



NEWS *Lines*

PUBLISHED MONTHLY FOR THE MEMBER-OWNERS OF NORTH WEST RURAL ELECTRIC COOPERATIVE

FEBRUARY 2025

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Scholarships Available



North West REC and Basin Electric Power Cooperative will be sponsoring several scholarships to dependents of members of North West REC in 2025. Last year we awarded \$27,000 in scholarships to 62 students!

There will be two \$1,000 scholarship winners from each of the four districts of North West REC (Ida, O'Brien, Plymouth, and Sioux). The selection process for the \$1,000 scholarship winners will be based on a combination of SAT/ACT scores, overall grade-point average, work experience, participation in school and community activities, a personal statement of career goals, and a written reference or appraisal by a third party.

Scholarship applicants, who are not awarded a \$1,000 scholarship award, will be asked to watch an educational video on North West REC and the cooperative model and then complete a questionnaire. This will then enter applicants into a random drawing for a \$500 or \$250 scholarship. All applicants will receive at least a \$250 scholarship. Details of this video and questionnaire will be communicated at a later date.

North West REC members may qualify if their dependent meets the following criteria:

- Must be a U.S. citizen.
- Are current North West REC members.
- Must be a senior in high school in our service territory for the 2024-2025 school year and planning to enroll in a full-time undergraduate or graduate course of study at an accredited two-year or four-year college, university, or vocational/technical school.
- Submit an application as provided by North West REC.
- Return all completed forms no later than Friday, February 14, 2025.

You can apply online by visiting our website at www.nwrec.coop or you can e-mail the scholarship committee at scholarship@nwrec.coop and they will send you an application. If you have any questions, please call us at 712-707-4935 or 800-766-2099. All entries for the scholarship must be returned to the REC no later than Friday, February 14, 2025!

Annual Meeting **SAVE!** *the* **DATE!**

Tuesday, March 25, 2025
Le Mars Convention Center

Apply Now for the 2025 Youth Tour Trip to D.C.

North West REC will send two high school juniors on an all-expenses paid Youth Tour trip to Washington, D.C. on June 15-21, 2025!

At North West REC, one way we invest in the next generation of rural Iowa leaders is by participating in the National Electric Cooperative Youth Tour program. We're looking for high school junior students with a passion for government and public service to apply for a once-in-a-lifetime trip to our nation's capital in June.

Two students will be selected from eligible candidates to attend the 2025 Youth Tour in Washington, D.C., from June 15-21, with orientation June 15th in Des Moines, along with 40 other student leaders from Iowa. The Iowa Youth Tour group will join with hundreds of students from across the country as they learn more about electric cooperatives and American history and come home with a greater understanding of their role as an American citizen. Students will also learn about U.S. government and meet with their members of Congress. On the trip, students take in the sights of D.C. as they visit monuments, museums, and historical landmarks. Students who go on Youth Tour often call it the trip of a lifetime!

We are accepting Youth Tour applications now through February 14, 2025. Dependents of North West REC member-consumers are eligible to apply. The student must currently be a junior in high school. You can download our youth tour application at www.nwrec.coop. You can also call 800-766-2099, email nwrec@nwrec.coop, or stop by our office and we can get you a copy. Contact our office for more info.

For more than 60 years, Iowa's locally owned electric cooperatives have been sending deserving students to D.C. This program is a great resume builder for student leaders and a wonderful opportunity to kickstart one's passion for government affairs or advocacy. **Make sure to apply for Youth Tour 2025 by Friday, February 14, 2025!**



Students can apply now for a trip to Washington, D.C., from June 15-21!

High school students interested in public service and government are encouraged to apply! Learn more at IowaYouthTour.com



ENERGY EFFICIENCY TIP OF THE MONTH

If you have a home office, look for opportunities to save energy in your workspace. Use ENERGY STAR®-rated equipment, which consumes up to 50% less energy than standard models. Set equipment like printers and scanners to automatically switch to sleep or energy-saver mode when not in use. In addition to saving energy, the equipment will stay cooler, which will help extend its life. Another way to save energy in your home office is to use efficient lamps for task lighting. Replace any older bulbs with energy-saving LEDs.

Source: energy.gov

North West REC no longer accepts any type of light bulbs for recycling. Contact your local landfill or recycling center for details on their light bulb recycling programs.

