

# SIOUX VALLEY ENERGY

JANUARY 2025 VOL. 25 NO. 9

# Forecasting the Future

Basin Electric's Vision for Reliable Energy Pages 8-9

Wind Energy Association Changes Name, Advocates For All Renewables Pages 12-13

# **Rate Adjustment Effective January 1**



Tim McCarthy General Manager/ Chief Executive Officer

Tim.McCarthy@ siouxvalleyenergy. com For the last several months in this column and in my monthly manager videos, I have been discussing an upcoming rate increase that we expected to implement in early 2025. The Sioux Valley Energy Board of Directors did approve an overall average rate increase of 4.9% starting January 1, 2025 during their November meeting. Members will see the rate change on their February billing statement, which reflects January energy usage. Rate adjustment percentages will vary depending on members' specific energy (kWh) usage.

While it is never fun to announce a rate adjustment, the increases are necessary due to higher power supply costs. Sioux Valley Energy has two wholesale bulk power providers – Basin Electric Power Cooperative and the Western Area Power Administration or WAPA. Unfortunately, both entities have announced rate increases for 2025. WAPA also will increase rates in 2026, and it is anticipated that Basin will do the same.

There are five key drivers of power supply rate pressures: Load Growth and Investments in Reliability; Decreased Surplus Sales in Western Markets; Impacts of Inflation; Volatility of Power Markets; and Increasing Hydropower Costs.

**1. LOAD GROWTH AND INVESTMENTS IN RELIABILITY:** Basin Electric is making significant investments in new generation and transmission facilities to support member load growth across its entire system, and it's critical to invest in existing facilities to maintain reliability. To accommodate this growth, Basin Electric is investing approximately \$8 billion over the next 10 years in transmission and generation assets to ensure reliable electricity for our members.

2. DECREASED SURPLUS SALES IN WESTERN MARKETS: Market dynamics have been impacted by changes in the generating fleet in the western part of the United States. Increasing amounts of hydro and renewable energy generated in the western market are often lower priced than what our wholesale power supplier (Basin Electric) can produce it for. This limits Basin Electric's ability to sell excess generation to the western markets.

**3. IMPACTS OF INFLATION:** There have been cost increases for internal labor, contracted labor, materials, and maintenance, in addition to higher costs of borrowing money (higher interest rates) and increased insurance premiums for Basin Electric.

**4. VOLATILITY OF POWER MARKETS:** Power markets have become more volatile, resulting in dramatic price movements. Increasing intermittent generation such as wind and solar, swings in natural gas prices, and increasing electricity demand are primary contributors to volatility. While this is managed through generation and hedging, the cost of this is increasing for Basin Electric.

**5. INCREASING HYDROPOWER COSTS:** As for the Western Area Power Administration (WAPA), the top reason for its rate increase is drought. Dams and hydropower facilities did not generate enough power due to drought, which forced WAPA to purchase power to meet its obligations. It is also dealing with increased operation and maintenance costs for things like material and labor.

You will see the specific rate adjustments for the most common rate classifications on Page 10 of this edition of the newsletter. If you would like to calculate how that will impact your individual bill, you can either give one of our member service representatives a call at 877-511-8062 or you can log on to our dedicated rate adjustment webpage at https:// www.siouxvalleyenergy.com/2025-rate-change. On the webpage, we have FAQs, energy assistance resources, ideas for saving energy and much more.

As I end my column this month, I want to wish each of you a safe and peaceful Christmas and New Year.

# 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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POSTMASTER: Please send address changes to Sioux Valley Energy Cooperative Connections, PO Box 216, Colman, SD 57017; telephone 605-534-3535; toll free 800-234-1960.

