



**Capital
Electric**
COOPERATIVE

DECEMBER 2023

Capital Electric Cooperative's board of directors and employees wish you a happy holiday season. Thank you for being supportive co-op members as we move forward into another year providing electricity to your homes, farms and businesses!



**MERRY
CHRISTMAS
AND HAPPY NEW YEAR**

IN THIS ISSUE

- A co-op Christmas message
- CEC holds ribbon-cutting ceremony
- Energy emergency alert update
- Member Advisory Committee considers issues
- Becker added to engineering department
- Scholarship and Youth Tour applicants needed
- Board minutes



A co-op Christmas message

BY WES ENGBRECHT

What is Christmas to you? Is it about a frantic search for the perfect gift, an ornately decorated tree, the lure of frosted sugar cookies in the shape of Santa and candy canes or merely another holiday that too closely follows the decadence of the Thanksgiving feast?

As co-op members and proud North Dakotans, we appreciate this time of year represents more than comprising a list of what we enjoy. We may feel those who live in more populated areas in this country may not always recognize our simple rural lives are a gift unmatched by anything monetary the world has to offer.

Now, don't misunderstand me. Just because we live in a cold, snowy world doesn't mean we hold a monopoly on our holiday traditions. Across the country, there are countless hearts full of holiday views we share. I'm merely stating that we, as electric

cooperative and community members, have come to understand the true meaning of the holiday season.

Over the past years working for Capital Electric Cooperative, I have had the incredibly fulfilling opportunity to meet and write about the lives of many co-op members. The benefits this opportunity presents to me frequently leaves me with the same feeling the holidays bring. Growing up in rural North Dakota, I have always recognized and greatly appreciated that feeling.

As we celebrate the holidays this year, the importance of the gifts we receive should be clear to us. To fill our hearts with joy is something we can share with those who are less fortunate in our communities. I believe we can experience the unmatched value of this opportunity.

From all of us at Capital Electric, we wish you a merry Christmas and a happy New Year! ☺



Capital Electric Cooperative President **Deon Vilhauer** holds the ceremonial scissors, as the rest of the board, Capital Electric staff members and the Bismarck Mandan Chamber EDC ambassadors mark the official completion of our new building additions.

Ribbon cutting marks building project's completion

BY WES ENGBRECHT

The ribbon-cutting tradition is known as a method of recognizing progress and optimism in response to the opening of a new business or facility. It is the culmination of the hard work, planning and dedication required to complete the project, which is often a long, yet rewarding, experience.

In the case of Capital Electric Cooperative's new facility, it represents the effort to create an environment suitable to provide the best in member service.

One year ago, we initiated the process of relocating to our new building, located north of Bismarck on Yukon Drive, just north of 71st Avenue. Capital Electric employees undertook the process of moving their offices, equipment, furniture and supplies amassed for more than 50 years.


As the new building required renovations and additions, including a newly completed shop building to house the remaining service trucks, work began on this process immediately. One year later, we proudly present the finished product that will adequately support our reliable operations and service for years to come. Improved highway access is an additional benefit that increases service potential.

On Oct. 27, the Bismarck Mandan Chamber EDC

displayed decades of ribbon-cutting experience in celebrating grand openings and building improvements for businesses in our local communities. Capital Electric's board of directors and staff paused the monthly board meeting to join them in making the ribbon cutting a reality.

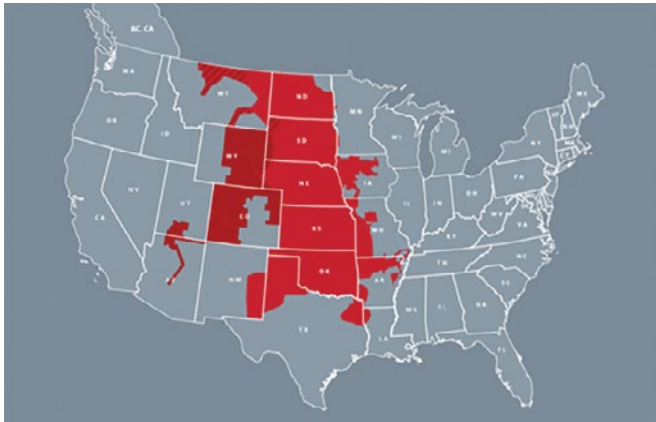
Board President Deon Vilhauer addressed the group by offering his thanks to the ambassadors and Chamber EDC President and CEO Brenda Nagel as they acknowledged the co-op's importance in our area.

