,932 | \$2,607,675 |
| Operating Margins..... | \$67,879 | \$149,267 |
| Year to Date Margins | \$609,512 | \$459,375 |

RESIDENTIAL AVERAGE MONTHLY USAGE AND BILL

| | | | |
|----------------------------|----------------|----------------|------------------|
| NOVEMBER 2024 | 2,336 kWh..... | \$247.02 | \$0.1057 per kWh |
| NOVEMBER 2023 | 3,161 kWh..... | \$272.00 | \$0.0860 per kWh |

Wholesale power cost, taxes, interest, and depreciation account for 86.7% of NEC's total cost of service.

Fire Safety

Cooking and heating are the leading causes of home fires and fire injuries, and winter months are the peak time for fire-related deaths.

Minimize Your Risks

The good news: Deaths from home fires in the U.S. have trended downward since the 1970s, according to Injury Facts, but even one death from a preventable fire is too many. While fire doesn't discriminate by age, it is the third leading cause of death for children 1 to 14.

When cooking, make fire safety a priority by keeping these tips in mind:

- Be alert; if you are sleepy or have consumed alcohol, don't use the oven or stovetop
- Stay in the kitchen while you are frying, grilling, boiling or broiling food
- When simmering, baking or roasting, check the food regularly, remain in the kitchen while cooking and use a timer
- Keep anything that can catch fire away from your stovetop

Heating is the second leading cause of home fires.

Follow these tips:

- Keep all flammables, like paper, clothing, bedding, drapes or rugs, at least three feet from a space heater, stove or fireplace
- Never leave portable heaters and fireplaces unattended; turn off heaters and make sure fireplace embers are extinguished before leaving the room
- If you must use a space heater, place it on a level, nonflammable surface, like ceramic tile, not on a rug or carpet
- Keep children and pets away from space heaters
- When buying a space heater, look for models that shut off automatically if the heater falls over

Other top causes of fire include smoking, electrical problems and candles. To minimize risks:

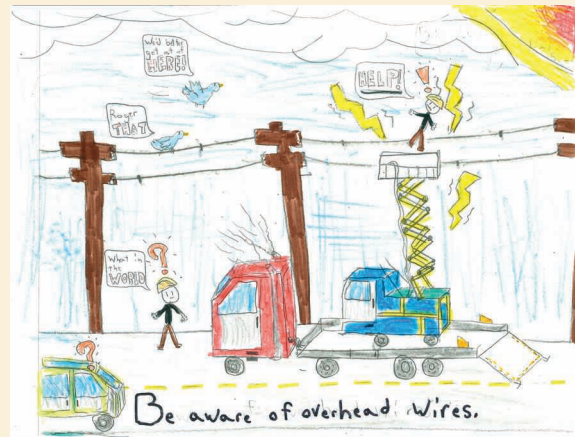
- Institute a "no smoking" policy in the house
- Check all cords and replace any that are frayed or have bare wires
- Switch to flameless candles
- Keep matches and lighters high and out of children's reach in a locked cabinet

Working Smoke Alarms Are a Must

Replacing the Battery on a Smoke Alarm About three out of five fire deaths happen in homes without working smoke alarms. Smoke alarms are a key part of a home fire escape plan providing early warning to reduce your risk of dying in a fire. The National Fire Protection Association recommends you:

- Install smoke alarms on every level of your home, inside bedrooms and outside sleeping areas on the ceiling or high on the wall
- Keep smoke alarms away from the kitchen, at least 10 feet from the stove, to reduce false alarms
- Use special alarms with strobe lights and bed shakers for people who are hard of hearing or deaf
- Test smoke alarms monthly
- Replace batteries in your smoke alarm and carbon monoxide detector annually
- Replace smoke alarms that are 10 or more years old

Source: National Safety Council



"Be aware of overhead wires."

Vance Claeys, Age 11

Vance Claeys cautions readers to be careful when working around power lines. Thank you for your picture, Vance! Vance's parents are Jake and Bridget Claeys, members of Lyon-Lincoln Electric.

Kids, send your drawing with an electrical safety tip to your local electric cooperative (address found on Page 3). If your poster is published, you'll receive a prize. All entries must include your name, age, mailing address and the names of your parents. Colored drawings are encouraged.



