

COOPERATIVE CONNECTIONS



Building Communities

**REED Fund Helps
Support Local Growth**
Pages 8-9

**DERs and the
Electrical Grid**
Pages 12-13

Dave Eide, right, presents a check to Jason Foster, left, fire chief of Garden City Fire Department. Through the REED fund, the department secured a loan to renovate the fire hall.

POWER GENERATION Q&A



Tim McCarthy
General Manager/
Chief Executive
Officer

Tim.McCarthy@
siouxvalleyenergy.
com

Power generation is not as simple as building a few power plants, turning on the switch, and sending electricity through the grid to power homes and businesses. Power suppliers must plan years (sometimes decades) in advance to successfully add generating resources to their fleet. They also need to factor in federal, state, and local regulations and policies to construct new facilities. In addition, public acceptance is also a consideration as it becomes more and more challenging to site and build infrastructure needed to provide reliable electricity to all members.

To help answer common member questions, we developed the following information. Power generation is a complex issue – we hope this helps paint a picture of the intricacies of the electrical system, how it impacts your rates, and what it takes to ensure reliability into the future.

WHY CAN'T SIOUX VALLEY ENERGY JUST BUILD MORE AFFORDABLE COAL/NATURAL GAS/RENEWABLE ENERGY GENERATING RESOURCES?

Sioux Valley Energy does not generate electricity and does not decide which types of generation to build. However, its power supplier is building natural gas-fired generation and adding new transmission assets to the electric system.

To explain, the electric co-op system in this area is divided into three tiers – generation, transmission, and distribution. Sioux Valley Energy serves as the distributor, delivering electricity directly to its end members. Its power suppliers, East River Electric and L&O Power Cooperative, manage the transmission tier, while Basin Electric Power Cooperative (Basin Electric) generates electricity from a diverse energy mix. Additionally, the Western Area Power Administration contributes hydropower generated from dams on the Missouri River.

Sioux Valley Energy has what is called an “all requirements” contract with its power suppliers, which means the Cooperative must purchase all its power from its power suppliers. The only caveat to the “all requirements contract” is Sioux Valley

Energy’s solar demonstration projects and individual members who produce their own power at their home or business through small-scale renewable energy systems. There are limitations on the size of those systems, however.

Sioux Valley Energy owns two solar arrays that produce a small amount of electricity – a community solar array near its Colman headquarters and a demonstration solar array at its Brandon facility. Both solar arrays are small-scale demonstration projects that are not meant to produce a significant amount of electricity.

ISN'T COAL THE BEST RESOURCE WE HAVE FOR ELECTRICITY GENERATION?

Sioux Valley Energy supports an “all of the above” energy generation strategy as the most prudent and effective approach. This strategy ensures a diversified energy mix, avoiding reliance on a single source or “putting all our eggs in one basket.”

It is essential to have baseload generation (24/7 power) as the powerhouse of the generating fleet. Traditionally, this role has been filled by coal. But as the political and regulatory landscape has shifted, so has the approach to the construction of new generation.

Coal still makes up just over 35% of Sioux Valley Energy’s wholesale power supplier’s (Basin Electric Power Cooperative) power-generating fleet. Coal remains an important part of the equation and provides a reliable source of power through a fuel source that can be stored or mined near the generator. Natural gas is the most economical dispatchable power generation to finance, permit, and operate. Renewables such as wind and solar do fill a need in power generation even though they are intermittent (do not run 24/7). Depending on the weather conditions across our region, wind can meet as much as 80% or more of our total power supply needs on a given day. But if the wind isn’t blowing across a large portion of our region, it could provide 1% or less of our power supply needs. Wind and solar work

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COOPERATIVE CONNECTIONS
SIoux VALLEY ENERGY

(USPS No. 497-440)

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How to contact us: Phone: 1-800-234-1960
e-mail: sve@siouxvalleyenergy.com
Website: www.siouxvalleyenergy.com

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Sioux Valley Energy is an equal opportunity provider and employer.

