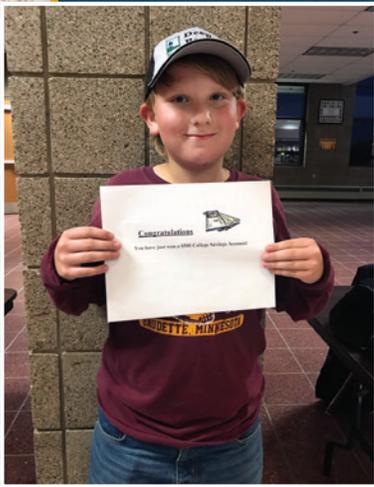


2018 ANNUAL MEETING HIGHLIGHTS



Jacob Schnellman of Baudette wins the \$500 College Saving Account at North Star's annual meeting.



The Lake of the Woods fifth-grade chorus sings the National Anthem at the beginning of the annual meeting.



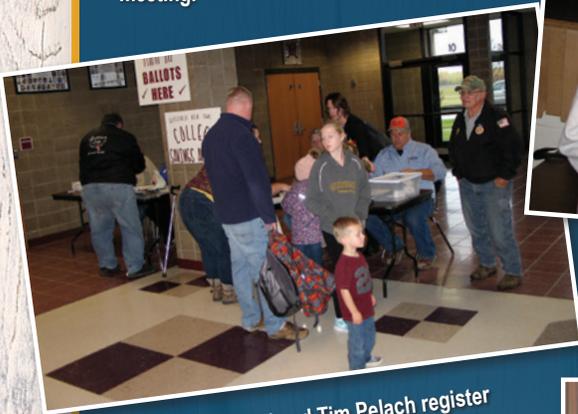
Mac McLennan, Minnkota Power Cooperative president & CEO, answers a question from members during the panel discussion.



Ann Ellis, North Star general manager, presents a certificate to Heather Larson for a \$500 energy credit.



Before the annual meeting more than 400 attendees are served a meatball dinner prepared by the Lake of the Woods school kitchen staff.



Robin Sonstegrad and Tim Pelach register kids for the \$500 drawing for the 529 College Saving Account. Sixty registered for the drawing.



The Lake of the Woods school pep band provides entertainment before the meeting.

Two-hundred-twenty-seven members register at the meeting.



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www.northstarelectric.coop

North Star Electric Cooperative, Inc.
MISSION STATEMENT

To improve the lives of our member-owners and community by responsibly providing clean, affordable, electric energy and other beneficial services while maintaining the very highest standards of performance and member satisfaction.

This institution is an equal opportunity provider and employer.

DIGGING SOON?



One free, easy call gets your utility lines marked **AND** helps protect you from injury and expense. Safe digging is no accident:

ALWAYS CALL 811 BEFORE YOU DIG.

Highlights from the **BOARDROOM**

These are the highlights from the board of directors' Aug. 31, 2018, meeting. All board members were in attendance (665-01-007-05, Dennis Sapp). In addition to routine motions, the board voted to set next year's annual meeting date as Oct. 4, 2019 and to approve changes to the employee appreciation policy and the retirement and recognition policy.

Staff reports included the safety report, bus transportation at the annual meetings, unclaimed capital credit donations, the financial report, the annual report preparation, the mail-in ballot process for districts with more than one candidate, the upcoming financial audit, capital credits received from vendors and lenders, rebates from the co-op for work the Northwest Community Action has done to help low-income

members conserve energy, service upgrades, pole changeouts, right-of-way clearing and mowing, the summer work plan project with Lake States Contracting, damage from the Aug. 27 storm, pole attachment billings, service territory agreements, the draft 2019-2022 Construction Work Plan and the EPA's replacement plan (ACE/Affordable Clean Energy Plan) for the CPP (Clean Power Plan).

Detailed minutes are available at the cooperative for member review. Regular board meetings are generally held the first Wednesday of every month. If you wish to speak with the board or have an item that you would like to have placed on the agenda, please contact Manager Ann Ellis at least two weeks in advance to be included on the agenda.

Reliable backup system a must!