Operation Round Up Report



Disbursements made from North West REC's Operation Round Up (ORU) Trust in the fourth quarter of 2024 totaled \$17,900. This brings the total disbursements made from Operation Round Up since its inception in June of 1999 to \$758,395. Many people and organizations have been helped thanks to our members.

- \$7,550 Medical Emergencies – assist families with unusual expenses resulting from serious health problems and accident related injuries
- \$4,000 Eight local hospitals
- \$6,400 ATLAS of Orange City, ATLAS of Sioux Center, Autumn's Center, Food Bank of Siouxland, Hope Haven, Kids Kampus Daycare & Learning Center, Life Skills Training Center, NCC Foundation/Thunder Cupboard, Siouxland Youth for Christ, Trivium Life Services, Village Northwest Unlimited

Operation Round Up funds are generated through a voluntary rounding up of cooperative members' electric bills to the next nearest dollar, and dollars are used to assist worthy causes and organizations right in your local area.

If you are currently not participating in Operation Round Up and would like to become a part of this worthwhile program, please call our office for information or fill out the form available on our website. To receive an application for assistance, please call the office at 707-4935 or 800-766-2099.



ARE YOU SWITCH SMART?

Load Management is one of the easiest ways for members to become active in their cooperative and save some money on their electric bills. The program assists your cooperative by deferring the need to construct additional power plants or purchase power from external sources to meet the energy needs of our members. Load management programs give cooperative members the power to become partners in the effort to positively influence electricity rates.

A few of the ways the Switch Makes Cents program helps our members: Helps stabilize future power costs to your coop, reduces power plant emissions for a cleaner environment, shifts the energy used by electric heating systems, electric water heaters, and other electric appliances to off peak times, and saves North West REC members money by providing more stable rates.

YES, please enter our names in the drawing for the trip. We understand that if our names are drawn, we will be billed \$100.

Our first and second choice of dates:

- | | | | |
|------------|-----|-----|---------------------|
| June 18-20 | 1st | 2nd | 3rd (please circle) |
| June 25-27 | 1st | 2nd | 3rd |
| July 9-11 | 1st | 2nd | 3rd |

I/we have have not participated in this tour in the past.

First Person _____

Second Person _____

Address _____

City _____

Phone _____

Clip this coupon and return to cooperative by April 25, 2025.

Energy Trail Tour 2025

North West Rural Electric Cooperative and Northwest Iowa Power Cooperative invite you to join us for one of three Energy Trail Tours being offered this summer. This 3-day adventure will allow you to experience, first-hand, how your power providers convert energy from water, wind, and coal into electricity. View coal being mined and see how those mines are then returned to productive farm and native grass lands. Enjoy interactive walking tours through a hydroelectric and coal-fired energy generation facility and other stops along the way. Meet other cooperative member-owners while traveling together across the Dakotas on-board a motor-coach bound for the North Dakota's Energy Loop. \$100 per couple covers your lodging, meals and entry fees. The remainder of your tour costs are covered by North West Electric Cooperative.

Twelve lucky couples from North West REC will be selected at random from those who sign up.



Lyle D. Korver

MANAGER'S *Report*

Board Approves 2025 Operating Budget Wholesale Power Costs Increase Retail Rates to remain stable for first half of 2025

As your trusted local electric cooperative, North West REC (NWREC) believes in transparent communication about factors affecting your electric service. We want to inform our member-owners that we have been notified of a purchased power rate adjustment to our co-op of approximately 8% by our wholesale power provider, which took effect in January 2025. With wholesale power supply costs accounting for nearly 80% of our operating expenses, this had a significant impact on our 2025 Operating Budget and our forecast for retail rates.

What's Driving the Change?