SOUP

Sensation

BROCCOLI CHEESE SOUP

Ingredients:

- 1 large pkg. frozen broccoli
- 1/4 cup water
- 3 tbsps. margarine
- 10 oz. package corn
- 1/4 cup chopped carrots
- 1/4 cup chopped onion
- 1/4 tsp. pepper

Cook the above and add
 3 cans cream of potato soup
 3 cups milk
 2 cups shredded Cheddar cheese
 1/2 cup shredded Monterey Jack cheese
 Stir until melted

LaVonne Schmidt
 Sioux Falls, S.D.

NORWEGIAN FRUIT SOUP

Ingredients:

- Bring 1/2 gallon water to a slow boil.
- Add 1 pkg. of sweetened dried cherries, banana chips, apricots, prunes, 2 apples (all cut into pieces)
(Optional to use any dried fruit you wish)
- 1/2 cup golden raisins
- 1/2 cup regular raisins
- 2 whole cloves
- 2 cinnamon sticks
- 1 cup sugar (you can use Splenda)

Method

Boil slowly for one hour add 3 tbsps. tapioca and a large pkg. of cherry jello.
 Refrigerate and serve with whip cream.

Kari Reder
 Warner, S.D.

CABBAGE SOUP

Ingredients:

- 1-2 tbsps. vegetable oil
- 1 pkg. (14 oz.) smoked sausage, sliced 1/4 in. thick
- 1 large yellow onion, chopped
- 1 tbsp. tomato paste
- 1 small green cabbage, cored and shredded (about 8 cups)
- 1 medium carrot, finely chopped
- 1 can (14 1/2 oz.) petite diced tomatoes
- 1 1/2 tsps. salt
- 1/2 tsp. garlic powder
- 1/2 tsp. ground black pepper
- 1/4 tsp. onion powder
- 1/8 tsp. crushed red pepper
- 4 cups chicken stock or broth
- 1 can (15 1/2 oz.) white beans, drained and rinsed
- 1 tbsp. white wine vinegar

Method

Heat oil and cook sausage, until browned. Remove from skillet. Add onion and tomato paste; cook and stir until onions are slightly softened and tomato paste has darkened. Add cabbage and carrots to stockpot. Cook, stirring frequently, about 30 minutes or until cabbage has softened and begins to caramelize. Stir in tomatoes, salt and spices. Cook 10 minutes longer or until cabbage is very soft. Return sausage to pot. Stir in stock and beans. Bring to boil. Reduce heat and simmer 10 minutes. Stir in vinegar. Serve hot, sprinkled with freshly grated Parmesan cheese, if desired.

McCormick.com

Please send your favorite recipes to your local electric cooperative (address found on Page 3). Each recipe printed will be entered into a drawing for a prize in December 2025. All entries must include your name, mailing address, phone number and cooperative name.



NEWMAN RETIRES

Northern Electric Line Foreman Marty Newman Retires After 33 Years

Northern Electric Line Foreman Marty Newman retired in early January. During his career spanning 33 years,

he helped construct hundreds of miles of line within the co-ops service territory.

Throughout the course of his career, he has seen a lot of changes within the industry including the use of technology and equipment. The equipment used today is far more advanced than when he started as an apprentice lineman in 1992. At that time crews climbed poles using belts and hooks for overhead line construction and maintenance. Today, bucket trucks are utilized for the same tasks. The use of iPads has cut down on the handwritten paperwork required to be done in the field.

Some of his fondest memories are of storm jobs. "Every storm job was different" Newman said. "It was especially satisfying when we got the lights back on during storm outages". He also enjoyed mentoring the young linemen and watching them grow.

Newman will not be bored in retirement. He and his wife Karla are looking forward to the birth of their first grandchild (a boy) at the beginning of February as well as a long-awaited vacation to Arizona. He is looking forward to spending time with his family, fishing at Akaska and helping on his brother's farm.

When asked what he will miss most, he said "I will miss working with the members and employees of the cooperative".

Northern Electric Journeyman Lineman Brian Hansen will transition into Marty's position of Line Foreman. Brian started as a lineman with Northern Electric in 2016. He resides in rural Bath with his wife Katie and son Granger.