How to contact us: Phone: e-mail: Website: www.siouxvalleyenergy.com

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# DIRECTORS RECOGNIZED

Congratulations to Sioux Valley Energy Directors, Ann Vostad and Gregg Johnson for being recognized by the National Rural Electric Association. The duo was recognized at the November board meeting. Vostad recently completed her Credentialed Cooperative Director (CCD) program consisting of five courses



Ann Vostad, CCD **District 2 Director Board Treasurer** 



Gregg Johnson, BLC District 9 Director

that focus on basic governance knowledge and the essential skills required of cooperative directors. The CCD program prepares directors to fulfill their fiduciary duty as elected officials serving on behalf of their membership. Johnson recently earned his Board Leadership Gold Certification which recognizes directors who have earned their Credentialed Cooperative Director and Board Leadership certificates and are committed to continuing their education throughout their service on the board.

# **Recent Happenings...**

**RIGHT: The Luverne Area Community Foundation (LACF)** presented Sioux Valley Energy with the Outstanding Business award. The recognition was presented at LACF's 8th annual Celebration of **Philanthropy in November. Several** SVE directors and employees accepted the award on behalf of the **Cooperative** 





**ABOVE: Sioux Valley Energy, Southeastern Electric, and Kingsbury** Electric hosted a luncheon for Sioux Falls area legislators, allowing the co-ops to brief lawmakers about issues important to electric co-ops.

# Snow Safety

There is no end to the terms for "really big snowstorm," and those terms come in handy, particularly in America's snowiest cities. Just check out these average annual snowfall totals in towns of at least 10,000 residents, according to the Farmer's Almanac:

Sault Ste. Marie, Michigan. – 119.3 inches Syracuse, New York – 114.3 inches Juneau, Alaska – 93.6 inches Flagstaff, Arizona – 87.6 inches Duluth, Minnesota – 83.5 inches Erie, Pennsylvania – 80.9 inches Burlington, Vermont – 80.2 inches Muskegon, Michigan – 79.3 inches Casper, Wyoming – 77 inches Portland, Maine – 70 inches

But with really big snow storms – and even everyday, run-of-the-mill snowfalls – comes a risk of death by shoveling. Nationwide, snow shoveling is responsible for thousands of injuries and as many as 100 deaths each year.

So, why so many deaths? Shoveling snow is just another household chore, right?

Not really, says the American Heart Association. While most people won't have a problem, shoveling snow can put some people at risk of heart attack. Sudden exertion, like moving hundreds of pounds of snow after being sedentary for several months, can put a big strain on the heart. Pushing a heavy snow blower also can cause injury.

And, there's the cold factor. Cold weather can increase heart rate and blood pressure. It can make blood clot more easily and constrict arteries, which decreases blood supply. This is true even in healthy people. Individuals over the age of 40 or who are relatively inactive should be particularly careful.

# National Safety Council recommends the following tips to shovel safely:

- Do not shovel after eating or while smoking.
- Take it slow and stretch out before you begin.
- Shovel only fresh, powdery snow; it's lighter.
- Push the snow rather than lifting it.
- If you do lift it, use a small shovel or only partially fill the shovel.

- Lift with your legs, not your back.
- Do not work to the point of exhaustion.
- Know the signs of a heart attack, stop immediately and call 911 if you're experiencing any of them; every minute counts.

Don't pick up that shovel without a doctor's permission if you have a history of heart disease. A clear driveway is not worth your life.

#### **Snow Blower Safety**

In addition to possible heart strain from pushing a heavy snow blower, stay safe with these tips:

- If the blower jams, turn it off.
- Keep your hands away from the moving parts.
- Be aware of the carbon monoxide risk of running a snow blower in an enclosed space.
- Add fuel outdoors, before starting, and never add fuel when it is running.
- Never leave it unattended when it is running.

#### Source: National Safety Council



## "Don't Cut the Power Lines!"

## David Raak, Age 7 1/2

David Raak cautions readers to be careful when working around power lines. Thank you for your picture, David! David's parents are Nathaniel and Katie Raak, members of Central Electric.

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.

# GREATNESS

# CROCKPOT CORN

# **Ingredients:**

3 16-oz. packages frozen corn 8 oz. cream cheese 1/2 cup (1 stick) butter 2 tbsps. sugar 2 tbsps. water

# Method

Place corn in crockpot. Cut cream cheese and butter into small cubes. Add cream cheese, butter, sugar and water to corn. Stir. Cook on high for 45 minutes. Stir. Turn to low and cook for three more hours, stirring occasionally.

