

COOPERATIVE CONNECTIONS



Fostering Futures

**Mike Rowe Scholarship
Sponsors Co-op Lineman**

Pages 8-9

**Understanding the
Southwest Power Pool**

Pages 12-13

Dirty Jobs star Mike Rowe with Work Ethic Scholarship
recipient Tayden Wells at Mitchell Technical College
Submitted Photo

Managing Data Center Load Growth Responsibly



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Officer

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com

Sioux Valley Energy continues to experience strong growth each year due to new residential and commercial members moving to our service territory. This demand is being driven by our “legacy” members (residential, farm, commercial, etc.). To meet our legacy members’ current and future electrical demand, our power suppliers need to build more generation and transmission and this comes at a cost. We have received several questions as to whether hyperscale large loads are driving Sioux Valley Energy’s 2026 rate increase. The answer to that question is no. The rate increase is directly tied to investing in power supply resources that will serve our legacy members.

Sioux Valley Energy does not serve any hyperscale large data centers nor do we have any under contract. However, like most utilities, the Cooperative is frequently contacted by developers interested in building hyperscale loads such as data centers in our service territory.

While these new hyperscale data centers bring potential opportunities to strengthen our local economies, they must be handled responsibly. **Protecting our legacy members is our top priority.** Our approach is rooted in cost causation – this simply means that those who cause the cost should pay the cost. This philosophy will help ensure that SVE’s legacy members are not negatively impacted by the infrastructure investments required to serve hyperscale data centers.

SUPPLY AND DEMAND ON THE BULK ELECTRIC SYSTEM

The electric grid that powers our homes and businesses is part of a vast, interconnected network. This means that growth in electricity demand – whether here in South Dakota or in another state – affects supply and demand

for everyone on the bulk electric grid. This is why Sioux Valley Energy’s bulk wholesale power provider, Basin Electric, has developed a special program for hyperscale loads.

BASIN ELECTRIC’S LARGE LOAD PROGRAM

Basin Electric’s Large Load Program is built on the principle of fairness and member protection. The program ensures that new, high-demand members – such as hyperscale data centers – pay their fair share of the costs required to serve them, so our existing members are shielded from additional infrastructure expenses. By establishing a transparent and consistent process for reviewing hyperscale projects, the

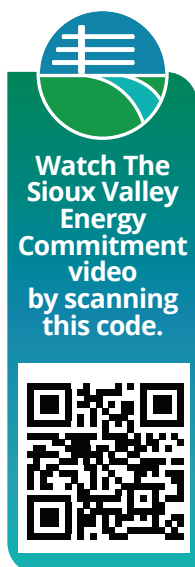
program allows us to welcome new opportunities while protecting our legacy members.

The goals of the Basin Electric large load program are fourfold:

1. **MINIMIZE RATE IMPACTS** – Insulate existing members from paying for the cost and risks of serving new, non-traditional large loads such as data centers.
2. **SAFEGUARD FINANCIAL STRENGTH** – Reduce risk of stranded assets, protects Basin Electric’s credit rating, and supports responsible capital investment.
3. **SHARE OPPORTUNITY** – Strengthen local economies and all members share in member growth, cost savings, and returns.
4. **ENABLE FLEXIBILITY** – Create a clear process that supports system growth while prioritizing member interests.

Protecting
our legacy members is

**our top
priority**



Continued on Page 3

COOPERATIVE CONNECTIONS

SIoux VALLEY ENERGY

(USPS No. 497-440)

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Sioux Valley Energy Cooperative Connections is the monthly publication for the members of Sioux Valley Energy, PO Box 216, Colman, SD 57017. Families subscribe to *Sioux Valley Energy Cooperative Connections* as part of their electric cooperative membership. The purpose of *Sioux Valley Energy Cooperative Connections* is to provide reliable, helpful information to Sioux Valley Energy members on electric cooperative matters and better living.

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Manager column, continued from Page 2

THE COOPERATIVE DIFFERENCE

Basin Electric's new large load program is a perfect example of the cooperative difference in action. We are not driven by profit margins for distant shareholders; we are driven by a commitment to deliver reliable and equitable service to you. This large load program ensures that as our horizon expands, our foundation remains solid and our members are protected. We are coming together to protect our members while preparing for the future.

TAX INCENTIVES AND LEGISLATIVE OUTLOOK

Currently, South Dakota is one of only a couple of states that does not offer a tax incentive for data centers. With 36 or more states already providing similar incentives, it is likely that the legislature will consider a bill on sales tax exemption for data center equipment in the upcoming legislative session. This is an important discussion for our state's economic competitiveness and for attracting responsible investment.

SUPPORTING RESPONSIBLE INVESTMENT

Sioux Valley Energy is committed to supporting responsible investment that benefits our communities and our members. Hyperscale data centers, when thoughtfully integrated, can create high-quality technology jobs and expand our local tax base. For example, the kWh tax paid by all cooperative energy members, and especially a data center, will directly support schools where it is located. By carefully evaluating each opportunity, our intent will be to ensure any new hyperscale load will help strengthen your cooperative and deliver lasting value to our members and the communities we serve.

