# ELECTRIC COOPERATIVES EMBRACE CHANGE TO KEEP RATES AFFORDABLE



Bill McKim CEO, NVREC

or most folks, the idea of change can rank up there with having an optional root canal or drinking spoiled milk.

As a nation, it turns out we're pretty stuck in our ways. In fact, when researchers ask Americans if they enjoy "stepping out of their comfort zone and embracing change," the majority – some 62 percent of respondents in a poll by New York Times bestselling author Mark Miller – report being happy with things just the way they are, thank you very much! Yet despite such widespread sentiment, there's no denying that our world is rapidly changing.

From oil lamps to LED light bulbs, party line telephones to smartphones, a lot has changed since the 1930s when neighbors banded together to successfully bring electricity to rural Iowa.

Since those early days, rural electric cooperatives have advocated for innovation, bringing comfort and convenience to our members.

Nishnabotna Valley REC has long promoted advanced energy-saving technologies like air and ground source heat pumps, and we were early adopters of automated metering infrastructure, enabling the co-op to save money and improve reliability and service.

Today, we continue that tradition of innovation by positioning the cooper-



NVREC member Paula Kjergaard adjusts her thermostat before leaving her home near Kimballton.

ative to respond to a rapidly evolving industry and regulatory landscape. NVREC is also exploring advanced rate structures to better empower our members.

## ALTERNATIVE RATE STRUCTURES

Flipping on a light switch, it's easy to forget that the electrons powering your lightbulb didn't just magically appear. Instead, they had to be generated and transported at high voltage – often across great distances – to your local substation, where the voltage is reduced and sent via our distribution lines to area homes, farms, or businesses.

Much in the same way urban traffic engineers must size and build roads to accommodate drivers during peak rush hour traffic, transmission and distribution lines must be designed and built to accommodate our members' power consumption during times of peak usage.

However, unlike a congested roadway where drivers can simply sit in gridlock, when the transmission or distribution system is undersized, blackouts can occur. As a result, engineers must design our electric infrastructure to accommodate times of heaviest electricity usage. These times are known as peak demand.

At the wholesale level, Nishnabotna Valley REC is charged not just for the kilowatt hours consumed by our members, but for the demand that usage generates.

Traditionally, these demand costs

## Selecting a tree?

## Know its mature height before deciding where to plant

If you are considering planting a tree, carefully select its location before you begin digging. Also, call 8-1-1 before you break ground to get underground utilities marked. If trees are planted in the wrong location, they can be expensive to maintain and even dangerous. Here are some tips on how to pick an optimal location.

When planing a tree near power lines, ensure that its mature height will be less than 15 feet.

Some trees that are generally not tall enough to interfere with lines include crabapple, honeysuckle, juniper, flowering dogwood, and hawthorn.

Trees should never be planted directly under power lines, near poles, or too close to electrical equipment.

Once you have a tree selected, call 8-1-1 before putting a shovel to the ground. The "Call Before You Dig" number is a free service that locates and marks public underground utilities in your yard or on your land. Call several business days before you plan to dig. Locators will mark public underground utilities such as electric, gas, water, cable, and fiber. The service does not mark privately owned lines or pipes.



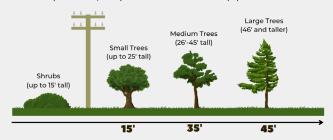
## Know what's **below**. 811 before you dig.

#### Other tree tips:

- · If your established trees are growing into power lines, contact us to ask about them. In some cases (depending on the tree's location), we will come out and trim the tree. If it is your responsibility, do not take on the task yourself. Only tree trimmers who are line-clearance certified are legally allowed to prune and trim trees within 10 feet of power lines.
- It is important to have trees trimmed. Limbs can fall on power lines during bad weather, resulting in power outages or blinking lights. Broken or drooping limbs could also cause a fire.
- Tall-growing trees with a mature height greater than 45 feet should be planted at least 45 feet away from lines to avoid future pruning. Some of these trees include oak, white and blue spruce, most pines, and most maples.
- Be sure no one climbs a tree near power lines. If branches are touching the wires, the tree could be energized. Even branches that do not touch power lines could become energized if a child's weight is added. In addition, a child could climb high into the tree and be able to reach the line.

#### Plant the **RIGHT TREE** in the RIGHT PLACE

The larger the tree, the farther it should be from a power line. Avoid planting beneath power lines, near poles or close to electrical equipment.





