

MRES TODAY

November 2024

A NEWSLETTER OF



MRES PLANNING RATE INCREASE IN 2025

During its September meeting, the Missouri River Energy Services (MRES) Board of Directors (Board), at the direction of the Board's Finance Committee, approved increasing its wholesale power supply rates in 2025 and adopted a wholesale power supply rate plan that includes forecasted increases through 2029.

The rate increase will take effect Jan. 1, 2025, and will average out to be 3.0 mills, which is \$0.003 per kilowatt-hour (kWh) or 5.3%, over the year. Forecasted rate increases from 2026 to 2029 are projected to average 4.7% annually. The projected 2025 power supply rate of 60.0 mills, or \$0.06 cents per kWh, is expected to be just slightly higher than the actual 2021 rate.

The Board decided to increase rates due to a combination of factors, including more capital spending on generation resources and increased investment in transmission projects to ensure future reliability for MRES members. Minimal

long-term load growth coupled with the rising costs MRES pays for purchased power are additional rate pressures that led to the increase. MRES is working to stay ahead of these expected cost changes by implementing a series of smaller increases.

Even with the rate increase, Missouri River's power supply rate will continue to be lower next year compared to 10 out of 12 similar utilities in the region. MRES rates are expected to be 10% lower than the median of those 12 utilities.

Meanwhile, the Western Area Power Administration is expected to increase rates by a total of 14% over the next two years. The final rate order confirming these increases is expected to be published in late November or early December 2024.

For more information on the rate increase, please contact Vice President and CFO Chris Olson at **605-338-4042** or info@mrenergy.com.

MRES BREAKS GROUND AT NEW SOLAR PROJECT

MRES held a groundbreaking ceremony to mark the start of construction on the Brookings Solar Project, a 5-megawatt solar facility located just outside the MRES member community of Brookings, South Dakota. The event took place Nov. 6 at the project site and welcomed approximately 50 attendees, including representatives from MRES, Brookings Municipal Utilities (BMU) and local government officials.

Among the featured speakers were Matt Schull, MRES president and CEO; Steve Meyer, BMU general manager; Nick Wendell, Brookings deputy mayor; and Doug Carruthers, BMU board vice president. Each shared their vision for the Brookings Solar Project's impact on the local community and its role in advancing renewable

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BRIGHT ENERGY CHOICES PROGRAM UPDATED FOR 2025

For many years, a wide range of “green energy” programs were developed and offered by electric utilities. As these programs have matured, there has been increased regulatory guidance on how utilities and their customers may make claims regarding the renewable or carbon-free nature of the energy they consume.

Effective Jan. 1, 2025, MRES is revising its Bright Energy Choices program, which was launched in 2020, to align with current guidance and give our local member utilities and their customers an easy, affordable way to increase their use of renewable and carbon-free energy. Through this program, utilities and retail customers can purchase Renewable Energy Certificates (RECs), directly supporting clean energy and helping reduce the community’s carbon footprint.

WHAT’S A REC?

A REC is a digital certificate created when 1 megawatt-hour (1,000 kWh) of electricity is generated by a qualifying renewable facility — such as hydro, wind or solar generator — and fed into the electric grid. Each REC is assigned a serial number so it can be tracked. These certificates have value and can be bought and sold.

RECs represent environmental attributes, but not the energy itself. In fact, RECs and energy are separate products and are often purchased and sold separately. To claim a specific percentage of renewable energy use, corresponding RECs must be “retired,” meaning they cannot be used again.

MRES retires RECs in our members’ names, as directed by members. Members participating in the program receive a report each spring detailing the RECs retired on their behalf.



BRIGHT

ENERGY CHOICES

PARTICIPATION OPTIONS

MRES members can choose to participate at the utility level or offer the program to their retail and business customers. Rates are the same for both options and established annually.

1. Community Participation

Member utilities can purchase RECs on behalf of their community. Each fall, members will use a REC Order Form to designate the percentage of their energy usage to be covered by REC purchases for the following year. (This does not include any RECs purchased by retail customers in No. 2 below.) These REC purchases will determine the makeup of the member’s Environmental Footprint chart.

2. Retail Customer Participation

Retail customers (commercial and residential) can purchase RECs to offset the portion of their energy usage that is not already carbon-free, based on the utility’s Environmental Footprint chart. Offering the Bright Energy Choices program is at the discretion of the utility.