Electric off-peak heating systems must be capable of 200 hours or more of interruption each winter season, although this year we are



expecting about 200 hours of control. "In order to realize the full benefits of the load management program, it is very important that our members work with a qualified

heating contractor to ensure that they have an automatic, adequate and well-maintained backup heating system," said Wayne Haukaas, manager of compliance and member service.

The electric off-peak heating program continues to provide great value to members today, just as it did when it was first utilized in the late 1970s. The winter heating season is here, and North Star Electric stands ready to assist our members with their electric heating options.



Veterans Day

HONORING ALL WHO SERVED

North Star Electric Cooperative will be closed Monday, Nov. 12, in observance of Veterans Day.



Ann Ellis
General Manager

MANAGER'S REPORT

As I write this, it is the evening of Oct. 10, and the weather is not nice. It is unseasonably cold, wet snow is falling, there are a few outages and off-peak loads are being controlled. This makes me think it is a good time to talk

about some of the tools we offer to help you.

Is my off-peak being controlled?

The first call came from a neighbor, and they wondered if off-peak loads were being controlled. The way to find out requires you know what address (called the load group

and double order) that your off-peak equipment is tied to. This is printed on every electric bill. I think the easiest way for a member to quickly find this info is by looking at your bill image on our Smart Hub app. If



you haven't downloaded this app, the first time you use it you'll need your account number to register. Smart Hub gives you access to images of all of your electric bills, allows you to make online payments, shows you your daily electricity consumption and more.

Once you have your load group and double order number, you can determine if your off-peak load is being controlled and what the plans are for the day. You'll go to our website <http://nse.coop>, then the tab Off-Peak and Off-Peak Load Control Status to see the matrix that tells you what Minnkota is controlling at that moment.



Reporting outages

The next call was from a relative who had just come home to a dark house. Remember, it is a wet, snowy night. We knew about two outages, but not one in their area. I asked him to call our after-hours dispatchers to report their outage. Again, your account number helps speed up the call, and the phone number to call is **1-888-668-8243 (888-6OUTAGE)**. You may want to create a contact in your cell phone with this number along with a note that includes your account

number, which doubles as your location. The first three numbers identify your township, the next two numbers identify your section number, the next three identify your location within that section and the last two roll forward each time there is a change in ownership. This allows us to keep your accumulated capital credits separate from previous owners of your property.

Why load control in October?

Supply and demand have to match in the world of zero-shelf-life electricity. With increased intermittent resources (wind), coupled with the unseasonable weather, load control is the option to create the needed balance (251-25-012-07, Ronald Madsen). The alternative is purchasing higher-cost electricity from someone else on the grid. Having the option to use the load management tool gives Minnkota the ability to keep rates stable. (FYI - our preliminary budget shows no rate increase again in 2019.)

New AMI system being deployed

Over the next 18 months we will deploy a new AMI (automated metering infrastructure) system. It will provide enhanced information that will allow us to offer new tools for you to better manage your electric bill. You will have access to hourly usage info, so not only will you be better able to drill down to find out what may be causing unusual usage, it will allow us to explore different rate options that can reward members who modify their usage behaviors to align usage with times when electricity is cheapest. The new system is also guaranteed to report 99.5 percent of the meter readings, which will be a great improvement for those of you who have been required to read your own meters.

Annual meeting recap

We couldn't have been more pleased with the great attendance, the fifth-grade choir that sounded like angels singing the national anthem, great dialog, and another increase in the number of young members in attendance. We were very close to adjourning at our one hour target. Thank you to all of you who attended, and if you have any comments or suggestions to make it better, we are all ears!

At your service we remain ... *Ann*



LIKE US ON FACEBOOK TO STAY UP-TO-DATE!

Like your cooperative at [www.facebook.com NorthStarElectric](http://www.facebook.com/NorthStarElectric) for outage updates during winter weather and other useful information.