FIVE WAYS TO SAFEGUARD YOUR HOME THIS WINTER

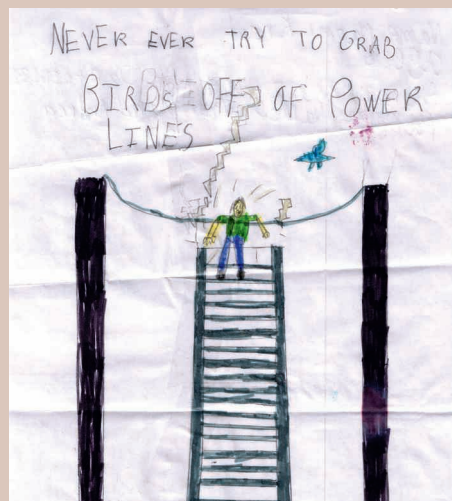
As the temperatures drop and the days grow shorter, there's a natural inclination to create a warm and cozy haven at home. Unfortunately, as we see increased use of heating equipment, candles and electrical items, the number of home fires tends to increase during winter months.

Here are five ways you can safeguard your home for the winter season.

1. Ensure carbon monoxide and smoke detectors are working properly. If your detectors are battery-operated, replace the batteries annually. Test the detectors once a month and give them a good dusting to ensure the sensors are clear of dirt and debris.
2. Inspect electrical cords. We depend on more cords during winter, whether for holiday lighting, extension cords or portable heaters. Before using any corded items, double check to make sure cords aren't frayed or cracked. If you use portable space heaters, remember to keep them at least three feet away from flammable items. Use models that include an auto shut-off feature and overheat protection. Space heaters can take a toll on your energy bills. Use them efficiently (to heat smaller spaces) and safely. Never plug a space heater into a power strip. Speaking of power strips...
3. Avoid overloading electrical outlets and power strips. When overloaded with electrical items, outlets and power strips can overheat and catch fire. If you use power strips for multiple devices, make sure the strip can handle the electrical load. For a safer bet, look for power strips that include surge protection.
4. Clean the fireplace to improve safety and efficiency. There's nothing better than a warm fire on a chilly night, but it's important to maintain your fireplace for safety. As wood burns, a sticky substance known as creosote builds up in the chimney. When creosote buildup becomes too thick, a chimney fire can ignite. The chimney should be cleaned at least once a year to reduce fire risks. Regular cleaning

also improves air flow and limits the amount of carbon monoxide that seeps indoors.

5. Practice safety in the kitchen. As we spend more time in the kitchen during the holiday season, be mindful of potential fire hazards. Never leave food that's cooking on the stovetop unattended. Clean and remove spilled foods from cooking surfaces and be mindful of where you place flammable items like dish towels.



Naomi Krcil, Age 8

Naomi warns readers to never, ever grab birds off power lines. Great job, Naomi! Naomi's parents are Andrew and Andrea Krcil from Dante, S.D.

Kids, send your drawing with an electrical safety tip to your local electric cooperative (address found on Page 3). If your poster is published, you'll receive a prize. All entries must include your name, age, mailing address and the names of your parents. Colored drawings are encouraged.

Family Night FAVORITES

SAUERKRAUT BEEF BAKE

Ingredients:

1 lb ground beef
1 can sauerkraut, rinsed and drained
1/2 cup instant rice
1 can cream of mushroom soup
1 soup can water
2 tbsps. onion soup mix
1 small can sliced mushrooms (optional)

Method

Brown ground beef, drain excess fat. In large bowl, mix all remaining ingredients. Transfer to a greased 2-quart casserole or baking dish.

Cover and bake at 350°F for one hour or until heated through.

Sally Florey
Charles Mix Electric

MINI BBQ BACON CHEDDAR MEATLOAF

Ingredients:

2 lbs. ground beef
6 oz. chili sauce
4 slices bacon, cooked and crumbled
1 1/2 cups sharp cheddar cheese, shredded
1/2 cup panko breadcrumbs
2 large eggs
1 tsp. onion powder
1 tsp. seasoned salt
1 tsp. garlic powder
2 tbsps. Worcestershire sauce
1 tsp. yellow mustard
1/2 cup BBQ sauce

Method

Preheat oven to 425°F.

Cook and crumble bacon.

In a mixing bowl, mix together all meatloaf ingredients except the BBQ sauce.

Divide the mixture into 8 round loaves. Press a small depression into the middle of the meatloaves.

Brush BBQ sauce on top of the meatloaves.

Bake for 25 minutes. Turn on broiler and brown the BBQ sauce for 2 to 5 minutes.

Kayla Beaner
Southeastern Electric

SMOKED MEATLOAF

Ingredients:

1 cup panko breadcrumbs
1 cup whipping cream
1.5 lbs. 93% lean ground beef
1 lb. ground pork
1/2 pkg. bacon
2 eggs, beaten
2 tps. Worcestershire sauce
1-2 tps. minced garlic
1/8 cup ketchup
2 tps. Heifer Dust (spice)
1/2 tsp. ground pepper
1/2 sweet onion, chopped
1/2 green pepper, chopped
1-2 carrots, chopped
1-2 celery stalks, chopped
1/2 carton mushrooms, chopped

Basting Sauce

Cookies BBQ Ketchup
Brown sugar Dry mustard
Apple cider vinegar

Method

Turn Traeger to Smoke then set to 225°F and preheat for 15 minutes.