NEW LINEMAN HIRED

Dylan Grimes Hired as New Apprentice Lineman

Northern Electric Cooperative welcomes Dylan Grimes as a new apprentice lineman. Dylan started working for Northern Electric on May 16, 2024 as a temporary line employee after graduating from the Mitchell Technical College Power Line Construction and Maintenance program.

Grimes, a Webster native, is no stranger to electric cooperatives. His father Jim is the Operations Manager at Lake Region Electric Association in Webster. Dylan applied for the open position that came about due to the retirement of long-time employee Marty Newman. "I like the variety that linework provides as well as working outdoors" he said. In his free time, he enjoys snowmobiling in the mountains as well as hunting, fishing, and spending time at the lake with his family.





APPLY FOR 2025 SCHOLARSHIPS

Students Can Apply Now For \$1,000 and \$500 Co-op Scholarships

Students of Northern Electric Cooperative members who are currently enrolled in a post-secondary school - or plan to enroll in the fall of 2025 - can now apply for two co-op-sponsored scholarships.

Bismarck-based Basin Electric Power Cooperative, which generates electricity for Northern Electric Cooperative, is awarding a \$1,000 scholarship to a student within the Northern Electric service territory. Northern Electric is also awarding a \$500 scholarship to a student of a co-op member. Students can apply for both scholarships by filling out one Basin Electric 2025 scholarship application which can be found on the Northern Electric website at northernelectric.coop/scholarships. Applications can also be picked up at the Northern Electric office.

In 2024, Morgan Sumption of Frederick was awarded the \$1,000 Basin Electric scholarship and Garrett Crawford of Aberdeen was the

recipient of the \$500 Northern Electric scholarship. Sumption enrolled at Black Hills State University in Spearfish and Crawford enrolled at Lake Area Technical Institute in Watertown.

The scholarship application includes information about the student's academic record, work experience, an applicant appraisal from an advisor or supervisor, and a one-page essay on the topic: 'How does the electricity provided by your electric cooperative improve the quality of life in your community?'

The entire application must be completed and turned into the Northern Electric Cooperative office in Bath by February 10, 2025.

A committee of cooperative employees will evaluate the applications and award both the \$1,000 and \$500 scholarships from the pool of applicants. Scholarships will be directly paid to the institution where the recipient is enrolled in the fall of 2025.

How to Apply

- SCHOLARSHIP ELIGIBILITY**
 Applicants must be U.S. citizens under the age of 25, and natural or adopted children of Northern Electric Cooperative consumers/members. Any applicant must be a student who is enrolled, or planning to enroll, in a full-time graduate or undergraduate course of study at an accredited two-year or four-year college, university, or vocational/technical school.
- THE SELECTION PROCESS**
 All applications are critically evaluated by a committee of cooperative employees using a combination of several criteria including: a written essay, participation in school and community activities, grade-point average, SAT/ACT scores, a statement by the student explaining his/her educational and career goals, financial need, and a written recommendation from a third party. The winning \$1,000 entry will be sent to Basin Electric for scholarship distribution. The committee will also select the winning entry for the \$500 Northern Electric scholarship.
- APPLICATION**
 Applications are available from local high school guidance counselors, on the Northern Electric Cooperative website at northernelectric.coop/scholarships or directly from the Northern Electric office in Bath.

COMPLETED APPLICATIONS MUST BE RETURNED BY FEBRUARY 10, 2025, TO:

Northern Electric Cooperative
 Attention: Scholarship
 PO Box 457
 Bath, SD 57427



Pulse of Life Kids Center in Vermillion, S.D.

BUILDING COMMUNITIES

REED Fund Helps Support Local Growth

Jacob Boyko

jacob.boyko@sdrea.coop

Small towns and rural communities are the backbone of electric cooperatives, with many co-op members relying on their small towns for shopping, childcare, entertainment and other basic needs and services.

That’s why co-ops are working to help keep – and expand – services and job opportunities in small towns using the co-ops’ Rural Electric Economic Development Fund, or REED.

REED is a non-profit organization launched by the electric cooperatives in 1996 to finance community-focused projects across small towns in South Dakota and Western Minnesota where affordable financing can be harder to secure.