2025 DISTRICT MEETINGS SET

During the winter and early spring months, Sioux Valley Energy hosts meetings in each of its 10 districts. Elections for directors rotate every year. This year, elections will take place in Districts 2, 4, 6, and 10. Members are invited to attend any of the meetings listed below but can only vote in their respective district.

A complimentary meal consisting of a french dip sandwich, twice baked mashed potatoes, green beans, and assorted cookies will be served at each meeting. Food will be available between 5:30 p.m. and 7:00 p.m. with the meeting beginning at 7:00 p.m.

At the meeting, members will hear from both Manager/CEO Tim McCarthy and the director elected to represent the district.

TOPICS OF DISCUSSION WILL INCLUDE:

- Power Supply Rate Pressures
- Growth and Planning for the Future
- The Energy Transition

Members who attend their district meeting will receive a \$25 bill credit at the end of the meeting. Members need to bring the registration postcard which is mailed out prior to their district meeting. Only one credit allowed per membership. Members can also register to win a trip to North Dakota to tour power generating facilities.

Stop by the Sioux Valley Energy “Take the **Time**. Every **Time**.” Safety Booth to register for a chance to win a smart watch.

Date	District	Director	Location
Tuesday, February 25	8	Leuthold	Generations (Grand Prairie Event Center) Luverne, MN
Thursday, March 13	9	Johnson	Pipestone Area High School Pipestone, MN
Monday, March 17	1	DeGreef	McKnight Hall White, SD
Tuesday, March 18	5	Weinacht	Taopi Hall Colton, SD
Thursday, March 20*	6	Fish* & Rogen (Election)	Brandon Valley High School Brandon, SD
Monday, March 24*	2	Vostad* (Election)	Sioux Valley School Volga, SD
Tuesday, March 25*	4	Daniel* (Election)	Dakota Prairie Playhouse Madison, SD
Monday, March 31*	10	Roskamp* (Election)	Edgerton Public School Edgerton, MN
Monday, April 7	3	Heinemann	William J Janklow Comm. Center Flandreau, SD
Monday, April 21	7	DeMent	West Central School Hartford, SD

Fire Safety

Cooking and heating are the leading causes of home fires and fire injuries, and winter months are the peak time for fire-related deaths.

Minimize Your Risks

The good news: Deaths from home fires in the U.S. have trended downward since the 1970s, according to Injury Facts, but even one death from a preventable fire is too many. While fire doesn't discriminate by age, it is the third leading cause of death for children 1 to 14.

When cooking, make fire safety a priority by keeping these tips in mind:

- Be alert; if you are sleepy or have consumed alcohol, don't use the oven or stovetop
- Stay in the kitchen while you are frying, grilling, boiling or broiling food
- When simmering, baking or roasting, check the food regularly, remain in the kitchen while cooking and use a timer
- Keep anything that can catch fire away from your stovetop

Heating is the second leading cause of home fires.

Follow these tips:

- Keep all flammables, like paper, clothing, bedding, drapes or rugs, at least three feet from a space heater, stove or fireplace
- Never leave portable heaters and fireplaces unattended; turn off heaters and make sure fireplace embers are extinguished before leaving the room
- If you must use a space heater, place it on a level, nonflammable surface, like ceramic tile, not on a rug or carpet
- Keep children and pets away from space heaters
- When buying a space heater, look for models that shut off automatically if the heater falls over

Other top causes of fire include smoking, electrical problems and candles. To minimize risks:

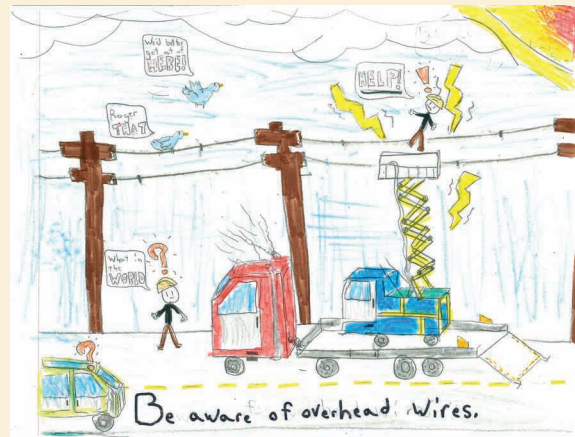
- Institute a "no smoking" policy in the house
- Check all cords and replace any that are frayed or have bare wires
- Switch to flameless candles
- Keep matches and lighters high and out of children's reach in a locked cabinet