To help members explain these changes to their customers, MRES has updated resources available on the **members-only section of mrenergy.com**.

MRES BREAKS GROUND AT NEW SOLAR PROJECT *(Continued)*

energy options for MRES member utilities. The event concluded with a traditional shovel ceremony, symbolizing the beginning of construction.

When complete, the project will generate enough energy to power approximately 1,100 homes annually. It is being financed through the Western Minnesota Municipal Power Agency (WMMPA), which finances the construction and acquisition of the generation and transmission facilities MRES uses to serve its 61 member utilities.

“The Brookings Solar Project is a testament to our commitment to a sustainable future for our municipal utilities and their communities,” Schull said during the ceremony. “This project is a vital investment in clean energy and strengthens our commitment to reducing our carbon footprint while supporting economic growth in the communities we serve.”

For more information, please contact MRES Vice President of Member Services and Communications Tim Blodgett at **605-338-4042** or info@mrenergy.com.



MRES President and CEO Matt Schull (left) and BMU General Manager Steve Meyer (right) shared their vision for the Brookings Solar Project's impact on the local community and its role in advancing renewable energy options for MRES member utilities.



From left: MRES Senior Resource Engineer Nick Fanning, Nick Wendell, Matt Schull, Doug Carruthers, Steve Meyer, ALP (Minnesota) Utilities General Manager Ted Cash and Sioux Center (Iowa) Municipal Utilities Utility Manager Murray Hulstein participated in the Brookings Solar Project's ceremonial groundbreaking. Meyer, Cash and Hulstein also serve on the MRES board of directors, and Cash is secretary of the WMMPA board of directors.

GAVINS POINT DAM RELEASES BEING REDUCED TO WINTER RELEASE RATE

According to a recent news release, the U.S. Army Corps of Engineers (USACE) will begin reducing releases at Gavins Point Dam to the winter rate of 12,000 cubic feet per second (cfs). These releases are scheduled to begin Nov. 22.

Releases will be gradually reduced by 3,000 cfs each day until reaching a rate of 15,000 cfs. The rate of reduction will then slow to 1,000 cfs every five days until reaching the winter release rate. Fort Randall releases will be stepped down in a similar manner, approximately one day prior to the Gavins Point reductions. However, USACE said releases may be temporarily increased to provide additional water when extremely cold temperatures cause ice formation and lower-than-expected stages on the Missouri River.

DROUGHT CONDITIONS WORSEN

The news release also said October runoff in the Missouri River basin above Sioux City, Iowa, was 0.5 million-acre-feet (MAF), which is 43% of average. Runoff was below average in every reach except Sioux City, which was slightly above average. Based on the most recent U.S. Drought Monitor, over 95% of the Missouri River Basin is under abnormally dry or drought conditions. Drought conditions are expected to persist or expand in the upper basin over the next month, with improvement likely in the lower basin.

As of Nov. 1, the calendar-year runoff forecast for the upper basin is 23.0 MAF, which is 90% of average.

CELEBRATING PUBLIC POWER WEEK 2024!

From utility staff reading books to preschool and elementary school students to social media campaigns to featuring their line trucks in parades, public power was on display as MRES members celebrated Public Power Week.



The City of Pierre (South Dakota) had t-shirts made for its electric utility employees using the #ILovePublicPower logo MRES developed for this year's Public Power Week celebration. Pierre also used the logo on LEDs it gave away to customers.



Vermillion (South Dakota) Light & Power co-branded stainless-steel tumblers to use as giveaways to customers throughout the week.



Denison (Iowa) Municipal Utilities showed off a few of its trucks during a parade. Plus, utility staff visited local schools where they handed out gift bags, held coloring contests and even had a Public Power Week-themed "selfie" frame for kids and teachers.

Mark your calendars for next year's Public Power Week, which will be held Oct. 5-11, 2025.

MRES MEMBERS SEND MUTUAL AID TO FLORIDA

In October, lineworkers from three MRES member communities in Minnesota responded to the call for mutual aid in Florida due to damage from Hurricane Milton.

Moorhead Public Service (MPS) deployed four lineworkers to Kissimmee, Florida. This marks the third time MPS has been asked to provide aid in Florida during hurricane recovery efforts.

Marshall Municipal Utilities (MMU) also sent two lineworkers and a truck to Kissimmee, and a crew from the Hutchinson Utilities Commission also went south. The line crews spent a couple weeks assisting Florida's municipal utilities in restoring power before returning home.