REED has multiple sources of funding, but one of the main sources of funding over the years has been the United States Department of Agriculture. REED has utilized both the Rural Economic Development Loan and Grant Program (REDLG) and the Intermediary Relending Program (IRP), which together have amounted to more than \$30 million.

Through the REDLG program, REED

can fund eligible projects at a 0% interest rate. Through the IRP program, REED applies for low-interest loans and then re-lends the money at a rate slightly higher than the USDA rate – but still less than traditional lending sources. This adds money to the fund and perpetuates it for future projects.

Since the fund’s inception, it’s been used to support more than 400 community-focused projects.

East River Electric Business Development Director Mike Jaspers says it’s in co-ops’ best interests to make rural living just as feasible as living in a larger city.

“It comes back to our principle of commitment to community,” Jaspers explained. “REED ensures our membership has their vital needs met, and they can enjoy the amenities of life in a rural setting when they’d otherwise have to go to a larger city to access some of those services.”

Eric Fosheim, East River Electric’s economic development director in charge of the REED fund, said the \$130 million lent by REED has impacted more than 10,000 jobs and amounted to over \$1 billion of economic impact throughout

South Dakota and Western Minnesota.

“Our \$1 million investments help spur \$10 million projects, which means for every \$1 REED invests into a project, it roughly has a \$9 or \$10 impact,” he explained.

As a supplemental lender, REED won’t finance a project alone; organizations still must secure funding from other sources. However, REED’s low interest rates and community focus can be just what a project needs to catalyze it over the finish line.

As members of the REED fund, co-ops can impact economic development projects while letting REED take on the financial risk.

“The co-ops aren’t on the hook and aren’t guaranteeing the loans here,” Fosheim explained. “REED is doing that.”

Pulse of Life Kids Center – Vermillion, S.D.

Pastors Glenn and Angela Pulse had a vision and a calling. Pulse of Life Foursquare Church, which they hoped to start on Vermillion’s Main Street inside an old medical clinic, had the ability to serve a greater need in the community, where the wait lists for childcare sometimes exceeded three months. They had the faith — they just needed some resources.

The church council worked with First Bank & Trust to secure a loan to create the Pulse of Life Kids Center, but the bank couldn’t lend them the entire amount they needed.

“New daycare centers have a high rate

of failure, so we couldn't qualify for all of the money that we needed through bank loans," Angela explained. "Instead of saying no, the bank manager suggested we go about it in a different way. That's how the conversation about the REED fund came up."

Clay-Union Electric Manager Chris Larson said supporting the Pulses, who are members of the co-op, made sense for Vermillion, where challenges from workforce shortages and the lack of childcare options are prevalent.

"It fills a need in our community," Larson said.

Fosheim agrees.

"Workforce challenges have really been an issue in recent years and one way we try to help with that is by investing in daycares," he said. "Daycares don't always look that good on paper from a financial standpoint, so a lot of these organizations have a hard time getting adequate financing."

With the REED fund's \$245,000 loan, the Pulses' vision finally took shape and the Kids Center opened in 2023. Today, the center offers faith-based daycare with a capacity for 43 of the community's children.

"It's encouraging because it puts more options on the table to make these new things possible," Angela said. "There's no way we could have done this without the REED fund."

Fire Station – Garden City, S.D.

In Garden City, a small community northwest of Watertown, a dilapidated fire hall sat rotting into its own footprint.

"It was just in a state of disrepair," said Scott Campbell, treasurer at the Garden City Fire Department. "The walls were pushing out and we had to put plastic over the doors. It was cramped and old. The truck was parked over a basement area, and being heavy and full of water it caused some concern."

Options were narrowing; Garden City would have to act fast or lose their fire station and rely on surrounding communities during an emergency.

Codington-Clark Electric Director



Russel Foster, who also volunteers for the fire hall, approached his co-op's manager, Dave Eide, in 2022 about using REED to breathe new life into Garden City's fire hall.

Eide agreed and helped with the application process, championing the fire hall as a vital need for Garden City, the co-op and co-op members.

"Everybody needs fire protection," Eide explained.

