



**Capital
Electric**
COOPERATIVE

DECEMBER 2022

Capital Electric Cooperative chose a dinosaur theme for its entry in the 2022 Celebration of Trees. This is the 16th year the co-op has participated in the program, which is sponsored by Pride, Inc.

Celebration of Trees



Energy Services Coordinator **NaTesa Messerschmidt** hangs an ornament on a dinosaur-themed Christmas tree. The tree is one of many that will be donated to families in need through the Celebration of Trees program.

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Celebration of Trees brings cheer to families in need

BY KRISTA RAUSCH



Energy Services Coordinator **NaTesa Messerschmidt** (left), Billing Representative **Jenny Zastawniak** (center) and Manager of Communications and IT **Wes Engbrecht** stand by Capital Electric Cooperative's submission for this year's Celebration of Trees.

Christmas trees are an iconic part of the holidays. We sing about them in Christmas carols and gather around them on Christmas morning. And for the last 21 years, they've been a symbol of hope and joy for people with disabilities and families in need.

Pride, Inc., started the Celebration of Trees in 2001 with the goal of giving back to the community. Now in its 21st year, the program has raised more than \$315,000 and provided Christmas trees to more than 1,462 families in need.

Local businesses sponsor and decorate the trees. The trees are then donated to families in need. Proceeds help provide clothing, food, transportation, medication, housing and more to people with disabilities. This year, 69 area businesses sponsored trees.

"Capital Electric is a proud participant in the Celebration of Trees," says General Manager Paul Fitterer. "The holiday spirit is about giving, gratitude and grace. Thanks to Pride, Inc., and the participating businesses, families in need can enjoy the timeless tradition of a Christmas tree, and people with disabilities have access to the services and support they need."

Capital Electric has participated in the Celebration of Trees for the past 16 years. This year, co-op employees decorated the co-op's tree with dinosaur ornaments and colorful bulbs. The co-op hopes the tree will be delivered to a family with young children.

You can see Capital Electric's tree on display at the Bismarck Event Center during the Pride of Dakota Showcase, Dec. 2-3. While you're there, don't forget to vote for your favorite tree! Online voting will also be available from Dec. 7-10 at go.bismarcktribune.com/celebrationoftrees2022. The top five trees will be featured in the *Bismarck Tribune Celebrate* on Dec. 17. 🗳️



This year, Capital Electric Cooperative chose a dinosaur theme for its tree.



Jenny Zastawniak hangs an ornament on the Christmas tree.



Capital Electric Cooperative offers student scholarship

Capital Electric Cooperative is offering a \$1,000 student scholarship, in partnership with Basin Electric Power Cooperative.

To qualify for the scholarship, students must be enrolled or planning to enroll in a full-time undergraduate or graduate course of study at an accredited two-year or four-year college, university or vocational/technical school. Their parent(s) or guardian(s) must be members of Capital Electric.

Our cooperative will assemble a panel of impartial judges to review all applications. The judges will select the winning application based on academic performance, potential to succeed, leadership and participation in school and community activities, honors, a statement of education and career goals, work experience and an outside referral. The scholarship will be awarded without regard to other awards, loans or financial assistance the applicant may have obtained.

Application forms may be downloaded at www.capitalelec.com or picked up at co-op headquarters at 7401 Yukon Drive in Bismarck. **Applications need to be completed and returned to Capital Electric on or before Friday, Feb. 15, 2023.**

Inflation Reduction Act of 2022: How it affects the energy industry and you

BY WES ENGBRECHT

On Aug. 16, a federal budget reconciliation bill, known as the Inflation Reduction Act of 2022, was signed into law. The bill passed in both the Senate and House of Representatives by a simple majority, which is allowable for this type of bill.

What is the focus of the Inflation Reduction Act?