TREES - TOO CLOSE FOR (YOUR) COMFORT

#### TREES CAUSE MAJORIT OF POWER OUTAGES



#### ES NVREC TRIM TR

Although most trees do not present problem, some of them grow into or



Cause outages.



Create fire hazards. Break off and land on







Fast-growing trees directly under power lines.





Trees that are declining, cracked or split.

Unobstructed power lines make it easier and safer for utility crews to repair or service lines.



(v) We trim trees to better serve you.



were relatively low, and utilities baked them into the energy costs for their residential members. However, this method has some serious drawbacks.

In addition to failing to send a clear pricing signal about how the cost of wholesale power fluctuates based on the time of day, it also fails to properly allocate costs. Heavy users whose higher demand results in significant costs for the co-op don't fairly bear that expense. Instead, those costs are largely spread to other cooperative members.

To combat these issues, a growing number of electric cooperatives in Iowa and around the country have begun adopting alternate rate structures. Not only are these innovative rates helping more accurately allocate costs, they also give members more control over managing their electric bill by creating opportunities for savings. The three most popular alternate rate structures are:

• Time of use – Under a time-of-use rate, the day is broken into "on-peak" and "off-peak" time windows, with the cost of electricity being higher during "on-peak" or high-demand times and less during "off-peak" or low-demand periods. Some co-ops even take the concept a step further by including a "super off-peak" window with significantly reduced rates when wholesale power is least expensive and most

plentiful, such as overnight.

• Peak demand charge – By adding a residential peak demand charge, co-ops can help offset a portion of the costs incurred by an individual member's demand. This charge is calculated by monitoring a member's usage and capturing their peak kilowatt power requirement during the month. This additional charge is generally offset by a reduction in the cost of energy, resulting in a clearer pricing signal, without typically increasing the overall cost of service.

In fact, many members can actually see a cost savings by working to spread out their use of major appliances rather than running them simultaneously. If the term seems familiar, it may be because NVREC has been including a "peak demand" line item on our monthly residential bills for several years for educational purposes.

• Time-of-use peak demand charge – A time-of-use peak demand rate uses the addition of a demand charge but only calculates that peak kilowatt power demand during the "on-peak" windows. This encourages members to shift their heavy usage – think running your electric clothes dryer and workshop machinery at the same time – to periods of the day when demand is traditionally lower.

While all of these alternate rate structures have their unique advantages, their goal is the same: to help members make more informed energy usage choices while reducing the co-op's wholesale demand costs. The potential savings can help us keep our

rates stable and affordable.

#### **COST OF SERVICE STUDY**

To help us better understand if any of these types of rates would benefit NVREC members, we're currently engaged in a cost-of-service study with an outside consulting firm.

Traditionally done every few years, cost-of-service studies help ensure our rates remain adequate to cover costs while also remaining equitable across all rate classes.

This study marks the first time we've specifically evaluated these types of creative rate structures. The findings, expected back this spring, will help us determine, what, if any, changes to recommend for future board consideration.

#### **LOOKING OUT FOR YOU!**

As we begin to evaluate possible future changes to our rate structure, I'm reminded of the old proverb, 'The more things change, the more they stay the same.'

With an eye on the future, we will never lose sight of our storied past. We're proud of our long tradition of working to serve the needs of our members and communities by delivering the safe, reliable, and affordable electricity you depend on!

As your locally-owned electric cooperative, we remain committed to you, our member-owners. As we've done since our inception, we will continue to work on your behalf.

I look forward to sharing the results of our cost-of-service study with you later this year and hope you'll watch for updates here in the pages of *News Lines*.



## **April is National Safe Digging Month**

National Safe Digging Month is a great reminder to always contact 811 before you dig!

No matter how small your next home digging project is, remember to keep yourself and your community safe by contacting 811 to have the approximate location of buried utilities marked with paint or flags before breaking ground.



**Contact 811 before you dig.** 

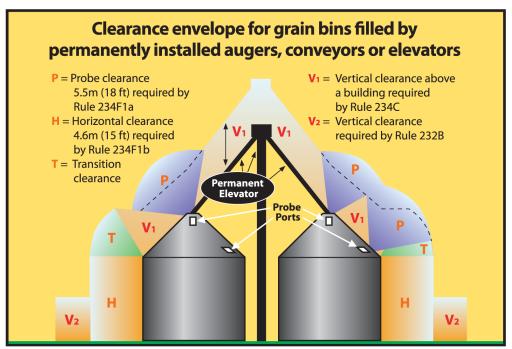
# Planning is key when building a new grain bin

Each year, NVREC has several requests from members to build services for new grain bin facilities, so we want to remind you of the proper clearance rules concerning electric lines.