Through REED, the fire hall secured a \$230,000 loan. The new hall features a community room, which Scott said filled a desperate need.

"We had no place to vote, no place for birthday parties," Campbell said. "Township meetings were in houses at kitchen tables."

For Eide, the REED fund is just another example of what co-ops are supposed to do – serve communities.

"It's an extension of what co-ops are in the first place," he said. "We sell power to members and that's one way we help and serve our communities. The REED fund is just another extension of that."

Elder Care – Philip, S.D.

In rural Philip, limited options for elder care had some long-time locals facing tough decisions.

"Our nursing home for a lot of years was not big enough," said Cindy Pfeifle, business manager at Philip Health Services. "Members of our community were having to leave the area when they needed nursing home care."

After applying for a REED loan in 2022 through West Central Electric and securing funding from other community sources, Philip Health Systems renovated and expanded the nursing home, increasing occupancy from 30 beds to 42 beds.

West Central Electric CEO Jeff Birkeland said access to the REED fund is essential for rural areas without much population growth.

"We need to keep our people from moving away and keep our businesses local," Birkeland said. "The best way to do that is by giving them access to very low-interest financing. Saving hundreds of thousands of dollars in interest costs makes projects much more feasible."

Pfeifle says the community support was essential to initiate the project and applauds REED for helping bring opportunities back to small towns.

"It sends a message of support and cooperation and that they understand how important it is to keep services in rural areas for people who live here," Pfeifle said.

The nursing home project was the first in West Central Electric's territory to use the REED fund, but Birkeland hopes many more projects are to come.

"We are a cooperative, so job number one is to take care of our members and do everything we can to help our communities," Birkeland continued. "If somebody comes to you or you see a need in our communities, we're all in."

TELL US WHO POWERS YOU!

We know our co-op community is filled with people making a difference. Let's celebrate them! Nominate a member or employee of your local Touchstone Energy® Cooperative who goes above and beyond.

They could win up to \$3,000!

Nominate your local hero at
WHOPOWERSYOUCONTEST.COM





'WHO POWERS YOU' HONORS LOCAL HEROES

Nominate friends and neighbors that are making a difference in your local community

Nominations are now open for 'Who Powers You,' a contest being hosted by Northern Electric Cooperative and the region's other Touchstone Energy Cooperatives. This is the fourth annual 'Who Powers You' contest which seeks to highlight local figures who are making a difference in their communities.

In the rural communities we live in individuals take pride in volunteering. The people nominated for this award don't do it for the recognition, but for the joy it brings them to serve their communities. A theme among last year's winners was making sure local kids and adults didn't go hungry. All three of the winners felt a calling towards what they do and call it a passion!

Member-owners, employees, and residents who live or work within

Northern Electric Cooperative's service territory are eligible to be nominated. Nominations are currently being accepted starting Feb. 3, 2025. Three final winners will be selected by a panel of judges based on the impact that they have on the community. Weekly finalists will be announced and featured on Keloland Living starting March 13, 2025, and the three contest winners will be announced on Keloland Living on May 22, 2025.

The 'Who Powers You' contest grand prize winner will receive a \$3,000 prize. The second-place winner will receive \$1,500 and the contest's third-place winner will receive \$500.

Becky Krause who is a member of H-D Electric Cooperative, was the grand prize winner for the 2024

Nominate Someone 'Who Powers You'

Visit WhoPowersYouContest.com to nominate an individual

- Anyone who is making a difference in the communities served by Northern Electric Cooperative can be nominated.

Weekly finalists will be announced on Keloland Living

- Finalists will be featured on Keloland Living starting March 13 and go through April 11.

Three winners will be announced May 22

- The three winners of the contest will be announced on Keloland Living and receive cash prizes.
 - o 1st Place - \$3,000
 - o 2nd Place - \$1,500
 - o 3rd Place - \$500

contest. Becky is very involved in her local and religious communities. She is part of the 'Stewards Against Childhood Hunger' committee and mentors Deuel School teachers. Her passion is making sure no child in her community goes hungry! Along with doing all that she also promotes the South Dakota farming industry.

The 'Who Powers You' contest highlights the commitment of our co-op to the communities and member-owners that we serve. We know that our co-op community is filled with people making a difference. Help us with honoring them!

