

# COOPERATIVE CONNECTIONS



(left to right) Rosebud Electric Directors Dennis Purvis and Boyt Young and Butte Electric CEO Matt Sleep serve a homemade meal to legislators, state employees and Capitol visitors in South Dakota State Capitol.

Photo by Jacob Boyko

## Co-ops at the Capitol

**Every Voice Counts**  
Pages 8-9

**Easements Bring Safety  
and Reliability**  
Pages 12-13

# SVE Directors Approve Rate Increase



**Tim McCarthy**  
General Manager/  
Chief Executive  
Officer

Tim.McCarthy@  
siouxvalleyenergy.  
com

We have been sharing a lot of information about the 2026 rate increase over the past several months and we hope that it has been helpful in understanding why the adjustment is needed. Our goal is to be completely transparent with our members and provide as much advance notice as we can to help you prepare for the upcoming rate changes.

The Board of Directors approved an overall average rate increase of 9.1% to the membership. This number is the average of all rates so some members will see higher increases, and some will see less. You can find the new rate schedule on Page 15. We did a deep dive into the reasons why electric rates are increasing which can be found on Pages 10 and 11.

While I would like to say this will be the last rate increase for a while; unfortunately, that is not the case. We anticipate another fairly significant rate hike from our power suppliers in 2027 with the possibility of adjustments in subsequent years as well. This pattern of higher rates is connected to a significant build out of electric generation and transmission assets – to the tune of \$11 billion.

To highlight the work of our bulk wholesale power supplier, Basin Electric Power Cooperative, we are including a guest column by Basin Electric CEO Todd Brickhouse on Page 14. The \$11 billion investment is being used to build and strengthen Basin Electric's infrastructure and to update technologies to meet future load growth. Recent and future projects include:

## **Pioneer Generation Station Phase IV:**

Approximately 580 megawatts (MW) in new natural gas-fired generation. The facility went into commercial operation on August 18, 2025. This would be enough electricity to power up to 500,000 homes.

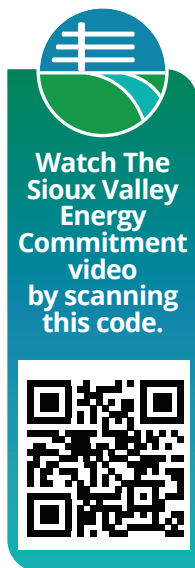
## **Leland Olds Station to Tande**

**transmission project:** This project was deemed necessary for system reliability. Stretching roughly 160 miles, it is projected to be complete in 2026.

**Bison Generation Station:** Approximately 1,490 MW in new natural gas-fired generation. This is one of the largest electric generation projects in the cooperative's history and is projected to be completed in 2030. This would be enough electricity to power up to 1.25 million homes.

We know that some of our members are struggling to make ends meet and that any increase to electric rates can have an impact on your monthly budget. While we can't change the need for a rate adjustment, we do have resources available to help our members save energy. Please visit our dedicated rate adjustment webpage at <https://siouxvalleyenergy.com/2026-rate-increase> to calculate your new electric rates; find ways to save electricity around your home; and identify assistance programs.

In the end, our goal is to 'Serve Our Members. Always'. It's what we do; It's how we live.



## SERVING OUR MEMBERS. *Always.*

## HOLIDAY

OFFICE CLOSINGS

Sioux Valley Energy's offices will be closed on the following dates for the holidays:

**CHRISTMAS** – Wednesday, December 24 and Thursday, December 25

**NEW YEARS** – Thursday, January 1

Please report outages to our 24-hour dispatch center at 800-234-1960 or through the Smart Hub® app.

## COOPERATIVE CONNECTIONS

### SIoux VALLEY ENERGY

(USPS No. 497-440)

**Board President:** Dan Leuthold

**Board of Directors**

Dave Daniel - Vice President	Dr. Leslie Heinemann
Don DeGreef - Secretary	Gregg Johnson
Ann Vostad - Treasurer	Mark Rogen
Rodney DeMent	Lucas Roskamp
Gary Fish	Allan Weinacht

**CEO/General Manager:** Tim McCarthy

**Chief Financial Officer:** Jason Maxwell

**V.P. of Engineering & Operations:** Ted Smith

**V.P. of Human Resources**

**& Member Services:** Kimberlee Hansen

**V.P. of Public Relations:** Carrie Vugteveen, Editor

**V.P. of Technology:** Justin Moose

**Executive Assistant:** Brenda Schelhaas

*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.

**Subscription information:** Sioux Valley Energy members devote 50 cents from their monthly electric payments for a subscription. Non-member subscriptions are available for \$12 annually. Periodicals Postage Paid at Colman, SD 57017 and at additional mailing offices.

**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: 1-800-234-1960  
e-mail: sve@siouxvalleyenergy.com  
Website: www.siouxvalleyenergy.com

In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its agencies, offices and employees, and institutions participating in or administering USDA programs are prohibited from discriminating on the basis of race, color, national origin, age or disability. Remedies and complaint filing deadlines vary by program or incident. Persons with disabilities who require alternative means of communication for program information (e.g. Braille, large print, audiotape, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.

