





In the late '50s Nelson Dewey Park provided free electricity for guests. Can you name these folks? Or, did you ever picnic at the park and use this service? Contact Judy if you can help at 800-236-2141 x554.



2023 DAIRYLAND DIRECTOR REPORT

Sandra Davidson, SREC Vice Chair and **Dairyland Power Cooperative Board Member**

afe, reliable and sustainable power is a shared vision for Dairyland Power and its member cooperatives. To ensure electricity reaches your homes and businesses when you need it, Dairyland and its board of directors consider the economic impact on members, technological feasibility, social implications, and environmental responsibility when making decisions.

Safety is Dairyland's highest priority. To improve its safety culture, Dairyland emphasizes open communication and an environment where all employees are empowered to put safety first. In 2022, Dairyland achieved 260 days without a lost-time injury as they strive for an operational goal of "zero incidents." A People 1st culture supports safety. Dairyland values employee experience and engagement, and was recently certified a Great Place to Work®.

Dairyland takes a balanced and measured approach in their commitment to reduce its carbon intensity 50% by 2030 (from 2005 levels). Asset reliability and diversification are essential. To safely meet the region's energy needs, utilities must take an all-of-the-above approach for power plant fuel sources. One fuel type, alone, cannot meet our nation's energy demands. For example, in 2021, solar represented almost 3% of total U.S. electrical generation; wind was 9.2%.

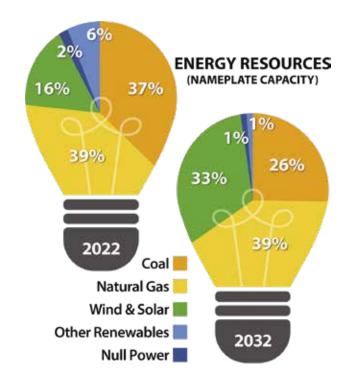
Construction continues on the 102-mile, 345-kilovolt (kV) Cardinal-Hickory Creek transmission line, which will connect Dubuque County, IA, to Dane County, WI, of which Dairyland is a 9% owner. Although this project has drawn opposition from conservation groups, there are currently 115 renewable generation projects totaling 17 gigawatts (1,000,000 kilowatts = 1,000 megawatts = 1 GW) that are depending upon its construction, which would be enough to power millions of homes with clean energy.

As the utility industry lowers its carbon intensity, renewable-enabling natural gas facilities will be crucial to keep the lights on. Throughout the Midcontinent Independent System Operator's (MISO's) footprint, wind and solar provided 15% of all the electricity generated in 2022. The balance was covered by coal (35%), natural gas (33%), nuclear (14%) and other (3% – hydro, diesel, biomass, storage, demand response resources). In 2022, both RockGen (Cambridge) and the Elk Mound Combustion Turbines (Elk Mound) set their second-highest generation levels, providing reliable sources of power during times of critical electricity demand.

Last May, the John P. Madgett (JPM) generating station (Alma) set a daily gross generation record of 9,625.34 megawatt-hours (MWh), which surpassed the previous record of 9,622.47 MWh set on Feb. 17, 2021, toward the end of a polar vortex. The baseload generation provided by JPM is critical to regional electricity reliability, and financially beneficial to Dairyland and its members. Coal is delivered to JPM via train and Dairyland secured a second train set for coal deliveries to maintain sufficient coal levels throughout the year. On Dec. 22, 2022, the Dairyland system set a new winter peak demand of 1,038 MW, and Dairyland was grateful to have fuel available to keep our homes warm during the preholiday cold snap.

The Nemadji Trail Energy Center (NTEC) will be a 625 MW combined-cycle natural gas plant in Superior. The proposed plant will be a critical-capacity, renewable-enabling resource to ramp power up and down quickly to adjust for the intermittency of renewable energy generation.

Genoa Station #3's retirement in 2021 aligned with Dairyland's Sustainable Generation Plan to diversify its





energy resource mix. Safe demolition and decommissioning (D&D) at the site will continue through at least 2024. Following the completion of a redevelopment and reuse study in early 2022, Dairyland continues to explore opportunities for site reuse that align with its continued operational needs.

Reliable electricity begins at the power plant and requires a well-maintained transmission system

to reach our cooperative. Dairyland's crews work year-round to safely rebuild, construct, and upgrade approximately 50 miles of 69 kV transmission line each year. Each mile takes approximately two weeks to complete with roughly 17 poles per mile.