"This day is a day to remember. Since Capital Electric was formed for its members in 1948, there have been very few location changes. Many co-op members, and many current employees, were not yet born when the last relocation took place in 1971. The new location will allow us to proudly serve our members in Burleigh and Sheridan counties for many years to come," he said.

Ribbon cuttings are conducted by a committee of Chamber EDC volunteers, called ambassadors, at businesses throughout Bismarck and Mandan. Ribbon cuttings commemorate a business opening, move, remodel, change of ownership, name change or new product or service offering. 

How energy emergency alerts affect you

BY GREG OWEN, MANAGER OF ENGINEERING



A map of the Southwest Power Pool, a regional transmission organization responsible for a power market in Capital Electric Cooperative's service territory.

Ever wonder why Capital Electric Cooperative will occasionally notify you of possible energy emergency alerts (EEA)? You may ask yourself how this would affect you, as a co-op member, and how you should respond.

In February 2021, much of the nation received a wakeup call regarding the electric grid's capabilities. Significant supply shortages in Texas caused a ripple effect felt in North Dakota.

How can something 1,000 miles away impact Capital Electric members? The answer lies in the structure of the power markets. Each day, participants in a power market bid on their available generation resources and their prices, and the market determines the lowest cost combination of generation options to supply the forecasted load. Capital Electric's power provider, Basin Electric Power Cooperative, performs this task every day to supply power to Capital Electric's consumers. The market allows for times to buy power when it can be produced more economically elsewhere as well as to sell excess power when prices are high.

During Winter Storm Uri in 2021, the limitations

of the market were displayed. Fuel supplies became unavailable, generators did not start when called upon and demand was at peak levels. At some point, the market runs out of resources, no matter the price buyers are willing to pay. Since the market functions are so far removed from the distribution utilities, many like Capital Electric were not actively monitoring these markets and were quickly learning about EEA events. These alerts are notices from the markets that conditions may reach or have reached a point where supply is running low, and actions may be necessary.

Since 2021, Capital Electric and many other utilities in the state have further engaged with the markets to receive direct communication of advisories and alerts. Capital Electric monitors these notices and will inform members of these potential events when they are reaching critical levels. For example, over the past year Capital Electric received 18 advisories and three alerts from the power markets. However, only one event was communicated to members. Communication thresholds to the membership will occur when a market reaches a Level 2 or 3 alert, which are the levels directly before or during forced outages (such as what many members experienced in 2021). We believe this is a good balance of providing forewarning without cluttering inboxes.

How likely are these events to occur in the future? This is a good question without a clear answer. Southwest Power Pool's mix of energy resources has changed over time. As more baseload plants retire and intermittent resources, such as wind and solar, come online, the market planning has to evolve. Accordingly, higher requirements for reserves (backup generation) are being considered to help fill the gaps when wind and solar resources are unavailable.

This picture may look bleak, but as an engineer, I'm continually impressed by the solutions and projects being cultivated to address these shortfalls. Please contact our office to learn more about this topic. ☎



Twenty-one members of Capital Electric Cooperative's Member Advisory Committee interacted with the six members of the co-op's management team on current industry and co-op topics.

Members delve into co-op topics with staff

BY WES ENGBRECHT

One of the hallmarks of an electric cooperative is member engagement. There is no better example of this process than the semi-annual Member Advisory Committee (MAC) meeting held in the spring and fall each year.

Over the years, many Capital Electric members have participated in this important process, initiating thought-provoking topics, which are welcomed by the co-op staff in attendance.

One of the significant changes relating to the MAC is the limitation on the years of service by members. Past MAC members could serve 25 years or more, but new members are now limited to a three-year term. Every year, new members with fresh ideas are welcomed by existing committee members and co-op staff.

"This meeting is about the connection we have with members, as we discuss their ideas on topics facing the co-op today. It's a learning experience for everyone involved and encourages members to come together as we dive into important issues," explains General Manager Paul Fitterer. "The key element of this process is to allow committee members to lead the meeting with their thoughts. We ask them for

those thoughts prior to the meeting."

