Kandiyohi Power Co-op
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KILOWATT

A STRAIGHT ANSWER ON RECENT GRID RELIABILITY HEADLINES


Ryan Nelson, CEO

Member-owners may have seen recent news coverage about possible rolling blackouts in the Midwest and a long-range warning from the North American Electric Reliability Corporation (NERC) about the grid operator that serves KPC. These are two separate issues, and neither one means member-owners should expect service disruptions this year. Here is what each story actually says, and why KPC is not sounding the alarm about near-term reliability.

The Rolling Blackout Warning Is an SPP Issue, Not MISO

The recent rolling blackout warnings making headlines trace back to the Southwest Power Pool (SPP), the regional grid operator responsible for balancing electricity supply and demand across a large swath of the central United States, including parts of western Minnesota. In late July 2026, SPP issued a Level 3 Energy Emergency Alert for its western territory, covering states such as Wyoming, Colorado, Utah, Arizona, and New Mexico, during a severe heat wave. That alert was lowered within hours as conditions eased.

KPC, however, is not part of SPP's balancing footprint. Our service territory sits within the Midcontinent Independent System Operator (MISO), a separate regional grid operator that manages electricity flow across most of Minnesota, including central Minnesota. SPP's alert applied to its own operating region and had no bearing on the grid that serves KPC's member-owners.

NERC's MISO Warning Is a Long-Range Risk Forecast, Not an Imminent Threat

Separately, NERC released its 2025 Long-Term Reliability Assessment in January 2026, which does include MISO, and this assessment deserves member-owner attention. This report is not a prediction of blackouts happening now. It is a 10-year forward-looking risk model that flags potential reliability strain later this decade if current trends continue unchanged.

NERC's assessment shows MISO at normal risk for 2026, shifting to elevated risk in 2027 and high risk starting in 2028, driven primarily by two long-term trends: rapid demand growth, largely from data centers and electrification, and the retirement of aging coal, natural gas, and other generating plants faster than new resources are being added to replace them. MISO's peak demand is projected to climb from around 127 GW (Gigawatts) in 2026 to nearly 144 GW by 2035, with data centers alone accounting for most of that unprecedented growth. At the same time, MISO has roughly 35 GW of generating capacity slated for retirement over that period. NERC treats these load and retirement figures as near certain, while treating replacement generation as less certain, which is part of why the risk rating climbs.

This is not a prediction that outages will happen. NERC is explicit that its assessment is a snapshot based on mid-2025 data, not a forecast of what will occur. Independent market monitors have pushed back on aspects of the risk modeling, arguing that MISO's true reserve margins and demand-response capabilities are understated in some of these assessments. MISO and regional utilities have already responded with the Expedited Resource Addition Study (ERAS), a process designed to accelerate new generation coming online starting in 2028, specifically to close this gap. If that new capacity arrives on schedule, the projected shortfall largely disappears. If it slips, the risk NERC identified becomes more real.

Why This Matters for Future Planning

Two things separate KPC's situation from the headlines. First, the immediate blackout risk covered in recent news belongs to SPP's territory, not the MISO region that serves KPC. Second, the NERC warning about MISO is a serious, multi-year signal, and KPC is treating it as a call to keep investing in reliability rather than a reason for alarm. Staying ahead of these trends, rather than reacting to them, is how we keep member-owner service reliable through the next decade.

KPC continues to closely track both MISO's resource planning and NERC's ongoing assessments as part of routine reliability oversight. Member-owners can be confident that current electric service remains stable, and that any long-term risks identified in these reports are already driving action across the region well ahead of when they could become a concern.

WHAT IS LOAD MANAGEMENT —AND WHY IT MATTERS

Kandiyohi Power Cooperative’s load management programs help keep electric costs down for all members by reducing energy use during times of high demand.

When demand is highest—and electricity costs more—equipment like water heaters or air conditioners may be briefly cycled off. In return, participating members receive bill credits or lower rates.

Why do control events happen?

While hot and cold weather can trigger events, other factors also play a role, including high energy demand, increased market prices, and reliability needs on the electric system.

These events help avoid expensive power purchases and keep costs stable for everyone.

Why am I receiving notifications?

If you’re enrolled in a load management program, notifications let you know when a control event is happening and what to expect. You can choose how you receive these alerts through SmartHub (text, email, or phone).

