

## Verendrye Electric Cooperative

1225 Hwy. 2 Bypass East  
Minot, ND 58701

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### MISSION STATEMENT

*Our goal is to provide information about your power supplier and generation cooperative, to offer ideas on power quality and conservation, and to suggest ways we can work together for our mutual benefit.*

*70 years of service and...*

## HERE TO STAY!

We have 54 full-time and seven part-time employees who keep the lights on for more than 11,800 meters scattered throughout a 4,900 square mile area.

Unlike some utilities, we are not downsizing, closing offices or reducing service. We are not splintering management or taking directions from some distant place. We are your local electric company.

## Business and residential members can save with VEC rebates

Rebates will be available to residential and commercial members of Verendrye Electric Cooperative who purchase qualifying energy efficient products in 2010.

New to the rebate program this year is a rebate for commercial lighting, which includes farm shops. Members can get rebates of \$.50 per watt saved with hard wired lighting retrofits up to a maximum of \$1,000 per building. The rebate does not apply to new construction.

To encourage the use of heats pumps, VEC has increased the incentives for installing them and will continue to offer 5% financing for the installation. The rebates are \$125 per ton on air source heat pumps and \$250 a ton on ground source heat pumps. The maximum rebate is \$500 per building for an air source heat pump and \$1,000 per building for a ground source heat pump. To qualify for rebates the heat pump must meet energy star minimum efficiency requirements.

VEC will continue to offer rebates for Marathon water heaters. The water heater rebate is \$3 per gallon, with an additional \$350 for heat pump water heaters. Water heaters must be connected to off-peak service to be eligible for the rebates.

Contractors will also get rebates for installing heat pumps and Marathon water heaters. The contractor rebate is \$50 for an air source heat pump, \$100 for a ground source heat pump and \$25 for a water heater.

VEC will finance electric heating systems at five percent interest with a seven-year term. The maximum loan amount is \$5,000, but ground source heat pumps and commercial installations would be exempt from the limit with approval of the VEC board.

VEC will also provide a rebate of \$50 per horsepower for installation of variable frequency drives up to a maximum of \$1,000. For more information about the rebate program, call 1-800-472-2141 and ask for Member Services.

### VEC VELVA OFFICE:

615 Hwy. 52 W.  
Velva, ND 58790-0083  
Phone: 701-338-2855

### VEC MINOT OFFICE:

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Minot, ND 58701-7927  
Phone: 701-852-0406

**TOLL-FREE: 800-472-2141**



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## Minot Wind Farm is fully operational

Basin Electric ended the year by making history. The nation's largest wind project owned solely by a cooperative went into operation in the remaining hours of 2009.

The last 10 turbines of the 77 turbine project went into operation at 8:25 p.m. on Dec. 30, meeting the cooperative's aggressive timeline to complete the project in 2009.

For five months, crews from contractors RMT and General Electric (GE) have been working day and night, seven days a week to complete this project.

"They worked in snow, rain, wind and in the dark, but they got it done - and safely," said Ron Rebenitsch, Basin Electric, manager of alternative technologies. "The employees from RMT and GE have worked tirelessly on this project and demonstrated true commitment to completing this project in a timely manner."

Rebenitsch thanked Verendrye Electric Cooperative for its assistance in the project.

"Verendrye Electric Cooperative provided a tremendous local force throughout the development of this project," Rebenitsch said. "Bruce Carlson (Verendrye Electric general manager) has been one of the biggest supporters of this project."

"This is a dream come true for me and for Verendrye Electric," Carlson said. "This goes back to the late 70s and early 80s when Verendrye Electric partnered with the Department of Energy on a wind data collection project at the former radar base site south of Minot. We knew we had good data then, and it took Basin Electric and great support from Verendrye members/landowners to finally pull this together, and I'm extremely proud."

State and federal agencies also played a key role in the project. "I'd like to thank the North Dakota Public Service Commission, along with other state and



Workers finish erecting the last wind tower in early December. Photo courtesy of Basin Electric.

federal regulators for their assistance and commitment to seeing this project through and their commitment to wind development in North Dakota," Rebenitsch said.

The Minot Wind 2 project interconnects with a substation owned by Central Power Electric Cooperative, Minot, a Basin Electric member cooperative. The PrairieWinds 1 project interconnects with a new substation that was built to connect to a Western Area Power Administration (Western) 115-kilovolt transmission line.

"This also highlights the value of the long-standing partnership with Western on the Integrated System. Interconnecting to Western's line, which crosses the project site, avoided the need for constructing about two miles of interconnection line and a 230-kV interconnection substation," Rebenitsch said. "Western's engineering support was critical to the success of this project."

Western is a Federal Power Marketing Administration.

The Minot wind projects are expected to need about eight full-time operations and maintenance employees.

Through direct investments and annual payments under power purchase agreements from other renewable resources, these projects represent a capital investment of more than \$1 billion in renewable energy by Basin.