- **Wholesale power costs:** NWREC purchases its wholesale power and transmission services from Northwest Iowa Power Cooperative (NIPCO), which sources its power from two suppliers: Basin Electric Power Cooperative in Bismarck, ND, and Western Area Power Administration (WAPA), who markets power generated from the Missouri River Dam system. Each of these power suppliers have announced significant rate increases for 2025. Basin Electric, which provides 80% of NIPCO's power, has implemented a 6.5% rate increase. WAPA has also implemented a 7.4% rate increase. Factors contributing to these increases from power suppliers include investments in generation and transmission resources to accommodate load growth and reliability, inflationary impacts, and market volatility.
- **Critical Infrastructure Updates:** NIPCO's transmission infrastructure, used to deliver power from the generation source to homes and businesses, was installed over 70 years ago during the foundational efforts of rural electrification across Iowa. As part of NIPCO's Renewal and Replacement Plan, this aging infrastructure has been strategically upgraded throughout its 10-county western Iowa



service area. These upgrades improve the transmission grid's security and power reliability, enhancing resilience against storm outages and expediting restoration efforts by moving transmission lines for ease of access. However, supply chain challenges and rising material costs have impacted these critical improvements.

- **Rising Operational Costs:** NIPCO, like many utilities, faces higher costs for general operations and maintenance to retain reliable service across its rural infrastructure. Some of these efforts include vegetation management, line inspections, and costs associated with promoting energy-efficiency programs, to name a few. NIPCO has also experienced inflationary impacts in areas that improve crew safety and retain its skilled workforce who work around the clock to keep the lights on.

Industry Challenges

Several broader industry factors are also applying pressure to NIPCO's rates:

- **Growing Energy Demand:** Our region is experiencing unprecedented growth in electricity consumption, particularly from emerging technologies coming online, like data centers and other large industrial loads. While this growth can benefit our area economically, it also requires an increased demand on the already compromised power supply capacity and significant infrastructure investments to ensure reliable, affordable service for all members.
- **Regulatory Requirements:** New EPA Power Plant regulations under Section 111 may impact our ability to use reliable, affordable fossil fuel resources. Implementing the EPA's Clean Air Act Section 111 poses significant operational and financial challenges, requiring substation investments in unproven technologies to meet the 90% emission reduction target. The mandate to retrofit existing coal-fired plants for natural gas co-firing, combined with the absence of necessary infrastructure – including carbon capture storage sites and pipeline systems – creates a complex burden. Additionally, any reduction in generation capacity from affected facilities must be offset with replacement power sources, potentially leading to stranded assets and increased system costs.

What Will the Impact be on our Operating Budget and Retail Rates?

- **Operating Budget:** With the 8% increase in wholesale purchased power costs, our Operating Budget shows that we will need additional revenue in order to have sufficient margins to meet our targeted financial ratios. We will be working with our lender, the Cooperative Finance Corporation (CFC) during the first quarter of 2025 on a Cost-of-Service Study. The board will use this study to determine when and how much of a retail rate adjustment will be necessary.
- **Use of Margin Stabilization Plan:** NWREC has a Margin Stabilization Plan that has been in place for over 25 years. This Plan was built up over the years from margins from DIRECTV and other telecommunications margins that were realized in the decade of 2000 to 2010 and other operating margins from strong financial years. We will be using a portion of the funds in the Plan to offset the power cost increases we will be incurring in the first six months of 2025. The Board is planning to increase the power cost adjustment (PCA) starting in July to offset some of the power cost increases for the last half of 2025. Following the completion of the Cost-of-Service Study, the Board will make a decision about how much to adjust retail rates for 2026.
- **Ten Years of Rate Stability:** While it's never enjoyable talking about rate increases, it's good to remember that we have had a long period of rate stability. In fact, as of June 1 of 2025, we will reach a ten-year period of rate stability. Considering what inflation has done in recent years and how much most other products and services have increased, we hope you will agree that this is a significant accomplishment.

Our Commitment to You

We understand that any rate increase affects our members' budgets. As a not-for-profit, cost-of-service electric cooperative, we don't seek to generate profits. Our rates reflect only what's necessary to maintain reliable service and keep our cooperative financially healthy and rates affordable. At NWREC, we continue implementing cost-saving measures and operational efficiencies wherever possible to minimize the impact to our members. We will keep you informed throughout the year with the most up-to-date information possible regarding future electric costs and retail rates. Thank you for your ongoing support and understanding.

Wrapped in Savings

Ensuring your home is properly insulated can improve energy efficiency and make your home more comfortable. Insulation acts like a cozy coat that reduces heat loss during winter months and a protective layer that reduces heat gain during summer months.

