

KILOWATT

UNDERSTANDING THE JANUARY MISO EMERGENCY: How Small Actions Can Make a Big Difference for Your Cooperative



Ryan Nelson,
CEO

Recently, our cooperative received an important message from the Midcontinent Independent System Operator (MISO). The electric grid was under significant stress, prompting a Maximum Generation Emergency Event Step 2 declaration. You may have noticed our request to conserve energy during this time. We want to explain what this emergency means for you, why your cooperation matters, and how these events can affect our rates, as well as your electric bills.

MISO is the organization responsible for managing the flow of electricity from Manitoba to Louisiana, including Minnesota. Think of MISO as the air traffic controller for our region's electric grid, ensuring that supply meets demand and power continues moving reliably for everyone. When unexpected situations- such as severe weather, equipment issues, or other grid stressors arise, MISO follows a detailed set of emergency procedure steps to maintain system reliability. The steps are: Normal Operations, Capacity Advisory, Alert, Warning, Event Steps 1-5, and Termination. Each stage represents an increasing level of grid stress and calls for escalating responses. For example, during a

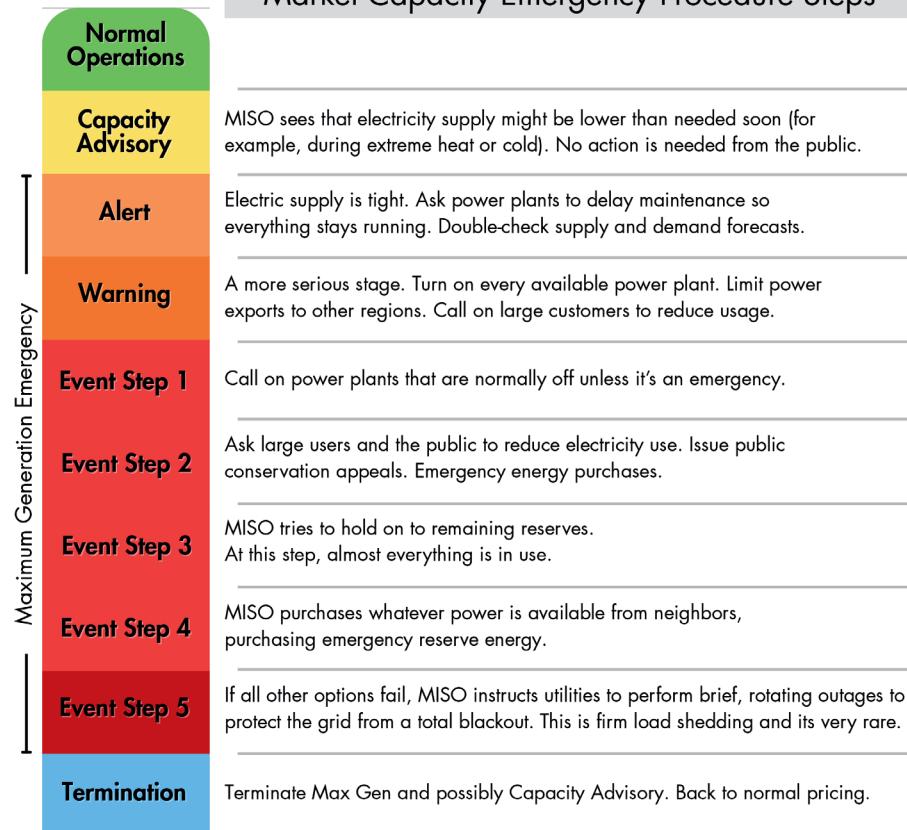
Capacity Advisory or Alert, MISO notifies utilities and cooperatives that conditions are becoming tighter, but immediate action may not be necessary. As the situation progresses through Warning and Event Steps, MISO may request voluntary conservation, and if stress intensifies, more significant measures such as deploying reserves or controlled interruptions could be required. During the recent emergency, we reached Event Step 2, where conservation was strongly encouraged but did not escalate to outages. This structured approach helps keep the grid running safely

and efficiently, even during times of challenge.

A combination of factors led to the emergency declaration. Unplanned generator outages within MISO reduced the available electricity supply at the same time that a cold snap covered most of the MISO region and pushed demand higher. Additionally, low wind output meant that some renewable resources could not provide their usual support. These challenges all came together, making it harder for MISO to balance the grid.

CONTINUED ON PAGE 4

Market Capacity Emergency Procedure Steps



**SAVE
the
DATE**

**Annual Meeting
April 28, 2026**

MAKE YOUR ANNUAL MEETING RESERVATION NOW!

Kandiyohi Power Cooperative is holding our Annual Meeting April 28th at the Little Crow Golf Resort. The doors will open at 8:30 a.m. with the meeting beginning at 9:00 a.m. Due to limited space, we ask that you please RSVP NO LATER than April 15th if you plan on attending. Contact us at 800-551-4951 or by email at contactus@kpcoop.com to make your reservation. We hope that you will be able to join us and take this opportunity to visit with your Board Directors and hear what is happening at your cooperative. We will have a membership gift and prize drawing for those in attendance.