Combine the vegetables, drizzle with olive oil and microwave for about 2 minutes to soften. Cool for 10 minutes. Mix everything in a large bowl with hands. Form into a large loaf on parchment paper. Place bacon strips on grate pan. Gently flip loaf onto the bacon lined grate pan.

Place on grill and smoke for 45 minutes. Increase temperature to 325°F. Preheat for 10 minutes. Return to grill and insert probe. Cook until internal temperature reaches 160°F – about 1-2 more hours depending on size of loaf.

During the last 15-20 minutes, baste heavily with barbeque sauce mixed with brown sugar, ketchup, mustard and a little apple cider vinegar or apple juice.

Deb Prins
Cam Wal Electric

Please send your favorite recipes to your local electric cooperative (address found on Page 3). Each recipe printed will be entered into a drawing for a prize in December 2026. All entries must include your name, mailing address, phone number and cooperative name.

Energy Solutions to Fit Your Family



Sheila Gross
Energy Services
Specialist

Sioux Valley Energy is a resource for energy solutions for you and your family. Contact us to learn more about energy efficiency and conservation strategies to help you save money. Check out our website at www.sioxvalleyenergy.com or call 800-234-1960. Visit with our Beneficial Electrification team at your local district meeting, the Brookings Home Show February 6-7, or the Sioux Empire Home Show February 27-March 1.

You Can Live and **BE** Better

BE savings-smart. **BE** grid-conscious. **BE** efficient. **Beneficial Electrification** allows you to live and **BE** better. Choose electric and plug into a cooperative equipped to power all of your needs.



Energy Solutions
2026



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Heat Pump Rebates:

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- **Geothermal Heat Pump:** \$1,200
- **Air-Source Heat Pump** \$600 - gas backup \$1,200 - electric backup
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Loan Program

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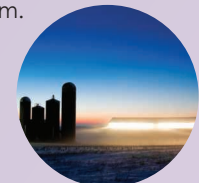
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When Random Acts of Kindness Turn Into a Lifetime of Service

Frank Turner

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Random Acts of Kindness Day often highlights small, individual gestures. But in many South Dakota communities, acts of generosity rarely end there. Even a random gesture has the potential to blossom into something steady and lasting.

For Tasha Torgerson, office services manager with Codington-Clark Electric Cooperative, and Ann Vostad, a director with Sioux Valley Energy, a spur-of-the-moment decision to volunteer planted the seeds for a long-term passion of community involvement.

Ann Vostad, Sioux Valley Energy

Ann Vostad's decades-long connection to her local school began in 1994 with a note sent home to her daughter's third-grade class. Through the letter, the teacher asked if anyone would be willing to offer a helping hand in the classroom.

"At the time, I was running our family dairy farm," Vostad said. "It got me off the farm and talking to people instead of cows."

That moment marked the beginning of a 30-year career of involvement at Sioux Valley School District. During that time, Vostad served as a classroom volunteer, substitute teacher, library helper, booster club president, athletic team bookkeeper and 4-H leader. Even after her children graduated, she decided to continue her work in the schools for her community.

Vostad said she enjoys working throughout the school rather than staying in one classroom. By bouncing from classroom to classroom, she said she can see the rewards of her volunteerism as students develop year-by-year.

"One of the things I've really enjoyed is watching the next generation come through," she said. "I've taught their parents, their grandparents were classmates

of mine, and now I get to see their kids and grandkids come through."

Her long history of community involvement eventually led her to cooperative leadership. After serving on the Operation Round Up board, Vostad was encouraged to run for the Sioux Valley Energy board of directors. She is now in her fifth year as a director.

Tasha Torgerson, Codington-Clark Electric Cooperative.

Years ago, Tasha Torgerson was mentoring a student at a Watertown elementary school when something outside of the room caught her attention.

"I noticed these totes sitting in the entryway every time I went in," Torgerson said. "I finally asked what they were for."

These totes were part of the Watertown Area PACH program, People Against Childhood Hunger, a nonprofit that

provides weekend food bags to students in Watertown and across Codington County. Torgerson learned that each tote was filled with easy-to-prepare meals and snacks intended to help carry children through weekends and school breaks. The discovery prompted her to learn how she could get involved.

"I went to my first meeting about a week later," she said. "I've been there ever since."

PACH started in 2011 with about 100 bags packed each week through First United Methodist Church in Watertown. Over time, the program has grown and now distributes more than 600 bags weekly to students across the Codington County area. Today, volunteers like Torgerson pack the bags on Wednesday nights, and they are sent to schools the following morning to be distributed before the weekend.

What stands out most to Torgerson is the level of community support. Volunteer slots fill quickly, and many local groups, businesses, and organizations – including Codington Clark Electric Cooperative – wait months for a chance to help where they can and pack bags.

"They look forward to it," she said. "Once you do it, you want to keep coming back."



(Above) Codington-Clark Employees and their family members volunteered with the Watertown Area PACH Program by packing bags with food for students.

(Left) Ann Vostad helps a student study at Sioux Valley School district.

