

CEC

CAPITAL ELECTRIC COOPERATIVE

Your Touchstone Energy® Cooperative 

FEBRUARY 2022

One year ago, extreme temperatures, unprecedented energy demand and an interruption in natural gas supply triggered power shutoffs in parts of North Dakota. On the anniversary of this event, we reflect on what happened and what members can expect if a similar event occurs.



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A year later: Capital Electric Cooperative reflects on 2021 energy emergency

BY KRISTA RAUSCH

One year ago, extreme temperatures, unprecedented energy demand and an interruption in natural gas supply triggered power shutoffs in parts of North Dakota. On the anniversary of this event, we reflect on what happened and what members can expect if a similar event occurs.

What happened?

The electric grid, which connects energy producers to energy consumers, is an extremely complex system with a sophisticated series of controls that monitor power coming on and off of the grid. Electric cooperatives combine transmission and generation resources with many other utilities across multiple states and provinces to power and strengthen this interconnected grid. This flow of power is monitored, coordinated and controlled through regional transmission organizations (RTOs), which are granted certain responsibilities and authorities

by the Federal Energy Regulatory Commission (FERC) related to ensuring the reliability of the bulk electric system in our region. Capital Electric Cooperative (CEC) is served by two RTOs — the Southwest Power Pool (SPP) and Midcontinent Independent System Operator (MISO).

RTOs manage the power to ensure supply meets demand. Most of the time, controlling this power is uneventful, but during extreme weather events when demand exceeds supply, RTOs must reduce demand in order to balance the electric grid. Controlled power outages are a last resort to prevent the grid from failing, and the decision to implement emergency outages is typically made in a matter of minutes.

From Feb. 13–17, 2021, a rare winter storm resulted in more than 170 million Americans being placed under winter weather alerts. Extremely low temperatures across a multistate region resulted in an energy crisis due to increased power demand. The frigid temperatures



strained supply of natural gas for power generation, limited wind generation and forced some nuclear generation sources offline.

On Feb. 16, SPP declared an Energy Emergency Alert (EEA) Level 3 when systemwide generating capacity dropped below power demand. To protect the stability of the power grid, SPP ordered its transmission operators to curtail loads and implement controlled service interruptions. This action, known as load shedding, is used to relieve stress on the grid of generators and transmission lines to protect against widespread system failure. In each event, power was restored in less than an hour; however, some local electrical systems became overloaded, resulting in longer outages. Lineworkers were dispatched, and power was quickly restored.

Prior to the event and throughout the next several days, North Dakota's electric cooperatives worked with members, government officials and the media, alerting them of EEA status and asking them to conserve energy to avoid further rolling blackouts.

This is the first time SPP has declared EEA Levels 2 or 3 for its entire region. It is also the first time the grid operator has ordered controlled, temporary service interruptions to prevent widespread blackouts.

In March 2021, SPP conducted a comprehensive review of the event to identify opportunities to better prepare for future extreme reliability threats. It identified 22 actions, policy changes and assessments related to fuel assurance, resource planning and availability, emergency response and other critical areas.

Communications for future energy emergencies

While the weather events that led to the February 2021 energy crisis were unprecedented, it is important for CEC and its members to be prepared for any future energy emergencies that might occur.

CEC uses a variety of mediums to communicate with its members, including the co-op's website, social media accounts and SmartHub, CEC's online account management resource. In the event of a future energy emergency, information will be posted on these sites.

In addition, members registered for SmartHub will receive real-time alerts at the email address associated with the account. They may also receive text messages if a phone number is provided. To streamline emergency notifications, the co-op encourages all members to register for SmartHub using a valid email address and cellphone number. To sign up, visit capitalelec.smarthub.coop.

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 RTO is at risk of not meeting required operating reserves. The market normally has power reserves (extra generation ready to go). 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.

What to do in the event of an outage

CEC thanks its members for their patience during weather outages and other energy emergencies. The co-op strives to provide safe, affordable electricity to its 18,453 members and is proud of its overall system reliability. Excluding power supply events such as the one in February 2021, CEC members experience less than 25 minutes of service interruption in an average year.

In the event of an outage, members can notify the co-op through SmartHub or by calling (701) 223-1513. Please do not report outages via the co-op's Facebook, Twitter or Instagram accounts, as these accounts are not monitored outside of normal business hours.

Outages can also be monitored using CEC's online outage map, available at capitalelec.com.

For more information on the February 2021 weather event, visit capitalelec.com/power-outage-information. **CEC**



What is a kilowatt-hour?