NOTICE OF ONGOING WORK

Throughout the winter season, KPC contractors will be working on load management equipment at various sites across our service area. This initiative reflects our continued dedication to enhancing system reliability and ensuring consistent service for our members.

You may observe work taking place in your neighborhood. We're making every effort to minimize disruptions during this process and appreciate your patience and understanding.

If you have any questions or concerns, please don't hesitate to contact our Member Services team.

ONLINE VOTING

This year marks our second year of offering online voting in the Director election process, building on the success of last year's rollout. While we continue to provide the traditional paper ballot mailing, members now have the convenient option to cast their votes electronically. Watch for your voting packet arriving by mail—inside, you'll find everything you need to vote either online or by mail. Keep an eye on your mailbox and make your voice heard!



January's \$25 Winner

Mark & Heather Czech

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.

Ten Years of Service



Todd Post



Rollo Campe

We extend our gratitude to Todd Post and Rollo Campe for ten years of dedicated service on our Board of Directors. Their leadership, insight, and unwavering commitment have played a vital role in strengthening our mission and shaping our organization's success. We are deeply thankful for all they have contributed over the past decade and are honored to have their continued service as we look ahead to the future.

2026 RATE ADJUSTMENT

KPC's Board of Directors has approved an increase to the fixed Access Charge beginning in 2026 to better reflect the true cost of operating a rural electric system. While energy and demand rates will stay the same, the fixed charge for all member classes will rise, resulting in roughly 5% more revenue. For residential members, the Access Charge will increase from \$49.59 to \$61.04. This update helps cover essential fixed costs like maintaining lines, substations, and other infrastructure that ensure reliable service.

KPC is also facing rising expenses in equipment, insurance, and purchased power—power alone makes up more than half of total costs and has increased over 23% in the past four years, while revenue adjustments have been only 12%. Combined with higher interest costs and lower non-operating revenue, these trends make long-term planning vital. KPC is actively pursuing operational efficiencies, system upgrades, and grant opportunities to help limit impacts on members.

Members with questions can contact the Member Services team or visit www.kpcoop.com/access-charge-information. KPC appreciates your continued support as we work together to ensure safe, reliable, and affordable electricity for the future.

RESIDENTIAL END USE MEMBER SURVEY

Great River Energy (GRE) sent its 2026 Residential End Use Member Survey to KPC members recently. This survey is conducted every 3-5 years. It helps GRE and KPC better understand how residential members use electricity and supports forecasting, planning, and future program development. Only a small group of KPC residential members have been contacted to participate in this survey. Those selected should have received a postcard in the mail with instructions on how to complete the survey online or by mail. Participation is voluntary, but we encourage you to take a few minutes to respond and complete the survey. Your input plays an important role in shaping long-range planning and ensuring reliable, affordable power for the years ahead.

2026 RESIDENTIAL MEMBER REBATES AVAILABLE

All rebates subject to change without notice

Appliances - Energy Star Certified Only

• Dehumidifier	\$ 25
• Dryer	\$ 25
• Freezer w/recycling of old	\$ 75
• Refrigerator w/recycling of old	\$ 75

LED Yard Light Fixture – Energy Star Certified or DLC Rated and LED Decorative Lighting

• 50–100-Watt Fixture (per fixture)	\$ 30
• Decorative LED (Patio) bulbs	\$1/bulb

Heating and Cooling

• A/C & ASHP Tune UP	\$ 25
• ASHP – Ductless High Efficiency >1 ton & \geq 14.3 SEER2 & \geq 7.5 HSPF2 -confirmed with AHRI Certificate	
◦ Primary Heat is Delivered Fuels	\$300
◦ Primary Heat is Electric	\$500
• ASHP – Ducted Quality Installation Required (QI) \leq 5 ton	
◦ High Efficiency - must be confirmed via AHRI Certificate	\$500
◦ Premium Efficiency - must be confirmed via AHRI Certificate	\$800
• Electronically Commutated Motor (ECM) Replacement Only (Energy Star)	\$ 50
• GSHP – per ton (Energy Star Certified)	\$250
• Smart Thermostat (Energy Star Certified)	\$ 25
• ETS Space Heating – per Kw (load management required)	\$ 25

Electric Water Heating – Available to New Load Management Only

• ETS – 80-100 Gallon Control Strategy	\$400
◦ Water heaters are recharged for 8 hours on weekdays typically between 10:00 p.m. to 6:00 a.m. during the <u>winter months</u> and 10:00 p.m. to 9:00 a.m. during the <u>summer months</u>	
◦ ETS water heaters are not controlled on weekends and holidays unless peak control is needed	
◦ \$9 monthly credit with usage of 301 kWh or greater on primary meter	
• Interruptible Water Heating 50-100 Gallon Control Strategy:	\$100
◦ Interrupted for up to 8 hours on days peak control is needed	
◦ \$6 monthly credit with usage of 301 kWh or greater on primary meter	

Installed Water Heaters must be purchased from Kandiyohi Power Cooperative to be eligible for a new load management rebate.