Working Smoke Alarms Are a Must

Replacing the Battery on a Smoke Alarm About three out of five fire deaths happen in homes without working smoke alarms. Smoke alarms are a key part of a home fire escape plan providing early warning to reduce your risk of dying in a fire. The National Fire Protection Association recommends you:

- Install smoke alarms on every level of your home, inside bedrooms and outside sleeping areas on the ceiling or high on the wall
- Keep smoke alarms away from the kitchen, at least 10 feet from the stove, to reduce false alarms
- Use special alarms with strobe lights and bed shakers for people who are hard of hearing or deaf
- Test smoke alarms monthly
- Replace batteries in your smoke alarm and carbon monoxide detector annually
- Replace smoke alarms that are 10 or more years old

Source: National Safety Council



"Be aware of overhead wires."

Vance Claeys, Age 11

Vance Claeys cautions readers to be careful when working around power lines. Thank you for your picture, Vance! Vance's parents are Jake and Bridget Claeys, members of Lyon-Lincoln Electric.

Kids, send your drawing with an electrical safety tip to your local electric cooperative (address found on Page 3). If your poster is published, you'll receive a prize. All entries must include your name, age, mailing address and the names of your parents. Colored drawings are encouraged.

SOUP

Sensation

BROCCOLI CHEESE SOUP

Ingredients:

- 1 large pkg. frozen broccoli
- 1/4 cup water
- 3 tbsps. margarine
- 10 oz. package corn
- 1/4 cup chopped carrots
- 1/4 cup chopped onion
- 1/4 tsp. pepper

Cook the above and add
 3 cans cream of potato soup
 3 cups milk
 2 cups shredded Cheddar cheese
 1/2 cup shredded Monterey Jack cheese
 Stir until melted

LaVonne Schmidt
 Sioux Falls, S.D.

NORWEGIAN FRUIT SOUP

Ingredients:

- Bring 1/2 gallon water to a slow boil.
- Add 1 pkg. of sweetened dried cherries, banana chips, apricots, prunes, 2 apples (all cut into pieces)
(Optional to use any dried fruit you wish)
- 1/2 cup golden raisins
- 1/2 cup regular raisins
- 2 whole cloves
- 2 cinnamon sticks
- 1 cup sugar (you can use Splenda)

Method

Boil slowly for one hour add 3 tbsps. tapioca and a large pkg. of cherry jello.
 Refrigerate and serve with whip cream.

Kari Reder
 Warner, S.D.

CABBAGE SOUP

Ingredients:

- 1 2 tbsps. vegetable oil
- 1 pkg. (14 oz.) smoked sausage, sliced 1/4 in. thick
- 1 large yellow onion, chopped
- 1 tbsp. tomato paste
- 1 small green cabbage, cored and shredded (about 8 cups)
- 1 medium carrot, finely chopped
- 1 can (14 1/2 oz.) petite diced tomatoes
- 1 1/2 tsps. salt
- 1/2 tsp. garlic powder
- 1/2 tsp. ground black pepper
- 1/4 tsp. onion powder
- 1/8 tsp. crushed red pepper
- 4 cups chicken stock or broth
- 1 can (15 1/2 oz.) white beans, drained and rinsed
- 1 tbsp. white wine vinegar

Method

Heat oil and cook sausage, until browned. Remove from skillet. Add onion and tomato paste; cook and stir until onions are slightly softened and tomato paste has darkened. Add cabbage and carrots to stockpot. Cook, stirring frequently, about 30 minutes or until cabbage has softened and begins to caramelize. Stir in tomatoes, salt and spices. Cook 10 minutes longer or until cabbage is very soft. Return sausage to pot. Stir in stock and beans. Bring to boil. Reduce heat and simmer 10 minutes. Stir in vinegar. Serve hot, sprinkled with freshly grated Parmesan cheese, if desired.