This year's meeting was held in the office of the North Dakota Association of Rural Electric Cooperatives (NDAREC) in Mandan on Oct. 10. Following the meeting, NDAREC General Manager Josh Kramer led a tour of the remodeled office building, as well as the newly completed Lineworker Training Center on the same property.

If you are interested in joining the Member Advisory Committee, please contact Communications and IT Manager Wes Engbrecht at wese@capitalelec.com or 701-712-7923. ☎



Engineering department hires Becker

BY WES ENGBRECHT

Capital Electric Cooperative's engineering department welcomed Darren Becker of Bismarck as a work order coordinator. Becker joins the co-op following an administrative position with the state of North Dakota, preceded by a position as a project controls specialist with Braun Intertec Corporation.

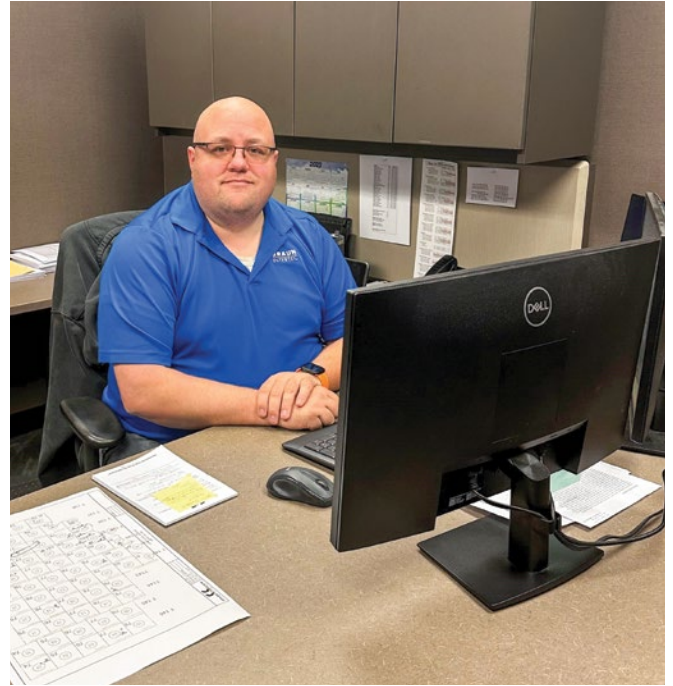
Becker earned a degree in criminal justice from Bismarck State College, as well as an automotive technology degree from the North Dakota State College of Science. Becker is a native of Napoleon and moved to Bismarck in 1991. He is a 2001 graduate of Century High School.

With experience utilizing numerous software applications and working with a variety of individuals, Becker is a positive fit for the co-op.

"Darren's work experience and his humble nature were appealing to me as I interviewed for this position," Manager of Engineering Services Greg Owen says. "I'm confident he will be a hardworking and dedicated employee that will fit well into the engineering department."

"I enjoy working with engineers and field-staff employees in a supporting role and I believe this job will offer these opportunities to me as well," Becker explains. "I look forward to working with co-op members and Capital Electric staff."

He has a 15-year-old daughter, Kylee, and an



Darren Becker

11-year-old son, Levi. Other than spending a lot of time with his kids, Darren spends time helping family members as needed.

We look forward to working with Darren as a new co-worker and teammate! ☺



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. 16, 2024.**

APPLY FOR A TRIP OF A LIFETIME

WHAT IS YOUTH TOUR?

- An all-expense-paid trip to Washington, D.C., paid for by Capital Electric Cooperative.
- A week of visiting historic monuments, touring world class museums, learning about electric cooperatives and meeting elected officials.
- Developing lifelong friendships with delegates from across the country!



JUNE 15 TO 21, 2024
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?

HOW TO APPLY

- To enter the essay-writing contest, you must be a sophomore or junior in high school, and you and your parents or guardian must be served by Capital Electric Cooperative.
- Email entries to Wes Engbrecht at wese@capitalelec.com or mail a hard copy to: Youth Tour Essay Contest, 7401 Yukon Drive, Bismarck, ND, 58503.
- Questions? Call Wes at 701-223-1513 during regular business hours.
- **The deadline is Jan. 19, 2024.**

EMPOWER



LEARN MORE AT NDYOUTHTOUR.COM

Board minute excerpts OCT. 27

The regular meeting of the board of directors of Capital Electric Cooperative was held on Friday, Oct. 27. The meeting was held in person at Capital Electric, 7401 Yukon Drive, Bismarck. All directors were present at that time.