Electric Vehicle – Must be on Off-Peak EV Charging Rate or Time-of-Use Rate

• Installation of qualifying hardwired, level 2 electric vehicle supply equipment (EVSE)	\$200
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Fluorescent Bulb Recycling

- Bring bulbs directly to the Recycling Center, 1400 22nd St SW Willmar. Bring KPC electric bill as proof of membership and you will not be charged.
- LED lights can be disposed of in garbage, no need to recycle.

Visit our website for additional information and how to claim a rebate. Rebate program is subject to change or cancellation without notice.



BOARD MEETING SUMMARY

January 19, 2026

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

Additions made to Regular Agenda: None

The following reports were given:

- CEO Report
 - New ERA, MN Dept. of Commerce update.
 - NRECA CEO Close-Up Conference update.
 - GRE MMG review at next meeting.
 - CEO Evaluation.
- Member Services/Communications
 - Load Management Project update.
 - Still accepting Youth Tour applications.
 - Capital Credit checks update.
 - Auto pay metrics.
 - Insights and analytics.
- Engineering Report
 - YTD 2025 Services: Sixty-six new services; forty-nine retired.
 - New ERA Grant (no update).
 - NISC Operations Analytics (OA) & Engineering Model update.
 - Fleet update.
- Finance Report
 - Year-End Processes.
 - July Storm Update.
 - Operation Round Up Filings in process.
 - No write-offs this month.

Governance Training Videos – Setting Director Compensation.

Regular Agenda

Consent Agenda:

- December 2025 Meeting Minutes.
- KPC Employee Retirement Recognition.

Director Monthly Retainer Discussion

Upcoming Meetings & Conferences

NRECA Winter School Report by Director Moller

Great River Energy (GRE)
-GRE Report – Dale Anderson

Motions made and approved by the Board:

- Regular & Consent Agenda.
- Adjourn meeting.

Meeting Adjourned- Next regular board meeting is Feb. 25, 2026.



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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.

Ryan Nelson, CEO 320-796-1160

BOARD OF DIRECTORS:	District
Dale Anderson, Chair - 320-894-1687	1
Rollo Campe, Secretary - 320-894-1601	1
Larry Powers - 320-212-7960	1
Dan Pomranke - 320-894-7113	2
Todd Post, VC - 320-212-1119	2
Ken Warner - 320-212-8700	2
Kelly Erickson - 320-894-2930	3
Robert Moller - 320-295-1362	3

KILOWATT STAFF:

Michele Scheffler, Editor

Equal opportunity provider and employer.

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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.

UNDERSTANDING THE JANUARY MISO EMERGENCY: CONTINUED FROM PAGE 1

We want to reassure you that at no time was KPC's electric reliability at risk. The lights stayed on, and essential services continued without interruption. However, responding to these emergencies comes with increased costs for your cooperative. When the grid is stressed like we saw this last month, the price of purchasing electricity can spike.

It's important to understand how these events affect your bill. During periods of high electricity prices, our Generation and Transmission (G&T) provider charges our cooperative more for power purchased on the market. These extra costs are reflected in what's called the Wholesale Power Cost Adjustment (PCA), which is passed directly through to our member-owners. This means you may notice a change in the PCA line item on your bill the following month, showing the immediate impact of higher energy costs during emergency events. By conserving energy when asked, you help reduce these additional charges and keep your bill as low as possible.

When you and your neighbors take simple steps to reduce electricity use, such as delaying laundry, turning off unnecessary lights, or lowering your thermostat just a bit, it adds up to a significant impact. By lowering demand during grid emergencies, we can avoid buying expensive power or needing to operate less efficient generators. This helps keep our costs lower and slows the pressure for future rate increases. Even small actions, when multiplied across our whole cooperative, can make a meaningful difference. Your participation during an emergency is a direct investment in keeping our cooperative strong and our rates as affordable as possible.

We appreciate your responsiveness and community cooperation whenever we ask for help conserving energy. By working together, we can maintain the security of our electric system while effectively managing costs. Please follow our Facebook page for future updates and remember that your energy-saving choices help ensure reliable, affordable electricity for all our members, today and in the years to come.



**Go, With
Confidence.**

JANUARY SPECIAL
Get two months medical alert monitoring FREE!
with purchase of a new medical alert.

Our Medical Alert System has everything you need to help maintain your independence. It's easy to use, comfortable to wear all day, and uses WiFi technology to help locate you in an emergency.

Security | Automation | Cameras | Medical Alerts

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