Many older homes have less insulation than newer homes, but even newer homes can benefit from additional insulation. While it's not the least expensive efficiency improvement, adding insulation and air sealing your home can provide the biggest bang for your buck in energy savings and overall comfort.

The most common areas to insulate are attics, ceilings, crawlspaces or unconditioned basements, exterior and interior walls, floors, and ductwork located in unconditioned spaces.

The amount and effectiveness rating of insulation required for each area varies by climate, but many websites like The Department of Energy provide easy-to-

follow recommendations. Visit energy.gov/insulation to learn about recommended R-values for specific areas of the home based on climate zones.

It's important to understand how insulation effectiveness is measured. Insulation is rated in R-value, which measures the material's resistance to conductive heat flow. The higher the R-value, the greater the insulating effectiveness. The R-value you'll need depends on factors like climate, type of heating and cooling system and which area of the home you plan to insulate.

Insulation is offered in a wide range of materials from bulky fiberglass rolls to cellulose materials made from recycled paper products. If you're considering installing additional insulation, talk to an expert who can offer guidance on the right materials for your budget, climate and comfort needs.

Investing in proper insulation for your home not only enhances comfort but also reduces energy consumption.

NORTH WEST REC BUILDING INSULATION REBATE - FORM ON OUR WEBSITE TO FILL OUT, PLEASE INCLUDE A COPY OF YOUR INVOICE

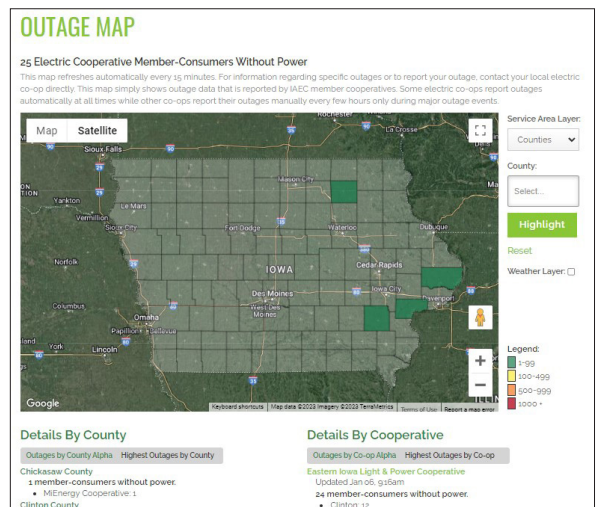
- **BUILDING MUST BE ALL ELECTRIC AS THE PRIMARY HEATING SOURCE WITH ELECTRIC BACKUP**
- **MUST BE PROFESSIONALLY INSTALLED FOR BLOWN-IN, SPRAY FOAM, INSULATING CONCRETE FORMS, AEROSHEILD, RIGID STYROFOAM PANELS, AND/OR STRUCTURAL PANELS**
- **RESIDENTIAL (HOUSE) – REBATE LIMITED TO 20% OF INSTALLED INSULATION COST UP TO A MAXIMUM REBATE OF \$800 PER BUILDING PER CALENDAR YEAR**
- **COMMERCIAL/INDUSTRIAL/AG BUILDINGS – REBATE LIMITED TO 10% OF INSTALLED INSULATION COST UP TO A MAXIMUM REBATE OF \$2,000 PER BUILDING PER CALENDAR YEAR**

Statewide Outage Map

Information about power outages effecting homes, businesses and farms served by North West REC is available online at www.iowarec.org, the website of the Iowa Association of Electric Cooperatives.

This web resource, developed by the Iowa Association of Electric Cooperatives, provides a statewide view of power outages at electric cooperatives that deliver electricity in each of the state's 99 counties to approximately 650,000 lowans. When you log onto the power outage tool, you will see a map of Iowa, and you can view the information from a county-by-county view of Iowa or electric co-op-by-electric co-op view, including North West REC. At the website, you also will be able to obtain safety information as well as link to North West REC. In addition to going to the statewide association's website to view the maps, you can check out the information at <http://outages.iowarec.org>.

When there are widespread power outages in Iowa or isolated power outages impacting large numbers of lowans, North West REC will enter information onto the website. The map will automatically refresh every 15 minutes, so it will reflect the most recently entered information from the electric co-ops. When only a few North West REC member-consumers are without power, the website may not necessarily reflect that information.