To learn more about the 'Who Powers You' contest and to nominate someone in your community, visit WhoPowersYouContest.com.



The Waxdahl's solar array and hog farm, east of Flandreau. *Submitted Photo*

DISTRIBUTED ENERGY

Understanding the Impact of DERs to the Electrical Grid

Frank Turner

frank.turner@sdrea.coop

Farming has always been a way of life for fourth-generation producers Matt Waxdahl and his brother, Ben. Growing up just outside of Flandreau, the brothers spent their childhood lending a hand on their grandfather's and father's farms.

Over time, Matt and Ben started their own operation. As the market evolved, so did the brothers. In 2009, they expanded into hog farming, building their first barn. Their success led to the addition of two more barns, the most recent constructed in 2022.

According to Matt, raising hogs comes with one major benefit: temperature-controlled barns.

"It's all under one roof, and it doesn't matter if it's 100 degrees outside or -20, it's always T-shirt weather," said Matt.

However, keeping their hogs on a permanent tropical vacation requires a significant amount of energy. During the summers, industrial fans and a stout ventilation system keep the barn cool, while powerful heaters maintain a comfortable environment in the biting South Dakota winters.

Two years ago, the brothers tackled this energy-intensive challenge by installing a 30-kW solar array. With guidance from Sioux Valley Energy, their local electric cooperative, they determined the project would financially benefit their operation due to availability of tax credits and grant funding.

"We saw that the majority of our power usage was always during the day," Matt explained. "We did some number crunching, and it penciled out."

Distributed Energy Resources

The Waxdahl brothers' decision to invest in a solar array reflects how farmers and ranchers across the state are utilizing Distributed Energy Resources (DERs) like solar panels and on-site wind turbines. While some producers use solar panels to power remote water pumps, others invest in larger systems like solar arrays to offset the energy demands of their farms.

According to Ben Pierson, energy services manager at East River Electric, DERs are not common across the state. However, Pierson noted there are situations where DERs make sense: in remote areas where connecting to the electrical grid is too costly, for businesses or individuals looking to leverage tax credits and grant funds, and

for individuals who want to produce their own energy as a personal or environmental choice.

“The most successful applications of DERs that I’ve seen have been for agricultural operations like hog and dairy farms, where the producer has been able to secure both grant funding and tax incentives,” said Pierson. “It makes sense economically because they are using most their energy during the day when solar is producing.”

Even in the best-case scenarios, DERs still face challenges. Without existing tax breaks and grant funds, the energy savings from Waxdahls’ solar array would not have justified the expense. “It wouldn’t be economically efficient at all without the tax credits and grant funding,” Matt said.

The array has also not been as efficient as the Waxdahls had hoped. While the panel installers projected a return on investment within seven to 10 years, the reality after two years of operation suggests it may take closer to 12 to 15 years for the panels to pay for themselves.

Despite the challenges, Matt considers his solar array a successful addition to his hog operation. “If I had another barn the same size, I would make the same decision to add a solar array,” he said.

The Electrical Grid

While DERs offer renewable energy options at the local level, South Dakota’s electrical grid already incorporates significant contributions from renewable energy sources at a wholesale price.

In fact, Basin Electric Power Cooperative, a generation and transmission cooperative serving South Dakota’s electric cooperatives, began purchasing energy from the Wild Springs Solar Project in 2024. Located near New Underwood, the 128-megawatt facility is the largest solar farm in the state. Basin Electric is set to purchase 114 megawatts of the project’s output, marking its first step into utility-scale solar generation.

The benefits of this project are already underway, said Pierson.

“Building a large-scale solar array is much more economically feasible than

a smaller-scale solar array,” said Pierson. “It lets us implement renewable energy into the portfolio in a cost-effective way.”

According to Pierson, power providers are continually working to implement renewable energy where it makes sense while providing reliable energy at an affordable price.

Connecting to the Grid

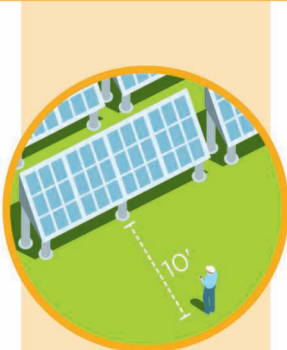
When considering the addition of DERs such as solar panels or an on-site wind turbine, Pierson encouraged members to contact their local electric cooperative to ensure the system is properly sized and safely connected.