The dedication, hard work and unwavering support provided by the lineworkers and member utilities made a significant difference in Florida's recovery efforts, exemplifying the value of public power.



MMU lineworkers Justin Varness (left) and Trevor Morin spent two weeks in Florida providing mutual aid due to hurricane damage.

20 UTILITY PROFESSIONALS GRADUATE FROM HIGH-LEVEL LEADERSHIP COURSE

Twenty utility professionals recently earned their leadership certification as part of the LEAD Course, a workshop presented by MRES. The LEAD Course stands for Leadership, Excellence and Development, and the course is a high-level leadership training that focuses on the critical skills, awareness and perspective that makes a difference in the success of a leader in the municipal utility industry.

To earn the certification, graduates attended four separate two-day sessions throughout the year with coursework covering communication, collaboration, change, accountability, learning from failure and practicing leadership.

“Workforce development is a strategic priority for MRES and a top concern for our members,” said Matt Schull, president and CEO of MRES. “Developing strong

leaders within our member utilities

is crucial to ensuring a reliable and resilient power supply for the communities we serve, and I want to congratulate this year’s class for taking a significant step forward in their leadership journey.”



Kent Myers facilitates the LEAD Course. Myers is the managing principal of Vision Companies and has been consulting with teams for over 25 years, focusing on leadership and culture development.



Here are this year’s LEAD Course graduates, listed by utility or member community:

- **ALP Utilities:** Brian Dahl, Water Distribution Manager
- **Breckenridge Public Utilities:** Corey Haugen, Public Works Supervisor
- **Brookings Municipal Utilities:** Ryan Thompson, Electric Maintenance Supervisor, and Todd VanderWal, Electric Construction Supervisor
- **Hillsboro Municipal Utilities:** Sara Myers, Deputy/Utilities Auditor, and Abby Hjelmstad, Administrative Assistant
- **City of Luverne:** Marissa Marr, Billing Clerk
- **City of Madison:** Val Halvorson, City Manager
- **Moorhead Public Service:** Mark Moilanen, Finance Director, and Marc Pritchard, Water Plant Manager
- **City of Pierre:** Robert Townley, Water Superintendent
- **City of Valley City:** Brenda Klein, Finance Director
- **Willmar Municipal Utilities:** Ed Zurn, Line Distribution Supervisor
- **Worthington Public Utilities:** Eric Roos, Utility Coordinator
- **MRES:** Ben Gentz, Government Relations Liaison; Pauline Roberts, Senior Accountant; Wade Sand, Energy Services Field Representative; JP Schumacher, Economist Supervisor; Jordan Unterbrunner, Rate Analyst I; and Darlene Weber-Scott, Energy Services Technical Specialist

Cybercriminals are adopting a 'mobile first' strategy *By KnowBe4*

With more than 16 billion mobile devices in use worldwide, new data sheds light on how cybercriminals are shifting their focus and tactics to put attacks into the victim's hands.

There's an interesting story woven throughout mobile security provider Zimperium's 2024 Global Mobile Threat Report that demands the attention of organizations intent on securing every attack vector, including personal mobile devices.

According to the report:

- 82% of organizations allow employees to bring your own device, or BYOD
- The average smartphone has 80 apps installed, with only five to 11 being work-related
- 85% of the apps on the device are personal apps that all have some potential impact to the organization's risk exposure
- 71% of employees leverage smartphones for work tasks
- 60% of employees use their smartphones for work-related communication
- 48% of employees use their smartphones for accessing work-related information

While the Zimperium report goes into more about the insecurity of the apps on devices, let's stick with the fact that employees are using their mobile devices for work to a material degree.

According to the report, there's a huge shift toward attacking via mobile devices. As an example, consider these additional stats:

- 83% of phishing sites are being designed to specifically target mobile devices
- Mobile malware instances have increased 13% in the last year
- 80% of all malware observed by Zimperium were riskware and trojans deployed as "sideloaded apps" on mobile devices