FOSTERING FUTURES

'Mike Rowe Scholarship' Winner Kicks Off Career at Electric Co-op

Jacob Boyko

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For many high schoolers, figuring out the next steps after graduating is a time for making big decisions and answering tough questions. What do I want to do for a career? Should I go to a university or technical college? Will I be able to pay off all of this college debt?

Tayden Wells' mind was already made up following a great high school internship and a little bit of faith and support from others. Wells was awarded numerous scholarships, but none as prestigious – nor time-consuming – as the Work Ethic Scholarship from 'Dirty Jobs' star Mike Rowe.

Discovering the Passion

Growing up around linemen, Tayden had an early appreciation for their work, unpredictable schedules and the expansive grid of wires and poles that keeps everyone's lights on.

"As a child I'd be sitting in the house and all of a sudden, Dad would up and vanish," Tayden explained. "And I always wondered, what's he doing? Where's he going? Why is he going to work on a Saturday or in the middle of the night? And then finally it occurred to me that we rely on the power grid, and when the power goes out, linemen go to work."

Tayden's dad, Travis, is a lineman at Clay-Union Electric in Vermillion, S.D. Tayden recalls the long car rides on hunting trips with his dad and uncle – also a lineman – where the conversations would drift to the power lines outside the truck windows.

"I'd hear them talking, using linemen slang like 'distro' (distribution lines) and 'T-lines' (transmission lines)," Tayden said. "They really sparked my interest."

When Tayden's high school business teacher told students to think about internships, he knew exactly where he wanted to go.

It All Started With an Internship

Tayden's teacher made the call to Union County Electric Cooperative in Elk Point, S.D. After getting the green light from the board of directors, Tayden was cleared to shadow the crew for about 10 hours a week as he learned the ins and outs of the job.

"He was always looking for something to do, and he also asked a lot of questions and had an eagerness to learn," General Manager Matt Klein said about Tayden's work ethic. "When I saw that, I knew he would fit in well with the rest of our team."

Klein offered the high school senior a full-time summer



internship where he continued to expand his skills before heading to Mitchell, S.D., in the fall.

Mike Rowe's Work Ethic Scholarship and the S.W.E.A.T. Pledge

With his mind made up after the internship, Tayden's next step was to enroll in the power line program at Mitchell Technical College for a formal education – and find scholarships to help pay for it.

A straight-A student involved in athletics and extracurricular activities, Tayden applied for numerous scholarships, including the highly competitive Work Ethic Scholarship.

The scholarship, founded and administered by Mike Rowe and his foundation, offers millions of dollars to kids around the nation interested in pursuing trade careers.

Electricians, linemen, HVAC, nursing, culinary, automotive, even cosmetology – just no four-year bachelor's degrees.

"We promote skilled trades and want to get people into good-paying jobs without them drowning in debt," explained mikeroweWORKS President Mary Sullivan, who oversees the scholarship. "It's just heartbreaking seeing the amount of kids taking on college debt and graduating and aren't able to find jobs in their chosen field. Even more heartbreaking – but less reported – is the number of kids that drop out partway through the program with the debt and no piece of paper."

The scholarship's application process is different too – it's intensive, spanning several months and requires applicants to submit a video, answer questionnaires, gather references and think critically about the scholarship's curriculum.

The scholarship attracts thousands of applicants, but by the end, only the most committed, hardest working remain.

"We want to give scholarships to the kids who are passionate – they show up early, stay late and help others," Sullivan explained. "One of the recipients said he applied for 20 scholarships, and if you put all the other 19 into a bucket, ours still took more

time – but he said there was a level of pride in receiving it. High school kids today need to see 18-20 year olds who are successful, and the scholarship program allows us to meet students we believe are good representatives for the industry.”

Part of the curriculum includes the S.W.E.A.T. Pledge (Skill & Work Ethic Aren't Taboo) video series that walks students through 12 pledges Rowe designed to promote strong work ethic and foster successful careers, which include:

“I do not follow my passion. I bring it with me. I believe that any job can be done with passion and enthusiasm.”

“I deplore debt and do all I can to avoid it. I would rather live in a tent and eat beans than borrow money for a lifestyle I can't afford.”

After completing all of the curriculum and proposing a 13th S.W.E.A.T. pledge for a final project, Tayden was awarded \$16,000 to cover his education.

And when Rowe traveled to MTC in 2024, Tayden got the chance to thank Rowe face-to-face.

“Mike told me, from his mouth, that my scholarship was one of the highest amounts they gave out that year,” Tayden said. “That was very cool to hear.”

Rowe said Tayden stood out among thousands of applicants and embodies the qualities the scholarship promotes.

“Tayden checked all the boxes, and then some,” Rowe said. “His references were great, his attitude was great, his essay was great, and his comments about The SWEAT Pledge were spot on. His willingness to pursue a skill that's in demand, along with his attitude and work ethic, make him a perfect example of the qualities we're trying to encourage with our scholarship program. The country needs thousands more like him.”

Reflecting On the Journey

Tayden graduated from the power line program in 2025. He credits his success in part to his internship, saying the out-of-classroom experience set him up for a good year of training at MTC and a rewarding career with electric cooperatives.