#### Elaine Rieck Harrisburg, S.D.

# CROCKPOT BAKED BEANS

# Ingredients:

- 2 cans black beans
- 2 cans red beans (drained)
- 2 cans great northern
- 1 can baked beans with brown sugar
- 1 lb. diced ham
- 1 heaping tsp. mustard (regular)
- 2 full tbsps. ketchup Garlic powder (optional) 1 small onion (chopped)

# Method

Mix all ingredients in crockpot except ham. Cook 2 hours on high. Mix in ham and cook another hour on high. Enjoy!

Rose Tucker Hot Springs, S.D.

# CHICKEN FIESTA SLOW COOKER RECIPE

## **Ingredients:**

- 2 lbs. boneless skinless chicken breasts
- 1 package slow cooker fiesta chicken seasoning mix
- 2 cans (14 1/2 oz. each) diced tomatoes, undrained
- 1 can (15 3/4 oz.) whole kernel corn, drained
- 1 can (15 oz.) black beans, drained and rinsed

# Method

Place chicken in slow cooker. Mix seasoning, tomatoes, corn and beans until blended. Pour over chicken. Cover. Cook eight hours on LOW or four hours on HIGH. Remove chicken from slow cooker. Shred chicken, using two forks. Return chicken to slow cooker; mix well. Serve over cooked rice with assorted toppings, if desired.

## McCormick.com

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 2024. All entries must include your name, mailing address, phone number and cooperative name.

# **New Year's Resolution for Saving Energy**



Sheila Gross Energy Services Specialist

For info on beneficial electrification programs, contact Sheila Gross at sheila.gross@ siouxvalleyenergy. com to learn more. Check out our incentives and resources for using electricity wisely here:



As we ring in 2025, add energy conservation and efficiency to your New Year's resolutions list! Reducing energy use in your home will also help you save money. The quest for savings is on the minds of many members, especially as rates continue to shift upward. A great place to begin is by making sure phantom power is not haunting your electric bills this winter.

Phantom power, also known as standby power or vampire power, is that invisible drain of electricity wasted by devices that are plugged in but not in active use. Although you can't see it, it can add up to 10% of your home's electric bill. The average home has many devices that use phantom power including TVs, gaming consoles, laptops, phone chargers, kitchen appliances, LED displays, digital clocks, and the list goes on. You'll never rid your home entirely of phantom power loss, but there are steps you can take to reduce it.

Audit your home to find the phantoms – knowledge is power. Start by locating all the plug-in loads around the home room by room. Unplug electronics and appliances that aren't being used or aren't used often. Get in the habit of unplugging a device when you're done using it, such as a charger when your cell phone is fully charged.

Use power strips to reduce phantom power. Plug multiple devices into a power strip and turn it off when you're done using them – such as your coffee maker and toaster. When you turn off the power strip, the energy draw is cut. This is also a great way to power down those devices that remain in standby mode like gaming consoles. You can use a traditional power strip or choose from a wide variety of advanced power strips and smart plugs – some have built in timers, motion sensors, or auto shut-off capabilities.

Replace older, inefficient appliances and electronics with Energy Star<sup>®</sup> certified products. Appliances and electronics account for about 30% of your annual energy bill dollars. Energy Star<sup>®</sup> certified products are designed to use less power when they are running and when they are on standby mode. Look for power saving settings on devices.

Sign up for Sioux Valley Energy's online account management tool called SmartHub. It's a great resource for exploring your electric usage and tracking your consumption history. If you want to get more precise with measuring and tracking phantom power, you can use an inexpensive watt meter that plugs into the wall to measure how much standby power a particular device uses. There are also more expensive and comprehensive home energy monitors that can be installed in your electrical panel.

I'm wishing you energy savings and efficiency in 2025! Don't let phantom power trick you into higher energy bills. For more information on energy efficiency or programs, visit our website at siouxvalleyenergy.com or contact me, Sheila Gross, Energy Services Specialist, at 1-800-234-1960.