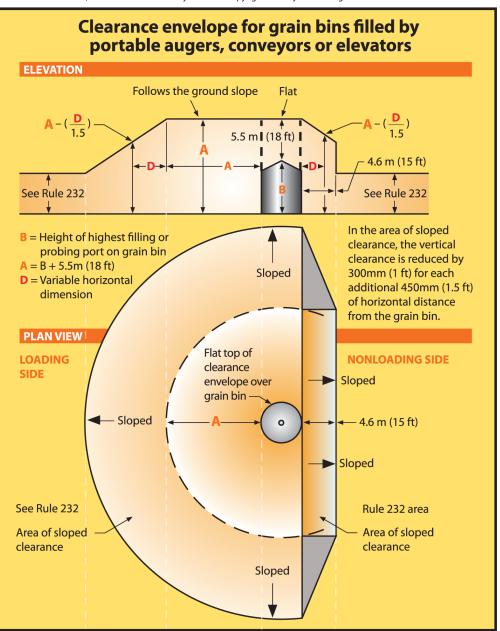
The State of Iowa requires specific clearances for electric lines around grain bins, with different standards for those filled by portable augers, conveyors and elevators, and permanent equipment. In fact, the Iowa Electrical Code Chapter 199 - 25.2(3) b states: an electric utility may refuse to provide electric service to any grain bin built near an existing electric line which does not provide the clearance required by The American National Standards Institute (ANSI) C2-2017 "National Electrical Safety Code," Rule 234f. This paragraph "b" shall apply only to grain bins loaded by portable augers, conveyors or elevators and built after September 9, 1992, or to grain bins loaded by permanently installed augers, conveyors or elevators built after December 24, 1997. The Iowa Utilities Board has adopted this language.

Nishnabotna Valley REC is required by the Iowa Utilities Board to provide this annual notice to farms, farm lenders, grain bin merchants, and city and county zoning officials. The drawings on this page show the specific clearances regulations – or what needs to be done before you begin placing a new grain bin or moving an existing one. If you have questions concerning clearance regulations, please call NVREC at 712-755-2166 or Northwest Iowa Power Cooperative at 712-546-4141.

Disclaimer: These drawings are provided as part of lowa electric cooperatives' annual public information campaign and are based on the 2017 Edition of the National Electrical Safety Code. To view the actual drawings, refer to that publication. Every care has been taken for the correctness of the contents for these drawings. However, the Iowa Association of Electric Cooperatives and its member cooperatives accept no liability whatsoever for omissions or errors, technical inaccuracies, typographical mistakes or damages of any kind arising from the use of the contents of these drawings, whether textual or graphical.



From IEEE Std. C2-2017, "National Electrical Safety Code." © Copyright 2016 by IEEE. All rights reserved.



From IEEE Std. C2-2017, "National Electrical Safety Code." © Copyright 2016 by IEEE. All rights reserved. The IEEE disclaims any responsibility or liability resulting from the placement and use in the described manner.

## WHATEVER IT TAKES: Powering life, from a lineworker's perspective



Lineworker ranks as one of the 10 most dangerous jobs in the country.

Often working in challenging conditions, lineworkers do what it takes to ensure you have reliable electricity.

As one of nine Nishnabotna Valley REC linemen, I work every day, in any and all weather conditions, to make sure our community always has power. And I love this job. Sure, it can be tough. But it's also incredibly rewarding.

#### **THE DANGER**

Some people don't realize the danger that linemen face while working near high-voltage electricity. Even the slightest mistake or momentary lack of focus can have deadly consequences, so I'm constantly vigilant about remaining aware of my surroundings and the safety of those around me. Often, I work on power lines that are still energized, so there's zero margin for error

The environment can add pressure as well. When the lights go out and members need power most is also usually when the weather is at its worst. That means working in extreme conditional like driving rain, strong wind, extreme heat and cold, in the dark, or on the side of the road next to traffic. It's dangerous work, but we take every precaution to ensure our safety.