“I kind of had the upper hand going into the program with my internship,” Tayden said. “I was able to see stuff before I went to school, so I kind of had a good understanding of the basics. But for kids coming in, some of them obviously struggle. I'm a very hands-on, visual learner, so because I was able to see it beforehand, the bookwork and the schooling really clicked a lot better with me.”

Today, Tayden is a full-time apprentice lineman at Union County Electric, where he continues to accumulate hours and complete coursework to earn his journeyman lineman certification. He encourages other young people not to overlook a career in the trades – or the Work Ethic Scholarship.

“With all of the talk about AI now, the trade jobs are always going to be there,” Tayden said. “Without oil fields we wouldn't have gas, and without electricity we wouldn't have lights. Mike realizes that the world revolves around the trades, and he wants to see kids strive and succeed because in the trades there are endless opportunities, just like any other job.”

Why is it so important that more young Americans enter the trades, and what does a shortage of skilled workers mean for the country?

For decades, the skills gap has been a tragedy of missed opportunity, both for students who weren't encouraged to consider a lucrative and viable path and the industries that rely on skilled labor. It still is. Today though, it's also a matter of national security. Not a week goes by that MRW doesn't get a call from an industry leader, desperate to hire skilled workers. The US Maritime Industrial Base told me they need 250,000 tradespeople to build nuclear subs. The automotive industry has over 100,000 openings for mechanics and collision repair techs. The energy industry needs half a million electricians, and the construction industry has so many openings they've stopped counting. The skills gap is real, and I can tell you that every CEO and every elected official I know are paying attention like never before.

What's one piece of advice you have for young people who are deciding their career path?

With regard to choosing a career, there's nothing more dangerous than dispensing advice to people you've never met. Same thing with choosing an education. We told an entire generation of kids that a four-year degree was the best path for the most people and then pressured them to borrow whatever it took to buy a degree, regardless of the cost. That kind of cookie-cutter advice was a colossal mistake and a big reason why we have millions of open jobs today that don't require a college diploma and lots of college graduates with a trillion dollars in student debt and no work in their chosen field. The only advice I generically offer to young people is to be very careful about “following your passion.” Just because you're passionate about something doesn't mean you can't suck at it. Obviously, it's important to be passionate about whatever you do, but passion – like work ethic – is a choice, and life is a lot easier when you figure out a way to be passionate about whatever it is you're good at. (People hate hearing that, by the way, but it's the truth.)

What do you see as the single biggest misunderstanding young people have about working in the trades today?

The trades are surrounded by dozens of stigmas, stereotypes, myths and misperceptions that dissuade people from giving them an honest look. I guess if I had to pick one, I'd point to the stubborn belief held by many parents that their kids can't make six figures working with their hands. It's laughably and demonstrably false. And fun to disprove. Also – the simple fact that the road to so many successful small businesses often starts with the mastery of a skill that's in demand. The number of successful entrepreneurs in the skilled trades is enormous, and more people need to understand that.

What can teachers, community leaders and co-ops do to better identify and support young people interested in a trade career?

Start a “Career Reality Day” where local linemen, meter technicians and substation operators come in and talk real numbers. Not feel-good fluff, but actual wages, benefits, and career paths. When kids hear that a journeyman lineman can make \$80,000 a year without student loan debt, that gets their attention.



Members Deliver Area Food Pantries Benefit

Sioux Valley Energy members and employees were asked to donate items for area food pantries as part of the Cooperative's Tree of Giving Hope donation drive.

More than 500 items totaling 592 pounds were collected and distributed to food pantries in Brookings, Lake, Minnehaha, Moody, Rock, and Pipestone counties.

The Cooperative's donation drive takes place during the Christmas season each year with donated items going to various causes. Past donation drives included bedding for Sleep in Heavenly Peace, personal care items for local schools, and supplies and clothing for The Foster Network.



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To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found on-line at <https://www.usda.gov/about-usda/general-information/staff-offices/office-assistant-secretary-civil-rights/how-file-program-discrimination-complaint>, and at any USDA office, or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call 866-632-9992. Submit your completed complaint form or letter to USDA by: 1) Mail: U.S. Department of Agriculture Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410 2) Fax: (202) 690-7442; or 3) Email: program.intake@usda.gov.



Co-Generation Notification

In compliance with Sioux Valley Energy's adopted rules relating to Co-Generation and Small Power Production, Sioux Valley Energy is obligated to interconnect with and purchase electricity from co-generators and small power producers whom satisfy the conditions of a qualifying facility. Sioux Valley Energy is obligated to provide information free of charge to all interested members upon request regarding rates and interconnection requirements. All interconnections require an application and approval to become a qualifying facility. Any dispute over interconnections, sales and purchases are subject to resolution by the Cooperative. Interested members should contact Sioux Valley Energy, PO Box 216, Colman, SD 57017 or call 800-234-1960.