When implementing a DER, there are often safety requirements in place to protect both the DER owner and the grid operators.

“Especially if you are talking to a third-party vendor, please reach out to your local utility to discuss the pros and cons – and realities – of implementing DERs,” said Pierson. “Utilities can offer unbiased information regarding the expected output and proper sizing of a DER.”

SAFETY NEAR SOLAR

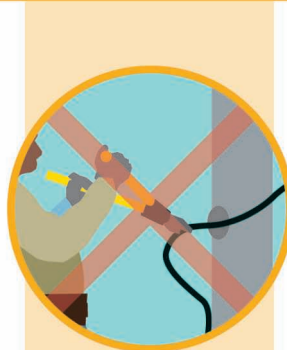
Like any other source of electricity, solar panels can pose potential hazards. Keep these safety tips in mind when you’re near solar panels.



Stay at least 10 feet away from the installation.



Never walk on solar panels.



Never cut any wiring to the solar panels.



Never touch broken or damaged solar panels.



Twin home built in 2022. These handicap accessible units have three bedrooms, two baths and double attached garages.
Photo submitted by Dick Werner

COMMUNITY GROWTH

Building a Stronger Community Through Workforce Housing

Jocelyn Johnson
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Supply and demand for workforce housing in South Dakota remains an issue for many smaller communities. Wage and worker demand has outpaced what many rural communities offer in affordable housing supply. Attracting and retaining qualified workers is becoming more of a challenge due to the simple, albeit costly, prerequisite for a place to live.

The need to develop and provide workforce housing at reasonable rates is a trending topic that one community advocate in Herreid, S.D., quickly acted on – resulting in a population increase for the first time since the town’s 1960 census.

Dick Werner, member of Cam Wal Electric and Black Hills Electric, has long championed the development of rural towns as a business owner, economic development consultant,

former state legislator and former county commissioner. He saw a need in his hometown for workforce housing, which he attributed to the dwindling population.

“When we first started tracking our population, we found that the highest number in our population fell into the category of 65 and older,” Werner said, “Next was the workforce group. Our lowest was our youth, which directly correlated with our depleting school enrollment.”

In 2016, Werner and other community leaders found the Herreid Area Housing Development (HAHD), a nonprofit committed to improving the town’s housing stock and ensuring long-term growth. Using this, the group worked quickly – gaining funds to build a place where workforce families would want to live

“It’s been one of the most rewarding challenges you can deal with,” Werner

said. “If you don’t control the dirt, you don’t control the future.”

Werner attributes his community’s growth to working families moving and staying in Herreid as well as welcoming diversity into the community’s workforce.

“It’s not just building homes, but it’s knowing what you have in your community,” Werner said. “We not only needed places for families to live, but we also needed to welcome diversity and make our community family friendly.”

Public facilities were similarly given attention to promote community growth. Playgrounds, sports facilities and the city pool were updated through a combined effort of donations, loans and grants.

Since 2017, five speculative homes have attracted 25 new residents to Herreid. The HAHD also purchased a remodeled eightplex apartment, a fourplex built in 2009, and two new twin homes – all full with a waiting list.

“That’s where we worked with the South Dakota Housing Opportunity Fund,” Werner said. “It gave us half the money to build and it’s forgivable after 20 years.”

South Dakota Housing is a self-supporting, nonprofit entity that

provides financing solutions such as housing bonds, tax credits and other federal and state resources to fund housing programs. This funding provides housing construction and rehabilitation, rental assistance, educational opportunities and more. One program offered is the South Dakota Housing Opportunity Fund.

Amy Eldridge, Rental Housing Development Director for South Dakota Housing, highlighted the financial virtues of the program.

“Local economic development groups and any property developer may apply for the funding,” said Eldridge. “It’s about the attractive financing that the program offers at 0% interest. With today’s interest rates, it’s hard to develop a property if you have to pay 7% interest while trying to construct it.”