Becoming a lineworker takes years of training and dedication. We typically start as groundsmen, helping out crews and keeping job sites safe. After that we become apprentice lineworkers, and spend around four years learning and getting more than 7,000 hours of on-the-job training in the process. Once we've completed that, we become journeyman linemen, and are considered officially trained in our field.

But that doesn't mean the learning stops. Lineworkers constantly receive training to keep up with the latest safety requirements, new equipment, and evolving procedures. It's an ongoing process that allows me to do my job safely and effectively.

#### THE PHYSICAL DEMAND

As a lineman, I embrace the physically demanding natures of my work.

**CONTINUED ON PAGE 7** 



## Operation Round Up Round Up Your Bill to Help Others

#### WHAT IS OPERATION ROUND-UP®?

Operation Round-Up® is a program that allows Nishnabotna Valley REC consumer-owners to make a difference in their own communities. Operation Round-Up® allows you to "round-up" your monthly electric bills and donate the difference to a charitable fund to be used in Nishnabotna Valley REC's service territory. The minimum amount you contribute each month is \$0.01, and the maximum is \$0.99.

#### **HOW DOES OPERATION ROUND-UP® WORK?**

If you choose to participate, your electric bill will be rounded-up to the next highest dollar each month. For example, if your electric bill is \$52.71, an additional balance of 29 cents will be added, making your bill an even \$53.00.



#### **HOW WILL THE FUNDS BE USED?**

Donations are made from the fund to non-profit organizations and individuals in need and also for family emergency disasters. The program has been successfully implemented in more than 200 electric co-ops across the nation. The program is administered by Nishnabotna Valley REC's board of directors.

Application forms are available at the REC office. Applications should be received no later than the 15th of the month at the end of the quarter. Contributions to the fund are not tax deductible.

By joining with other Nishnabotna Valley REC members, your small monthly donation can make a bigger impact. It's what a cooperative is all about. If you would like to sign up for this worthwhile program and help make a difference, please fill out this form and return it to our office: *NVREC*, *P. O. Box 714*, *Harlan*, *IA 51537*.

## Nishnabotna Valley REC Authorization for Operation Round-Up®

1 1	program Operation Round	l-Up®. I und next highest	te in the community service erstand that my electric bill dollar. Those funds will be es and programs.
1	Name		
I	Address		
I	City	State	Zip Code
I	Account Number(s): _		
I	Signature		
Т	Date		



## SIGN UP TODAY!

Manage your account, view and pay your bill, monitor usage, and get co-op news and alerts!



#### NEED SMARTHUB ON THE GO?



An older home may be drafty and lack proper insulation, but you can make it more energy efficient and save money. It can be difficult to make big investments in energy-efficient upgrades, especially after buying a house, but these simple, budget-friendly projects are a good place to start.

#### Seal air leaks with caulk and weatherstripping

Caulking and weatherstripping doors and windows are effective air-sealing techniques to cut heating and cooling costs by up to 20 percent. If you haven't had an energy audit, take a walk through your home and look for cracks or gaps, however small. Use your hands to feel for incoming air.

#### Keep air vents and radiators clear

Putting furniture or rugs in front or over air vents blocks airflow and forces your HVAC system to work harder to cool or heat your home, driving up your energy bill. Make sure vents are clear to help keep your heating and cooling system running efficiently. And don't forget to change your furnace filter!

## Install foam gaskets behind outlets and swith plates on walls

Cooled or heated air that escapes means your home's system has to work harder. Installing seals behind electric switches and outlets is an easy and affordable way to help keep heated or cooled air inside your home.

#### Seal the attic and add insulation

Older homes, especially those built before 1980, may not have sufficient insulation. Adding more insulation and sealing any leaks can help maintain a comfortable temperature in your home. Visit our website at **NVREC**. **com** for information on insulation rebates.

## Upgrade to energy-efficient appliances and lighting

Consider upgrading your appliances to ENERGY STAR models. Visit **NVREC.com** to see if you qualify for energy efficiency rebates on new appliances. One of the simplest upgrades is to install LED lightbulbs on your fixtures and lamps.

#### Plant trees near your home

Planting trees in the right places can help to reduce your energy bill by providing shade in the summer and helping keep your house warmer in the winter.

#### Consider installing a smart thermostat

Control the temperature settings in your home with a programmable or smart thermostat. You can save as much as 10 percent a year on heating and cooling by turning your thermostat down for eight hours a day in the fall and winter; turn it up in the spring and summer.