The Inflation Reduction Act aims to reduce the national deficit, address climate change, invest in clean energy, reduce the cost of health insurance and prescription drugs, and reform and enforce the tax code. Of the \$740 billion reassigned by the act, nearly half will be invested in climate and energy-related programs:

- The act makes \$250 billion in low-interest loans available for improvements to infrastructure, including transmission lines, refineries and power plants, and allocates \$9.7 billion to various programs and credits, which will benefit rural electric systems.
- The Clean Vehicle Credit will provide up to \$7,500 in tax credit to those who purchase a qualifying electric vehicle (EV). A \$4,000 credit will also be available for a qualifying purchase of a used EV. A credit of \$40,000 for qualifying heavy-duty vehicles will also be available.
- A 30% tax credit will benefit homeowners who install solar and wind energy or energy efficient products. An additional \$8.6 billion will be available for a variety of other home energy savings programs.

The bill also levels the playing field between electric cooperatives and investor-owned utilities (IOUs) by providing access to incentives previously unavailable to cooperatives. Co-ops that deploy new energy technologies can now receive direct payments equal to the tax credits available to IOUs. This incentive makes it more cost-effective for electric cooperatives to invest in clean-energy technologies.

How is the program funded?

The program is funded by a 15% minimum tax on corporations with over \$1 billion in revenue, prescription drug pricing reform, an excise tax on corporate share



Capital Electric Cooperative's Chevrolet Bolt charges at a public charging site. The Clean Vehicle Credit will provide tax credits for qualifying electric vehicles.

buyback and additional IRS enforcement.

Some of these changes will affect Capital Electric members and can result in money in your pocket from tax credits and rebates. Contact Energy Services Manager Josh Schaffner at 701-712-7920 or josh@capitalelec.com for more information. ☺

Power Supply Emergency Alert Notification System: **Stay informed of possible outages**

It is important for Capital Electric Cooperative and its members to be prepared for power outages and other energy emergencies.

As you may recall, some of our members experienced rolling blackouts due to unprecedented demand on the electric grid in February 2021. The Power Supply Emergency Alert Notification System now exists to inform utilities and the public about the possibility of power supply shortages within your area. Power supply markets extend across many states within the Midwest, and excessive power demand in any part of this region could result in limited power availability throughout the entire region. Capital Electric receives power from two power supply markets.

To prepare for future energy emergencies, the co-op is providing an option for members to receive notifications for these limited resource events. Members can register to receive email and/or text notifications via SmartHub, the online portal to their account. To sign up, visit capitalelec.com/smarthub or download the SmartHub app on your phone. Once registered, members can update their contact information by clicking on Notifications and Contact Information.

By signing up for notifications, you will receive timely information on emergency alerts as they are issued. Energy Emergency Alerts (EEAs) will be issued in increasing order of severity:

- **EEA Level 1:** This alert is issued when all available resources have been committed to meet obligations, and the regional transmission organization (RTO) is at risk of not meeting required operating reserves. The market normally has power reserves. An EEA Level 1 indicates an RTO may need to dip into those reserves to keep the power on.
- **EEA Level 2:** This alert is issued when an RTO is using all available power generation (including reserves) to keep the power on. Members should reduce their energy consumption and prepare for an outage. Simple, effective ways for members to meaningfully conserve energy include adjusting thermostats; scheduling appliances, like dishwashers and washing machines, to run during off-peak times or delaying cycles altogether; and keeping doors, windows and blinds shut to retain heat in their houses.

- **EEA Level 3:** At this level, demand has exceeded all available generation sources and load must be reduced to keep the grid intact.

Capital Electric thanks its members for their patience during weather outages and other energy emergencies. The co-op strives to provide safe, affordable electricity to its members and is proud of its overall system reliability. Excluding power supply events such as the one in February 2021, Capital Electric members experience less than 25 minutes of service interruption in an average year.

If you have questions about the emergency alert system or are having issues signing up for notifications through SmartHub, please contact us at 701-223-1513. ☎





- Peak Time Rebate Program -
**REDUCE ELECTRIC USE,
EARN MONEY.**

IT'S AS SIMPLE AS THAT.

Peak Time Rebate summer results

Capital Electric Cooperative has had another round of calculations done for its Peak Time Rebate (PTR) program. Co-op members, who participated in the program and earned a rebate by lowering electric usage during peak times between May and September, will see a bill credit on their December statement.