# LIGHTING UP THE NIGHTS CO-OP PARTICIPATES IN AREA PARADES OF LIGHT



SVE's Josh E. and Brandon L., along with their families, participated in the Brandon parade

SVE's Jay B., Kara L., Dana F., and Ross D. represented the Co-op at the Colman Parade of Lights.



Tom S., Amy V., Paul A., and families participated in Hartford's Parade of Lights.

SVE's Ross D. and family represented the Co-op at the Madison Parade of Lights.





Pipestone area SVE employees decorated the tree for Pipestone's Lights at the Lodge in Pipestone, Minnesota.

# 2025 DISTRICT MEETINGS SET

The Sioux Valley Energy Board of Directors approved the 2025 District Meeting schedule during their September meeting. Four elections will take place in Districts 2, 4, 6, and 10.

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 6 Sunday, January 19, 2025
- District 2 Thursday, January 23, 2025
- District 4 Friday, January 24, 2025
- District 10 Thursday, January 30, 2025

Petitions can be obtained at www.siouxvalleyenergy.com or by calling 800-234-1960. The Cooperative Bylaws state the qualifications needed to be a director. Interested members are encouraged to contact Brenda Schelhaas, Executive Assistant.

All Board seats elected in 2025 will serve three-year te	rms
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Date	District	Director	Location
Tuesday, February 25	8	Leuthold	Generations (Grand Prairie Event Center) Luverne, MN
Thursday, March 13	9	Johnson	Pipestone Area High School Pipestone, MN
Monday, March 17	1	DeGreef	McKnight Hall White, SD
Tuesday, March 18	5	Weinacht	Taopi Hall Colton, SD
Thursday, March 20*	6	Fish* & Rogen (Election)	Brandon Valley High School Brandon, SD
Monday, March 24*	2	Vostad* (Election)	Sioux Valley School Volga, SD
Tuesday, March 25*	4	Daniel* (Election)	Dakota Prairie Playhouse Madison, SD
Monday, March 31*	10	Roskamp* <i>(Election)</i>	Edgerton Public School Edgerton, MN
Monday, April 7	3	Heinemann	William J Janklow Comm. Center Flandreau, SD
Monday, April 21	7	DeMent	West Central School Hartford, SD

\*Denotes election meetings.



# **Basin Electric's Vision for Reliable Energy**

#### Frank Turner

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PLANNING AHEAD

Keeping the lights on in a dynamic world isn't as simple as flipping a switch. It requires a forward-thinking approach, almost like gazing into a crystal ball, to anticipate future energy demand. Energy infrastructure projects begin long before the first shovel breaks ground, and it's a challenge that Basin Electric Power Cooperative confronts every day to ensure consistent and reliable power amid an ever-changing landscape of new technologies and growing membership.

A new plant or transmission line can take years of planning and coordination by Basin Electric and its member cooperatives. The process is similar to predicting the weather; it all begins with a forecast to determine what energy demand is brewing on the horizon.

Basin Electric works with the members and other stakeholders to

develop highly accurate load forecasts. Those load forecasts are then compared against our existing resource portfolio. If any gaps are identified, resource alternatives are identified and reviewed against each other to arrive at the best resource portfolio outcome.

near Williston, N.D. Photo submitted by Power Cooperative

n aerial view

"Once a need for a new generation project or transmission project has been identified, Basin Electric assembles a project team," explained Matt Ehrman, vice president of engineering and construction at Basin Electric.

"Developing and defining project scope is vital to project success as it's really the foundation for the project," Ehrman continued. "Good upfront planning minimizes project execution risks later, so Basin places a lot of emphasis on the development work that happens before any detailed engineering design can begin."

Basin Electric is currently undertaking one of its largest singlesite electric generation projects in the last 40 years near Williston, North Dakota, known as Pioneer Generation Station Phase IV. Once completed, this project will add 580 megawatts of natural gas generation capacity to Basin Electric's energy portfolio. Although the project broke ground in March 2023, planning for the project began in 2021, standing as a testament to the cooperative's long-term mindset and commitment to meeting its load forecast.

