

SIOUX VALLEY ENERGY

Kelly O'Bryan

SEPTEMBER 2025 VOL. 26 NO. 5



Rate Pressure Will Continue Into '26

Our members will

likely see a considerable

rate

increase

in 2026 due to

significantly higher

power supply costs.



Tim McCarthy
General Manager/
Chief Executive
Officer

Tim.McCarthy@ siouxvalleyenergy.

It's hard to believe that the summer months are winding down and we are gearing up for all the typical fall "things" like the start of school, harvest, football season, and my favorite wrapping up road construction!

At the Cooperative the fall season also signals the completion of many work plan projects, along with a focus on next year's budget and its subsequent impact on your electric rates. Unfortunately, the message I need to deliver in this month's column is not the best news.

Preliminary discussions with our wholesale power supplier, Basin Electric Power Cooperative, indicate that our members will likely see a considerable rate increase in 2026 due to significantly higher power supply costs. While this is still a fluid situation and there is much yet to be determined, our commitment to you is to be as transparent as possible – as early as we can.

We will continue to advocate for power supply rate increase mitigation efforts on behalf of our members. This is where we can make the most significant impact on electric bills as more than 60 cents of each dollar you

pay to Sioux Valley Energy goes toward power supply costs. Another 20 cents goes directly to paying taxes, interest, and depreciation - which are not controllable costs. This leaves only approximately 20 cents of each dollar you pay that the Co-op has direct control over. While these costs will be scrutinized heavily to mitigate what we can, significant cuts in this portion of the budget would have a negative impact on the service you receive today.

As we move into the fall months we should have a clearer picture of the potential rate impacts of a significant power

supply rate increase, and we will communicate those to you as soon as we can.

Over the next several months we will be providing you with more in-depth information about how the electric grid works; what expenses make up your electric bill; the framework of

a three-tiered cooperative system; and how electric rates are designed and set. We start this month with the first article about the power generation, transmission, and distribution system which can be found on pages 10 and 11.

2025 Basin Electric Bus Tour Held



Members saw the inner workings of the Antelope Valley Station, one of Basin Electric's coal-based power plants.



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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Sioux Valley Energy is an equal opportunity provider and employer.

CELEBRATE CO-OP MONTH AT CHERRY ROCK FARMS!

Saturday October 18, 2025 • 9 a.m. - 12 p.m.

Pick your pumpkin, enjoy some warm cocoa, & celebrate Co-op Month with Sioux Valley Energy!





Electric co-ops at the State Fair

Come visit South Dakota's Touchstone Energy Interactive Tent in Horticulture Park!



Emergency Preparedness: Are You Ready

Are You Ready for a Disaster?

Source: National Safety Council

National Preparedness Month, sponsored by the Federal Emergency Management Agency and held annually in September, is a good reminder that natural and man-made disasters can strike at any time. It's important to have a planned response when you're at work, on vacation or on the road.

In 2022, 69,473 weather-related events resulted in 813 deaths and 1,718 injuries. Winter weather, heat, floods and hurricanes resulted in the most deaths that year, according to Injury Facts.

The National Safety Council offers safety tips specific on preparing for earthquakes, floods, hurricanes and tornadoes, and how to minimize fire risks.

Federal agencies, like Ready.gov and the National Oceanic and Atmospheric Administration also are valuable resources for emergency preparedness. When you face a natural or man-made emergency, try to stay informed through radio, TV or the Internet. In some cases, however, cable, electric and cell phone service will be disabled, making communication nearly impossible. The National Safety Council recommends the following general precautions that apply to many disaster situations:

- Make sure at least one family member knows first aid and CPR.
- Download the FEMA app for resources, weather alerts and safety tips.
- Have a family communication plan in place; all members of the family should review and practice the plan.
- Have all family members' and other important phone numbers written down or memorized.
- Have an emergency kit in your car and at least three days of food and water at home.
- Be sure to store all important documents birth certificates, insurance policies, etc. – in a fire-proof safe or safety deposit box.
- Know how to shut off utilities.

