

POWER LINE

March 2021



Redwood Electric Cooperative

60 Pine Street • Clements, Minnesota 56224

Annual Meeting-April 1st

The Redwood Electric Cooperative 2021 Annual Meeting will be conducted via teleconference call. Due to continued COVID-19 concerns and social distancing restrictions, the Redwood Electric Board decided to hold the meeting using the same call-in option for members that was used this past year.

The election of Directors took place via mail-in ballot and members should have received annual meeting materials along with Director ballots the beginning of March.

OFFICIAL NOTICE OF ANNUAL MEETING OF REDWOOD ELECTRIC COOPERATIVE

The Annual Meeting of the members of the above Cooperative will be held via teleconference, at 9:00 O'clock a.m. on the 1st day of April, 2021, to take action upon the following matters:

1. The report of Officers, Directors and Committees.
2. The election of two (2) Directors of the Cooperative (taken from mail in nomination forms)
 - A. District 1 directorship currently held by Jill Weber VanDerWal. (3-year term)
 - B. District 5 directorship currently held by Dean Fultz. (3-year term)
4. To transact such other business as may properly come before the Annual Meeting.

Dated this 28th day of January, 2021.

Michael Baune, Secretary



GOOD
FRIDAY

Important Dates

Office Closed:

April 2nd, 2021 for Good Friday

Annual Meeting:

April 1, 2021



Co-ops step up in the cold

As parts of the United States struggled to maintain electric service during a historic cold snap, Minnesota's cooperatives went to great lengths to ensure their members had the energy they needed.

Electricity is responsible for a long list of conveniences of modern life: a charged phone, hot coffee, air conditioning, television. But, when the temperature drops below zero, dependable energy is also a matter of safety.

Historic cold weather across the country in mid-February drove up demand for natural gas and electricity to such an extent that some regions experienced rotating power outages.

Redwood Electric's wholesale power provider Great River Energy operates an electric system designed to provide reliable electricity in extremely cold weather, and it performed well. In fact, Minnesota endured the frigid temperatures with few issues.

Extreme weather requires extra effort to keep electricity reliable, but Redwood Electric knows how to keep the lights on when temperatures stay below zero for several days.

A rapid response

Each year, Great River Energy employees complete training on the proper protocols to respond when the Midcontinent Independent System Operator (MISO) declares a "capacity and energy event" like the one that occurred in mid-February.

"During the recent cold snap, Great River Energy's control room employees were hard at work, following emergency procedures that are in place for this type of extreme weather," said Mark Peterson, Great River Energy's manager of system operations. "We saw a handful of outages on the transmission system but were able to quickly restore customers using established tools and processes."

MISO is the grid operator for 15 U.S. states and the Canadian province of Manitoba. It oversees the operation of the bulk power transmission system, facilitates an energy market, and has responsibility, along with its members, for maintaining electric reliability across its system.

"The transmission team rose to the challenge, responding quickly and safely to the needs of our member-owners and the transmission grid," said Vice President and Chief Transmission Office Priti Patel.

Producing more electricity

Great River Energy's power supply resources – which include coal-, gas- and fuel oil-based power plants as well as wind energy resources – performed as planned for extreme weather events.

"We have a talented group that runs our power plants, and they really shined during the polar vortex," said Vice President and Chief Power Supply Officer Jon Brekke.

The coal-based Coal Creek Station and Spiritwood Station operated throughout the cold weather with no issues. Great River Energy's peaking stations operated as designed, injecting electricity onto the grid

quickly and dependably when needed. Most of Great River Energy's peaking plants are "dual fuel" facilities, which means they can operate on fuel oil when demand for natural gas is heightened.

"Fuel oil operation was absolutely critical this month," Brekke added. "Natural gas supply was particularly strained due to the additional demand for home heating. Fuel oil back-up ensured we could operate our peaking plants at all hours."

Reducing energy needs

Great River Energy deployed its demand response programs — a strategy that reduces demand for electricity during events such as a polar vortex — over the course of a few days. More than 200,000 cooperative members participate in these voluntary programs, which allow Great River Energy to temporarily interrupt, or "cycle," water heaters, space heaters or other electric loads for a period of hours on high-demand days.