To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found on-line at [http://www.ascr.usda.gov/complaint\\_filing\\_cust.html](http://www.ascr.usda.gov/complaint_filing_cust.html), 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](mailto:program.intake@usda.gov)

**Sioux Valley Energy is an  
equal opportunity provider and employer.**

## Area Food Pantries to Benefit from Tree of Giving Hope Donation Drive

Sioux Valley Energy members can help be a light for others this holiday season through its annual Tree of Giving Hope drive. This year's donation drive will benefit food pantries in the Cooperative's service area.

Food donations should have the original labels, damage-free packaging, and be within the expiration date. Donations will be distributed to local food pantries throughout the drive.

SVE members can bring donations to one of SVE's offices during business hours (7:30 a.m. to 4:30 p.m.; Hartford closes at 4 p.m.) through Dec. 31, 2025, and receive a small gift in return.



**Tree of Giving Hope**

*Needed Items:*

Scan this code to find a list of needed items:

This year's Donation Drive benefits area food pantries. Food donations should have their original labels, damage-free packaging and be within their expiration date.

Drop donations off at any Sioux Valley Energy office between now and Dec. 31, and receive a small gift.



## IS YOUR CONTACT INFO UPDATED?

Do you want to receive your newsletter electronically?

Don't miss out on important outage messages and other information. Call us at 800.234.1960 or reach out through SmartHub to update your phone number or email address.

**SIoux VALLEY ENERGY**  
Visit us at: [www.siouxvalleyenergy.com](http://www.siouxvalleyenergy.com)

# Tree Trimming Safety

Trees are majestic, beautiful and good for the soul. But we also know that our members depend on us to deliver reliable power to their homes and businesses. South Dakota's electric cooperatives strive to balance maintaining the beautiful surroundings we all cherish with ensuring reliable electricity. You might not realize it, but there are several benefits to regular tree trimming.

Keeping power lines clear of overgrown vegetation improves service reliability. After all, we've seen the whims of Mother Nature during severe weather events with fallen tree limbs taking down power lines and utility poles. While many factors can impact power disruptions, about half of all outages nationally can be attributed to overgrown vegetation.

Overgrown vegetation and trees also pose a risk to power lines. For example, if trees are touching power lines in our members' yards, they can pose grave danger to families. If children can access those trees, they can potentially climb into a danger zone. Electricity can arc, or jump, from a power line to a nearby conductor like a tree. A proactive approach also diminishes the chances of fallen branches or trees during severe weather events that make it more complicated and dangerous for line workers to restore power.

If trees and other vegetation are left unchecked, they can be-

## BENEFITS OF TREE TRIMMING

- ✓ Improves service reliability
- ✓ Speeds up restoration time
- ✓ Keeps crews & communities safe



come overgrown and expensive to correct. A strategic vegetation management program helps keep costs down for everyone.

When it comes to vegetation management, there are ways you can help too. When planting new trees, make sure they're planted a safe distance from overhead power lines. Medium-height trees (40 ft. or smaller) should be planted at least 25 ft. from power lines. Taller trees (over 40 ft.) should be planted at least 50 ft. from power lines. You can also practice safe planting near pad-mounted transformers. Plant shrubs at least 10 ft. from the transformer door and 4 ft. from the sides. If your neighborhood has underground lines, remember to contact 811 before you begin any project that requires digging.

Additionally, if you spot an overgrown tree or branch that's dangerously close to overhead lines, please contact your local electric cooperative.

We have deep roots in our community, and we love our beautiful surroundings. It takes a balanced approach, and our vegetation management program is a crucial tool in ensuring service reliability.



### "Watch for overhead power lines."

Jacob Ymker, Age 10

Jacob reminds readers to watch out for overhead power lines. Great job, Jacob! Jacob's parents are Mark and Marion Ymker from Armour, 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.

# Heart-Warming DESSERTS

## APPLE BREAD

### Ingredients:

1/2 cup brown sugar  
1 1/2 tsps. cinnamon  
*Mix in small dish & set aside.*

2 eggs (room temperature)  
1/2 cup sugar  
1 tsp. vanilla  
1/2 cup melted butter or  
margarine

*Mix together in a bowl and add:*  
1 1/2 cups flour  
1 tsp. baking powder  
1/2 tsp. baking soda  
2 cups chopped apples

### Method

Pour 1/2 of the batter into a greased and floured bread pan. Sprinkle 1/2 of the cinnamon and sugar mixture over it. Add remaining batter and top with remaining cinnamon sugar mixture.

Bake at 350° for 45-60 minutes.

**Grace Klein**  
Sioux Valley Energy

## PUMPKIN CHEESECAKE DESSERT

### Ingredients:

1 cup heavy whipped cream  
8 oz. cream cheese, whipped  
1/3 cup sugar  
1/2 cup brown sugar  
1 can pumpkin puree  
1 tbsp. pumpkin pie spice  
1 tsp. vanilla  
1 pkg. cheesecake pudding mix

### Method

Beat 1 cup heavy whipped cream and set aside.

In a separate bowl, mix and beat the cream cheese, sugar, brown sugar, pumpkin puree, pumpkin pie spice, vanilla, and cheesecake pudding mix.