Working with \$3 million annually, the South Dakota Housing Opportunity Fund has a competitive application process. New construction as well as building acquisition and rehabilitation qualify.

South Dakota Housing also offers infrastructure funding through the Housing Infrastructure Financing Program. John Curry and partner Chris Dunham of Elk Point Investments were recent recipients of these funds. They are currently developing land in Elk Point, S.D., where more than 150

homes have been built over the past 27 years.

“We’re the land developers, so we do the dirt work and civil engineering, and we sell to home builders,” said Curry. “The South Dakota Infrastructure Fund was something I had read about. . . We were in a good position to apply, and it provided 1/3 of the development costs if you met the criteria. With this funding, we are targeting to sell 56 lots beginning the spring of 2025.”

South Dakota Housing was allocated \$200 million by the state in 2023 to provide loans and grants for the development of housing infrastructure through the Housing Infrastructure Financing Program. Any for-profit or non-profit entity, tribal government, housing authority, political subdivision or agency of South Dakota is eligible to apply for funding.

“There is a shortage for housing,” said Curry. “I think you’re going to see a nice boom in workforce housing throughout the state because of this funding.”

(Right) Elk Point development. *Photo submitted by John Curry*

(Below) The pool project included a new bath house, new step-in pool with water features and existing main pool enhancements. The total project cost was \$1,132,000, with HAHD raising \$800,000 through grants and fund raising activities.

Photo submitted by Dick Werner



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Your E-mail Address: _____



To have your event listed on this page, send complete information, including date, event, place and contact to your local electric cooperative. Include your name, address and daytime telephone number. Information must be submitted at least eight weeks prior to your event. Please call ahead to confirm date, time and location of event.

FEB. 1
James River Gobblers Wild Turkey Banquet
5 p.m.
Highland Conference Center
Mitchell, SD
605-999-3208

FEB. 2
Hot Dish Competition Lake County Museum Fundraiser
11 a.m.-1 p.m.
St. Thomas School Gym
Madison, SD
605-256-5308

FEB. 15
Sioux Empire On Tap
Sioux Falls Convention Center
Tickets available online
www.siouxempireontap.com

FEB. 22
Knights of Columbus Ice Fishing Derby
Waubay Lake
Registration 9-10 a.m.
605-881-5075

FEB. 22
Bellator Titans Charter Casino Night Fundraiser
6-11 p.m.
316 2nd St., Aberdeen, SD

MARCH 6
SD Jazz Festival Concert
Aberdeen Community Concert Association
7:30 p.m.
NSU Johnson Fine Arts Center
Aberdeen, SD
Tickets Available at Concert

MARCH 8-9
Philip Area Annual Gun Show
Sat. 9 a.m.-5 p.m.
Sun. 9 a.m.-3 p.m.
American Legion Hall
Philip, SD
605-859-2135

MARCH 14-15
Badlands Quilter Weekend Getaway
Fri. 5 p.m., Sat. 8 a.m.
Community Center, Wall, SD
605-685-5718

MARCH 20
Sixtiesmania: A Journey Through the Sixties
Aberdeen Community Concert Association
7 p.m.
Aberdeen Civic Theater
Purchase Tickets at
aberdeencommunityconcerts.org
or Interior Design Concepts
21 N. Main St, Aberdeen, SD
605-229-0510

MARCH 22
Annual Banquet & Bash
Britton Area Chamber of Commerce
5:30 p.m.
605-448-8130

APRIL 3
Bachelors of Broadway: Gentlemen of the Theatre
Aberdeen Community Concert Association
7 p.m.
NSU Johnson Fine Arts Center
Purchase Tickets at
aberdeencommunityconcerts.org
or Interior Design Concepts
21 N. Main St, Aberdeen, SD
605-229-0510

APRIL 4-5
Annual Schmeckfest
German Heritage Celebration
748 S Main St
Freeman, SD
605-925-4237

APRIL 11-12
Junkin' Market Days Spring Market
Fri. 4-7 p.m.
Sat. 9 a.m.-4 p.m.
\$5 Admission
W.H. Lyon Fairgrounds
Sioux Falls, SD
www.junkinmarketdays.com

Note: Please make sure to call ahead to verify the event is still being held.