





UNDERSTANDING THE COST OF ENERGY AND HOW GROWTH BENEFITS YOU



Nate Boettcher, President and CEO

ur 88th Annual Meeting is in the books, and what a success it was! Thank you to everyone who attended and to our incredible staff who organized an event that highlighted a year full of accomplishments. We're excited to welcome our newly elected board members—Glen Fisher, Paul Solyntjes, and Paul Tonsager—and we appreciate your support in passing all five proposed bylaw changes.

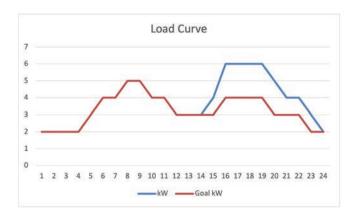
During our Q&A session, an important conversation came up about new commercial growth and its impact on you, our members. And somehow, we even ended up talking about potatoes! Let's walk through how energy demand works, how new growth impacts the co-op, and what it means for your energy costs.

Why 5 p.m. to 8 p.m. Matters: First, let's tackle a question that comes up often: "Why are we asked to reduce energy use during certain hours?"

Between 5 p.m. and 8 p.m. in the summer months, PPCS members are using the most electricity—cooking, running air conditioning or heating, and turning on lights. This is our "peak period" of energy use. During these times, our wholesale power provider must ensure that there is enough electricity available to meet demand. That extra demand costs more, especially on certain days when regionally the grid experiences the same influx of demand. But if we, as a co-op, flatten our energy use—spreading it more evenly throughout the day—we can reduce those peak costs. When that happens, the savings are passed directly back to you.

The Big Question: How Does New Growth Help? Now, let's revisit a great question from the meeting: "How does a new large commercial load help when we're being asked to reduce our own use?"

The short answer is that new growth brings in new revenue, which helps keep costs steady for everyone. Over the past year and in the year ahead, PPCS will bring two new large commercial projects online. These projects will significantly increase the



number of kilowatt-hours (kWh) we sell. Why is that good news? Because it spreads out the fixed costs of operating the co-op across more energy sales, reducing the pressure to raise rates for residential members.

Think of it this way: It would take roughly 5,000–6,000 new homes to match the power usage of these two large commercial customers. But unlike adding thousands of homes, which would require more infrastructure and staff, these large accounts require relatively little additional support.

What's So Special About Large Loads? These commercial operations also have something else going for them: high load factors. They use energy in a steady, consistent way—nearly at the maximum of what their service size allows. For comparison:

- A typical home has a load factor of about 20–30%.
- These new commercial customers operate at 90% or more.

This consistency enables the co-op to plan more effectively and operate more efficiently. Plus, these customers pay rates that reflect their impact on the system. If they use energy during peak times, they pay more, just like residential members do when using electricity during high-demand periods.

Think of It Like an Airplane: Still a bit fuzzy? Let's use an airline analogy.

Imagine the electric grid is like an airplane with 100 seats. Some flights (or energy times) are in high demand—like the 5 p.m. flight. The last few seats get more expensive, just like energy during peak times. If someone says, "I need five seats every day on this flight for the next five years," the airline is happy to sell them because they can plan to manage demand. That's like a new large energy user committing to long-term, consistent energy use. It doesn't disrupt the system and helps the airline (or the co-op) operate more efficiently. But if 20% of passengers suddenly want the 5 p.m. flight at the last minute, prices spike. If they're flexible and take the 8 p.m. flight, prices stay manageable with less demand.

Planning for Growth, Protecting Members: When PPCS brings on a large new load, we can plan accordingly. That's not always the case when extreme weather hits, and everyone turns on their heating or cooling at the same time. That's when energy becomes more expensive. However, with thoughtful planning, growth enables us to maintain steady rates, mitigate risk, and manage our resources effectively. That's precisely what we're doing—and why we're proud to report no rate increases this year.

As always, we're committed to transparency. When rate changes are necessary, you'll be the first to know. Until then, thank you for being a member of our cooperative. We hope you have a fantastic summer! We hope your potatoes grow well this year.

COOPERATION AMONG UTILITIES BENEFITS EVERYONE

In May, PPCS members served from the Oak Grove substation were affected by an outage caused by a tree falling into a transmission line owned and operated by Xcel Energy.

Why would an Xcel outage affect PPCS members? Here's a brief explanation. PPCS purchases its power from Dairyland Power Cooperative (DPC), a Generation and Transmission Cooperative (G&T) owned by twentyfour electric cooperatives throughout Wisconsin, Minnesota, Iowa, and Illinois. All the transmission lines within our service area are owned by either DPC or Xcel. To avoid duplication, utilities have agreements within the transmission world. They pay the provider a fee to use the transmission grid. This is how a generation facility can be operated by one company that has no transmission lines in that area. They put the energy on the transmission grid and take energy off somewhere else in the region or nation and pay a fee to do so.

PPCS members are served

by 11 substations:10 owned
by DPC and one co-owned
with Xcel. Five of these
substations are served by
Xcel. This means that when
an outage occurs on those transmission
lines, the attached DPC line also goes
out, affecting the substation it feeds.
Additionally, there are connections
between Xcel and DPC throughout the
area, so when maintenance is required
on a particular line section, they can
make the necessary connections and deenergize the section to work on it safely.