The official FEMA mobile app offers critical resources and real-time alerts to help you prepare for emergencies, stay safe during disasters, and navigate recovery afterward. With features like customizable emergency checklists, shelter locations, disaster recovery centers, and direct access to emergency alerts, the app is a comprehensive tool for personal and family safety planning.





"Don't drive tractors into power lines."

Darcy Welsh, Age 9

Darcy cautions readers while driving tractors near power lines. Great picture, Darcy! Darcy's parents are Ryan and Rachel Welsh from Oral, 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.



hours before serving.

Optional: pour sour or 7-Up on top before serving.

Ginny Jensen Sioux Valley Energy

*Recipe can be cut in half and bake in 8" x 8" pan.

Sally Florey Charles Mix 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 2025. All entries must include your name, mailing address, phone number and cooperative name.

Cooking with Confidence: Exploring Electric Induction Technology



Sheila Gross Energy Services Specialist

For info on beneficial electrification programs, contact Sheila Gross at sheila.gross@ siouxvalleyenergy. com to learn more.



Choosing electric appliances can offer numerous benefits in terms of efficiency, convenience, safety, and environmental impact. At Sioux Valley Energy, we're here to help you learn about the latest trends and technologies that support energy-saving

As a member myself, I've taken advantage of our programs in my own home. A few years ago, when I built my house, I installed a Marathon water heater and a high-efficiency heat pump. One piece of technology I hoped to include was an electric induction stove. However, due to COVID-era supply chain issues, I returned to a conventional electric stove after a 10-month wait.

For me, going electric for cooking is exciting. I enjoy the convenience of using my electric pellet grill, air fryer, pizza oven, slow cooker, and pressure cooker. Still, I understand that changing long-standing cooking habits can be a challenge. Many of us are comfortable with the appliances we've always used, and family traditions often shape whether we prefer gas or electric ranges.

Recently, I spoke with a local appliance store manager about the rising interest in induction cooking. Induction stoves are up to 10% more efficient than traditional electric smooth-top ranges and can be up to three times more efficient than gas. They use electromagnetic energy to heat the cookware directly, minimizing heat loss and resulting in even, precise cooking. Induction technology also allows for fast and responsive temperature changes, making it one of the quickest cooking methods available.

Because an induction cook top only heats the pan, the surface itself remains relatively cool, reducing burn risks. Spills are less likely to bake onto the surface, and the smooth glass top is easy to clean. Plus, unlike gas stoves, induction cook tops don't release combustion byproducts, which helps maintain better indoor air quality.

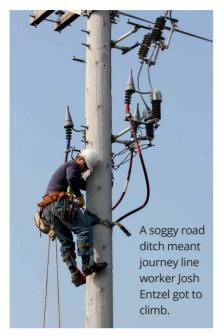
Switching to an induction cook top does involve a learning curve. One of the first steps is ensuring you have the right cookware. Induction cook tops require pans with magnetic properties. Cast iron always works, as it's naturally magnetic. Stainless steel, on the other hand, can be tricky. Some types are magnetic and work well, while others are not.

To test your current cookware, hold a magnet to the bottom of the pan. If it sticks firmly, it should work with induction. If the magnet doesn't stick or only sticks weakly, the pan may not function properly on an induction cooktop. You can also look for cookware labeled "induction compatible" to be sure. Keep in mind that you may need to purchase a few new pots or pans, depending on what you already own.

Induction stoves also lack the visual cues we're used to, like a glowing burner or gas flame, which can take some getting used to. You may also notice a faint humming or clicking noise during use, caused by the cook top's cooling fan or vibrations between the cookware and surface. And because induction is so responsive, you'll need to learn the best power levels for your everyday cooking tasks.

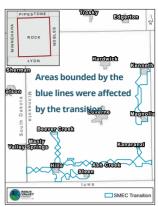
While induction cook tops typically have a higher upfront cost than gas or traditional electric models, there are now options starting in the low \$1,000s. If you're replacing a conventional electric stove, installation is usually straightforward, as both use a 240-volt outlet. If you're switching from gas, however, you'll need an electrician to assess your panel capacity and safely disconnect the gas line.