McCormick.com

Please send your favorite recipes to your local electric cooperative (address found on Page 3). Each recipe printed will be entered into a drawing for a prize in December 2025. All entries must include your name, mailing address, phone number and cooperative name.

Energy Solutions for You and Your Family



Sheila Gross
Energy Services
Specialist

For info on beneficial electrification programs, contact Sheila Gross at sheila.gross@siouxvalleyenergy.com to learn more. Check out our incentives and resources for using electricity wisely here:



If you are looking for energy solutions to reduce energy consumption in your home, it's helpful to identify where your energy goes. According to the U.S. Energy Information Administration, more than half (52%) of a household's typical annual energy usage goes towards heating and air conditioning systems. Water heating, lighting, and refrigeration contribute 25%. The remaining 23% of home energy use is comprised of appliances and electronic devices. There are many factors that affect your individual scenario: home size and structure; fuel source; the number, type and efficiency of equipment and devices used; and the number of members in your household.

Changing your energy consumption habits, choosing energy efficient equipment and devices, and improving weatherization in a home can help save money on utility bills. You can also take advantage of the Cooperative's programs and incentives. You'll find a copy of the Energy Solutions guide inserted into this month's newsletter. Here are key residential program highlights:

- **WATER HEATERS** – Purchase a large capacity, high-efficient Marathon water heater for your home for \$600. The unit carries a lifetime-tank/6-year parts warranty and must be connected to the load management program. Contact 800-234-1960 for details or to place an order (some restrictions apply).
- **HEAT PUMP INCENTIVES** – It's tough to beat the efficiency of an electric heat pump that not only cools your home in the summer, but also heats it in the winter. Rebates on equipment 2-ton and larger and a reduced electric heat rate are available. Air-to-Air Heat Pump: \$600 with non-electric backup or \$1,200 with



electric backup. Geothermal Heat Pump: \$1,200. Ductless Mini-split Heat Pump: \$300 per structure.

• **ENERGY AUDITS** – Contact Sioux Valley Energy to schedule a weatherization assessment of your home. The inspection, including use of infrared imaging and blower door testing, can help identify air leaks in your home and ways to improve efficiency and comfort.

• **TIME OF USE RATE** – Put the power in your hands to save money on your electric bill with the Time of Use Rate. You can save money simply by shifting your energy use to off-peak times for daily chores such as laundry and dish washing. Contact Member Services to sign up for a three-month risk-free trial at 877-511-8062.

• **ELECTRIC VEHICLE PROGRAM** – If you are in the market for an electric vehicle, we offer a rebate of \$500 for the purchase/lease of a battery electric vehicle (BEV) or \$250 for a plug-in hybrid vehicle (PHEV) with participation in one of the off-peak charging rate options – Time of Use Rate or Vehicle Plug-in Rate. We also offer an EV Ready New Home Construction Rebate of \$300.

To learn more about energy solutions, check out our website at www.siuksvalleyenergy.com or contact 800-234-1960. Visit with our Beneficial Electrification team at your local district meeting, the Brookings Home Show February 7-8, or the Sioux Empire Home Show February 21-23.

WINNER NAMED

Angie Flanigan of Brandon, South Dakota, won a NEST programmable thermostat in the recent Energy Makeover Contest.



Photo by Sioux Valley Energy.