Employees Recognized for Years of Service



Joan Wangberg
40 years



Paul Anderson
35 years



Tony Remund
30 years



Terry Ebright
25 years



Dana Foster
25 years



Reggie Gassman
25 years



Gwen Larsen
25 years



Eliza Barrón
20 years



Shawn Bruns
20 years



Steve Dvergsten
20 years



Jake Dybedahl
20 years



Amy Voelker
20 years



Michele Wanner
20 years



Paul Schamber
15 years



Tim Durst
10 years



Brian Meyer
10 years



Jager Rus
10 years



Nick Smith
10 years



Mike Oines
10 years



Josh Bjorklund
5 years



Derek Bundesen
5 years



Brenda Kleinjan
5 years



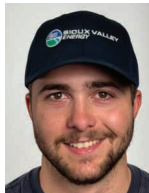
Holly Kruger
5 years



Derry Van Hofwegen
5 years



Sam Berninzoni
1 year



Eli Bowen
1 year



Andrew Chmela
1 year



Cathy Feste
1 year



Landon Hazelton
1 year



Tyler Mutziger
1 year



Karen Sherman
1 year



Nathan Zimmerman
1 year

FOUR EMPLOYEES RETIRE

Employees Deb Barger, Bruce Barrick, Terry Ebright, and Tim Fey retired in January and February 2026, with a combined 90+ years of service to Sioux Valley Energy members. We wish them well in retirement.





UNDERSTANDING THE SOUTHWEST POWER POOL

Basin Electric's trading floor connects the cooperative to the broader wholesale electricity market.

Submitted Photo

Frank Turner

frank.turner@sdrea.coop

When looking at the entire electric grid, electric cooperatives are just one component in a much larger system. Understanding how that system works, and how power is planned and shared across the region, provides important context for decisions that affect reliability, long-term infrastructure investments and, ultimately, the cost of electricity.

Southwest Power Pool

Every electric cooperative in South Dakota operates within the Southwest Power Pool (SPP), a regional transmission organization that oversees the grid. Really, electric cooperatives are all essential pieces of a larger,

regional puzzle that keeps the lights on.

SPP manages a wholesale electricity market and operates transmission lines across all or parts of 14 Midwest states, including South Dakota.

In 2015, East River Electric Power Cooperative joined the Southwest Power Pool along with Basin Electric Power Cooperative and the Western Area Power Administration Upper Great Plains Region. This move allowed electricity generators in the state to participate in a larger regional market, making it easier and more efficient to buy and sell energy across the grid.

Electric cooperatives aren't the only utilities operating within this regional system. Investor-owned utilities and

municipal utilities also participate in the SPP, all feeding into the same wholesale electricity market. By sharing transmission lines and following the same market rules, these utilities help create a broader, more flexible grid, allowing power to move long distances to where it's needed most.

"SPP is like a traffic director of electricity, because it doesn't own any assets," said Kristi Fiegen, South Dakota Public Utilities Commissioner and chair of the Southwest Power Pool's Regional State Committee. "They direct traffic and work to make sure the transmission lines and generation are bringing electricity to about 18 million customers on a second-by-second basis. That supply has to equal the demand every single second."

Winter Storm Uri

Another important benefit of participating in SPP is its ability to support the grid during extreme weather or unexpected outages, when regional coordination becomes especially important. Because SPP manages electricity across such a large footprint, the system can draw on resources from far beyond state borders. For example, when a power plant in North Dakota goes offline for routine maintenance, electricity from another state can cover the gap. Likewise, during severe winter weather in the South, generation from the Dakotas can help support the southern part of the grid.

That system maintained regional reliability until Feb. 2021, when it was pushed to its limits by Winter Storm Uri, which caused widespread power outages across Texas. According to the Federal Energy Regulatory Commission, 4.5 million people in Texas lost power during the storm.

“Winter Storm Uri woke up the entire nation, because we didn’t know how vulnerable we were,” said Fiegen.

The storm prompted SPP to reexamine how the grid maintains regional reliability during the winter. Part of that change involved increasing the reserve margin — the extra electric generation capacity kept on hand beyond what is normally needed — to help the system withstand extreme cold and unexpected outages. The goal, according to Fiegen, is to ensure enough power is available across the region, especially on the coldest days of the year.

“Since Winter Storm Uri, we have spent much of our time focused on resource adequacy policies,” Fiegen said, referring to SPP leadership and regulatory committees.

Reserve Margin

One significant change set to take effect in the 2026/2027 winter season is SPP’s adoption of a winter planning reserve margin, which increases the amount of generation required to be available during the winter season. The change will apply across the SPP footprint, including impacts to Basin Electric, which supplies power to cooperatives across South Dakota, North Dakota, Montana, Minnesota and much of the Midwest.

Through an increased winter reserve margin, the SPP aims to better prepare the entire SPP footprint for extreme weather and periods of unusually high electricity demand, helping ensure reliable power for homes, businesses and industries across the SPP footprint.

So, what does this mean for cooperative members in South Dakota? Valerie Weigel, senior vice president of Energy Markets and Dakota Coal Operations at Basin Electric, said higher reserve margins means Basin Electric needs to supply more generation capacity to the SPP market to meet expected peak winter demands, which affects Basin Electric’s wholesale rates for the cooperatives it serves.

“The increase in reserve margins means we need to build additional generation to ensure we have enough accredited resources to meet new planning requirements,” Weigel said. “As we look toward the rate increase in 2026, part of that increase reflects the cost of adding these resources to meet updated market requirements.”