Fold the whip cream into this mixture and spread in a graham cracker crust

Refrigerate two hours before serving plus add a spray of whip cream and sprinkle cinnamon on top.

(Optional) add chopped pecans or walnuts.

**Susan Forma**  
Union County Electric

## CHERRY COCONUT BARS

### Ingredients:

#### Crust

1 cup flour, sifted  
1/2 cup butter  
3 tbsps. powdered sugar

#### Mixture

2 eggs, slightly beaten  
1 cup sugar  
1/2 tsp. baking powder  
1/4 cup flour  
1/4 tsp. salt  
1 tsp. vanilla  
3/4 cup chopped nuts  
1/2 cup coconut  
1/2 cup red maraschino cherries,  
quartered

### Method

Mix together flour, butter and powdered sugar. Spread in 8" square pan. Bake at 350° for 20-25 minutes or until it is a delicate brown.

In a bowl, mix in the remaining ingredients in the order given: eggs, sugar, baking powder, flour, salt, vanilla, chopped nuts, coconut, maraschino cherries.

Spread this mixture over the crust and bake again for 25-30 minutes. cool and cut into squares.

**Barbara Anderson**  
Lake Region 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.

# Watch the Clock and \$ave



**Sheila Gross**  
Energy Services  
Specialist

For more info on  
SVE programs,  
contact Sheila  
at [sheila.gross@siouxvalleyenergy.com](mailto:sheila.gross@siouxvalleyenergy.com).

**Sign up** for Sioux Valley Energy's Time of Use (TOU) Rate and receive a three-month risk-free trial! It's easy – just watch the clock to lock in energy savings. You save money by delaying energy-intensive activities and chores to off-peak times (16 hours a day). It's up to you how much you save. On-peak rates are higher than the standard rate program. The power is in your hands to decide when you use energy. It's a win-win: the Cooperative saves what the members save! Give it a try!



Put the power in your hands when you sign up for Sioux Valley Energy's Time of Use (TOU) rate. **Watch the clock to lock in off-peak savings 16 hours of every day!** Shifting energy use to off-peak times when rates are the cheapest benefits the member and the Cooperative – we both save money!


## How to Save with the Time of Use Rate:

- Get into the habit of doing energy-intensive activities such as laundry, dishwashing or charging an electric vehicle during off-peak times. Watch the clock to reduce appliance use during on-peak hours. Leverage built-in appliance features such as delay start and use smart home technology to automate energy shifting.
- Cook with countertop appliances like microwaves, air fryers, pizza ovens, and slow cookers that can save energy. These appliances can prepare food more efficiently than traditional electric stoves.
- Practice conservation. Unplug electronics when they are not in use or use power strips/smart plugs to manage devices. Shut off lights, fans, and space heaters in unoccupied rooms. Use a smart thermostat to adjust your temperature a few degrees when away from home or during peak periods.
- Consider automatic timers for hot tubs, pool pumps, recirculating pumps, and other appliances to help minimize energy usage during on-peak times.



Call **1-877-511-8062** to sign up for a three-month risk-free trial! There is **no risk** – members can return to the standard rate upon request. Each monthly billing statement will include a note under the bar chart comparing TOU rate savings to the standard rate. This rate option is available for residential and general service rate classes, including co-generation accounts. **You must call to enroll.** Scan the QR code at left to learn more.



Standard Rate Program
<b>12.81 cents per kWh</b> (any time of day)
<b>7.45 cents per kWh</b> for submetered electric heat
TOU Rate Program
<b>7.16 cents per kWh</b> (10 a.m.–4 p.m. and 9 p.m.–7 a.m.)
<b>20.96 cents per kWh</b> (7 a.m.–10 a.m. and 4 p.m.–9 p.m.)
<b>7.45 cents per kWh</b> for submetered electric heat
<i>Rates are subject to change.</i>




## Want more information on your electricity use?

Check out Sioux Valley Energy's **Consumer Analytics** option on SmartHub!

- 💡 Insights into energy usage
- 💡 Energy savings tips
- 💡 Build a home profile for greater accuracy










**SIoux VALLEY ENERGY**  
A Touchstone Energy Cooperative

SERVING OUR MEMBERS. *Always.*

Visit us at: [www.sioxvalleyenergy.com](http://www.sioxvalleyenergy.com)

 (800) 234-1960
  @SVECOOP
  SIoux-VALLEY-ENERGY
  @SIouxVALLEY

Sioux Valley Energy is an equal opportunity provider and employer.

**Contact 1-877-511-8062 to sign up for a three-month risk-free trial!**

# SCHOLARSHIPS OFFERED

**Application deadline is Jan. 16**

**To be eligible you must...**

- ➔ Be a graduating high school senior or a first-time 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 an essay question. 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.sioxvalleyenergy.com/youth-scholarship-programs>, or by calling 1-800-234-1960.



**Deadline...** The deadline for this year's applications is 4 p.m. on Friday, January 16, 2026. Applications and supporting materials (*postmarked no later than January 16, 2026*) may be sent to: Sioux Valley Energy/Scholarship Contest, PO Box 216, Colman, SD 57017 or email to [scholarships@siouxvalleyenergy.com](mailto:scholarships@siouxvalleyenergy.com).