So what goes into the planning of such a major project? Ehrman says everything from identifying project objectives to permitting and contracting strategies to engineering studies all take place within the years leading up to new infrastructure.

"In the case of a generation project, the project site, fuel, water, and transmission sources are identified during the project development phase," Ehrman said. "After the development phase is complete, the more detailed engineering design work can begin. This is when the engineers really begin to dig into the details of how to arrange and interconnect all of the many different types of equipment



required for a given project. Eventually, those design details are used to develop construction specifications, contractors are selected and construction begins."

Beyond the demanding complexity of the project itself, Basin Electric's project team must also navigate regulatory matters and policy. While many projects share similarities, no two are identical when navigating federal, state, and local permitting requirements.

"Large generation and transmission projects can take years to permit, and the permitting duration depends on the project," Ehrman said. "Basin's



teams have successfully permitted and executed many projects over the years and as a result have learned a lot about those processes in our service territory."

Slated to be operational in 2025, Pioneer Generation Station Phase IV will come on board during a time when electricity demand is increasing significantly. The completion of the project will expand Basin Electric's resource portfolio, which uses a vast diversity of generation resources to serve its member cooperatives. Even still, Ehrman said it still takes a massive effort to stay prepared for what the future may bring.

"Planning and building energy infrastructure is a massive team effort that involves teams from Basin and its membership," he said. "These are complex projects, and there are challenges involved in all phases of the projects. Basin has extremely talented, dedicated and hard-working teams developing these projects that really enjoy working out all the technical and non-technical details while mitigating risks to achieve success and deliver the best possible outcome for the membership."

# **2025 RATE CHANGE APPROVED**

#### **EFFECTIVE JANUARY 1, 2025**

Due to higher power supply costs, the Sioux Valley Energy Board of Directors approved an overall average rate increase of 4.9% as of January 1, 2025. Members will see the rate change on their February billing statement, which reflects January energy usage. Rate adjustment percentages will vary depending on members' specific energy (kWh) usage.

Power supply costs account for more than 60% of Sioux Valley Energy's expenses. Sioux Valley Energy's wholesale power supplier, Basin Electric Power Cooperative, has announced an approximate 7% increase for the coming year. Additionally, the Western Area Power Administration (WAPA) has announced a nearly 14% rate increase over two years.

Call our Member Services Representatives at 877-511-8062 if you have specific questions on your account.

# WHAT'S DRIVING MY RATE INCREASE?

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Load Growth and Investments in Reliability

Decreased Surplus Sales in Western Markets

**Volatility of Power Markets** 





Impacts of Inflation





Increasing Hydropower Costs (WAPA)

# WANT TO LEARN MORE?

Check out our dedicated rate adjustment webpage (www.siouxvalleyenergy.com/2025rate-change) for answers to frequently asked questions, more details on what is driving the increase, and to calculate the cost of your new rate. You will also find information on how to save money by lowering your energy usage and a link to area agencies that may provide assistance in paying your energy bill.

# New Rates for Four Select Rate Classifications

#### **Farm and Rural Residential**

Rate Component	Old Rate	New Rate	
Single-Phase Basic Service Charge	\$65/month	\$65/month	
Three-Phase Basic Service Charge	\$120/month	\$120/month	
Energy Charge	\$0.1055/kWh	\$0.11250/kWh	

#### Residential

Rate Component	Old Rate	New Rate
Basic Service Charge	\$30/month	\$30/month
Energy Charge	\$0.1055/kWh	\$0.11250/kWh

#### **General Service**

Rate Component	Old Rate	New Rate
Single-Phase Basic Service Charge	\$75/month	\$75/month
Three-Phase Basic Service Charge	\$120/month	\$120/month
Energy Charge	\$0.1055/kWh	\$0.11250/kWh

#### Large Power

Rate Component	Old Rate	New Rate	
Basic Service Charge	\$1.50/kVa	\$1.50/kVa	
Demand Charge	\$17/kW	\$17.50/kW	
Energy Charge	\$0.03760/ kWh	\$0.04110/ kWh	



SCAN THIS QR CODE TO LEARN MORE.