LED lighting rebate form



ENERGY STAR® bulbs highly recommended
(Rebates will not exceed 50 percent of purchase price)

Complete this form, attach a copy of your purchase receipt and mail to: North Star Electric Cooperative, P.O. Box 719, Baudette, MN 56623 Attn: Wayne
(Rebates will be in the form of a credit on your electric account)

Name: _____

Address: _____

City: _____ State: _____ Zip: _____

Phone #: _____ Other Phone #: _____

North Star Electric account number: _____

Name of retailer: _____

Replacing 40-60W bulb: (\$4/bulb rebate)
Number of bulbs: _____

Replacing 75-100W bulb: (\$8/bulb rebate)
Number of bulbs: _____

Energy saving comparison

(Incandescent vs. LED light bulbs)



Incandescent	LED
100 watt	15 watt
8 hours/day	8 hours/day
31 days/month	31 days/month
Equals 24,800 watts (24.8 kWh)	Equals 3,720 watts (3.7 kWh)
At 12.2 cents/kWh + 6.875% sales tax	At 12.2 cents/kWh + 6.875% sales tax
Equals \$3.23/month	Equals \$0.48/month
Savings per bulb per month with LED = \$2.75	
Cost of LED bulb after rebate = \$4 <i>(at either North Star Electric Cooperative office)</i>	

If you know of any other energy-saving device that will pay for itself this quickly, please let North Star know about it, and we will have it in a future Enlightener.

Celebrate with savings!
Buy energy efficient Christmas lights and decorations

LED Rebate

How to apply:

1. Purchase LED Christmas plug-in (not battery operated) lights and decorations in 2018.
2. Complete this rebate form and submit it to North Star Electric Cooperative by Dec. 31, 2018, with a copy of your sales receipt and the packaging showing the number of lights per string. ENERGY STAR® LEDs recommended.
3. Select appropriate rebate in the box below. **Rebate cannot exceed 50 percent of cost.** Maximum of 5 strings per customer.



Name _____ City/Zip _____

Account # _____ Phone # _____

Address _____

Number of Strings	Rebate per String	Total Rebate
Less than 99 lights	\$3	
100-199 lights	\$6	
200-299 lights	\$9	
Greater than 300 lights	\$12	

Mail to: North Star Electric Cooperative • P.O. Box 719 • 441 St. Hwy. 172 NW • Baudette, MN 56623

Keep watch over your space heater

As colder temperatures approach and you reach for your space heater to help you get cozy and warm, make sure you consider the potential dangers of using one. If misused, it can cause electric shock or fire.



When plugging in your space heater, never use an extension cord. Although handy and convenient, an extension cord cannot handle the energy spikes caused by a space heater and may become overloaded, possibly causing a fire. Also make sure the appliance is plugged in properly so there is not a loose connection, and carefully consider where you'll place the heater in your home.

"A portable space heater can add to the quality of your indoor living, but its misuse has potentially dangerous outcomes, and using it properly should be an absolute priority," says Molly Hall, Energy Education Council executive director.

Safe Electricity offers additional tips to keep you and your family safe while using portable space heaters:

(article continued on page 6) _____

Cold weather disconnects and the law

216B.097 COLD WEATHER RULE; COOPERATIVE OR MUNICIPAL UTILITY

The cold weather law does not totally forbid winter cutoffs. If you receive a disconnection notice this winter, you must act promptly.

An electric cooperative must not disconnect the utility service of a residential customer during the period between Oct. 15 and April 15 if the disconnection affects the primary heat source for the residential unit when the following conditions are met:

(1) the customer has declared inability to pay on forms provided by the utility. For the purposes of this clause, a customer who is receiving energy assistance is deemed to have demonstrated an inability to pay;

(2) the household income of the customer is less than 50 percent of the state median income. All income documentation must be returned along with your Inability To Pay form unless you have verified income eligibility with an energy assistance provider in clause (3);

(3) verification of income may be conducted by the local energy assistance provider or the utility, unless the customer is automatically eligible for protection against disconnection as a recipient of any form of public assistance, including energy assistance that uses income eligibility in any amount at or below the income eligibility in clause (2); and

(4) the customer receives referrals to energy assistance programs, weatherization, conservation or other programs likely to reduce the customer's energy bills.

The cold weather law provides you with these options

The RIGHT to declare your inability to pay. If you do so and if your household income is less than 50 percent of the state median income, the service affecting your primary heat source cannot be disconnected for nonpayment of your bill. However, we

have the right to accept or reject your request based on information supplied or other supporting documentation.