Sioux Valley Energy Employees Recognized for Years of Service in 2024



Ryan Hyland
Lead Journey
Lineworker
30 years



Jeff Huebner
Warehouse
Coordinator
25 years



Dave Jensen
Mechanic
25 years



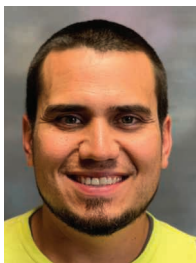
Deb Barger
Material Coordina-
tor/Purchasing
20 years



Cody Bunkers
Lead Jouney
Lineworker
20 years



Sarina Hanson
Beneficial
Electrification
Coordinator
10 years



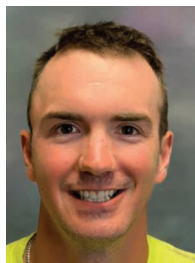
Derek Locke
Journey
Lineworker
10 years



Casey Lowe
Journey
Lineworker
10 years



Kyle Thomson
Lead Jouney
Lineworker
10 years



Parker Kuchta
Journey
Lineworker
5 years



Jordan Long
GIS
Coordinator
5 years



Colton Spader
Apprentice
Electrician
1 year

TRIO RETIRE

Employees Jim George, Lori George, and Jeff Huebner retired January 3, 2025, with a combined 73 years of service to Sioux Valley Energy members. We wish them well in retirement.



Jim George
Electrical
Contractor
21 years



Lori George
Public Relations
Coordinator
27 Years



Jeff Huebner
Warehouse
Coordinator
25 Years



Eli Bowen
Apprentice
Lineworker



Tyler Mutzinger
Information
Systems
Coordinator



Nathan Zimmerman
Manager of
Beneficial
Electrification

WELCOME, NEW EMPLOYEES

Three individuals have joined the Engineering & Operations and Technology teams at Sioux Valley Energy. We are glad to have them start their cooperative careers here.



Pulse of Life Kids Center in Vermillion, S.D.

BUILDING COMMUNITIES

REED Fund Helps Support Local Growth

Jacob Boyko

jacob.boyko@sdrea.coop

Small towns and rural communities are the backbone of electric cooperatives, with many co-op members relying on their small towns for shopping, childcare, entertainment and other basic needs and services.

That’s why co-ops are working to help keep – and expand – services and job opportunities in small towns using the co-ops’ Rural Electric Economic Development Fund, or REED.

REED is a non-profit organization launched by the electric cooperatives in 1996 to finance community-focused projects across small towns in South Dakota and Western Minnesota where affordable financing can be harder to secure.

REED has multiple sources of funding, but one of the main sources of funding over the years has been the United States Department of Agriculture. REED has utilized both the Rural Economic Development Loan and Grant Program (REDLG) and the Intermediary Relending Program (IRP), which together have amounted to more than \$30 million.

Through the REDLG program, REED

can fund eligible projects at a 0% interest rate. Through the IRP program, REED applies for low-interest loans and then re-lends the money at a rate slightly higher than the USDA rate – but still less than traditional lending sources. This adds money to the fund and perpetuates it for future projects.

Since the fund’s inception, it’s been used to support more than 400 community-focused projects.

East River Electric Business Development Director Mike Jaspers says it’s in co-ops’ best interests to make rural living just as feasible as living in a larger city.

“It comes back to our principle of commitment to community,” Jaspers explained. “REED ensures our membership has their vital needs met, and they can enjoy the amenities of life in a rural setting when they’d otherwise have to go to a larger city to access some of those services.”

Eric Fosheim, East River Electric’s economic development director in charge of the REED fund, said the \$130 million lent by REED has impacted more than 10,000 jobs and amounted to over \$1 billion of economic impact throughout

South Dakota and Western Minnesota.

“Our \$1 million investments help spur \$10 million projects, which means for every \$1 REED invests into a project, it roughly has a \$9 or \$10 impact,” he explained.

As a supplemental lender, REED won’t finance a project alone; organizations still must secure funding from other sources. However, REED’s low interest rates and community focus can be just what a project needs to catalyze it over the finish line.

As members of the REED fund, co-ops can impact economic development projects while letting REED take on the financial risk.

“The co-ops aren’t on the hook and aren’t guaranteeing the loans here,” Fosheim explained. “REED is doing that.”

Pulse of Life Kids Center – Vermillion, S.D.