Whether it's via an app or on paper, the most apparent part of your electric bill is that bottom line – how much your electricity costs. Your electricity is billed at a rate per kilowatt-hour

(kWh), and managing how much electricity you use is tied to that measurement. If you want to better manage your electric bill, it helps to know what kWh means.

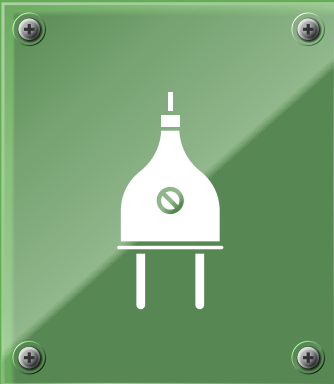
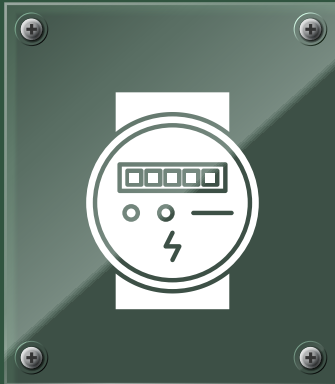
What is a kWh?

A kWh is an amount of electricity used during one hour. One kWh is equal to the power consumption of 1,000 watts, or 1 kilowatt, for one hour.

For example, a 100-watt light bulb used for 10 hours is equivalent to one kWh.

One watt is a small amount of power. Some devices require only a few watts to operate, while other devices require larger amounts. An appliance's label will state how many watts it uses.

THE DIFFERENCE BETWEEN

KILOWATT	KILOWATT-HOUR
	
Power required for the appliance to work	Energy used each hour the appliance is on

HOW MUCH ELECTRICITY DOES AN AMERICAN HOME USE?

In 2020, the average annual electricity consumption for a U.S. residential utility customer was

10,715 kWh
or an average of about

893 kWh
per month.

WHAT CAN I DO WITH 1 KWH?
(based on U.S. average electric rates)

89 slices of bread toasted	18 hours of refrigerator use
12 pots of coffee brewed	3 loads in the washer
276 charges for your cellphone	20 hours on your laptop

Tyler Harper earns Youth Tour trip



In June, more than 1,500 teenagers from across America will descend on Washington, D.C., for the National Rural Electric Cooperative Association's (NRECA) Electric Cooperative Youth Tour. Sponsored by electric cooperatives nationwide, Youth Tour is the opportunity of a lifetime for many teenagers. Essay contest winners receive an all-expense-paid trip to Washington. Bismarck High School Sophomore Tyler Harper will represent Capital Electric Cooperative (CEC) on this year's trip.

This year's essay contest required students to answer this question, "If you were asked to help promote your cooperative's annual membership meeting, what ideas would you have for increasing attendance among young member-owners and students?" In his essay, Harper suggested co-ops focus on community involvement and social media.

"Education, information and attention are all important for increased attendance and a means for each is the proper way to involve today's youth," wrote Harper. "Young people are entranced by media, so provide information through apps and television.

Local community events, schools and sporting events are attended by many young people and provide an opportunity to not only inform but also show how the cooperative cares about the community and the future generation."

While in Washington, Harper will have the opportunity to visit with elected officials and learn about the cooperative business model and our nation's rich history.

"I want to know more about what happens in the everyday life of a congressman. On an average day, what do our elected representatives do? What problems are they addressing?" Harper says.

Harper lives in Bismarck with his parents, Bob and Karalee Harper, and his brother, Travis. The family has two dogs, Opal and Mocha. He is active in jazz choir, science bowl and congressional debate. In his free time, he enjoys drawing and reading. Upon graduation, he plans to pursue a degree in biochemistry or organic chemistry.

CEC congratulates Harper for writing an insightful essay and earning the opportunity to attend Youth Tour. We'll follow up with him when he returns from Washington and share the highlights of his experience. **CEC**



Want to win \$100? Sign up for autopay for your chance to win!

Automatic payments can ensure you never miss a due date, minimizing the risk of late fees and penalties. Half of Capital Electric Cooperative's (CEC) members currently take advantage of the autopay program. We are grateful for their participation and hope to encourage other members to give it a try.

Now is a great time to enroll! In an effort to promote CEC's autopay program, the co-op will be giving away a \$100 Visa gift card. All members who are enrolled in the program by March 25 will be entered in the drawing.

Why does CEC want members to enroll in autopay?