How do I enroll?

Getting started on Load Management is easy—just contact our Member Services team and we’ll help you find the right program for your home or business. Participation is always voluntary.

It’s one more way we work together as a cooperative to keep electricity affordable and dependable for everyone.

If you have questions or want to learn more about enrolling, give us a call—we’re happy to help!

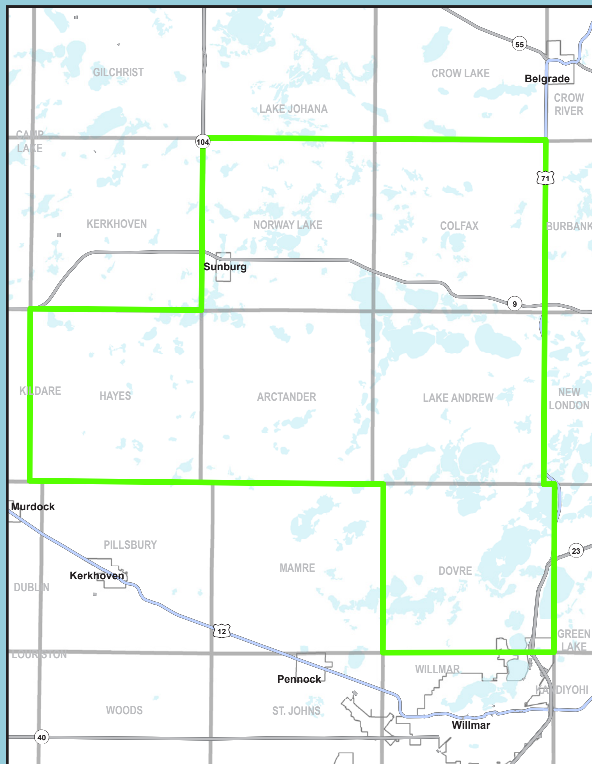
OPERATION ROUND UP BOARD OPENING

ORU is a volunteer community support program. It is designed to provide financial assistance to worthwhile projects and charities throughout our area. It’s people helping people. The ORU Board Members review grant applications at a quarterly meeting to determine grant award amounts. This nine-member board has open seats in District 1 and District 2. If you are interested in serving on the board and helping your local community, please email contactus@kpcoop.com or call 800-551-4951 for more information.

800-551-4951

TREE TRIMMING

KPC has contracted with TreeStory to do our trimming and ground clearing. Their trucks are clearly marked with their TreeStory logo. Throughout the rest of the year, they will be working in the townships of Hayes, Norway Lake, Arctander, Colfax, Lake Andrew and Dovre.



Prior to trimming, a door hanger is placed on the member's door, notifying them of the work to be done. Maintaining clearances around facilities is critical to proving safe and reliable power to you, our member-owners.

THANK YOU FOR YOUR COOPERATION!

July's $25 Winner Mary Rosemeier & Bryan Wuerker

Win $25

Enroll in our Auto Pay program to be entered into a monthly drawing for a $25.00 bill credit. Save time and money!

Must be on Auto Pay to be eligible to win. You can also select email as your only delivery option. You will then receive an email instead of a paper bill when your bill is ready for payment.

Boost comfort and efficiency in every season with a heat pump tune-up

For the remainder of 2026, receive a rebate of **$125.00** on a qualifying air source heat pump tune-up and help your system perform at its best when you need it most. A tune-up ensures efficient **heating and cooling**, improves year-round comfort, and helps catch small issues before they become costly repairs.

Don't wait for extreme weather to find out your heat pump needs attention.

Schedule your tune-up today and enjoy reliable comfort all season long.

ENERGY WISE MN

This offer is available for a limited time. Please contact your cooperative for more details.

KPC
KANDIYOHI POWER COOPERATIVE

BOARD MEETING SUMMARY

July 29, 2026

The Kandiyohi Power Cooperative Board of Directors held their regular monthly meeting. There were nine directors present. Chairman, Dale Anderson called the meeting to order.

Additions made to Regular Agenda: Load controller update & closed session.