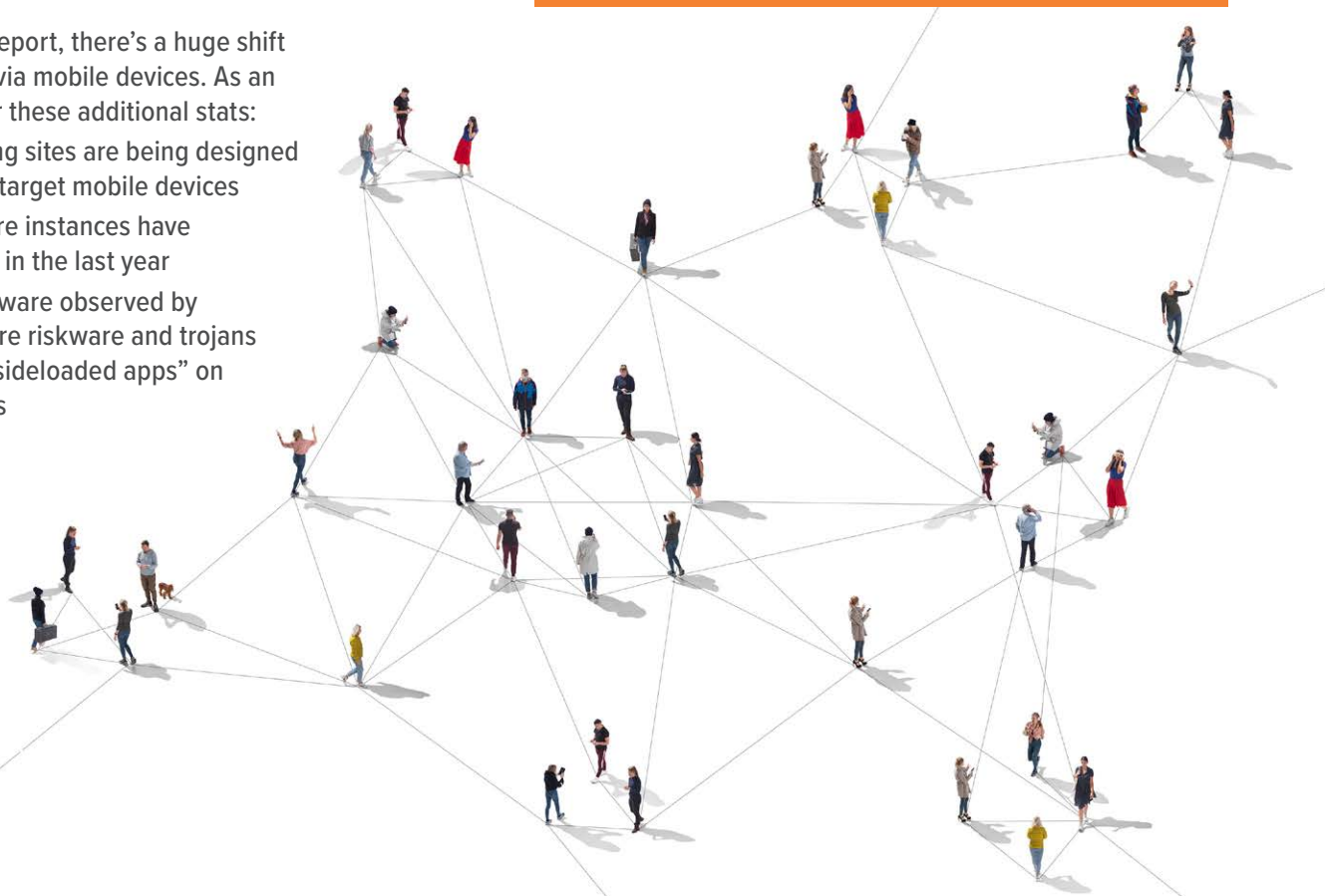
In other words, the data points to two things: mobile presents a real risk to organizations, and cyberattacks are shifting toward mobile.

The bottom line? Because most organizations have limited ability to secure an employee's personal devices, it's necessary to leverage employees as part of the organization's security strategy. This is most easily achieved through security awareness training to elevate their continual sense of vigilance when interacting with email and the web on a mobile device.

Missouri River Energy Services **CYBERSECURITY SERVICES**

MRES launched its Cybersecurity Services program in 2022 to help MRES members identify cybersecurity risks, determine costs and establish steps to mitigate them, all at a discounted rate.

For more information or to schedule a cybersecurity assessment for your utility, please contact MRES Cybersecurity Architect John Bade at **605-338-4042** or **info@mrenergy.com**.



MRES SCHOLARSHIP PROGRAM KICKS OFF DEC. 1

Each year MRES awards scholarships to high school seniors entering education programs related to the energy industry. This year, up to 12 scholarships will be granted in two categories for students who enroll in eligible programs by fall 2025.