Pastors Glenn and Angela Pulse had a vision and a calling. Pulse of Life Foursquare Church, which they hoped to start on Vermillion’s Main Street inside an old medical clinic, had the ability to serve a greater need in the community, where the wait lists for childcare sometimes exceeded three months. They had the faith — they just needed some resources.

The church council worked with First Bank & Trust to secure a loan to create the Pulse of Life Kids Center, but the bank couldn’t lend them the entire amount they needed.

“New daycare centers have a high rate

of failure, so we couldn't qualify for all of the money that we needed through bank loans," Angela explained. "Instead of saying no, the bank manager suggested we go about it in a different way. That's how the conversation about the REED fund came up."

Clay-Union Electric Manager Chris Larson said supporting the Pulses, who are members of the co-op, made sense for Vermillion, where challenges from workforce shortages and the lack of childcare options are prevalent.

"It fills a need in our community," Larson said.

Fosheim agrees.

"Workforce challenges have really been an issue in recent years and one way we try to help with that is by investing in daycares," he said. "Daycares don't always look that good on paper from a financial standpoint, so a lot of these organizations have a hard time getting adequate financing."

With the REED fund's \$245,000 loan, the Pulses' vision finally took shape and the Kids Center opened in 2023. Today, the center offers faith-based daycare with a capacity for 43 of the community's children.

"It's encouraging because it puts more options on the table to make these new things possible," Angela said. "There's no way we could have done this without the REED fund."

Fire Station – Garden City, S.D.

In Garden City, a small community northwest of Watertown, a dilapidated fire hall sat rotting into its own footprint.

"It was just in a state of disrepair," said Scott Campbell, treasurer at the Garden City Fire Department. "The walls were pushing out and we had to put plastic over the doors. It was cramped and old. The truck was parked over a basement area, and being heavy and full of water it caused some concern."

Options were narrowing; Garden City would have to act fast or lose their fire station and rely on surrounding communities during an emergency.

Codington-Clark Electric Director



Nursing home expansion in Philip, S.D.

Russel Foster, who also volunteers for the fire hall, approached his co-op's manager, Dave Eide, in 2022 about using REED to breathe new life into Garden City's fire hall.

Eide agreed and helped with the application process, championing the fire hall as a vital need for Garden City, the co-op and co-op members.

"Everybody needs fire protection," Eide explained.

Through REED, the fire hall secured a \$230,000 loan. The new hall features a community room, which Scott said filled a desperate need.

"We had no place to vote, no place for birthday parties," Campbell said. "Township meetings were in houses at kitchen tables."

For Eide, the REED fund is just another example of what co-ops are supposed to do – serve communities.

"It's an extension of what co-ops are in the first place," he said. "We sell power to members and that's one way we help and serve our communities. The REED fund is just another extension of that."

Elder Care – Philip, S.D.

In rural Philip, limited options for elder care had some long-time locals facing tough decisions.

"Our nursing home for a lot of years was not big enough," said Cindy Pfeifle, business manager at Philip Health Services. "Members of our community were having to leave the area when they needed nursing home care."

After applying for a REED loan in 2022 through West Central Electric and securing funding from other community sources, Philip Health Systems renovated and expanded the nursing home, increasing occupancy from 30 beds to 42 beds.

West Central Electric CEO Jeff Birkeland said access to the REED fund is essential for rural areas without much population growth.

"We need to keep our people from moving away and keep our businesses local," Birkeland said. "The best way to do that is by giving them access to very low-interest financing. Saving hundreds of thousands of dollars in interest costs makes projects much more feasible."

Pfeifle says the community support was essential to initiate the project and applauds REED for helping bring opportunities back to small towns.

"It sends a message of support and cooperation and that they understand how important it is to keep services in rural areas for people who live here," Pfeifle said.

The nursing home project was the first in West Central Electric's territory to use the REED fund, but Birkeland hopes many more projects are to come.

"We are a cooperative, so job number one is to take care of our members and do everything we can to help our communities," Birkeland continued. "If somebody comes to you or you see a need in our communities, we're all in."