If you're in the market for a new stove, there are a wide variety of models and features available. If quick heating, energy efficiency, and enhanced safety are high on your list, electric induction cooking may be the right fit for your home.



Southwest Minnesota Power Transitioned

Sioux Valley Energy crews and contractors completed a conversion of power supply to more than 800 members in southern Rock County. The conversion took place July 30 to Aug. 1 and was a result of a 2015 purchase agreement where Sioux Valley energy took over a portion of Alliant Energy's electrical system along with 11 other cooperatives. Alliant Energy served as Sioux Valley Energy's power supplier within the service territory that was purchased. That power supply arrangement ended Aug. 1, 2025, requiring that all of Sioux Valley Energy's Minnesota members receive wholesale power from L&O Power Cooperative, which will provide more options for improved reliability.



During the crossover, brief power outages were necessary for every member living within the Sioux Valley Energy service area that was purchased from Alliant Energy (indicated in blue on the map).





ABOVE: Director of
Operations Chris Graff
reviews plans with lead
journey line workers Tony
Remund and Bob Johnson
ahead of a safety briefing in
Kanaranzi. Safety briefings,
known as tailgate sessions
are held at the start of
each day and again at each
worksite before work begins.
RIGHT: Before the town of
Kanaranzi was re-energized,
each meter was checked to
ensure voltages were correct.



ABOVE: Crews work to change out three 25 kVa transformers to 37.5 kVa tubs at the elevator in Kanaranzi. **BELOW:** Sioux Valley Energy crews install an underground vault in Hills, Minnesota, as part of the conversion process.





HUNTING

Prairie Miles and Antler Piles

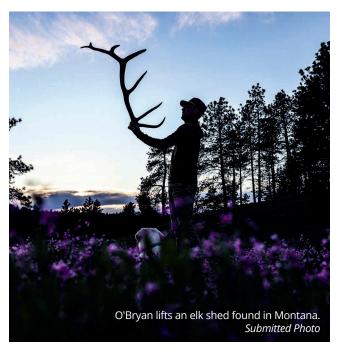
Frank Turner

frank.turner@sdrea.coop

Rosebud Electric member Kelly O'Bryan of Winner regularly hikes mile after mile of open prairie in search of the perfect shed. But he isn't looking for a place to store his garden tools or lawnmower - instead, he's after antlers. Each spring, deer and elk naturally shed their antlers, leaving behind prized treasures for shed hunters like O'Bryan to find.

O'Bryan jumped into the shed hunting hobby in 2020, during the social distancing months of the pandemic, after a friend invited him on a shed hunt in Montana. When O'Bryan found his first deer shed, he uncovered more than just a pair of antlers - he discovered a new passion.

"It was during the time when you couldn't go out and do anything, so you just had to make your own fun and find stuff to do," he laughed. "I just fell in love with covering as many miles as I possibly could each season, trying to pinpoint sheds. It's just like an Easter egg hunt."



Shortly after, O'Bryan fully committed to the hobby and added the ultimate scavenger to his team: a white lab named Skye. According to O'Bryan, it didn't take long for the dog to become an invaluable shed-hunting partner.

"I got Skye as a puppy, and I knew as soon as I got her, I

would train her to be a shed dog," he said. "I taught her to sit and stay while I hid sheds all around the house. When she found one, I would give her lots of positive reinforcement. She figured it out just like that."

Since then, O'Bryan and Skye have become seasoned shed hunters. In 2024 alone, the pair found 152 whitetail sheds, 25 mule deer sheds, nine elk sheds and 16 complete skulls - called "dead heads" - which resemble an English-style mount. Many of their best finds come from long days spent in remote country, often covering 10 to 15 miles in a single outing.

O'Bryan's collection of sheds has grown into an impressive heap of bone and tines that continues to grow each season. Like many in the shed hunting community, he has found creative ways to showcase his finds with his most festive being an antler-adorned

Christmas tree.

Others in the shed hunting community use their collection for art projects, crafting everything from knife handles to chandeliers. Some even trade or sell antlers to crafters, collectors, or pet product makers, giving shed hunting both recreational and economic appeal. Although O'Bryan does not sell his finds, he does cut up broken and damaged antlers for dog chews, gifting them to friends, family and his own favorite shed-hunting friend.