Up to five \$1,000 scholarships will be awarded to high school seniors who plan to enroll in a full-time undergraduate course of study at an accredited two- or four-year college, university or technical school.

To be eligible, the student must reside in a household receiving electric service from one of Missouri River's 61 member utilities. Students planning to pursue courses of study closely related to the energy industry — electrical technician (field service technician, wind turbine maintenance, power plant maintenance, etc.), accounting, electrician, engineering, energy or business management, communications, and many more — will be given preference for these scholarships.

These awards may be renewed for up to three additional years or until a bachelor's degree is earned, whichever occurs first. Renewal is contingent upon satisfactory academic performance in a full-time course of study and MRES continuing to offer the program.

Additionally, up to seven scholarships of \$2,000 each will be awarded to students who enroll in a full-time powerline/lineworker program at an eligible technical college. These scholarships are one-time only and not renewable. Applicants do not need to reside in a household receiving electric service from an MRES member utility.

Here is a state-by-state list of eligible technical colleges:

IOWA

- Northwest Iowa Community College — Sheldon

MINNESOTA

- Dakota County Technical College — Rosemount
- Minnesota State Community and Technical College — Wadena
- Minnesota West Community and Technical College — Granite Falls and Jackson campuses

NORTH DAKOTA

- Bismarck State College — Bismarck

SOUTH DAKOTA

- Mitchell Technical College — Mitchell

DEADLINE TO APPLY

MARCH 14, 2025

The application process opens Dec. 1 and closes March 14, 2025. For more information about the MRES scholarship program or to apply online, go to www.mrenergy.com and click on the link for scholarships or scan the QR code to the right.

EVENTS CALENDAR

NOV 29 -
DEC 31

GARDEN OF LIGHTS WALKING TOUR

Alexandria, Minnesota
explorealex.com/events

DEC
6

29TH ANNUAL FESTIVAL OF LIGHTS

Brookings, South Dakota
downtownbrookings.com

DEC
6-8

WINTERFEST WEEKEND

Luverne, Minnesota
www.luvernechamber.com

DEC
6-8

CASEY TIBBS COWBOY CHRISTMAS & VENDOR FAIR

Fort Pierre, South Dakota
fortpierre.com

DEC
7

LIGHTED PARADE

Atlantic, Iowa
www.atlanticiowa.com/chamber

DEC
13-14

SHARPSHOOTER CLASSIC

Winner, South Dakota
winnersdchamber.org

To have your event listed, send the event's date, name, location and contact information to info@mrenergy.com.

Visit mrenergy.com/events to see a full listing of calendar events for MRES and its members.



MRES Events



The MRES scholarship program is administered by Kaleidoscope, and awards are granted without regard to race, color, creed, religion, sexual orientation, age, gender, disability or national origin.



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MEMBER PROFILE — LAKE PARK, MINNESOTA

The area that eventually became Lake Park was originally home to Native American tribes, including the Dakota, and fur traders were the first Europeans to settle in the area as early as the 1840s.

Originally established as Liberty Township, the area was renamed Lake Park Township in 1871. A few years later Lake Park was incorporated, and it wasn't long before it became a bustling town, thanks to the railroad connecting Lake Park to larger markets and fostering its growth as a local hub.



The name “Lake Park” originates from a Dakota phrase meaning “where the prairies meet the waters,” which accurately describes the town’s location at the intersection of farmland and lake country in west-central Minnesota. Interestingly, according to the city’s website, many of Lake Park’s original settlers were Norwegian immigrants drawn to the area for its fertile farmland and familiar landscape, which was reminiscent of their homeland.

Today, with a population just shy of 800, Lake Park retains its

small-town appeal while supporting a diverse range of local businesses. Agriculture remains the main economic driver, but small businesses, retail shops and service providers have also found a home in Lake Park, serving residents and attracting visitors from nearby areas.



The town’s proximity to nearby lakes is also a defining feature that draws people to the area. The nearby lakes make Lake Park a popular spot for fishing, boating and water sports, and there are also plenty of local parks and trails where residents and visitors can take in the natural beauty of the region.

Lake Park Public Utilities was established in 1927 and provides electric, gas, water and wastewater services to the people and businesses that call Lake Park home. The utility joined MRES in March 1969. The official representative to MRES is Superintendent of Utilities Todd Frank, while Lead Utility Worker Adam Simon is the alternate.

To learn more about Lake Park, visit lakeparkmn.com.