SVE Members

Make an Impact

More than \$164,000 given to community groups in 2024

Members of Sioux Valley Energy impacted their communities to the tune of \$164,000 in 2024 by rounding up their monthly electric bills through the Cooperative's Operation Round Up® (ORU) program.

Just this year, ORU helped fund 97 non-profit organizations, communities, and schools for dozens of initiatives. Examples include grants for purchasing uniforms for sporting and musical groups, feeding the hungry, and improving recreational facilities in several towns. Main funding categories for the Sioux Valley Energy ORU program include community service, economic development, emergency energy assistance, disaster relief efforts, environmental programs, and education and youth initiatives.

"I'm grateful for the commitment Sioux Valley Energy has to outstanding social service organizations in the service territory. As a part of the Board who helps decide which worthy organizations receive funding is a great responsibility, and I'm honored to lead that effort for the ORU committee," said Operation Round Up Board Chair Dan LaRock.

In total, more than \$2.46 million has been donated since the year 2000 when the Cooperative started the program. Operation Round Up was developed originally by the Palmetto Electric Cooperative in South Carolina. Hundreds of electric cooperatives around the country, like Sioux Valley Energy, now administer their own Operation Round Up program.

The program concept is simple – participating members "round up" their electric bill to the next highest dollar and those "rounded up" funds are placed into a trust. Additionally, many Sioux Valley Energy employees donate from their paycheck each month. Requests for

funding are considered quarterly and approved by the Operation Round Up Board, a group of seven Co-op members who are appointed by the Sioux Valley Energy Board of Directors. Each trustee represents one of the counties served by the co-op, which include Rock and Pipestone counties in Minnesota, and Brookings, part of Kingsbury, Lake, Moody, and Minnehaha counties in South Dakota.

"We think of Operation Round Up as a circle of giving – SVE members and employees give a small amount each month and those dollars are then reinvested into the community, impacting everyone," said Carrie Vugteveen, Vice President of Public Relations.

A list of recent grant recipients, as well as information on how local organizations can apply for funding, can be found at <https://www.siouxvalleyenergy.com/operation-round-up>. The next deadline to apply for funding is February 20 with grants being awarded in March.

To learn more, listen to the Cooperative's Inside the Grid podcast discussing the Operation Round Up program at www.siouxvalleyenergy.com/sve-day-giving.



Fourth Quarter Operation Round Up® Grant Recipients:

The following area organizations, communities, and schools received Sioux Valley Energy Operation Round Up grants in December 2024:

BALTIC, SOUTH DAKOTA

- Baltic Community Club – \$1,000

BEAVER CREEK, MINNESOTA

- City of Beaver Creek – \$2,500

BRANDON, SOUTH DAKOTA

- Brandon Valley Band Parents – \$1,200
- Brandon Valley Hockey Association – \$1,200
- Dynamic Dance Booster Club – \$1,000

BROOKINGS, SOUTH DAKOTA

- Boys & Girls Club of Brookings – \$1,250
- Dakota Drifters Snowmobile Club – \$500
- South Dakota Youth Foundation – \$1,000

CHESTER, SOUTH DAKOTA

- Chester Area Middle School Science – \$500

COLTON, SOUTH DAKOTA

- City of Colton – \$1,500

FLANDREAU, SOUTH DAKOTA

- Boys & Girls Club of Moody County – \$1,250
- Flandreau Public High School After Prom – \$750

GARRETSON, SOUTH DAKOTA

- Palisades State Park – \$1,000

HARTFORD, SOUTH DAKOTA

- Christ Lutheran Church Daycare – \$1,000

LUVERNE, MINNESOTA

- Carson's Cause – \$2,000
- Generations Inc. Quilters – \$1,000

MADISON, SOUTH DAKOTA

- Dakota State University Foundation – \$1,500
- The Domestic Violence Network – \$2,000
- East Dakota Transit – \$2,000
- Madison High School Drumline – \$500
- Sunset Harbor Homeowners Association – \$600