# SCHOLARSHIPS OFFERED Application deadline is January 17

# To be eligible you must...

- Be a graduating high school senior or a firsttime attendee.
- Plan to be a full-time student in an accredited university or technical college.
- Be a child or dependent of a Sioux Valley Energy member.



- Have a 3.0 or higher cumulative GPA for a four-year college or university scholarship and a minimum of a 2.5 or higher for a technical college scholarship. Submit your ACT/SAT scores (if applicable).
- Provide a written recommendation from a teacher, administrator, or counselor.
- One winner per family/per year.

**Application details...** Applications will be judged on the basis of grades, ACT or SAT test scores (if applicable), work experience, school activities, volunteer/community service, recommendations, and essay questions. Scholarship funds must be used to pay expenses directly related to your continuing education. Application forms are available from your school counselor, from any Sioux Valley Energy Service Center (in Colman, Pipestone, Brandon, and Hartford), on the web at https://www.siouxvalleyenergy.com/ youth-scholarship-programs or by calling 1-800-234-1960.

**Deadline...** The deadline for this year's application is 4 p.m. on Friday, January 17, 2025. Applications and supporting materials (*postmarked no later than January 17, 2025*) may be sent to: Sioux Valley Energy/Scholarship Contest, PO Box 216, Colman, SD 57017.



This year's Tree of Giving Hope Donation Drive will benefit area school children with personal care items. Needed Hems: Toothbrushes Combs Toothpaste Hairbrushes Shampoo Deodorant Conditioner Antiperspiran Body Wash Feminine

# DONATION DRIVE CONTINUES

Sioux Valley Energy members can help area kids through the Cooperative's fourth annual Tree of Giving Hope drive. This year, the Cooperative will be collecting **personal care items such as toothpaste, toothbrushes, shampoo, conditioner, body wash, facial wash, combs, hairbrushes, deodorant, antiperspirant, and feminine products** for students at area schools.

To participate in the 2024 campaign, SVE members can bring donations to one of SVE's offices during business hours (7:30 a.m. to 4:30 p.m.) by December 29 and receive a small gift in return.

## SIOUX VALLEY ENERGY OFFICE DROP OFF LOCATIONS:

Brandon Service Center: 108 N Heritage Road, Brandon Colman Headquarters: 23491 471st Ave. Colman Hartford Service Center: 1185 Ruud Trl. #4, Hartford, (office closes at 4 p.m.) Pipestone Service Center: 1102 7th St SE, Pipestone, MN

# **RENEWABLE ENERGY**

An aerial view of the Wild Springs Solar Project near New Underwood, S.D. Photo submitted by East River Electric

# Wind Energy Association Changes Name, Advocates For All Renewables

#### Jacob Boyko

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The South Dakota Wind Energy Association is getting a fresh coat of paint this year with a rebrand that will expand the association's advocacy mission to include more forms of renewable energy.

As solar energy generation in the state increases with new and upcoming projects, expanding the association now called the South Dakota Renewable Energy Association — to include other forms of renewable energy and battery storage was the clear way forward according to association president and Sioux Valley Energy Director Gary Fish.

"The association started out as being very wind oriented, and that's our legacy," Fish explained. "But we also have somewhat migrated to having an energy portfolio where wind coexists

A look on the ground as crews prepare the Wild Springs Solar Project for power generation. Photo submitted by East River Electric with coal, natural gas and solar, and that was the driver behind changing our name."

The change comes in the wake of South Dakota's first large-scale solar farm near New Underwood, which began commercial operation in March 2024. Basin Electric Power Cooperative will purchase 114 megawatts of the 128-megawatt renewable project.

The association began with the

leadership of East River Electric Power Cooperative in the mid-2000s as the generation and transmission co-op looked for ways to develop wind generation in the state to serve its growing member utilities and bring economic development and job opportunities to the state.