A number of variables outside of the co-op's control are making timely billing and payments increasingly challenging. Last year, the postal service announced changes to delivery timeframes, which took effect in October. This means it takes longer for the bill to get to you and longer for your payment to get to the co-op. Autopay removes those delays from the equation.

What if I have a concern about my bill?

We always wait to process autopayments until the

due date. The period between when the bill is generated and when the autopay is drawn gives the member time to review their bill and ask any questions they may have prior to the transaction occurring. If the timeliness of receiving the bill in the mail is a concern, the bill can also be accessed electronically via the SmartHub app.

What safeguards are in place to protect my payment information?

CEC takes member privacy and security very seriously. Autopay transactions are encrypted and enjoy the same level of protection that a check submission to our office does.

How can I increase my chances of winning?

All members enrolled in the program by March 25 will be included in the drawing. Members who opt to use a bank account for autopay will have their name in the drawing twice, while those who opt to use a credit card will be included once. The use of a bank account is encouraged, because it prevents issues that arise when credit or debit cards expire and has a lower cost per transaction for the co-op.

How do I sign up?


There are a number of ways to enroll.

You can complete the authorization form, which is included on the adjacent page, and send it to: Capital Electric Cooperative, P.O. Box 730, Bismarck, ND, 58502, or email it to css@capitalelec.com. The form is also available for download at capitalelec.com/forms. Additionally, members who receive a paper bill can find it on the back of each month's bill statement. For those who prefer signing up in person, authorization forms are available at the co-op's headquarters building, located at 4111 State Street, Bismarck.

You can also enroll through SmartHub. A link to SmartHub can be found on our website, capitalelec.com. To sign up for autopay, login and click on "Billing & Payments." Next, select "Autopay Program" and click on "Sign up for Autopay."

What if I try autopay and don't like it?

The program is completely voluntary. You may cancel your enrollment at any time.

For more information on the autopay program, call (701) 223-1513. 

Please note: It may take up to four weeks for the first autopayment to process.



CAPITAL ELECTRIC COOPERATIVE, INC.

Automatic Payment Authorization

HOW TO SIGN UP:

- Complete and return this form
- Mail to: Capital Electric Cooperative, P.O. Box 730, Bismarck ND 58502 or email to: css@capitalelec.com
- **Choose only one payment method (bank or card)**
- Automatic payments will typically begin with the next billing statement, but may take up to four (4) weeks
- Contact our office at (701) 223-1513 with any questions

Account Number(s): _____

Account Name: _____

Service Address: _____

Primary Phone: _____ Secondary Phone: _____

Email Address: _____

BANK AUTHORIZATION

- OR -

CREDIT / DEBIT CARD AUTHORIZATION

Checking (enclose a voided check)

Savings (enclose a deposit slip)

Name of Financial Institution

Voided check or deposit slip required

Cardholder's Name (as shown on card)

Cardholder's FULL Mailing Address (if different from service address)

Card # _____

Exp. Date _____ / _____ (CVV code not required)

We Accept



AUTOMATIC PAYMENT AUTHORIZATION

I authorize Capital Electric Cooperative, Inc. to automatically charge payment of my Capital Electric account balance on the due date each month, using the method of payment described above. This authorization is in effect until revoked by me; however, I understand that both the financial / credit card institution and / or Capital Electric Cooperative, Inc. reserve the right to terminate this agreement at any time. This is a FREE service offered by Capital Electric Cooperative. Please allow up to four (4) weeks for processing.

Applicant Signature: _____ Date: _____

OFFICE USE ONLY effective: _____

Board minute excerpts **DEC. 17, 2021**

The Board of Directors of Capital Electric Cooperative (CEC) held its regular meeting on Dec. 17, 2021, at 12:30 p.m. The meeting was held in person at the co-op's headquarters, 4111 State Street, Bismarck, North Dakota, pursuant to due notice to all directors. Remote teleconference for the meeting was also available. 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, Manager of Communications and IT Wes Engbrecht, Energy Services Manager Josh Schaffner and Attorney Zachary Pelham of Pearce Durick, PLLC, who acted as recording secretary.

Minutes and Agenda: President Sheri Haugen-Hoffart called the meeting to order. The board approved the minutes from the Nov. 19, 2021, board meeting and Nov. 26, 2021, special board meeting without objection. The agenda was approved as presented.

Financial Review: Prior to the board meeting, Directors Dave Charles and Deon Vilhauer reviewed the November 2021 check register and expenditures. They advised that all checks were in order. The financial review was approved.

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

Business Department Report: Steen presented the November 2021 financial and statistical report to the Board.