The summer season, basically the non-heating season, is generally focused on inching the temperature up in your house a little to save air conditioning energy usage. If you utilize less energy than usual during the called “peak times,” you could earn a rebate for that savings.

This month, Capital Electric will issue more than \$46,000 in rebates to members who participated in the program this past summer. The rebates will be credited to 4,123 accounts. The average rebate is \$11.14, and the highest rebate was \$141.90.

The PTR program was launched on Oct. 1, 2017, and

has been helping to reduce the co-op’s peak energy demand. Capital Electric’s peak demand results in around 60% of its total monthly wholesale power cost. Participating co-op members are notified each time a “peak event” is anticipated. Peak events are typically two-hour periods during the warmest part of the day.

Participating in the PTR program provides a dual benefit to members. When a member reduces energy use during a peak event, they not only have a chance to earn a rebate, they also save money on a monthly electric bill. This means participants save money, even if a rebate is smaller than they anticipated. In addition, they help reduce the co-op’s overall peak demand to some degree, which benefits every co-op member.

The program continues to be free and voluntary to members. If you have any questions or concerns about the program, please call the co-op at 701-223-1513. ☎



From our co-op family to yours,
wishing you a joyous holiday season
and a happy and peaceful New Year!

AN ALL-EXPENSE-PAID TRIP TO WASHINGTON, D.C.

ESSAY QUESTION:

If chosen as a Youth Tour delegate, you will be traveling to Washington, D.C., to experience and learn about America's rich history. What moment in American history do you wish you had been a part of and what would you have contributed?

TOP 3 REASONS

1. All-expense-paid trip to Washington, D.C., compliments of Capital Electric Cooperative
2. A whole week to visit unforgettable historic monuments, museums and the U.S. Capitol
3. A learning experience you'll never forget

JUNE 18 TO 23, 2023



- To enter the essay-writing contest, you must be a sophomore or junior in high school.
- You and your parents or guardian must be served by Capital Electric Cooperative.
- If you have any questions, please contact Wes Engbrecht, Capital Electric, at 701-223-1513 during regular business hours.
- The deadline is Jan. 20, 2023. You can email entries to Wes Engbrecht at wese@capitalelec.com or mail a hard copy to: Youth Tour Essay Contest, PO Box 730, Bismarck, ND 58502-0730.



CHECK OUT THE ESSAY CONTEST GUIDELINES AT
ndyouthtour.com

Board minute excerpts **OCT. 21, 2022**

The Capital Electric Cooperative Board of Directors held its regular meeting on Friday, Oct. 21 at Capital Electric's headquarters, 4111 State Street, Bismarck, North Dakota. All directors were present at that time. Also present, in person, were: Manager Paul Fitterer, Business Manager Luke Steen, Operations Manager Rick Dressler, Engineering Services Manager Greg Owen, Energy Services Manager Josh Schaffner, Manager of Communications and IT Wes Engbrecht, and Attorney Zachary Pelham of Pearce Durick, PLLC, who acted as recording secretary.

Minutes and Agenda: President Deon Vilhauer called the meeting to order. The agenda was approved as presented.

Following review, the board approved the minutes from the Sept. 19 board meeting and the Oct. 3 special board meeting.

Financial Review: Prior to the board meeting, Directors Dwight Wrangham and Lyndon Anderson reviewed the September 2022 check register and expenditures. They advised all checks and expenditures were in order. The financial review was approved as presented.

Management Reports (Business Department, Operations Department, Engineering Services, Energy Services and Communications/IT):

Business Department Report: Steen presented the September financial and statistical report to the board.

Total kilowatt-hour (kWh) sales for September were ahead of budget by 8.6%. Monthly electric revenue was ahead of budget by 6.4%.

The co-op's September load factor was behind budget, an unfavorable variance of 8.53%.

The operating margin for September was -\$612,784, behind the budgeted amount of -\$430,532. The total margin for September was -\$598,490, which was behind the budgeted -\$362,536.