# Gjellstad elected president of Basin Electric

Cliff Gjellstad achieved a new first for Verendrye Electric Cooperative by being elected president of Basin Electric Power Cooperative's Board of Directors.

Gjellstad was elected as president by his fellow Basin board members at the December board meeting in Bismarck. There are 11 Basin directors who are elected by districts.



"I served as vice president of the board for several years and having retired this spring I decided I could take on more of a leadership role," Gjellstad said.

Gjellstad, a VEC director since 1985, is also the only VEC director to have served as a Basin director. Basin is one of the largest transmission and generation cooperatives in the nation, serving 2.8 million consumers in nine states. VEC is one of 136 member owners that receive power from Basin.

It took Gjellstad three elections to become a Basin director. VEC member-owners elect board members, the VEC board then elects a representative to sit on the board of Central Power Cooperative, and the Board at Central Power elects a representative to serve on Basin's board of directors.

"It's a democratic process that starts with local individual member-owners having a say in how their cooperatives are operated," said Bruce Carlson, general manager of VEC. "We are extremely proud of Cliff for taking on this leadership role at Basin."

Being born and raised on a family farm north of Velva, Gjellstad knows the importance of cooperatives. The Ivar Gjellstad homestead "1883" is not far from the town of Verendrye, the original place where VEC was incorporated in 1939 by people whom investor-owned utilities would not serve.

Gjellstad was encouraged to run for the VEC board in 1985 by former VEC manager Wally Beyer, and Gjellstad's neighbor, Hilton Sollid, a former VEC director. Gjellstad has enjoyed serving as a director of VEC, Central Power and Basin.

"All three co-ops have a great reputation," Gjellstad said. "It's been a great experience and I've met a lot of good people."

He retired from farming last spring, but he rents his land out to three of their neighbors and continues to live on the farm with his wife, Jackie. When he's not busy doing co-op business, he enjoys singing, woodworking, hunting, fishing and traveling. Gjellstad has two grown children and a stepson.

His experience serving cooperatives will help him in his new role as president of the board at Basin. He has been a Basin director since 2000.

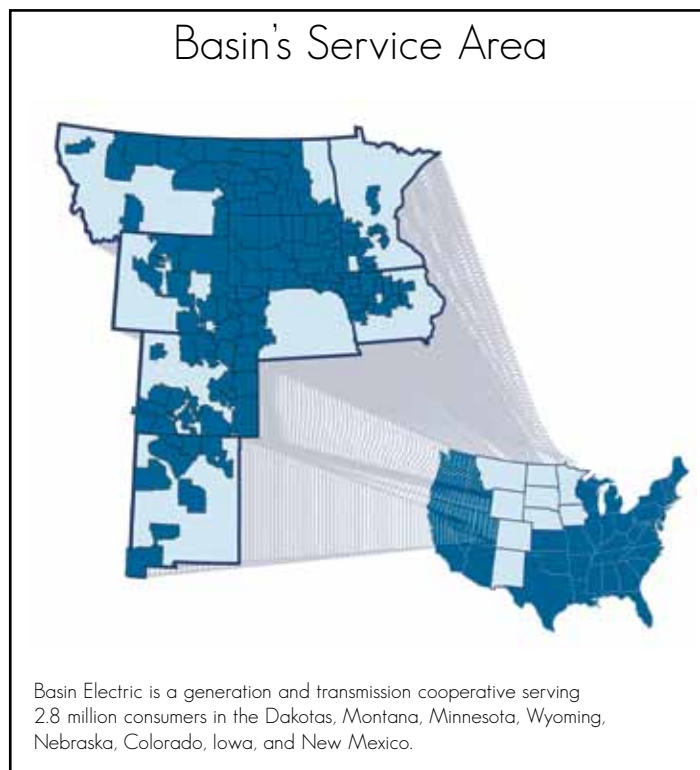
There are a number of challenges facing electric cooperatives, including the need for new electricity generation and the possibility of new rules placed on carbon dioxide emissions.

"The biggest thing now is how national legislation is going to affect us," Gjellstad said. "If they come with a carbon tax it will be tough to hold rates down."

Basin is one of the most innovative cooperatives in the country, especially when it comes to carbon capture technology. Basin's subsidiary, Dakota Gasification, which turns coal into natural gas, is one of only three facilities in the world that capture, compress and sequester carbon dioxide. The CO<sub>2</sub> is piped to oilfields in Canada for enhanced oil recovery. "We know how to do it and we've got pipe in the ground," Gjellstad said.

Basin is also conducting a study to determine the costs and feasibility of technology to retrofit its coal-fired Antelope Valley Station in Beulah to sequester carbon dioxide. The project is viewed as a potential technical solution to address climate change while keeping coal based electricity as an integral part of the nation's energy footprint.

Basin's electricity generation portfolio includes coal, natural gas, oil and renewables such as wind and waste heat recovery along natural gas pipelines. Basin has approximately \$3.6 billion in new generation either under construction or in the planning stages.