Total kilowatt-hour (kWh) sales for November were behind budget by -5.7%. Monthly electric revenue was behind budget by -1.3%.

CEC's November load factor was less than budgeted.

The operating margin for November was \$105,249, ahead of the budgeted \$82,456. The total margin for November was \$198,627, which is ahead of the budgeted \$179,557. Year-to-date (YTD) operating margin is ahead of budget by \$391,581. YTD total margins are ahead of budget by \$41,355.

CEC began billing 41 new services in November, bringing active services to 21,625 versus 21,280 at this time last year, or a net increase of 345 accounts over the last 12 months.

The cash flow statement and monthly power costs for November were reviewed. Accounts receivable balances as of Dec. 16, 2021, were reviewed.

Estate Retirements: Following review of the financial condition of the cooperative and recommendation by management, two estate retirements totaling \$2,493.88 were approved.

Operations Report: Dressler reviewed the written report from the operations department.

Dressler reported December was unusually busy with respect to new construction. Crews worked to put new cable in the ground trying to beat the

frost, and a new transformer for the new Elkridge elementary school was set.

Safety Report: There were no lost time accidents in December. Dressler reported that six new automated external defibrillators (AEDs) have been placed in the line trucks.

No safety meetings were held in December. Without objection, the safety report was approved.

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

Thirty-one work orders were completed in November. Owen discussed ongoing and upcoming projects. 2022 projects include ongoing work in Promontory 7th Addition, Elk Ridge 2nd Addition and Heritage Park 2nd Addition, and conversion of overhead line to underground line from Grand View Pines to Gibbs substation.

Property Update: Owen reported on continued marketing efforts for the sale of remaining parcels.

Energy Services Report: Schaffner reviewed the energy services report.

Schaffner reported on the efforts of at least 17 cooperatives from North Dakota and Montana to fund electric vehicle (EV) fire response training at the North Dakota State Fire School in February 2022.

Schaffner reported that CEC is working with the North Dakota Department of Commerce on available grant funds from the state energy program.

Communications, Public Relations and IT: Engbrecht reviewed topics of interest.

Engbrecht reported on logos developed by Agency MABU. The Board reviewed and commented on the logos. Efforts will continue to develop a new CEC logo.

Engbrecht reported that the Adopt-a-Family program raised more than \$1,300 from CEC employees and board members for a family that is struggling with extraordinary medical expenses.

Information on the \$1,000 scholarship available for high school seniors or college students has been posted on CEC's website. Applications are due Feb. 15, 2022.

COVID-19 Update: Fitterer reported one employee tested positive for COVID-19.

Fitterer reported on federal vaccine mandates (OSHA and executive order).

Basin Electric Power Cooperative: Fitterer reported that Basin Electric approved \$30 million in bill credits, in addition to renewable energy credits, to its overall membership. Of that amount, \$593,389.80 will pass to CEC (\$410,527.89 bill credit and \$182,861.91 renewable energy credit).

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

Central Power Electric Cooperative (CPEC): Haugen-Hoffart reported the CPEC Board of Directors will meet the following week.

North Dakota Association of Rural Electric Cooperatives (NRECA): Vilhauer reported no meeting took place in December. The upcoming annual meeting was discussed.

Rural Development Finance Corporation (RDFC): Vilhauer reported the RDFC annual meeting is set for Jan. 20, 2022. The meeting will include an election.

National Rural Electric Cooperative Association (NRECA): Fitterer reported on NRECA's annual meeting in March 2022. The meeting will be in person.

Mid-West Electric Annual Meeting: Fitterer reported on the annual meeting, which was held Dec. 7-9, 2021, in Denver.

National Information Solutions Cooperative (NISC): Fitterer was elected to serve as a director on the NISC Board.

Policy 1-17: Haugen-Hoffart reviewed the policy as it relates to attendance of board meetings in person or remote. The Board discussed the policy. No action was taken.

Adjournment: There being no further business to come before the meeting, the meeting was adjourned. **CEC**

CAPITAL ELECTRIC COOPERATIVE

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

BOARD OF DIRECTORS:

Sheri Haugen-Hoffart, Pres. Bismarck
Dave Charles, V. Pres. Bismarck
David Straley, Sec.-Treas. Bismarck
Deon Vilhauer, Asst. Sec.-Treas. Bismarck
Kyle Hilken Wilton
Rex Hollenbeck McClusky
Dwight Wrangham Bismarck
Arlene Olson Wing
Kyle Tschosik Bismarck

OFFICE HOURS:

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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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A Touchstone Energy® Cooperative 