O'Bryan also has a few tips for beginners, drawn from miles of experience.

He says spring is the best time to search – antlers are freshly shed, and the grass is still short enough to give hunters a clear view. A good pair of binoculars is another must-have, helping spot antlers from a distance when the terrain allows for a higher vantage point.

And once you've found one shed, don't assume the hunt is over. Whitetail deer are often in groups and antlers are often dropped in pairs so it's worth taking the time to thoroughly scan the surroundings.

"You aren't going to be finding many sheds unless you are willing to put on the miles," he said. "The more you hike, the more you are likely to find sheds."

More photos of O'Bryan's collection and other hunting trophies can be found on his Instagram page: @db_huntin.





(Above) O'Bryan praises Skye for a lifetime of discovering antlers. (Below) O'Bryan and Skye show their white tail antler finds from a winter shed hunt. Submitted Photo



Power Supply Costs Impact Sioux Valley Energy Members

The power grid is a complex system. For electric co-ops in this part of the country, the system is owned and maintained on three different levels or tiers.

The parts you see close to home such as meters, green boxes, lines, and poles, are just a small portion called the distribution system. That's the part of the system that Sioux Valley Energy is responsible for.

The bigger power lines and substations that scatter the landscape are part of the second tier called transmission. The Cooperative's power suppliers, East River Electric

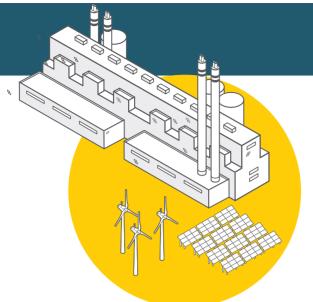
Power Cooperative and L&O Power Cooperative, represent the transmission tier.

The third level of the system is the power generator. Basin Electric Power Cooperative generates electricity from a diverse energy mix including coal, natural gas, wind, and solar. Sioux Valley Energy is a member of all the power cooperatives that make up the second and third tier. Additional power comes from the Western Area Power Administration which generates electricity from dams on the Missouri River.

Sioux Valley Energy pays a power bill to East River Electric Power Cooperative and L&O Power Cooperative. East River and L&O then pay a power bill to Basin Electric Power Cooperative and the Western Area Power Administration. Both transmission and generation account for more than 60 percent of your electric bill and those power supply costs are increasing, putting pressure on your electric rates.

ABOVE: The Split Rock substation, owned by East River Electric, serves 1,942 SVE members. **BELOW:** Antelope Valley Station's (AVS) two units (owned by Basin Electric), each rated at 450 megawatts, began commercial operation in 1984 and 1986, respectively. The power plant was built for \$1.9 billion. The power generated at AVS helps power homes and businesses throughout Sioux Valley Energy's service territory.





TIER 3

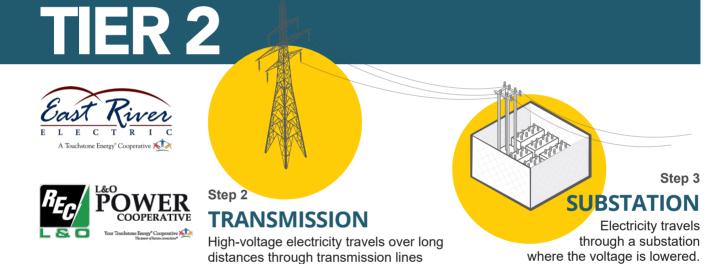




Step 1

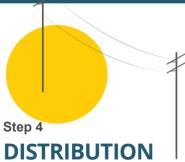
GENERATION

Power plants generate electricity from a variety of energy sources.



SIOUX VALLEY ENERGY A Touchstone Energy Congressive

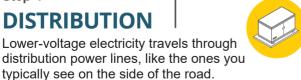
TIER 1



Step 5

TRANSFORMER

A transformer located on the utility pole or on the ground reduces the electricity voltage one last time.





The electricity arrives at your home, school, or business and is ready for use.