The RESPONSIBILITY, if you choose to declare inability to pay. You must complete an "Inability to Pay" form and return it to us within fifteen (15) days of the notice to disconnect. You must contact us immediately to arrange a payment plan.

Local energy assistance providers

Lake of the Woods County	218-634-2642
Koochiching County	218-283-7000
Northwest Community Action	800-568-5329
Kootasca Community Action	877-687-1163
Arrowhead Economic Opportunity	800-662-5711

The RIGHT to a mutually agreeable payment schedule with us. The schedule will cover your existing arrears plus the estimated usage during the payment schedule period.

The RIGHT not to be involuntarily disconnected on a Friday or on a day before a holiday, or until at least twenty (20) days after the postmark on the notice to disconnect or until fifteen (15) days after the notice and information has been personally delivered.

The RIGHT not to be disconnected until the utility investigates whether the residential unit is actually occupied when a customer does not respond to a disconnection notice. If the unit is found to be occupied, the utility must immediately inform the occupant of the provisions of this section. If the unit is unoccupied, the utility must give seven days' written notice of the proposed disconnection to the local energy assistance provider before making a disconnection.

The RIGHT to appeal the disconnection of service to the North Star Electric Cooperative board of directors. If you choose to

appeal, you must deliver or mail a personal letter stating your situation and issues in dispute. Your letter must be in our hands before the date of disconnection. You will be notified when the board of directors will review your appeal and you may be present at the review. No disconnection of service will take place during the appeal process.

If you do not meet all the conditions of the cold weather law as outlined on this notice, you do not qualify for winter shutoff protection. However, you still can continue to receive electric service if you call us to set up a mutually acceptable payment arrangement. Call North Star Electric at **218-278-6658** or **888-258-2008**, BEFORE the due date on your disconnection notice.

If you meet all the conditions of the cold weather law, can't pay your electric bill, and need cold weather protection from utility shutoff, call North Star Electric to have an Inability to Pay form sent to you. Complete the form and return it to North Star Electric Cooperative immediately along with your income documentation.



Our offices will be closed

Thursday, Nov. 22,

– and –

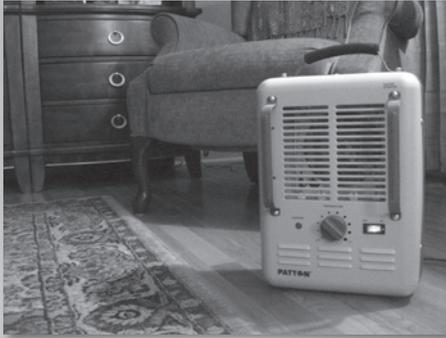
Friday, Nov. 23,

in observance of Thanksgiving.

COMMENTARY

Listen to what your mother told you:

If it sounds too good to be true, it probably isn't true.



I am sure that you have heard radio ads or have seen ads in newspapers and magazines that claim they can cut your heating bill by **UP TO** 50 percent by just buying their electric space heater. With the high price of heating in northern Minnesota, who wouldn't like to do that? I know I would, but the key wording in these ads is **UP TO**. There is a lot of difference between 50 percent and **UP TO** 50 percent. The ad that I read explaining the way you could do this was to turn the heat down in your house to as low as 50 degrees and move the space heater into the room which was occupied. The savings are not in the heater; it is the fact that you turned the heat in your house down to 50 degrees. They claim the space heater will not reduce humidity or oxygen, which is true, but it is also true that the space heater you buy at the local hardware store doesn't either. There are 3,413 Btus for each kilowatt-hour, and the only way to get more is with heat pump technology. I have not seen nor heard of anything like that with portable electric heaters. In northern Minnesota, during the winter, one plug-in space heater is not going to heat a 1,000-square-foot home. My advice is that if you have a cold spot in your house and \$200 burning a hole in your pocket, go to your local hardware store, buy a space heater for \$50 and use the other \$150 to reinsulate your home or give it to your favorite charity.