Prune During Winter for Safety and Tree Health

As trees grow up and out, maintenance and upkeep is necessary. Weak, dying and dead branches can break off in storms, damaging electrical equipment, power lines and buildings. Weaker branches also stress the tree as it diverts more resources to sustain and repair those parts.

Pruning and trimming done correctly benefit the entire tree, but done incorrectly, can cause significant damage to it. Contrary to some may think, it's best to prune during cold weather when the tree is dormant, not when trees are growing. The ideal time for pruning is between mid-November and mid-March. Trees pruned during winter months will have increased growth in the spring.

Keep in mind: Never trim trees that are close to overhead power lines, including the service connection to your home. That is a job for trained professionals.

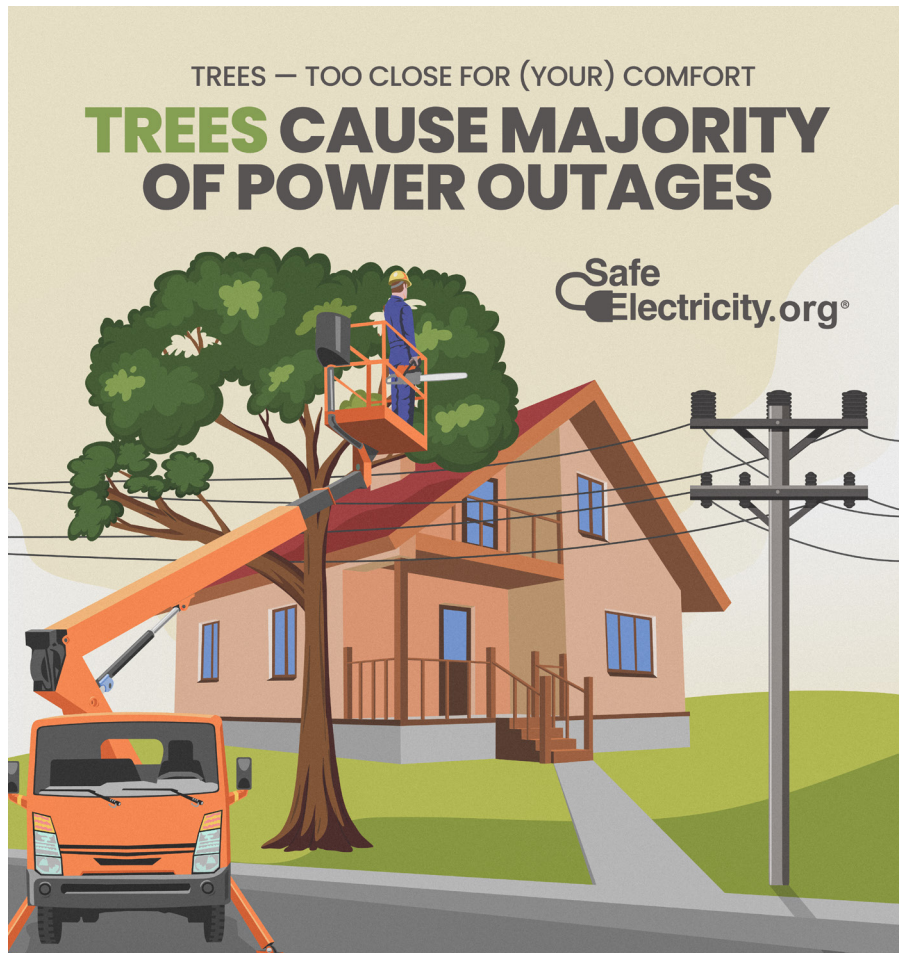
Start with removal of dead or damaged wood. In fact, branches damaged during storms should be removed as soon as possible. When splits in the tree's wood emerge, they expand as the tree grows. This can result in fallen branches that bring down power lines and damage electrical equipment."

Always make sure to plan before pruning. Take into consideration the area surrounding the tree so that it will not come in contact with overhead power lines. If you're using a chain saw to prune, never reach above your shoulders. Ladders can be especially dangerous, so make sure that you have a firm foundation before you climb. Have someone stationed at the bottom for added stability.