Electric Cooperatives Explore What's Next for Al

Frank Turner

frank.turner@sdrea.coop

Artificial intelligence (AI) is becoming an increasingly popular tool for many industries and even in our daily lives. It has the potential to bring many opportunities, and a few challenges, to electric cooperatives. But machine learning takes time, and cooperatives are still in the process of determining how AI can be effectively used.

Like any new technology, AI brings with it a mix of potential and uncertainty. It's a hot topic — sometimes exciting, sometimes a little intimidating. But for electric cooperatives, the focus isn't on the buzz. It's on the basics: What problems can it solve? What efficiencies can it create? And how do cooperatives make sure they are using it safely?

That measured, practical approach is what's guiding East River Electric Power Cooperative, a wholesale power supply cooperative which serves 25-member distribution systems in eastern South Dakota and western Minnesota, as it explores how AI might support the operations of its member cooperatives now and into the future.

Right now, most electric cooperatives in South Dakota have not yet integrated artificial intelligence into their operations or systems. But that doesn't mean the technology is being ignored. Across the state, many co-ops are watching AI developments closely, asking questions, and exploring how these tools might be used in the future. The focus remains on learning first — before implementing anything that could affect system reliability or member service.

At East River Electric Power Cooperative, that learning process is already well underway. According to Jeff May, chief information officer with East River Electric, the co-op has spent the past several years researching what AI has to offer. Their approach has been to identify practical, secure applications that could help improve efficiency, support employees in their day-to-day work, and ultimately benefit members.

"With the explosion of AI applications and models for both personal and professional uses, we've been exploring ways that East River Electric and our members can harness the power of AI while making sure that our data is secure from a cybersecurity perspective," said May.

Because AI technology has the potential to interact with both internal systems and external networks, cybersecurity is a top priority. As South Dakota rural electric cooperatives look to adopt tools powered by AI and other tech, they will ensure their systems are safe from potential cyber threats. Strong digital defenses are essential for the safe use of any new technology.

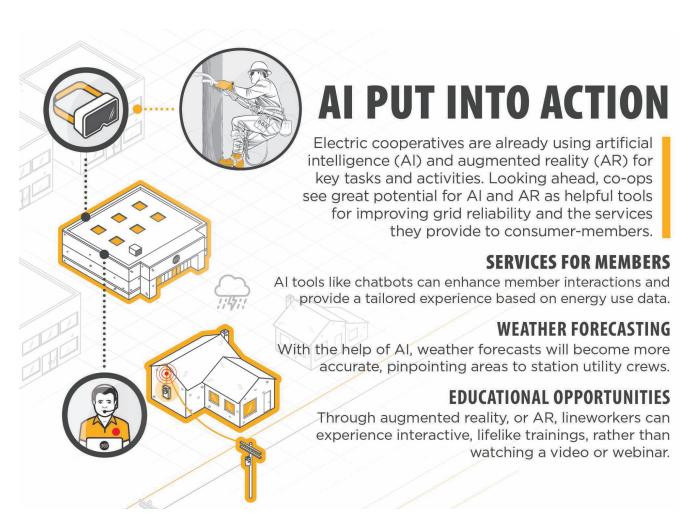
With safety in mind, May said East River Electric is actively partnering with Dakota State University graduate students to see how AI can be safely utilized by electric cooperatives. Together, East River Electric is working with the school to build an AI model that can predict electricity usage based on weather conditions and other factors to support the cooperative's load forecasting and rate forecasting capabilities. Although the technology is still in its infancy, May said he expects that someday AI will play a significant role in an electric cooperative's daily operations, including load forecasting, outage response and maintenance planning.

"It's difficult to predict how AI can be used for different types of jobs, but it will certainly become common throughout the organization as we learn all of the things AI can do," he said. "If it can be used to make our employees more productive and have a positive impact on the organization and our members, we will consider it. In some areas it could become commonplace within the next year, but throughout the cooperative it could take 3 to 5 years or more to be fully integrated in a safe and secure way."

Beyond grid operations, East River Electric is also trying out Microsoft CoPilot, an AI-powered assistant built into programs like Word, Excel, Outlook and Teams. A few employees are currently testing it to see how it might improve productivity and workflow, especially in communications and marketing departments.