For the May outage, PPCS crews were called to perform line switching to assist in restoring power to those affected by the Xcel transmission line.

This is one of the many ways utilities work together to provide you, the member, with safe and reliable energy.





BR GHT FUTURES

Congratulations to our 2025 scholarship recipients! Each student received a \$1,000 scholarship based on their essay contest entry. These scholarships are made possible through the Federated Youth Foundation, which is funded by unclaimed capital credits.

Dan Reis Memorial Scholarship



Mya Petersen Ellsworth High School



Riley Andersen Prescott High School



Jeanne Rohl **Prescott High School**



Alissa Zerneke **Prescott High School**

Lineworker Scholarship

This \$1,000 scholarship is awarded annually to a student pursuing a postsecondary education in electrical line

work.



Aiden Kelly Ellsworth High School

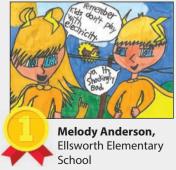
Charles Van Sickle Scholarship



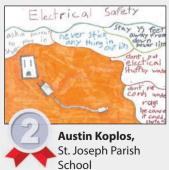
Madeline Shafer of Elmwood is the recipient of the Federated Youth Foundation's 2025 Charles Van Sickle Endowment Scholarship, worth \$5,000. Shafer's parents, Matthew and Jessica Shafer, are members of Pierce Pepin Cooperative Services. Madeline is currently a freshman at the University of St. Thomas in St. Paul, Minnesota, where she is studying political science and Spanish. The Van Sickle Scholarship was established in 2013 to honor the late Charles Van Sickle, a renowned electric cooperative lobbyist and attorney. It is awarded

by the Federated Youth Foundation to a student studying pre-law or law, with a preference for a student who has an interest in cooperative law.

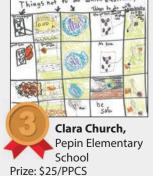
CONGRATULATIONS TO OUR THIRD-GRADE POSTER CONTEST WINNERS!



Prize: \$40/PPCS and \$25/WECA



Prize: \$30/PPCS



Ten runners-up also received a \$10 gift card. The three teachers whose students won the top prizes also received a \$50 gift card to buy classroom supplies - Kendyl Horn (Ellsworth Elementary), Mackenzie Rohl (St. Joseph Parish School), Jill Auth (Pepin Elementary).



EV CHARGING WITH ENERGY CONSERVATION

Ye're encouraged to conserve electricity, especially during extreme weather events like heat waves and cold fronts, to help prevent power grid overload. But with the growing popularity of electric vehicles (EVs), an

important issue arises: How do we balance energy conservation with EV charging, especially during peak times?

Why energy conservation matters

The electric grid is most strained during sudden, highdemand periods, like hot summer afternoons when air conditioners run full blast. These spikes in usage can overwhelm the system. The EV equivalent? Everyone plugging in their cars at 5:30 p.m. after work. That's why timing matters. Being mindful of when and how we use electricity helps keep the grid balanced.

Do EVs put a strain on the grid?

If every vehicle on the road were electric, electricity demand could increase by up to 30%. Historically, electricity production grew by about 4% annually from 1960 to 2000. At that pace, it would take around 6.5 years to scale up enough energy production to support full EV adoption — but in reality, this shift will happen more gradually. For example, in California home to more than 1 million EVs — charging accounts for less than 1% of grid demand, even during peak hours.

With thoughtful planning and infrastructure, EVs don't pose a significant threat to the grid. Grid improvements, such as upgrading transmission lines, expanding energy storage, and implementing smart grid technologies, work together to help the grid meet increased energy demand.

Smart charging for EV owners

1. Charge during off-peak hours

Off-peak times, like overnight, are ideal for EV charging. Electricity is often cheaper, and you'll reduce strain on the grid. Some EVs even allow you to schedule charging during these hours automatically. Do you have solar panels? Consider charging during peak sunlight hours, if your system can handle both home use and vehicle charging.

Avoid daily full charges

Unless you're preparing for a long trip, charging 80–90% is often considered better for battery health. Similarly, avoid letting the battery drop below 20%. This helps preserve long-term performance.

Explore bidirectional charging

Some EVs support bidirectional charging and allow your car to send power back to your home or the grid. This turns your EV into a backup battery during outages and can help reduce overall grid demand.

- Use public chargers Many workplaces, shopping centers, and grocery stores now offer EV charging stations. These fast chargers typically power up to 80% in 15–45 minutes, which is great for working, running errands, or taking road trips.
- Take advantage of utility incentives Check with our Energy Innovation team for rebates, discounts, or time-ofuse programs that can reduce your EV charging costs and improve efficiency.

The bottom line

You can drive an electric vehicle and support a stable energy grid. Electric vehicles represent an ideal load for demand response programs because charging can be easily shifted to off-peak hours without disrupting daily routines. Through our load management program, PPCS can help manage EV charging times to reduce stress on the grid during periods of highest demand — a strategy known as peak shaving. By participating, EV owners can support grid stability, reduce energy costs, and help delay the need for expensive infrastructure upgrades.

Source: Safeelectricity.org



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