Capital Electric began billing 68 new services in September, bringing active services to 21,879 versus 21,547 at this time last year, or a net increase of 332 accounts over the last 12 months.

The cash flow statement and monthly power cost for September were reviewed. Accounts receivable balances as of Oct. 20 were also reviewed.

Estate Retirements: Following review of the financial condition of the cooperative and recommendation by management, 11 estate retirements totaling \$8,170.92 were approved.

Write-offs: Third quarter write-offs amounting to \$5,037 were approved. Total 12-month write-offs are \$15,507.

Revenue Deferral: After discussion, it was approved to execute and adopt a resolution to the Rural Utilities Service (RUS) to extend the current deferred revenue plan through December 2024.

Operations Report: Dressler reviewed the written report from the operations department. All operations material and equipment have been moved to the new facility. Crews replaced 3 miles of underground three-phase cable installed in the late 1970s in the Regan area. They are waiting on the arrival of breakers to complete the new Gibbs substation.

Safety Report: There were no lost time accidents in August.

Without objection, the safety report was approved.

Engineering Services Report: Owen reviewed the written report from the engineering services department.

There were 18 work orders completed in September.

Owen reported on ongoing and upcoming projects, including reports of local contractors having labor shortage issues, a bitcoin group working to find a location for a possible facility within Capital Electric's territory and the status of delivery of meters to allow for continuation of meter changeouts.

Property Update: Owen reported on continued efforts to market the administrative building, the closing on the sale of cooperative property that includes the service center and the status of modifications to the new facility. CRA Group's Kyle Holwagner provided information to the board on the status of efforts to market the administrative building.

Energy Services: Schaffner reviewed the Energy Services Report.

Thirteen service orders were completed in September.

Schaffner reported on the installation of a new outdoor sign at the new facility, removal of the generator and installation of a new solar well system.

Communications and IT: Engbrecht reviewed topics of interest. He reported on the Member Advisory Committee meeting, the emergency notification features accessible through SmartHub, and replacement of outdated AV equipment and systems in the new facility's boardroom.

Rate Discussion: Steen reviewed a presentation on external forces impacting rates and how management is working to develop rate structures to lessen the impact. Following discussion, no action was taken.

2023 Budget Draft: Steen reviewed the income statement and draft budgets for 2023 for sales/revenue, power costs, capital expenditures, expenses and the income statement.

Policies: Owen reviewed proposed modifications to the Parallel Rate Generation Policy, which were approved.

Basin Electric Power Cooperative: Fitterer reported on Basin Electric matters. Director

David Straley was nominated as delegate and Director Dave Charles nominated as alternate at Basin Electric's annual meeting.

Central Power Electric Cooperative: Straley reported on Central Power's October board meeting.

Industry Update: Fitterer reviewed materials related to power markets and general cooperative news.

North Dakota Association of Rural Electric Cooperatives (NDAREC): Vilhauer reported on the grand reopening of NDAREC's renovated headquarters facility and the new Lineworker Training Center.

National Rural Electric Cooperative Association (NRECA): Fitterer reported on the recent regional meeting.

Mid-West Electric Consumers Association: Fitterer reported on the agenda for Mid-West's annual meeting. Director Rex Hollenbeck was selected as delegate. Anderson was selected as an alternate.

National Information Solutions Cooperative (NISC): Fitterer reported on his attendance at the member conference.

Adjournment: There being no further business, the meeting was adjourned. ☺

CAPITAL ELECTRIC COOPERATIVE
4111 State St. N.
Bismarck, ND 58503
Website: www.capitalelec.com

BOARD OF DIRECTORS:

Deon Vilhauer, Pres.	Bismarck
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Kyle Tschosik, Asst. Sec.-Treas.	Bismarck
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Sara Vollmer.....	Wing

OFFICE HOURS:

Monday-Friday : 8 a.m.-5 p.m.
Office phone: 701-223-1513
Toll-free: 888-223-1513
Pay-By-Phone: 1-877-853-5928
DAY-NIGHT-WEEKEND
TROUBLE CALL: 223-1513

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