The cooperatives collectively reduced hundreds of megawatts of electricity demand over a few days, which alleviated stress on the electric grid and allowed Great River Energy to avoid expensive purchases from the energy market during both morning and evening peak periods.

"Our members went above and beyond the norm and controlled peak shave water heat during those few mornings, which is not typically planned," said Josh Hebert, load management specialist at Great River Energy, referring to a program that allows cooperatives limited control over member-consumers' electric water heaters.

"Overall, we were well prepared to handle these system conditions. Our programs operated correctly and played an important role in maintaining reliability. The strong performance showed how strategic load management can help reduce costs and position our portfolio for the future," Hebert said.

Rolling blackouts: Could they happen here?

The Midwest electric grid looks quite different from Texas, which experienced widespread rolling blackouts in February. Most utilities in Minnesota are part of a much larger and geographically diverse energy market coordinated by MISO.

Most of Minnesota is located in MISO's northern region which includes generating resources using a wide variety of fuel sources and technologies, both conventional and renewable. Power plants in the northern states are also designed to handle very cold weather.

At no point during the polar vortex were rolling blackouts considered in the MISO North region. MISO works aggressively with its member utilities to plan for emergencies, and rolling blackouts are only used as a last resort to prevent more widespread outages.

Weather like Minnesota experienced in February certainly presents challenges on the electric grid, but utilities prepare for it. Planning for these kinds of events by Redwood Electric, Great River Energy and MISO North helped ensure resources and resiliency practices were ready for the challenge.



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Working Together, Cooperative Consumers Protected from Volatile Markets

As we saw during the cold snap over the week of Feb. 14 and the energy emergency that followed, having a stable, reliable and affordable power supply is critical to our lives. By now, we have all heard the news following the Texas energy emergency of residents in that state getting monthly residential electrical bills of over \$10,000. Those astonishing costs are caused by electric utilities being fully exposed to a volatile energy market and, in turn, passing the costs along to their customers.

These shocking stories coming out of Texas bring the question: Can that happen to us here?

First and foremost, our hearts go out to those Texas consumers who are experiencing such staggering financial burdens caused by exposure to a volatile energy market. As a member-owner of our electric cooperative, you belong to a broad cooperative network which helps to prevent wild swings in energy prices that we saw in other parts of the country where some utilities are fully exposed to the energy market – simply buying electricity and not generating electricity as well. The electricity that powers your home begins with Basin Electric Power Cooperative, which owns generation facilities and supplies our cooperative with a diverse energy mix. East River Electric Power Cooperative is the transmission cooperative in our network that owns and operates over 3,000 miles of transmission lines and 250 substations across South Dakota and Minnesota and as a member of Basin has ownership in Basin's generation. Through that infrastructure, East River safely and reliably delivers low-cost wholesale power from Basin Electric and hydropower through the Western Area Power Administration to member distribution systems like ours which, in turn, deliver power to homes and businesses in our region. Our cooperative as an owner of East River has ownership in the Basin generation and East River transmission system. And you, as an owner of our cooperative have that same ownership.

East River and Basin Electric are members of the Southwest Power Pool (SPP). Basin Electric owns generation and transmission resources, and East River owns transmission and substation infrastructure in SPP which allows our cooperative network to sell power on the market when prices are high and buy power on the market when prices are low. Selling generation is a hedge against wild swings in the market. It helps Basin Electric and East River provide stable and affordable electric rates all year long. Through Basin Electric's sales of generation into the market and East River's return on transmission infrastructure in SPP, East River's membership has seen a multi-million-dollar annual benefit, with added financial benefits to other member cooperatives in the Basin Electric family.

Our cooperative works together with East River and Basin Electric to share risk and avoid fluctuations in the energy market like we saw in Texas. For-profit energy brokers can be exposed to fluctuations in the markets and consumers pay the price. This is why it is important for a co-op to be part of an organization that owns generation and transmission which can help shield you, our member-owners, against having to pay high market prices. East River's members will pay the same rate during and after the energy emergency as we paid before because we have long term resources to serve our load. That's the power of being connected to a cooperative power supply, rather than relying on for-profit energy brokers.

Office Hours & Contact Information

Monday-Friday 7:00 AM-3:30 PM

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