## 2026 DISTRICT MEETINGS SET

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](http://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.

<b>DISTRICT 1</b>	<b>ELKTON, SD</b> Community Center <b>THURSDAY APRIL 23</b>
<b>DISTRICT 2</b>	<b>VOLGA, SD</b> Sioux Valley High School <b>THURSDAY APRIL 16</b>
<b>DISTRICT 3</b>	<b>FLANDREAU, SD</b> William J. Janklow Center <b>THURSDAY APRIL 9</b>
<b>DISTRICT 4</b>	<b>MADISON, SD</b> Dakota Prairie Playhouse <b>TUESDAY APRIL 14</b>
<b>DISTRICT 5</b>	<b>COLTON, SD</b> Tri-Valley High School <b>TUESDAY APRIL 21</b> <b>Director Election</b>
<b>DISTRICT 6</b>	<b>BRANDON, SD</b> Brandon Valley High School <b>TUESDAY MARCH 31</b> <b>Director Election</b>
<b>DISTRICT 7</b>	<b>HARTFORD, SD</b> West Central High School <b>THURSDAY APRIL 30</b> <b>Director Election</b>
<b>DISTRICT 8</b>	<b>LUVERNE, MN</b> Generations Event Center <b>TUESDAY MARCH 3</b>
<b>DISTRICT 9</b>	<b>PIPESTONE, MN</b> Pipestone Area School <b>TUESDAY MARCH 24</b> <b>Director Election</b>
<b>DISTRICT 10</b>	<b>EDGERTON, MN</b> Edgerton Public School <b>THURSDAY MARCH 26</b>



# CO-OPS AT THE CAPITOL EVERY VOICE COUNTS

**Frank Turner**

[frank.turner@sdrea.coop](mailto:frank.turner@sdrea.coop)

Electric cooperatives carry a wide range of responsibilities to the members they serve. Beyond keeping the lights on, co-ops represent their communities, focus on member needs and help strengthen the places they call home. But behind the scenes, cooperatives also stay actively involved in legislative discussions to stay engaged in the decisions that shape how they serve their members.

According to Steve Barnett, general manager of the South Dakota Rural Electric Association, legislative efforts help protect reliable electricity, keep costs manageable and support rural communities across South Dakota.

“While it’s important that we stay involved in the topics that are relevant to our industry, it’s really about sharing our values and telling our story,” Barnett said. “Being involved means being engaged and aware of the challenges and issues coming up in the 2026 Legislative Session,”

In addition to SDREA’s internal

leadership, legislative efforts are supported by the association’s lobbying team in Pierre, led by Darla Pollman Rogers of Riter Rogers LLP. Rogers and her colleague, Ellie Bailey, have been involved with SDREA’s legislative work for more than two decades.

“A key component of this work involves relationship building with legislators to establish trust and credibility,” Rogers said.

Rogers noted that member engagement strengthens the cooperative voice during session and throughout the year. “The grassroots approach is huge for co-ops,” she said. “Hearing from members across the state and from different cooperatives helps strengthen our overall impact.” Rogers added that one of the best ways members can get involved is by getting to know their local legislators or attending Co-op Day at the Capitol to observe the process firsthand.

With the next session approaching, several topics are already drawing the attention of not only electric cooperatives but utilities across the

state. One of the proposals SDREA is following closely is Rep. Kent Roe’s data center bill, identified as Draft HB 31.

“We’re seeing an increase in interest from large data center developers looking to site facilities in cooperative service territory,” said Chris Studer, chief member and public relations officer at East River Electric Power Cooperative, a wholesale power supply cooperative which serves distribution co-ops in eastern South Dakota and western Minnesota. “We have been providing input on the data center bill to make sure the law would fit within our process and require data centers to invest in generation and transmission infrastructure to serve them, so we can protect our current cooperative consumers from the risk of building generation to serve these large consumers. At the end of the day, we’re not going to put our member-owners at risk, and engaging with lawmakers working on that issue is very important to our cooperative network.”

The association has also been working

with investor-owned utilities on wildfire mitigation legislation, which stands out as another priority for South Dakota cooperatives.

“Wildfire risk is a growing concern, and this proposal gives utilities a clear, consistent way to plan ahead. At its core, this legislation is about preparedness – making sure utilities have a plan and have reviewed it with their governing authority. By strengthening infrastructure, improving vegetation management, and coordinating closely with communities, the framework helps protect public safety while supporting the reliable service South Dakotans depend on,” Black Hills Electric General Manager Walker Witt said.

Cooperative members also have an important role in legislative advocacy. Their engagement helps ensure that rural needs and perspectives reach decision makers. Barnett encouraged members to stay active by reaching out to local lawmakers in their districts and attending local legislative forums and cracker barrels. These are formal town hall style gatherings where legislators answer questions and update the community.

“Members can contact legislators in their respective districts via email or by telephone,” Barnett said. “Attending cracker barrels is also a good way to stay engaged. These opportunities give members a chance to hear updates, ask questions, and share how policy decisions affect their communities.”

