

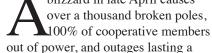




blizzard in late April causes Nate Boettcher, **President and CEO** 







week. It seems unthinkable this could

THE ELECTRIC

GRID IS FRAGILE

happen. However, this was the case for a good portion of northwest North Dakota the last week of April. Both electric cooperatives and investor-owned utilities struggled to restore power after a late April blizzard coated electric lines with ice, then snow before damaging winds took over. The electric grid can be fragile.

Just a week earlier, the Midcontinent Independent System Operator (MISO) announced the results of its capacity auction. Dairyland Power Cooperative, our wholesale power supplier, works closely with MISO. MISO controls our regional grid and in effect is responsible for the energy market. Simply put, the results of the auction put a spotlight on challenges with generation capacity in the MISO market. While this does not impact member rates today, it demonstrates the grid is fragile.

These two events in less than a week are a reminder of how the electric grid can be fragile. The industry is quickly pushing towards decarbonization and retiring fossil fuel generating plants. Whether you believe this is a good thing or not, there are going to be pros and cons of either path. Winter storms wreak havoc on infrastructure, and they can impact the market price of energy. We saw what happened in Texas when there were generation shortages. We are inching closer and closer to rolling blackouts in the Midwest as the supply and demand of energy is becoming more and more critical.

Here are a couple of things to consider:

1. Electricity is a commodity, and it has a market-based price. As consumers of energy, we have never really had to think about the real-time cost of energy.

2. Supply and demand of electricity is not localized or even based on statewide needs; it's based on the broader MISO market and at times even beyond.

Entities like Dairyland Power Cooperative will need to evolve to meet the future demand, supply, and transmission needs of the grid. Similarly, PPCS must also evolve and continue to explore the future of the grid. It's something that we've given a lot of thought to over the past several years. It's my belief that we need an across-the-board strategy, not just a singularly focused strategy.

- 1. PPCS retail rates will evolve to reflect market-based pricing. In the next couple of years, PPCS will introduce demand (kW) based components into the rate that makes up 40-50% portion of our wholesale power supply costs.
- 2. Rates will include options for members to shift energy to avoid costly peak-time energy pricing.
- 3. PPCS will encourage the use of load-controlling devices to minimize regional and localized energy peak reductions as part of our Shift for Savings program.
- 4. PPCS will invest in solar and encourage investment by members in solar production.
- 5. Our broadband deployment is strengthening pole infrastructure but it's also providing critical technology and communication to our distribution grid.

These strategies will not entirely fix the challenges facing the energy industry in the future, but it enables PPCS to be a leader and to align the costs of power supply with the rate charged to members. The grid will continue to be fragile, which is why we need to be mindful of how we shape and mold it over the next few years. We can't be radical one way or the other, but rather sensible and proactive. As a member of PPCS, please know that we are constantly evolving to meet the needs of our members today, tomorrow, and in the future.



## PPCS PROJECTS INCREASE RELIABILITY AND COST SAVINGS

The PPCS Energy Innovation and Operational Technology department is working on two large projects in 2022. The first is replacing all the PLC (powerline carrier) meters served by the Beldenville substation and a portion of the El Paso substation with RF (radio frequency) meters. Technicians and linemen have been able to replace about 59% of the meters, but the project will continue into the summer. The benefits of this project are two-fold: 1) increased reliability and communication, and 2) eliminate barriers to installing fiber optic cable for our high-speed internet subsidiary, SwiftCurrent Connect. The successful communication rate with these new meters has already reached over 99%.

The second project replacing 4,674 load control switches currently installed at members' accounts is launching in June 2022 and will not be completed until 2024. The purpose of this project is to replace the legacy load management system managed by our power supplier, Dairyland Power Cooperative, which is at its end of life. The new system will allow more local control by

# **SHIFT for Savings!**

Reduce energy use from 2 to 6 p.m.





PPCS, two-way communications, and help shift demand to offpeak times which provides significant cost savings to PPCS and its members. Whenever possible, we will be changing out the load controller and meter on the same visit.

PPCS will use methods like phone notification, emails, and letters to notify members when crews will be working in their area. If you have questions about these projects, please contact our Energy Innovation and Operational Technology team at 800-924-2133.

### **ROW WORK BEGINS MID-JUNE**

Low-volume spraying will begin mid-June. Our contractor will treat power line rights-of-way in the towns of Eau Galle, Gilman, Spring Lake, El Paso, and Rock Elm.