Ultimately, if AI can streamline a process, predict an issue or improve service for electric cooperative members, May said it's worth considering. AI can be another tool in the cooperative tool belt that can make energy more reliable, services faster and operations more efficient.

"Over the next 5 to 10 years, AI's role in electric cooperatives is poised to grow significantly, driven by the need for efficiency, grid reliability and sustainability amid rising energy demands and technological advancements," said May. "Just the advancements that have been made in the last three years have been astounding to watch, and as more and more data centers and large language models are built in the coming years, it will become something that cooperatives likely use on a daily basis."





Safety Day Held at Brandon Service Center

Pancake flipping, face painting, electric sparks, bike helmets, and more brought more than 1,000 people out to the Cooperative's third-ever Safety Day in August.

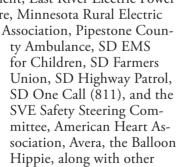
"Safety is the core of our culture here at Sioux Valley Energy. We have to get that message out to both our members and the general public. It's part of our guiding principles. Safety Day is one way to help build that awareness at a young age," said Carrie Vugteveen, Vice President of Public Relations.

Attendees experienced more than 25 hands-on activities and demonstrations. Partners from throughout the community such as Brandon Fire & Rescue, Brandon Police Department, East River Electric Power Cooperative, Heiman Fire, Minnesota Rural Electric

Our heroes wear hardhats!

ty Ambulance, SD EMS for Children, SD Farmers SVE Safety Steering Committee, American Heart As-Hippie, along with other SVE employees, helped staff the event.

members also had the chance to tour the Brandon Service Center's 32,500 square foot addition.



Sioux Valley Energy











Safety is Responsibility













REGISTER TO WIN!

Bring this coupon and mailing label to the Touchstone Energy® Cooperatives booth at Dakotafest or the South Dakota State Fair 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.

UNTIL OCT. 31 Wallace Dow, Prairie Architect Traveling Exhibit

Lake County Museum Madison, SD 605-256-5308

SEPT. 2, OCT. 4 Davis Indoor/Outdoor Flea Market & Vendor Fair

9 a.m.-3 p.m. Davis American Legion Davis, SD 605-351-3074

SEPT. 5-7

James Valley Threshing Show & Tractor Club

Threshermen's Park Andover, SD www.jamesvalleythreshers.com

SEPT. 7

Farmer Tractor Parade

1 p.m. Tractors, Cars & Food Farmer, SD

SEPT. 7

Homesteader Day Celebration

1-4 p.m. Beaver Creek Nature Area Valley Springs, SD

SEPT. 7 Prairie Fest

St. Peter on the Prairie 1-5:30 p.m. Lake County, SD 605-270-2665

SEPT. 13-14

Harvest & Kuchen Festival

Delmont, SD www.twinriversoldiron.org

SEPT. 13-14

SD Senior Softball Tournament

Huron, SD 605-295-2039 www.southdakotaseniorgames.org

SEPT. 19

Veterans Stand Down

SD Military Alliance 8:30-11:30 a.m. Sioux Falls, SD

SEPT. 19-20

SiouxperCon Annual Convention

Benefits Make-A-Wish, REACH Literacy, JY6 Foundation Sioux Falls Convention Center Sioux Falls, SD

SEPT. 21

Fall Festival

Blue Mound Lutheran Church 11 a.m. Service 1140 150th Ave. Luverne, MN 507-227-2615

SEPT. 22-23

Community Action for Veterans Conference

Denny Sanford Premier Center Sioux Falls, SD 605-910-4045

SEPT. 26-28

Coal Springs Threshing Bee Featuring Horse-Drawn Equipment

Meadow, SD 605-788-2229

OCT. 3

DSU Architecture Walking Tour

3-4 p.m. Lake County Museum Madison, SD

OCT. 4

Pumpkin Train, Vendor Showcase

Prairie Village Madison, SD

OCT. 4-5

Sioux Falls Quilt Guild

Sat. 9 a.m.-5 p.m. Sun. 11 a.m.-4 p.m. Sioux Falls Convention Center Sioux Falls, SD 605-951-2034

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.