Barnett also noted the importance of staying alert during the legislative process, particularly when a bill is significantly amended. He explained that when a bill gets “hog housed,” it means it has been changed so much that the original version is no longer recognizable. “A hog housed bill is changed or amended significantly, to the point where a person may change their position on the bill,” he said. “Tracking these changes is essential to understanding the real impact a proposal may have if it becomes law.”

Barnett said SDREA will continue to represent the interests of both cooperatives and rural communities across the state. At the end of the day, it’s all about providing dependable electricity and keeping the lights on.



Gov. Larry Rhoden takes a picture with members of the electric cooperative network at Co-op Day at the Capitol last February.

*Photo by Jocelyn Johnson*

## STAYING INVOLVED

### Co-op Day at the Capitol

Electric cooperatives’ efforts to engage local legislators extend far beyond traditional lobbying. Every February, cooperatives from across the state gather for a light-hearted dinner at the South Dakota State Capitol to break bread with lawmakers, provide attendees industry updates and sit in on legislative committee meetings.

Last year, South Dakota cooperatives continued their time-honored tradition of serving pulled pork sandwiches and cowboy beans prepared by Ken Gillaspie, who formerly served as a director for East River Electric and as board president for Oahe Electric, and Roger Crom, a former loss control manager at SDREA.

The next Co-op Day at the Capitol is scheduled for Feb. 17, 2026.

### Legislative Banquets

In addition to Co-op Day at the Capitol, select electric cooperatives across the state host legislative banquets as a means of communicating the latest legislative environment with both their members and local lawmakers. Many times, these events provide a free meal to attendees and include updates on both the successes and challenges for the co-op.

Reach out to your local cooperative to learn more about local Legislative Banquets, Co-op Day at the Capitol or the latest legislative news affecting cooperatives. The co-op network is more than happy to engage.



# Rate Increase Drivers

Sioux Valley Energy electric rates will increase in 2026. The driving force behind those increases is higher wholesale power costs. More than 60% of every dollar paid to your electric cooperative goes towards paying for wholesale power and transmission...so when those costs go up, there is a significant impact on electric rates.

There are several reasons for the rising cost of wholesale power, but at the core the main driver is a need to build more electric generation and transmission facilities to support increasing demand from legacy members throughout the region. Legacy members are defined as current and future cooperative members that are traditionally categorized

as residential, farm, general service, commercial, and industrial. As an example, Sioux Valley Energy is forecasting that both the number of members and its corresponding electric load will essentially double in the next 20 years. To put that in perspective, it took over 80 years to get to get to 30,000 members.

While hyperscale large loads such as data centers, crypto-mining, and AI, etc., are a hot topic across the nation, they are not behind the 2026 rate increase. In fact, if a large load were to locate within the Cooperative's service territory, it would be required to pay its fair share of costs, insulating legacy members from the investment and ongoing expenses of serving electricity to these large projects.

## A CLOSER LOOK AT RISING WHOLESALE POWER COSTS:

### 1. HIGHER DEMAND FOR ELECTRICITY

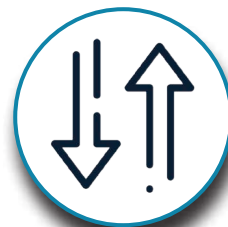
The electricity demand that our power suppliers are working to support is from "legacy" or "traditional" membership – residential, farm, general service, commercial, and industrial. To meet this need, Basin Electric Power Cooperative will invest approximately \$11 billion in the next 10 years. The value of the electrical equipment needed by Basin to serve



cooperative members is going to more than double over the next decade. This means Basin Electric will increase its electric generation by 50% and expand transmission mileage by more than 30%.

### 2. COMMODITY PRICE VARIABILITY

Dakota Gasification Company (DGC) is a for-profit subsidiary of Basin Electric; it owns and operates the Great Plains Synfuels



Plant near Beulah, North Dakota. The Synfuels Plant gasifies lignite coal to produce valuable gases and liquids. It produces fertilizers, solvents, phenol, carbon dioxide, and other chemical products for sale. Commodity prices have been down in 2025 are expected to stay that way for some time, which impacts the demand for the inputs and products that DGC produces – suppressing profits.

### 3. THE NEED TO BUILD EXTRA GENERATION AND TRANSMISSION TO MEET HIGHER RESOURCE ADEQUACY REQUIREMENTS FOR THE SOUTHWEST POWER POOL (SPP)

That is a mouthful, but in essence, it means that Basin Electric is required to build or secure extra electric generation and transmission in case of an emergency. Think back to the unexpected winter outages in February of 2021. A lot of things went wrong...extreme cold that spread down to Texas along with generating plant outages at the same time. There simply wasn't enough electricity being generated to meet the demand, which is why our system operators had to shut off power to some of our members. This is why many Regional Transmission Organizations (RTOs), like SPP, are requiring extra generation and transmission be built as a reserve (above and beyond what is needed for existing members and anticipated growth).