Learning The Lingo

Transmission

High-voltage power lines and related infrastructure that move electricity long distances from power plants to local utilities. Transmission allows electricity to be shared across regions, especially during emergencies or peak demand.

Generation Capacity

The maximum amount of electricity that a utility’s power plant or portfolio of power plants can produce at one time. Capacity matters most during peak demand, when the grid is under the most strain. This may happen during extreme heat or cold, when people are using more electricity to heat or cool their homes.

Southwest Power Pool (SPP)

A regional transmission organization that coordinates electricity transmission and wholesale power markets across 14 Midwestern states, including South Dakota and Minnesota. SPP does not own power plants or transmission lines; instead, it manages how electricity flows across the regional grid.

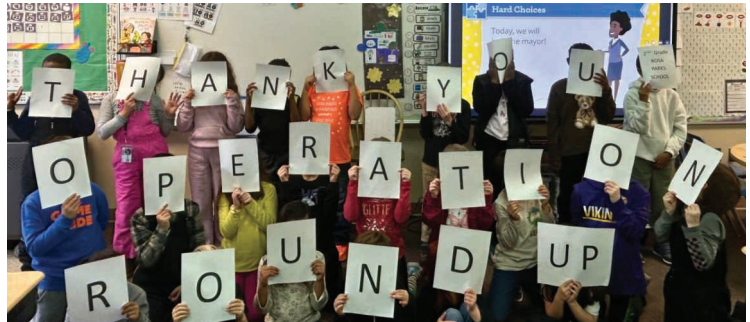
Regional Transmission Organization (RTO)

A federally approved organization, like SPP, that operates the electric grid across multiple states. RTOs balance supply and demand, manage wholesale electricity markets and plan for long-term grid reliability.

Reserve Margin

The extra amount of generation capacity kept available above expected peak demand. This extra capacity helps the grid handle extreme weather, unexpected outages or sudden increases in electricity use.

\$37,100 in ORU Grants Awarded to Area Groups



During the most recent quarterly meeting of the Sioux Valley Energy Customers' Trust Board of Directors, \$37,100 in grants were awarded by the Cooperative's Operation Round Up® program. An additional \$5,000 was reserved for scholarships.

Recipients, by town, included:

Arlington, South Dakota

- Kelly McGeough Foundation – \$1,500

Brandon, South Dakota

- Brandon Valley Hockey Association – \$1,200
- This is the Way Foundation – \$750

Brookings, South Dakota

- Allegro Academy – \$1,500
- Boys & Girls Club of Brookings – \$1,500
- Brookings Back Pack Project – \$1,500
- Project Joy – \$1,500

Chester, South Dakota

- Chester American Legion Post 136 – \$1,000

Colton, South Dakota

- Colton Senior Citizens – \$1,000

Flandreau, South Dakota

- Boys & Girls Club of Moody County – \$1,500
- Moody County 4-H Leader's Association – \$750
- Veterans of Foreign Wars Post 3351 – \$2,000

Garretson, South Dakota

- Garretson Economic Development – \$500
- Garretson PTO – \$1,000

Luverne, Minnesota

- Back Pack Program – \$1,500

Madison, South Dakota

- Madison Regional Health Foundation – \$1,000
- Sunset Harbor Homeowners Association – \$1,000

Pipestone, South Dakota

- City of Pipestone Lights at the Lodge – \$1,000
- GrowSWMN – \$800
- St. Paul Lutheran Church Preschool – \$1,000

Ramona, South Dakota

- Town of Ramona – \$1,200

Sioux Falls, South Dakota

- Scouting America, Sioux Council – \$1,500
- Call to Freedom – \$1,200
- Lost & Found Association – \$1,500
- Owen's Outfitters – \$1,500
- Sioux Falls Area Humane Society – \$1,000
- SiouxperCon – \$1,500
- TSC Twisters – \$500
- Washington Pavilion Management, Inc. – \$2,000

Volga, South Dakota

- Brookings County K9 Search and Rescue – \$500

White, South Dakota

- Dolphin Foundation – \$1,200

More than \$2.5 million has been donated to area non-profits, schools, and communities since the year 2000 when Sioux Valley Energy started its Operation Round Up® (ORU) program. The program is simple – participating members “round up” their electric bill to the next high dollar and those “rounded up” funds are placed into a trust. Additionally, many Sioux Valley Energy employees donate from their paycheck each month. Each quarter the ORU Board of Trustees meets to review applications and consider grant requests.

A list of recent grant recipients, as well as information on how local organizations can apply for funding, can be found at <https://www.siouxvalleyenergy.com/operation-round-up>.

The next deadline to apply for funding is February 20 with grants being awarded in March.

Sioux Valley Energy, a Touchstone Energy® Cooperative, is a member-owned electric utility, providing reliable electric service at cost-based rates to nearly 30,000 homes, farms, businesses, and industries in a seven-county area of east-central South Dakota and western Minnesota.



TELL US WHO POWERS YOU!