Keep watch over your space heater

(article continued from page 4)

- Place heater in open areas and keep it at least three feet away from anything that can burn, such as paper or rugs; also do not place it near combustibles in your home such as paint, varnish, harsh cleaners, aerosol sprays or nail polish remover.
- Monitor space heaters when they are in use.
- Do not use them in potentially wet areas, such as kitchens or bathrooms.
- Do not use space heaters around small children.
- Keep space heaters away from pathways or doors in your home, and make sure the cord is not a tripping hazard.
- Do not use open-coil space heaters.
- Do not use a heater in disrepair or with a frayed cord or damaged plug.
- Do not plug any other electrical devices into the same outlet as the space heater.
- Before using your heater, read all manufacturer's instructions and warning labels.
- Place them on flat, level surfaces and never place on furniture, counters or carpet, which can overheat.
- Select a space heater that is endorsed by a recognized testing laboratory.
- Space heaters are for supplemental heat only; they should never be used for another purpose (thawing pipes or drying clothes, for example).
- When not in use, unplug the heater and put it away.

A space heater can help keep you warm, but be sure to use it with care so that you'll stay safe in the colder months (111-04-015-02, Kathy Dale). For additional safety tips, visit SafeElectricity.org.

Off-peak heat repair rebate



North Star Electric has an off-peak repair rebate for our members. In addition to the \$20/kW rebate for newly installed or replaced electric heating systems, we offer up to \$10/kW to repair existing systems (parts only) when you have a contractor make the repairs. Here are the guidelines:

- North Star Electric Cooperative will pay up to \$10/kW to repair existing off-peak systems, (parts only) if installed by a professional contractor.
- A copy of the dated **itemized receipt** for the parts and professional contractor's labor is required.
- The rebate will be applied to the member's electric bill.
- All requests for rebates must be received at North Star by June 30, 2019.

If you have any questions about this or any other rebates from North Star, please feel free to give us a call at **218-634-2202**.

Current electrical inspectors



State law requires that every new electrical installation in any construction, remodeling, replacement or repair shall file a certificate for inspection and be inspected by a Minnesota electrical inspector. For more information, go to Minnesota Department of Labor and Industries website (dli.mn.gov) and go to the electrical page.

- **Lake of the Woods, St. Louis and Koochiching counties:**
Curt Collier - Email: cgcollier67@gmail.com
Phone: (218) 966-5070
Call to set up an appointment between 7 a.m. - 8:30 a.m. (Mon. through Fri.)

- **Roseau county:**
Bryan Holmes
Phone: (218) 686-1413
Call to set up an appointment between 7 a.m. - 8:30 a.m. (Mon. through Fri.)



Fuel prices could affect load control this winter

Slightly higher fuel prices, in particular propane, entering the heating season could impact the number of load control hours for North Star Electric's off-peak members in winter 2018-19.

"As those prices go up, the market follows those trends and you see more control. It impacts our consumers," said Todd Sailer, Minnkota Power Cooperative senior manager of power supply and resource planning.

Sailer said Minnkota, your cooperative's wholesale energy supplier, estimates 200 to 250 hours of dual-heat load control this winter. This compares to the 10-year average of 170 hours.

Last year's total of 60 control hours shows that moderate temperatures and low market conditions can combine to result in a small amount of control hours.

Other than the natural gas and propane prices inching up, Minnkota's demand response outlook is similar to the 2017-18 forecast. The unknown is possible forced outages at Minnkota and elsewhere in the wholesale energy market.

"Market price volatility is driven by fuel prices, weather and generator outages. These events drive the majority of the control hours," Sailer said.

Minnkota has the ability to control up to 350 megawatts through its demand response system. This includes dual-fuel systems, temporarily controlling storage heating systems, large-capacity water heaters, home vehicle chargers and large industrial consumers with backup generators. Millions of dollars have been saved due to the successful operation of Minnkota's load management system for about 40 years.

Two outages could have an impact

on the number of load control hours. Unit 1 of the Milton R. Young Station is offline until early November after a major outage was extended for damage discovered during the outage. Also, Coyote Station, which is partially owned by the Northern Municipal Power Agency, has an outage scheduled to begin March 29 and last into May.

NMPA and its operating agent, Minnkota, receive 128 megawatts of power from Coyote.

"Any time you have a generator out, you're exposed more to the market," Sailer said. "Right now we have some scheduled outages for the first part of November and then again in the spring. We typically do not schedule maintenance in the January and February time frame when we're at peak conditions. That's where the unplanned or forced outages come into play."