### 4. INVESTMENTS IN RELIABILITY

Basin Electric will need to make significant investments in existing facilities to make sure they can continue to generate electricity and have enough capacity in the system to serve today's members along with expected growth.



### 5. DROUGHT ADDER BY THE WESTERN AREA POWER ADMINISTRATION

Dams and hydro-power facilities did not generate enough power due to drought, forcing the Western Area Power Administration (WAPA) to purchase power at higher costs to meet its contractual obligations. Thankfully, we anticipate that WAPA rates will stabilize in 2027.



To add to the rate pressures listed above, electric utilities across the country, including Sioux Valley Energy, have experienced significant cost hikes on operational expenses such as vehicles, bucket trucks, conductor (wire), poles, transformers, tools, equipment, labor, financing, etc. Each level of the cooperative system – generation, transmission, and distribution – are all dealing with those same increases. On the local level, Sioux Valley Energy is paying those higher operating expenses, which needs to be covered by the members through electric rates.

Basin Electric announced plans to build a new natural gas-fueled generation facility in Williams County, North Dakota. The nearly \$4 billion project, called the Bison Generation Station, will be constructed near the existing Wheelock substation along U.S. Highway 2. With two roughly 745 megawatt (MW) units, the combined-cycle power plant will produce approximately 1,490 MW, making it one of the largest electric generation projects in the cooperative's history. Construction is expected to begin in early 2026 with the power plant being fully in service in 2030. Pictured is a model of what the power plant will look like once constructed.





South Dakota law allows electric cooperatives to place poles along public rights-of-way without needing an easement. Shown here, East River Electric's transmission lines north of Pierre are built within the right-of-way. In cases where the rights-of-way are crowded, have obstacles, or are otherwise not suitable for poles or line work, a co-op may seek an easement outside of the right-of-way.

*Photo by Jacob Boyko*

# EASEMENTS BRING SAFETY, RELIABILITY

## Why More Room Makes Sense for Co-ops, Line Crews & Members

**Jacob Boyko**

[jacob.boyko@sdrea.coop](mailto:jacob.boyko@sdrea.coop)

Serving rural members means maintaining thousands of miles of power line – and finding the space to safely build and access it. At your local electric cooperative, building, maintaining and repairing thousands of miles of infrastructure is a logistical challenge, but each and every piece of the system has its role in a functioning and reliable electric grid.

That's why easements, or agreements to use and access private land, are essential for co-ops and their members. At East River Electric Power

Cooperative, the generation and transmission co-op serving 25 member distribution systems in South Dakota and Minnesota, Engineering and Planning Services Manager Jon Aus works directly with co-op members to get easements for power lines.

In 2025, most cooperatives prioritize building lines along the public right of way – the area between the road and fence lines along roadways – instead of along quarter lines like they have historically, back when rights-of-way were cluttered with telephone and other overhead lines.

“That’s where we like it from an access and maintenance perspective,”

Aus said of rights-of-way. “Nowadays, when we develop a route for a line, we pick the roads we want to zigzag down to get from Point A to Point B.”

Placing infrastructure along roads improves accessibility for crews and speeds up outage response time, especially when mud or snow are a factor, Aus added. But the trade offs are a workspace limited to the shoulder and ditch and overall limited access to the infrastructure.

That’s where easements make all the difference. When a co-op member allows an easement, the co-op will set poles back just several more feet away from the road right-of-way onto private land, and crews can cross behind the fence when they need to access the poles. The impact on private land is minimal, but it’s a massive benefit for the line crews.

“Having an easement allows crews to work on the backside of the structures,” Aus said. “If you don’t get an easement and you don’t have any access rights, they’re stuck working everything from the ditch and the roadside.”

Engineers are meticulous when mapping routes for new lines, Aus added, noting the lengthy process for engineers as they consider pole placement, obstacles, hazards and community impact.

“At the onset of any project, we’re evaluating the impact of our routing,” Aus continued. “Public impact is right up there on our priorities along with reliability and maintenance. We don’t go down routes we foresee to have challenges with public impact.”

Distribution cooperatives see similar challenges on the ground. In southwest South Dakota, Black Hills Electric Cooperative System Coordinator Jesse Sorensen aims to manage a system that’s not only reliable and affordable, but also built on cooperation with members.

“Very rarely do we have someone reject giving an easement,” he said. “We’ve had very good luck sitting down with members and explaining everything to them that there are hundreds – if not thousands – of landowners that allowed easements so we could get electricity to this property.”

He continued, “The biggest concerns from landowners are about losing their trees or the aesthetic value of their property, and we’ll work with landowners by rerouting lines to prevent cutting prize trees or installing lines in prime views.”

At East River Electric, Aus’ team fields similar questions from landowners, usually concerning specific pole placement and whether poles will interfere with field access, an approach or operation of large machinery. He says it’s usually something the engineers can accommodate because ultimately, co-ops want to leave members’ land as good or better than they found it.

“We’ll even work with landowners to pay to replace any trees we have to remove if we obtain an easement from them,” Aus said.

As the co-op steadily grows and expands its transmission system, East River Electric General Counsel Danny Brown stresses that the co-op relies on voluntary easements, and in its 75-year history has never used eminent domain to obtain an easement.