We know our co-op community is filled with people making a difference. Let's celebrate them! Nominate a hero in your community who goes above and beyond. **They could win up to \$3,000!**



**SIOUX
VALLEY
ENERGY**

A Touchstone Energy® Cooperative

Nominate your local hero at
WHOPOWERSYOUCONTEST.COM

**Nominations accepted
Feb. 1 to mid-April**

2026 DIRECTOR PETITIONS DUE

The Sioux Valley Energy Board of Directors approved the 2026 District Meeting schedule during their September meeting. Four elections will take place in Districts 5, 6, 7, and 9.

Members interested in running for the Board must submit a Director Petition, Conflict of Interest Statement, and Qualification Certification 60 days prior to the meeting date. Petitions must be delivered to a Sioux Valley Energy office location or postmarked by the petition deadline. Sioux Valley Energy encourages members to gather extra member signatures and to deliver or mail completed petitions in advance of the petition deadline to ensure time for member verification.

PETITION DEADLINES ARE AS FOLLOWS:

- ❑ District 9 – Friday, January 23, 2026
- ❑ District 6 – Friday, January 30, 2026
- ❑ District 5 – Friday, February 20, 2026
- ❑ District 7 – Sunday, March 1, 2026

Petitions can be obtained at www.sioxvalleyenergy.com or by calling 800-234-1960. The Cooperative Bylaws state the qualifications needed to be a director. Interested members may contact Brenda Schelhaas, Executive Assistant. Board seats elected in 2026 will serve three-year terms.

2026 District Meeting Schedule

DISTRICT 1	THURSDAY APRIL 23	ELKTON, SD Community Center
DISTRICT 2	THURSDAY APRIL 16	VOLGA, SD Sioux Valley High School
DISTRICT 3	THURSDAY APRIL 9	COLMAN, SD Colman-Egan High School
DISTRICT 4	TUESDAY APRIL 14	MADISON, SD Dakota Prairie Playhouse
DISTRICT 5	TUESDAY APRIL 21	COLTON, SD Tri-Valley High School
DISTRICT 6	TUESDAY MARCH 31	BRANDON, SD Brandon Valley High School
DISTRICT 7	THURSDAY APRIL 30	HARTFORD, SD West Central High School
DISTRICT 8	TUESDAY MARCH 3	LUVERNE, MN Generations Event Center
DISTRICT 9	TUESDAY MARCH 24	PIPESTONE, MN Pipestone Area School
DISTRICT 10	THURSDAY MARCH 26	EDGERTON, MN Edgerton Public School

Director Election Meetings indicated in Green

REGISTER TO WIN!

Bring this coupon and mailing label to the Touchstone Energy® Cooperatives booth at the Black Hills Stock Show & Rodeo to win a prize!

Your Phone Number: _____

Your E-mail Address: _____



To have your event listed on this page, send complete information, including date, event, place and contact to your local electric cooperative. Include your name, address and daytime telephone number. Information must be submitted at least eight weeks prior to your event. Please call ahead to confirm date, time and location of event.

JAN. 30-FEB. 7
Annual Black Hills Stock Show
Central States Fairgrounds
Rapid City, SD
www.centralstatesfairinc.com
605-355-3861

FEB. 1
The Great Lake County Hotdish Competition
11:30-1:30 p.m.
St. Thomas School Gym
Madison, SD
605-256-5308

FEB. 6-7
Brookings Home Show
Dakota Bank Center
Brookings, SD
brookingsregionalbuilders.com

FEB. 7-8
The Black Market/Formerly Benson's Flea Market
Sioux Falls, SD
605-332-6004

FEB. 13-16
12th Annual Frost Fest
Brookings, SD

FEB. 14
Polar Bear Chili Cook-Off
11 a.m.-2 p.m.
Hill City, SD

FEB. 20-22
Winterfest
Fireworks, Parade of Lights, Bonfire, Snowshoeing
Lead, SD
www.leadmethere.com/winterfest

FEB. 21
Knights of Columbus Fishing Derby & Raffle
10 a.m.-2 p.m.
Enemy Swim Lake, Waubay, SD
605-881-5075

FEB. 21
All Ability Skate
12-3 p.m.
Main Street Square
Rapid City, SD
disabilityaac@rcgov.org

FEB. 21-MARCH 1
Sioux Falls Home Show
Sioux Falls Convention Center
Sioux Falls, SD

FEB. 21
Bellator Titans Casino Night Fundraiser
6-11 p.m.
City Lights Bar & Event Center
Aberdeen, SD

FEB. 22
C Street Brass
4 p.m.
Johnson Fine Arts Center
Aberdeen, SD

FEB. 24
Life as an Astronaut
Free Presentation by NASA Astronaut Charles Gemar
7-8 p.m.
DSU Science Center
Madison, SD
605-256-5308

MARCH 5
SD Jazz Festival
7:30 p.m.
Johnson Fine Arts Center
Aberdeen, SD

MARCH 14
St. Uhro Finnish Festival
11 a.m. Main Street Parade
12 p.m. Community Ctr. Lunch
Lake Norden, SD
605-881-1758

MARCH 20-21
Badlands Quilters Getaway
Fri. 5:30 p.m. Start
Sat. 8 a.m. Start
Wall Community Center
Wall, SD
605-279-2807

Note: We publish contact information as provided. If no phone number is given, none will be listed. Please call ahead to verify the event is still being held.