# Verendrye uses technology to help save members money

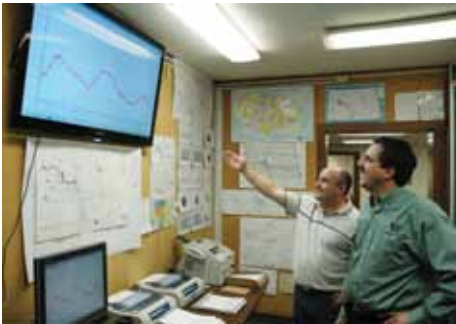
Verendrye Electric Cooperative is offering its members a service that will help them save money and become more knowledgeable about their electricity usage and billing.

VEC will provide members with detailed, hour-by-hour data of their usage, which can help them save money by identifying times of peak usage so they can reduce those peaks, and their overall usage.

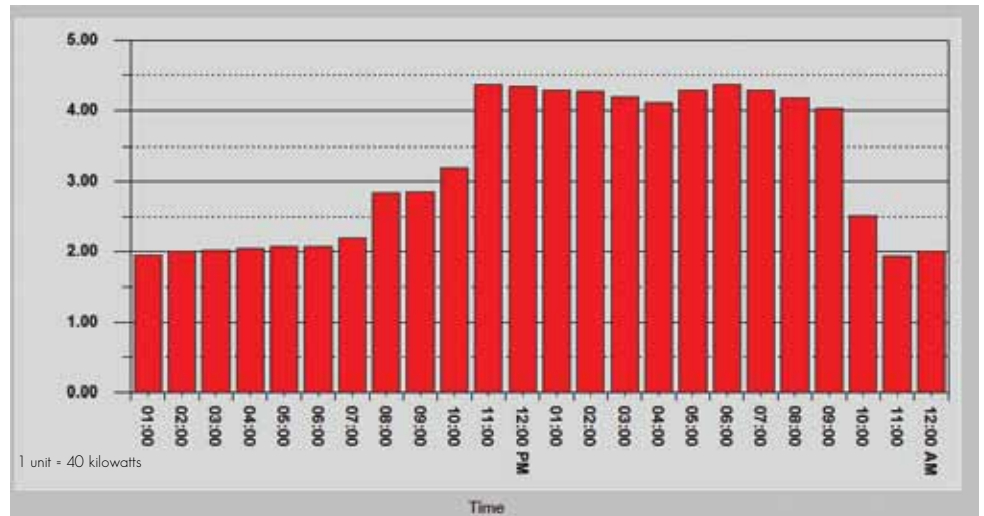
In 2009, Verendrye converted its entire system to use Advanced Metering Infrastructure (AMI), also known as "smart meters." A signal is sent through the wire allowing Verendrye to read meters remotely. The system allows Verendrye to pinpoint outages, connect and disconnect service, detect tampering and collect detailed usage data without having to make an on-site visit.

John Westby, engineering and operations manager, said one of the most valuable uses of the data is to determine when a member is using the most electricity.

"We can analyze your usage on an



VEC computer engineer Brad Doll, left, shows member services manager Randy Hauck a screen in the VEC control room that shows the combined electrical load for the day of all VEC members.



This graph shows the hourly usage of a retail store. You can see that certain times of the day the usage is higher, and in other times, it drops off substantially. Businesses can use this data to identify their peak usage and find ways to reduce the peaks and their bills.

hourly basis and figure out when your load is the highest. Once you know what time of day your usage peaks, you can find ways to reduce the peaks," Westby said.

Reducing peaks is especially important to commercial and industrial users because most of those users have a component of their bills - a demand charge - that is dependent on how high their peak is. The demand charge is calculated by multiplying a dollar amount by the peak usage. The peak is determined as a 15-minute period in which the usage is the highest during the month.

Peaks are important to power systems because there has to be infrastructure in place to handle periods of the day, month or year when demand is the highest. By reducing peaks throughout its service

territory, Verendrye can avoid having to purchase more expensive peak power and pass those savings onto its members.

The data can also help members make decisions on investing in energy efficient products. For example, Westby said members might look at their usage data and decide to install energy efficient lighting, which can reduce peaks and overall usage. Verendrye can also run the data before and after changes are made to determine the impacts.

If a member wants to see their usage data and use it to find ways to reduce their bill, they can call Verendrye at 1-800-472-2141 and ask for member services.

## People's State Bank Opens Minot Branch

VEC General Manager Bruce Carlson, right, shakes hands with Dennis Pederson, president of People's State Bank in Minot. Rick Beall, vice president of the Minot bank, is pictured on the left.

People's State Bank, which was established in Velva in 1915, held a grand opening ceremony for the Minot office on November 19. The bank's Minot office, located by Wal-Mart at 405-37th Ave. SW, is served by VEC.

VEC congratulates People's State Bank on their recent expansion and welcomes them as one of VEC's newest member owners.