“Eminent domain is not something we ever want to use,” Brown explained. “We try to educate and work with the property owners the best we can. At the end of the day, an easement is voluntary, and if we can’t make it work from the right of way, we have to start thinking about changing our route.”

But opting for alternate, less-efficient routes is a concession that can severely impact system reliability and leads to a higher price tag for co-op members to pay. Fortunately, Aus and Sorensen said most landowners understand the value of working with their cooperative for themselves and their community.

“There have been several times when landowners have said, ‘Absolutely, bring that line through here,’” Aus recalled. “They want to improve their reliability, or they know that they just need more electricity in that area for whatever they might be doing on their property. Most of the time we’re welcomed with open arms.”

That willingness helps keep cooperative power moving across the countryside.



When a co-op obtains an easement to build a line along a road right-of-way, the line is placed several feet away from the right-of-way border. In this photo, the right of way border is about at the fence line, with the poles placed several feet behind the fence.

On this route, East River Electric has an easement for 30 feet behind the fence line for when line crews need to maintain or repair the line, giving crews more room to work and better access to the structures.

*Photo submitted by East River Electric.*

# Built on Cooperative Strength



**Todd Brickhouse**  
General Manager/  
Chief Executive  
Officer  
Basin Electric  
Power  
Cooperative

August 18, 2025, was a historic day for Basin Electric Power Cooperative. Pioneer Generation Station Phase IV (PGSIV) became fully operational, and we began initial site grading for Bison Generation Station. Together, these generation stations will increase our dispatchable generation by more than 40%.

Congratulations go to the PGSIV project team, who can take great satisfaction and pride in a job well done. Their hard work resulted in the successful completion of this 580-megawatt (MW), \$805 million project on schedule and under budget. These investments, like every investment we make at Basin Electric, are consistent with our mission and obligation to our members to provide reliable and affordable power produced in a safe and environmentally responsible manner. Electricity is the foundation that powers family homes, businesses, farms, and industries across our region. That's why infrastructure investment matters – it ensures we can continue to meet today's needs while preparing for tomorrow.

## **Building for tomorrow, balancing costs today**

The need for new infrastructure has never been greater. National electricity sales have grown by about 1% annually this century, while our members' unit sales have increased more than 5% per year. Meeting that demand requires thoughtful planning and significant investment, all while navigating higher costs for materials, workforce challenges, and regulatory requirements.

To meet this demand and satisfy our obligation to our members, Basin Electric is undertaking one of the most ambitious capital build-out plans in our history. Our ten-year capital expenditure forecast has grown from \$1.4 billion in 2020 to nearly \$11 billion today. Such growth and investment require careful balancing between engineering, reliability, affordability, and financial considerations.

As evidenced by PGSIV and the substantial number of transmission projects completed this past year, we are making remarkable progress putting steel in the ground. With that progress, however, comes significant costs.

These investments are essential to keep our system reliable, and to fund these investments today, our rates are somewhat higher than they otherwise would be. The infrastructure we benefit from today is the result of similar prudent investments made years and even decades ago, so balancing reliability and affordability is nothing new for Basin Electric. At the same time, we are maintaining our strong financial profile, which allows us to fund these investments cost-effectively.

## **Mitigating risk, empowering communities**

Today's headlines are filled with stories about the technology industry's insatiable need for electricity, whether it be artificial intelligence, social media, or cloud computing. This has led to a common misconception: that our capital expenditure growth is being driven by data center demand. While we currently serve roughly 300 MW of data centers, our large capital investments are driven by traditional member load.

As requests for service grew from 25 to hundreds and eventually to thousands of megawatts, we recognized the need to develop a business model to serve these loads. Accordingly, we spent the first half of 2025 developing a large load business model with our members. This model shifts much of the development, financing, and operational risk from Basin Electric and our members to the large loads themselves, thereby insulating our members from additional rate pressure, stranded assets, and other risks.

When we talk about infrastructure, it is easy to think only of steel, concrete, power lines, and the dollars and cents to pay for them. But at Basin Electric, we know these projects are about more than what gets built in the ground – they are about people. The electrons Basin Electric produces are the raw materials of a modern economy, empowering communities and enabling people to pursue their varied work, business, and personal interests. Reliable and affordable energy is a key building block of higher standards of living, allowing our members to thrive.

# 2026 Rate Adjustment

The Sioux Valley Energy Board of Directors approved an overall average rate adjustment of 9.1% as of January 1, 2026.

Members will see the rate change on February billing statements, which reflect January energy usage. Rate adjustment percentages will vary depending on members' specific energy (kWh) usage.

## WANT TO LEARN MORE?



SCAN THIS QR CODE  
TO LEARN MORE.

LOG ON TO [SIOUXVALLEYENERGY.COM](http://SIOUXVALLEYENERGY.COM)  
OR CALL 877-511-8062

- Energy Saving Tips
- Time of Use Rate
- Rate Calculator
- Electricity 101 Info
- Rate FAQs
- Manager Message



## Why are my rates going up?

SVE's cost of wholesale power will increase by around 11% in 2026. Over 60% of your electric bill goes directly towards paying for power.