Note: be sure to check with your HVAC pro to learn which type of thermostat is best for your system.

#### Save on water costs

Replace shower heads and faucets with low-flow models to conserve water and put less demand on your water heater, saving you money.



Loading heavy materials, climbing poles, and going in and out of buckets are just a few of the physical tasks I do daily. In the field, we often need to go places that our trucks can't reach. That can mean hiking around fields with 40 pounds of personal protective equipment strapped to our backs. For linemen, it's all in a day's work. I take pride in our ability to tackle whatever challenges come our way.

#### THE SACRIFICES

There are also sacrifices that come with being a lineworker. We're often the first to arrive at the scene of an emergency, seeing things that are devastating like car accidents, fires, and severe storm damage. It's unpredictable, and you never know what situation to expect or when to expect it. I also work all hours of the day and night, which sometimes means missing out on important events like family dinners, sporting events, or even holidays. Despite the sacrifices, I can't imagine doing anything else. I'm proud of the work we do, helping maintain or restore service so our friends and neighbors can get back to a normal life.

#### **IT'S WORTH IT**

One thing that makes this job so rewarding is the strong sense of community. The co-op is like a second family to me, and the line crews are a brotherhood. In this line of work, you have to depend on the people beside you in life-or-death situations. When we work together, we build trust and a sense of teamwork that allows us to provide the best service possible. It's all about keeping your teammates safe, and the lights on for everybody else.

Here at Nishnabotna Valley REC, we take great pride in the work we do. So despite the harsh weather we often work in, or the frequently long days, I know we're helping to keep our members comfortable and safe. There's no bigger reward than seeing the lights come back on and hearing people simply say "thank you." No matter how tired I am, or how many more hours of work lay ahead of me, that feeling makes it all worth it.

## Co-ops host contractors at annual 'Momentum' event



**From left to right:** NVREC Director of Operations Kert Barnum, NVREC Electric Servicemen Chad Pitts and Todd Bruck, and Price Heating and Cooling Contractor Randy Price.

Builders and contractors from around the state gathered in Altoona in February to learn about the latest in building technology, earn continuing education units (CEU credits), and meet with their local co-op energy service advisors.

Sponsored and organized by the Iowa Cooperatives for Energy Efficiency (ICEE), the annual Momentum is Building Conference also connects Iowa's construction industry with electric cooperatives' local services and resources. Statewide, electric co-ops serve nearly 650,000 Iowans across 99 counties.

"Electric cooperatives have long supported energy efficiency efforts," said NVREC Electric Serviceman Chad Pitts. "Opportunities like these help us build relationships between co-op staff and our area contractors."

More than 150 industry professionals attended the two-day event held at Prairie Meadows, February 8-9, 2024.

For more information about the conference, please visit **MomentumIsBuilding.com**.



1317 Chatburn Avenue, PO Box 714 • Harlan, Iowa 51537

Office Hours: Monday-Friday, 7:30am to 4:00pm Telephone: (712) 755-2166 • Fax: (712) 755-2351 Website: NVREC.com • Follow us on Facebook!

Outages after hours, holidays, weekends: (800) 234-5122

Nishnabotna Valley Rural Electric Cooperative is an equal opportunity provider, employer, and lender.

President	Donna Olson
Vice President	Gene Kenkel
Secretary-Treasurer	Bryan Greve
Director	Dave Applegate
Director	Darrell Stamp
Director	Tom Pattee

Director	Galen Grabill
Chief Executive Officer	Bill McKim
Director of Operations	Kert Barnum
Manager of Administrative Services	
Communication Specialist	
_	

#### Nishnabotna Valley REC **PO Box 714**

Harlan, IA 51537

Address Service Requested

PRSRT STD U.S. Postage **PAID DPC** 



Nishnabotna Valley REC will provide safe and reliable electric service to its members in a valuable, sustainable, and environmentally responsible manner.

## Winter Heating Moratorium Ends April 1, 2024

Iowa's winter home heating moratorium protects customers certified for the Low Income Home Energy Assistance Program (LIHEAP), from electric or natural gas service disconnection from November 1 through April 1.

Beginning April 1, 2024, energy assistance customers could be subject to service disconnection for unpaid bills, with proper notice. To avoid service disconnection, contact NVREC at 712-755-2166 if you have unpaid electrical bills.







LINEWORKER APPRECIATION DAY

Celebrating lineworkers of the past, present, and future! APRIL 18TH