Look up to make sure that you or your equipment does not make contact with an overhead power line as you prune. Start with the largest branches that need pruning before moving to the smaller ones. Trim at the growth points, not in the middle of branches.

While pruning, make sure that you take frequent breaks so that you can remain focused on the task. During these breaks, always look up to assess if pruning can be done safely in the surrounding area. Pruning your trees can be dangerous, so don't hesitate to seek help from a certified arborist.

If you have trees growing into your power lines please call us at 800-766-2099; we can assess the situation and decide if trimming is necessary.



TREES — TOO CLOSE FOR (YOUR) COMFORT

TREES CAUSE MAJORITY OF POWER OUTAGES

Safe
Electricity.org®

WHY DOES NORTH WEST REC TRIM YOUR TREES?

Although most trees do not present a problem, some of them grow into or crowd power lines, poles or other utility equipment and cause service issues. Unruly and overgrown trees can:

- ⚠️ Cause outages.
- 🔥 Create fire hazards.
- ⚡ Break off and land on power lines.
- 🌀 Cause lights to flicker during high winds.
- ❄️ Get weighed down with ice and cause issues.

Proper pruning techniques are used to preserve tree health, although sometimes a tree must be removed. This is a last resort, but it can be necessary if there are:

- ⚠️ Fast-growing trees directly under power lines.
- ⚠️ Trees that are leaning into lines.
- ⚠️ Trees that are declining, cracked or split.

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

✔️ Power companies trim trees to better serve you.

Learn more at: SafeElectricity.org

THE POWER QUIZ

NORTH WEST REC

1. What website shows an outage map for all the REC's in Iowa?
2. Name an organization that received an Operation Round-Up donation:
3. What amount are all qualifying scholarships applicants guaranteed?

Name _____ Acct. # _____

Find the answers within the content of this newsletter, our website or Facebook posts and you could win a prize of \$10 off your electric bill. Send your answers to powerquiz@nwrec.coop or you can send your written answers to North West REC, PO Box 435, Orange City, IA 51041. You may mail your entry along with your electric bill payment, but remember the **deadline is March 2**. Each month, ten names will be randomly drawn from all correct entries for a \$10 bill credit. Members who answer the questions correctly and participate at least three times throughout the year will be eligible for 2 - \$250 bill credits, through a random drawing, at the end of the year.

POWER QUIZ *Winners*

DECEMBER 2024

Susan Streck - Ida Grove
 Micah Schouten - Sioux Center
 Ron Lill - Le Mars
 Samantha Cramer - Sioux City
 Alan Grigsby - Hinton

Marlyn Hofman - Sanborn
 Sandra Lacey - Danbury
 Jim McDough - Schaller
 Tyler Meyer - Ireton
 Kevin Puhmann - Paullina

\$250 winners for 2024: Mary Eisma - Ireton and Tim Kunzman - Hartley



ARE YOU SWITCH SMART?

Name a way Switch Makes Cents helps our members?

Answer: _____

Name _____ Acct. # _____

What do you know about the Switch Makes Cents program? Find the answers within the content of this newsletter, our website or Facebook posts and you could win a prize. Send your answers to switchsmart@nwrec.coop, fill out the question form online, or send your written answers to North West REC, PO Box 435, Orange City, IA 51041. You may mail your entry along with your electric bill payment, but remember the **deadline is March 2**. Each month, one name will be randomly drawn from all correct entries for a \$25 bill credit.

North West Rural Electric Cooperative

P.O. Box 435
 1505 Albany Place SE
 Orange City, IA 51041-0435

OFFICE HOURS:
 Monday through Friday
 7:30 a.m. till 4:00 p.m.

Orange City office open during noon hour

Le Mars office open 9:00 a.m. - 3:00 p.m.
 Tuesday through Thursday

Ida Grove office open 9:00 a.m. - 2:00 p.m.
 Wednesdays

PHONE:
 (800) 766-2099

24/7 outage reporting using the SmartHub app or nwrec.smarthub.coop Or call 800-766-2099 anytime

Pay your bill online anytime using SmartHub



Outside Depository Box Available For After Hours Payments

This institution is an equal opportunity employer, provider, and lender.

Lyle D. Korver
 CEO & General Manager

Curt Ahrenholz
 Finance & Office Services Director

Emily Vander Velde
 Editor



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