"Wind energy was at that time starting to become a more viable utilityscale source of power generation," said Chris Studer, chief member and public relations officer at East River Electric.



"East River led an effort to build an association of stakeholders in South Dakota that can help advocate for the wind industry."

It's a mission that's propelled South Dakota to being the state with the third highest renewable energy makeup, with more than 54% of instate power generated from renewable wind and solar resources.

"We've gone from essentially zero wind energy to more than 3,000 megawatts of installed capacity in the state," Studer said. "We have far surpassed what our original goal was."

In the South Dakota Wind Energy Association's initial stages, the board was composed mostly of utilities and developers focused on studying potential economic benefits and the infrastructure needs that come with increasing generation.

"I think everyone knew we had a great wind resource, but the real issue was having additional transmission to get the power out," Fish said. "Could we build the towers? Yes. Could we get the power to market? That was the challenge."

As the association successfully made the case for wind energy, the membership grew to include other G&Ts and investor-owned utilities, landowner groups, turbine manufacturers, servicing companies and others from the wind energy supply chain.

One of the first large-scale renewable energy wins for the South Dakota Wind Energy Association and rural electric cooperatives was the 2011 commissioning of the 172-megawatt Crow Lake Project north of White Lake, South Dakota. The association membership helped support the launch of South Dakota Wind Partners to bring local residents an opportunity to invest in and own several turbines in the project.

According to East River Electric, the program generated about \$16 million worth of local investment.

"It was a very unique and successful

project that the South Dakota Wind Energy Association had involvement in and advocated for," Studer said. "The people that invested got tax equity benefits over time, and after about 10 years they sold it back to Basin Electric and got their investments back."

Moving forward, the association will continue to advocate for a renewable energy-friendly business environment to propel South Dakota energy projects forward.

"South Dakota Renewable Energy Association is here to make sure our state's tax policies are fair, that developers still want to come here and develop renewable energy projects, and that there's a market for all of the supply chain that's needed for wind energy and now for solar, as well as the necessary transmission," Studer continued.

A new South Dakota Renewable Energy Association website and promotional material will debut within the next several months.



# **RENEWABLE ENERGY CREDITS**

# RENEWABL ENERGY

# Purchasing Credits Means Renewable Energy Anywhere

#### Jacob Boyko

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Did you know there's a way your home or business can operate with 100% renewable energy?

With renewable energy credits, or RECs, electric cooperative members can purchase the renewable aspects of their utility's energy and run on 100% green energy without needing to install on-site solar panels or wind generation.

"A REC is a renewable attribute of a megawatt hour of electricity," explained

Ted Smith, vice president of engineering and operations at Sioux Valley Energy. "One megawatt hour produced by any renewable generator provides one REC."

Basin Electric Power Cooperative – the generation and transmission cooperative that sells electricity to South Dakota's rural electric cooperatives – reported about 21% of its energy sales in 2023 was renewable energy. Since it's impossible to pinpoint the exact generation origin of each individual electron moving along a distribution line and entering a home or business, there's no way to tell what is actually being powered by renewable energy and what isn't.

However, by having a renewable energy credit program where members can claim rights to the renewable energy generated, members who participate can affirm they are being powered by renewable energy. It's kind of like "calling dibs" on something; everybody is purchasing reliable power, but the members who "call dibs" are purchasing the renewable power.

One Sioux Valley Energy member that makes use of the renewable energy credit program is Marmen Energy in Brandon, South Dakota. Through the program, the wind tower manufacturer's operations are powered 100% by renewable energy.

"We get all renewable energy to power our facility," Marmen Energy Plant Manager Danny Lueders said. "We build renewable energy wind towers – how could we not get the renewable energy credit program?"

At a scale like Marmen's, which produces between 300 and 400 wind towers annually, being 100% renewable is a statistic that not only makes a statement, but increases demand for more renewable energy.