Also present were: Manager Paul Fitterer, Business Manager Luke Steen, Manager of Engineering Services 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.

Financial Review: Prior to the board meeting, the September check register and expenditures were reviewed and 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.

Revenue was ahead of budget for September, as \$3,425,367 was generated, in comparison with the budgeted figure of \$3,373,725 (favorable variance of \$51,642 or 1.5%).

Capital Electric's September gross load factor was behind budget by 6.91%.

The operating margin for September was -\$693,615, behind the budgeted amount of -\$419,745. The total margin for September was -\$619,708, which was behind the budgeted -\$402,873.

Capital Electric began billing 34 new services in September, bringing our active services to 22,155 versus 21,879 at this time last year, or a net increase of 276 accounts over the last 12 months.

The cash flow statement was reviewed and accounts receivable balances as of Oct. 25 were reviewed.

Estate Retirements: Ten member estate retirements were authorized for a total amount of \$5,664.18.

Write-offs: A write-off of \$3,437.48 for the third quarter was approved. The total 12-month write-offs are \$18,421.13.

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

Owen reported that Operations Manager Rick Dressler will be retiring in January 2024 after nearly 40 years of dedicated service to Capital Electric. Owen further reported annual maintenance was performed on the Horizon 2 substation and GVP substation, three additional three-phase transformers were installed, and additional overhead line was removed on 52nd Street south of the city landfill as part of conversion to underground line.

Safety Report: There were no lost-time accidents in October. Jeff Holzer, system supervisor, attended a PCB compliance seminar hosted by the North Dakota Association of Rural Electric Cooperatives (NDAREC) and the fall safety coordinator's meeting. Jeff Tweten, NDAREC safety instructor, met with line crews for a field visit. Brian Lakoduk, NDAREC safety instructor, met with line crews for a field visit. The safety report was approved.

Engineering Services Report: Owen reviewed the written report from engineering services. Twenty work orders were completed in September. Owen reported on ongoing and upcoming projects, including completion of the Ash Coulee Road project, overhead to underground line conversion near General Sibley Park and overhead to underground line conversion along River Road. Owen further reported the grant application of the National Rural Electric Cooperative Association (NRECA) for the Grid Resilience Utility and Industry Grants Program was selected by the U.S. Department of Energy, which included Capital Electric's portion of the application for conversion of three-phase overhead to underground line along Highway 36 near Wilton.

Work Order Inventory 509: The inventory of work order No. 509 was approved.

Property Update: Owen reported closing on the former administrative building and property is scheduled to occur in early November.

Energy Services: Schaffner reviewed the energy services report. Twenty-one service orders were completed in September. Schaffner reported on work being completed on the addition to the new building and member engagement efforts to address heat related grid capacity reduction.

Communications and IT: Engbrecht reviewed the communications and IT report. The fall Member Advisory Committee meeting was held in October, the member open house of the new facility was held in October and progress was made on completing the Capital Electric cyber incident response plan.

2024 Budget: Steen and Fitterer reviewed draft budgets for 2024 for revenue, power costs, capital, construction and the income statement.

Policies: Fitterer reported on amended policy proposals involving the substance abuse program, attendance of members at board meetings and expectations of board directors. The substance abuse policy was approved as amended subject to review by Federated Insurance and the attendance of members at board meetings and

expectations of directors of board directors policies were approved as amended.

Rural Utilities Service (RUS) Loan AN45: Fitterer reviewed RUS Loan AN45. The board authorized the cooperative to execute the RUS loan contract, treasury direct note, manager's certificate, secondary certificate and mortgage restatement.

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

Central Power Electric Cooperative: Fitterer reported on the October Member Advisory Committee meeting, which included discussion of future rate pressures on electric heat, the cost to repair the Garrison Diversion spillway likely impacting future Western Area Power Administration rates and significant cost pressures not likely to go away in the short term.

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

NDAREC: Vilhauer reported on the NDAREC board meeting. Fitterer reported on the NDAREC 2024 budget.

Mid-West Electric Consumers Association: Wrangham, Tschosik and Vilhauer will be attending the Mid-West annual meeting and Tschosik will serve as a delegate and Wrangham will serve as an alternate delegate. ☺

CAPITAL ELECTRIC COOPERATIVE

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