PPCS manages vegetation within its rights-of-way to ensure the safety of our crews and to protect electric service reliability. To accomplish this with minimal impact on our environment, we use both mechanical methods and herbicide applications. Low-volume herbicides will be applied to select vegetation using ATVs, backpack, and truck-mounted sprayers—more direct, targeted methods.

PPCS will make every effort to contact property owners in person or by phone prior to spraying. If you have questions, please contact the cooperative.





### **SCHOLARSHIPS AWARDED TO MEMBER STUDENTS**

Congratulations to our 2022 scholarship recipients! Students received either a \$1,000 or \$750 scholarship based on an essay contest. Students whose parents or guardians are members of PPCS were eligible to compete. The scholarships are funded through unclaimed capital credits.

### \$1,000 SCHOLARSHIPS



Ryan Zerneke

Parents: Brad and Dawn Zerneke

**School:** Prescott High School

**Plans:** Florida Institute of Technology pursuing a degree in General Engineering

### Marisa Dendinger

Parents: Travis and Beth Dendinger School: Ellsworth High School Plans: University of Nebraska-Lincoln pursuing a degree in



### Téa Hill

Parents: Chuck and Amy Hill School: Ellsworth High School Plans: University of Minnesota-Mankato pursuing a degree in Business Administration

### **\$750 SCHOLARSHIPS**



Ann Lundstrom

**Parents:** Keith and Julie Lundstrom

School: Ellsworth High School

**Plans:** UW-Madison pursuing a degree in English while being on

the pre-med track



Parents: Jon and Tracey Seifert School: Pepin High School Plans: University of Wisconsin-Madison pursuing a degree in Legal Studies



### **Becca Keller**

Parents: Steve and Robina Keller School: River Falls High School Plans: CVTC pursuing a degree as a Physical Therapy Assistant

### Together, Members Make A Difference

As a member of PPCS, you know how to make smart energy choices that help you save money. But did you know that when you use electricity can be just as important as how much you use?



Throughout the day, energy use fluctuates based on consumer demand. Typically, most households use larger amounts of electricity in the morning when most people are getting ready for their day, and in the evenings when people return from work, cook dinner, wash clothes, and watch television.

These times when people in our community are using more electricity at the same time are called "peak" hours. The cost for PPCS to provide power is higher during these times because of the additional demand for electricity. And on days when we experience extreme temperatures, whether heat or cold, it can become critical that everyone does whatever he or she can to reduce energy use. At these times, our power supplier, Dairyland Power Cooperative, declares a Full Load Control (also known as a Peak Alert event).

Dairyland Power Cooperative estimates a Full Load Control event can reduce demand for electricity by approximately 80 megawatts (MW) in the summer and 140 MW in the winter—equivalent to a small, emission-free power plant. Reducing energy use during these periods has a big impact on energy costs for our cooperative and Dairyland's need for additional power plants.

Members who have load management receivers installed have their energy loads (typically loads like water heaters, dual fuel heating, and electric vehicle chargers) controlled through that device during Peak Alert events. But every PPCS member can help reduce energy use during these periods. It only takes a slight modification of daily habits, changing when you run a dishwasher, vacuum, do laundry—or any task that involves electricity—to a time outside the peak hours. In the fall, winter, and spring, that means shifting electric use to before 4 p.m. and after 8 p.m.; in summer, lowering electric use between 2 p.m. and 6 p.m.

Contact our energy team at 800-924-2133 to learn more.

# Change Habits to SHIFT FOR SAVINGS

You can help reduce demand (and save money!) by decreasing your power use when energy demand and prices are at their highest. Here are a few tips to help you get started:

#### **Laundry for Less:**

Full loads mean fewer cycles, and washers and dryers run in the late evenings add less heat and humidity to the home. Energy can cost less outside of peak hours.



#### Cool Off/Calm Down:

Turn off unnecessary lighting and electronics that generate heat, resist the urge to turn down the thermostat and remember, lower fan settings use less energy.

#### **Intramural Competition:**

Online gaming with each active player using their own computer, display, gaming console and internet connection gets pricey. Play each other at home on one screen and save.

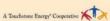




### **Countertop Convenience:**

Range or oven cooking can really warm up a kitchen. Microwaves, convection ovens, induction cooktops, Crock-Pot® and toaster ovens put more cooking heat where you need it.





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Office Hours: Monday–Friday, 8 a.m.–4:30 p.m. Power Outages and Emergencies: 800-927-5705

### Nate Boettcher, President & CEO

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