"It makes sense for us to have it and support that industry all the way through," Lueders continued. "It's an industry we're heavily involved with and we want to do everything we can to support and promote that industry."

Support for renewable energy through the REC program has other benefits; the extra funds Rushmore Electric Power Cooperative generated from selling allocated RECs made it possible to purchase a solar demonstration trailer to educate the public about the benefits and drawbacks of solar energy and the need for a diversified mix of energy resources.

"We sell the RECs on the open market so others can satisfy their renewable mandates and so we can fund future renewable energy projects," Rushmore Electric CFO Mark Miller added.

On the market, RECs vary in price, usually between \$1 and \$3. The generation source – wind, solar, hydro, geothermal, waste heat recovery – as well as the year the REC's production year affect the commodity's value.

"They have a shelf life," Miller explained. "They're valuable in the first year because some states mandate RECs that are current."

States like Minnesota with renewable energy standards require utilities to retire their RECs to meet the energy standards, or buy

(Right) Jay Buchholz, Key Account & Community Relations Executive for Sioux Valley Energy, presents Marmen Energy employees Vincent Trudel, Chief Operating Officer, Yannick Laroche, Fabrication Manager, with renewable energy credit certificates.

(Below) Marmen Energy's Brandon, S.D., manufacturing plant purchases renewable energy credits to cover 100% of its operations, meaning all wind towers produced here are built using 100% renewable energy. *Images submitted by Sioux Valley Energy*  credits on the market to reach the mandated renewable energy percentage of their energy mix.

In South Dakota, a state without renewable energy mandates but with more than 54% of instate power generated by renewable resources, the Marmen Energy CEO simply believes continuing to support renewable energy is the right thing to do.

"South Dakota is a strong proponent of renewable energy," Lueders said. "The amount of industry renewables are supporting throughout the state of South Dakota is a strong issue, from an economic footprint and continuing to grow South Dakota's self-reliance on homemade energy."





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UNTIL DEC. 29 Trees & Trains Exhibit at SD State Railroad Museum Hill City, SD 605-665-3636

UNTIL DEC. 31 Olde Tyme Christmas at participating businesses, Lane of Lights Viewing Hill City, SD

UNTIL DEC. 31 Garden Glow at McCrory Gardens 5-9 p.m. Brookings, SD

UNTIL DEC. 31 Hall of Trees 12-4 p.m. Mon.-Sat. The Mead Museum Yankton, SD DEC. 31 American Legion Post 15 Save the Last Dance 2024 8 p.m.-12:30 a.m. El Riad Shrine Sioux Falls, SD 605-336-3470

DEC. 31-JAN. 1 New Year's Eve in Deadwood Deadwood, SD 800-999-1876

JAN. 5, FEB. 2 American Legion Post 15 Pancake Breakfast 8:30 a.m.-12 p.m. 1600 W. Russel St. Sioux Falls, SD 605-336-3470

JAN. 7-9 Dakota Farm Show Tue. & Wed. 9 a.m.-5 p.m. Thurs. 9 a.m.-3 p.m. USD DakotaDome Vermillion, SD JAN. 11 Coats for Kids Bowling Tournament Meadowood Lanes Rapid City, SD 605-393-2081

JAN. 15 46th Ranchers Workshop 9 a.m.-3 p.m. Community Events Center White River, SD 605-259-3252 ext. 3

JAN. 18 Breakin' the Winter Blues Chili Cookoff Main Street Hill City, SD

JAN. 26 Souper Supper Fundraiser Rapid Valley United Methodist Church 5:30-7:30 p.m. Tickets \$6 5103 Longview Dr. Rapid City, SD

JAN. 31-FEB. 8 Black Hills Stock Show & Rodeo Central States Fairground Rapid City, SD 605-355-3861

**FEB. 14-17 11th Annual Frost Fest** 9 a.m.-3 p.m. Brookings, SD 605-692-7444

FEB. 22 Bellator Titans Charter Casino Night Fundraiser 6-11 p.m. 316 2nd St. Aberdeen, SD

> Note: Please make sure to call ahead to verify the event is still being held.