The following reports were given:

- CEO Report
  - New ERA, MN Dept. of Commerce update.
  - GRE Strategic Planning Meeting recap.
  - Federal agricultural grant discussion.
  - Kandiyohi County Economic Development meeting recap.
- Member Services/Communications
  - Member Appreciation Stingers Game recap.
  - Youth tour trip recap.
  - ASHP promo rebates program update.
  - Newsletter redesign progress report.
  - 7610 Electric Utility Annual report submitted.
  - Insight & Analytics.
  - Auto Pay Metrics.
- Engineering & Operations Report
  - YTD 2026 services: twenty-three new services connected; nine retired.
  - Modeling of Engineering Software (DEW).
  - Construction projects update.
  - 1/0 underground cable delivery update and adjustments.
- Finance Report
  - CFC Forum recap.
  - Revenue requirement planning horizon update from cost-of-service study.
  - YTD budget-to-actual results.
  - Power Systems Engineering rate model overview.
  - Power cost adjustment threshold discussions.

Regular Agenda

Consent Agenda:
- June 2026 Meeting Minutes
- July Write-offs.

Policy Review

Closed Session
Load Controller and Grant Update
Operation Round Up Q3 Update
Director Training and Meetings Recaps.

Upcoming Meetings & Conferences.
Great River Energy (GRE)
-GRE Report – Dale Anderson.

Motions made and approved by the Board:
- Regular & Consent Agendas.
- Updates to rates 10KPC, KPCCS, Solar, and rate 15.
- Power cost adjustment payout limits.
- Policy review.
- Heartland Security Blue Fish Acquisition terms.
- 2027 Annual Meeting date of April 27, 2027.
- Adjourn meeting.

Next regular board meeting is August 26, 2026.

KPC
KANDIYOHI POWER COOPERATIVE

8605 47th Street NE, Spicer, MN 56288
www.kpcoop.com
Email: contactus@kpcoop.com
Office Hours: Mon.-Fri. 7:30am – 4pm
Phone: 1-800-551-4951
Fax: 320-796-0620

Tom McCormick
Electric Inspector: 612-246-8017

Drop boxes available for your convenience at Cash Wise and our headquarters building near flag pole.

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www.gopherstateonecall.org
1-800-252-1166

24-HOUR OUTAGE NUMBER

When your lights go out, so do we.

Call us if your power goes out even if you think your neighbors already did. Leave one light on so you know when power has been restored and make sure you have an emergency kit ready.

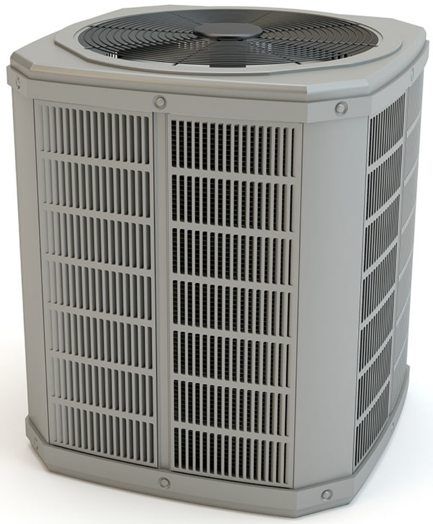
1-800-551-4951

The Cooperative will attempt to furnish continuous service but will not guarantee uninterrupted service.

YOUR SOURCE FOR ENERGY-EFFICIENT HEATING AND COOLING.

ASHP Rebate Promotional Special

Take advantage of these hot promo rebates when you install a qualifying, energy-saving air source heat pump!



Air source heat pumps are a high efficiency heating system. By switching to air source heat pumps, you can reduce your energy bills as you'll be using the outside air for your heating and cooling needs. If you are considering installing an air source heat pump, take advantage of these rebates!

Equipment must be purchased and installed in May, June, July or August 2026.

Ducted ASHP	Promotional Rebate
High Efficiency	$750.00
Premium Efficiency	$1000.00
≤ 5 ton & Quality Installation required. Efficiency based on AHRI directory certificate provided by HVAC Quality Installer.	

Ductless ASHP	Promotional Rebate
Primary Heat Source is Delivered Fuels	$550.00
Primary Heat Source is Electric Heat	$700.00
High Efficiency Requirements: >1 ton & ≥ 14.3 SEER2 & ≥7.5 HSPF2	

Limited funds are available and awarded on a first-come, first-served basis. Rebate amounts and programs are subject to change without notice.