## What is driving the increased cost of wholesale power?

1

SVE's power supplier (Basin Electric) is **investing approximately \$11 billion** into new power plants & transmission over the next 10 years to support traditional member growth.

2

Fluctuations in commodity prices affect fuel costs. Basin Electric is anticipating a **negative impact** of these fluctuations on sales revenue at its subsidiaries.

3

Basin Electric has to build more electric generation than its members need to satisfy **higher capacity reserve requirements** required by the Southwest Power Pool.

4

Significant dollars are being invested by Basin Electric to **upgrade and maintain existing power plants** to ensure continued reliability.

5

**Hydro-power facilities** did not generate enough power due to drought, forcing the Western Area Power Administration to **purchase power at higher costs** to meet its obligations.



Uncontrollable costs

- 62¢ Power Supply
- 17¢ Indirect Expenses (taxes, interest, depreciation)
- 13¢ Labor
- 2¢ Operating Margins
- 6¢ Direct Expenses (cable locating, right-of-way clearing, pole & ground testing, billing, events, software, director expenses, educational programming, community investment, etc.)

## New Rates for Four Select Rate Classifications

### Farm and Rural Residential

### General Service

Rate Component	Old Rate	New Rate	Rate Component	Old Rate	New Rate
Single-Phase Basic Service Charge	\$65/month	\$65/month	Single-Phase Basic Service Charge	\$75/month	\$75/month
Three-Phase Basic Service Charge	\$120/month	\$120/month	Three-Phase Basic Service Charge	\$120/month	\$120/month
Energy Charge	\$0.1125/kWh	\$0.1281/kWh	Energy Charge	\$0.1125/kWh	\$0.1281/kWh

### Residential

### Large Power

Rate Component	Old Rate	New Rate	Rate Component	Old Rate	New Rate
Basic Service Charge	\$30/month	\$30/month	Basic Service Charge	\$1.50/kVa	\$1.50/kVa
Energy Charge	\$0.1125/kWh	\$0.1281/kWh	Demand Charge	\$17.50/kW	\$19.50/kW
			Energy Charge	\$0.0411/kWh	\$0.0442/kWh

SCAN THIS  
QR CODE TO  
LEARN MORE.



Visit us at: [www.sioxvalleyenergy.com](http://www.sioxvalleyenergy.com)



(800) 234-1960



@SVECOOP



SIOUX-VALLEY-ENERGY



@SIOUXVALLEY

## 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: \_\_\_\_\_



### UNTIL JAN. 6

#### Garden Glow

5-9 p.m. (Closed Dec. 24-25, Jan. 1)

SDSU McCrory Gardens

Brookings, SD

[www.sdstate.edu/mccrory-gardens](http://www.sdstate.edu/mccrory-gardens)

*Photo Courtesy of Travel South Dakota*

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 DEC. 26

#### Christmas at the Capitol

8 a.m.-10 p.m. (Holidays Included)

South Dakota State Capitol

Pierre, SD

605-773-3178

[christmasatthecapitol.sd.gov](http://christmasatthecapitol.sd.gov)

### UNTIL JAN. 5

#### Winter Wonderland at the Falls

5 p.m.

Falls Park

Sioux Falls, SD

### DEC. 20-21, 23-24, 27-28

#### 1880 Train Holiday Express

Hot Chocolate, Santa

Hill City, SD

[www.1880train.com](http://www.1880train.com)

605-574-2222

### DEC. 31

#### American to the Heart

#### New Year's Eve Bash

Doors Open at 5:30 p.m.

American Legion

Sioux Falls, SD

Tickets: 605-336-3470

### JAN. 4, FEB. 1

#### American Legion Post 15

#### Pancake Breakfast

8:30-12 p.m.

The Alliance

1600 W. Russell St.

Sioux Falls, SD

605-336-3470

### JAN. 6-8

#### Dakota Farm Show

USD Dakota Dome

Vermillion, SD

[www.dakotafarmshow.com](http://www.dakotafarmshow.com)

### JAN. 20

#### Prohibition & the Pig

Lake Cty. Museum Fundraiser;

Prohibition-Era Bootlegging

6 p.m.-7:30 p.m.

\$60 per ticket

The Office Bar & Grill

Madison, SD

605-256-5308

### JAN. 23-24

#### Pro Snocross Races

Deadwood, SD

605-578-1876

### JAN. 27, FEB. 24

#### American Legion Post 15 Bingo

5 p.m. Social, 6 p.m. Meal,

6:45 p.m. Bingo

Reservation Required for Meal

1600 W. Russell St.

Sioux Falls, SD

605-682-1222

### JAN. 28-30

#### Sioux Falls Farm Show

Sioux Falls Convention Center

Sioux Falls, SD

### JAN. 30-FEB. 7

#### Annual Black Hills Stock Show

Central States Fairgrounds

Rapid City, SD

[www.centralstatesfairinc.com](http://www.centralstatesfairinc.com)

### 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](http://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

605-692-7444

### FEB. 21-MARCH 1

#### Sioux Falls Home Show

Sioux Falls Convention Center

Sioux Falls, SD

**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.**