During outages and periods of peak electric demand, Minnkota's first option is to purchase energy from the power market. If the timing is not right and affordable power is not available, off-peak loads are temporarily controlled. The savings are passed on to retail consumers through the lower off-peak heating rate.

"Controlling load during these periods protects consumers from the volatility of the market and prevents the need to build new power plants just to serve peak loads," Sailer said.

An off-peak system consists of an electric heating source as its primary component. A supplemental heating source must operate several hundred hours or more during the winter season. Sailer said members with a well-maintained backup heating system should not notice a difference in comfort level when their off-peak heating system is controlled.



Problems paying your electric bill?

Energy assistance may be available!

If you are receiving a low income or are suffering from a temporary financial shortfall, the following agencies may be able to assist you with your electric bill. We urge you to contact them immediately to avoid disconnection if you feel you are eligible for aid.

Lake of the Woods County Social Services

206 8th Ave. SE, Suite 200
Baudette, MN 56623
634-2642

Northwest Community Action Council

P.O. Box 67
Badger, MN 56714-0067
800-568-5329

Koochiching County Community Services

1000 5th St.
International Falls, MN 56649
283-7000

Kootasca Community Action, Inc.

2232 2nd Ave. E.
P.O. Box 44
International Falls, MN 56649
283-9491 or 800-559-9491

Kootasca Community Action, Inc.

Grand Rapids, MN 55744-3984
Toll free 877-687-1163
Direct 218-999-0800
Fax 218-999-0220

Arrowhead Economic Opportunity Agency

702 3rd Ave. S.
Virginia, MN 55792
800-662-5711

EPA releases new carbon regulation proposal

Minnkota Power Cooperative, North Star Electric Cooperative's wholesale power provider, is studying a proposal from the Environmental Protection Agency to replace the Clean Power Plan with a new rule governing carbon dioxide emissions from existing coal-based facilities.

The Affordable Clean Energy (ACE) rule, released Aug. 21, appears to be a step in the right direction because it provides states with the latitude to implement plans focused on each individual power plant within their borders. Under the proposal, states would set a unit's performance standard by determining the Best System of Emission Reduction from a list of seven candidate technologies identified by EPA. The technologies focus on efficiency upgrades known as heat-rate improvements.

"It is encouraging to see EPA propose a rule that recognizes coal facilities across the United States cannot be regulated using a one-size-fits-all approach," said Craig Bleth, Minnkota environmental manager. "By looking at these facilities on an individual basis, EPA is empowering states to factor in unique fuel types, operating characteristics and other important circumstances when determining the best method of achieving emissions reductions."

The ACE rule also proposes to modify EPA's New Source Review program to streamline the process for plants to make efficiency improvements without having to go through a prolonged and costly permitting process.

EPA indicates that CO₂ emissions will be approximately 34 percent below 2005 levels upon full implementation of the ACE rule, which is consistent with expected reductions under the Clean Power Plan. Although it was finalized in 2015, the Clean Power Plan was never implemented due to a Supreme Court stay pursued by Minnkota and other electric cooperatives. The rule's stringent targets and aggressive timelines would have likely forced North Dakota utilities into costly,

irreversible and irrevocable decisions on the future operation of their coal-based facilities.

The ACE rule will undoubtedly face its own legal, technical and political challenges. Minnkota will continue to work closely with its industry partners to formulate comments on the rule.

Minnkota monitors CO₂ regulatory changes because a significant portion of its energy is generated at the Milton R. Young Station, a coal-based facility located 35 miles from Bismarck, N.D. About \$425 million has already been invested into the emission control technologies at the Young Station.

Changes in the path toward CO₂ regulation have not affected Minnkota's efforts to evaluate Project Tundra, which aims to equip Unit 2 at the Young Station with technology that could capture up to 90 percent of its CO₂ emissions. The CO₂ would then be used for enhanced oil recovery (EOR) or safe, permanent, geologic storage. Much of the initial project design, engineering, testing and economic analysis is being conducted in 2018.

"We continue to support a regulatory framework that empowers energy innovation," Bleth said.