Fiber communications projects are underway to meet Dairyland and its members' telecommunication needs, and to help enable broadband internet service for rural areas. Dairyland is laying the foundation to pursue grant funding opportunities, including a \$15 million National Telecommunications and Information Administration (NTIA) middle-mile fiber broadband grant.

Growth and innovation will drive the transition to a lower-carbon future. Dairyland signed a memorandum of understanding with NuScale Power to explore nuclear as a non-carbon emitting, 24/7 option through small modular reactor (SMR) technology.

Dairyland and its member cooperatives are national leaders in the establishment of electric vehicle (EV) charging infrastructure. Since 2018, Dairyland has supported the installation of over 150 EV chargers throughout its service territory. Dairyland funded and assisted with installation of the first EV fast chargers at Kwik Trips in Wisconsin (Holmen) and Minnesota (Stewartville) with Riverland Energy Cooperative (Wisconsin) and People's Energy Cooperative (Minnesota). The 180 kW fast chargers are more than three times faster than the average fast charger.

Dairyland also takes a balanced and measured approach to its **financial and competitive strength**. Dairyland has credit ratings of "A3" with a stable outlook from Moody's and "A+" also with a stable outlook from Standard and Poor's.

In 2022, Dairyland was \$15 million under budget through fuel management and divisional cost control, which helped offset increasing power market prices. Dairyland established an internal legal department which resulted in a 30% reduction in spending.

Last October, the board of directors approved the 2022 capital credit retirement of more than \$4.9 million, and an additional \$5.2 million in revenue volatility adjustment (RVA) credits returned to Dairyland's member cooperatives.

At the start of the new year, Dairyland was proud to announce it would be supplying electricity to Great Lakes Utilities (GLU) and Manitowoc Power in eastern Wisconsin, which increased the number of municipals served by Dairyland from 17 to 27.

Electric cooperatives are not immune to the effects of increased fuel prices, early power plant retirements, supply-chain congestion, increased equipment costs, and international unrest. Dairyland implemented a 5.63% average wholesale rate increase in the power it sells to its member cooperatives, including Scenic

Rivers, effective January 1.

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This year marks the 25th anniversary of Touchstone Energy. Later this year, Dairyland will be collaborating with its member cooperatives—which are all Touchstone Energy[®] Cooperative members—on a Day of Service, which will bring out cooperative employees to volunteer on projects around Dairyland's four-state service territory.

As your representative on the Dairyland Board of Directors, I assure you the board meets every month with you—our members—top of mind. We bring the voices of our cooperatives to Dairyland and make sure decisions will keep the lights on for you and your community. Just like directors are elected from our membership to govern SREC, the same applies to Dairyland's Board of Directors. I've had the privilege of being a director of SREC for 39 years and have been proud to serve as your representative on the Dairyland board for seven years.



About MISO

The Midcontinent Independent System Operator (MISO) is an independent, not-for-profit, member-based organization responsible for keeping the power flowing across its region reliably and cost effectively. MISO focuses on three critical tasks:

- Managing the flow of high-voltage electricity across 15 U.S. states and the Canadian province of Manitoba
- 2. Facilitating one of the world's largest energy markets with more than \$40 billion in annual transactions
- 3. Planning the grid of the future

YOUTH LEADERSHIP CONFERENCE

UW-Stout|July 11-13, 2023



Take the opportunity to...

- See what makes the cooperative business model successful
- Identify and learn how to develop your own leadership skills
- Discuss cooperative careers with industry professionals
- Be entertained and challenged by motivational speakers

Who should apply?

- · High school students whose parents/guardians are members of Scenic Rivers Energy Cooperative.
- Students wanting to explore career opportunities
- Students who are interested in expanding their leadership skills

What does it cost?

All registration costs are covered by Scenic Rivers Energy Cooperative.

Deadline for registration is June 7, 2023

This is a conference by teens, for teens. For more information and how to apply, visit https://sre.coop/youth-leadership-conference.

Dig Smart. Dig Safe.

Before you dig, call 811 or visit call811.com to mark underground utility lines. 811 is a free service that helps keep our community safe.





Energy Efficiency Tip of the Month

This planting season, include energy efficiency in your landscaping plans. Adding shade trees around your home can reduce surrounding air temperatures as much as 6 degrees. To block heat from the sun, plant deciduous trees around the south side of your home. Deciduous trees provide excellent shade during the summer and lose their leaves in the fall and winter months, allowing sunlight to warm your home.

Source: energygov



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