PIPESTONE, MINNESOTA

- Historic Pipestone, Incorporated (HPI) – \$1,000

- Pipestone County Historical Society – \$1,500

RAMONA, SOUTH DAKOTA

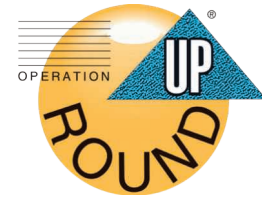
- Town of Ramona – \$1,500

SIOUX FALLS, SOUTH DAKOTA

- Breathe Bravely – \$2,500
- Catholic Community Foundation – \$1,250
- Great Bear Ski Valley Adaptive Skier Program – \$2,000
- Independent Living Choices ADA 35 Festival – \$2,000
- Rare by Design – \$1,000
- Volunteers of America – \$1,500
- Washington Pavilion Management, Inc. – \$1,500

TEA, SOUTH DAKOTA

- TSC Blaze – \$500



Members Donate through Tree of Giving Hope

More than 900 personal care items were collected this year during Sioux Valley Energy's Tree of Giving Hope Christmas Drive event.

THANK YOU to our members and employees who donated items. Items ranged from toothbrushes, and combs to feminine products and deodorant, along with much more.

Sioux Valley Energy included all school districts within its territory footprint in a drawing and drew 10 schools (one for each of the Cooperative's districts). The 10 school districts receiving personal care items to assist students include:

- **District 1** – Elkton School District
- **District 2** – Sioux Valley School District
- **District 3** – Flandreau School District
- **District 4** – Oldham-Ramona-Rutland School District
- **District 5** – Tri-Valley School District
- **District 6** – Dell Rapid's St. Mary
- **District 7** – West Central School District
- **District 8** – Hills-Beaver Creek School District
- **District 9** – Pipestone Area School District
- **District 10** – Edgerton Public Schools



Photo by Sioux Valley Energy

Sioux Valley Energy Lead Journey Lineworker Dan Doyle (and Flandreau school alumni) delivered two bags of donations collected through the Tree of Giving Hope to the Flandreau school. Receiving the donations are elementary school counselor Chelsea Greenfield, school social worker Emma Peters, and middle/high school counselor Kari Lena-Helling. The donated items will be added to the district's Fliers Closet utilized by students in need.



The Waxdahl's solar array and hog farm, east of Flandreau. *Submitted Photo*

DISTRIBUTED ENERGY

Understanding the Impact of DERs to the Electrical Grid

Frank Turner

frank.turner@sdrea.coop

Farming has always been a way of life for fourth-generation producers Matt Waxdahl and his brother, Ben. Growing up just outside of Flandreau, the brothers spent their childhood lending a hand on their grandfather's and father's farms.

Over time, Matt and Ben started their own operation. As the market evolved, so did the brothers. In 2009, they expanded into hog farming, building their first barn. Their success led to the addition of two more barns, the most recent constructed in 2022.

According to Matt, raising hogs comes with one major benefit: temperature-controlled barns.

"It's all under one roof, and it doesn't matter if it's 100 degrees outside or -20, it's always T-shirt weather," said Matt.

However, keeping their hogs on a permanent tropical vacation requires a significant amount of energy. During the summers, industrial fans and a stout ventilation system keep the barn cool, while powerful heaters maintain a comfortable environment in the biting South Dakota winters.

Two years ago, the brothers tackled this energy-intensive challenge by installing a 30-kW solar array. With guidance from Sioux Valley Energy, their local electric cooperative, they determined the project would financially benefit their operation due to availability of tax credits and grant funding.

"We saw that the majority of our power usage was always during the day," Matt explained. "We did some number crunching, and it penciled out."

Distributed Energy Resources

The Waxdahl brothers' decision to invest in a solar array reflects how farmers and ranchers across the state are utilizing Distributed Energy Resources (DERs) like solar panels and on-site wind turbines. While some producers use solar panels to power remote water pumps, others invest in larger systems like solar arrays to offset the energy demands of their farms.

According to Ben Pierson, energy services manager at East River Electric, DERs are not common across the state. However, Pierson noted there are situations where DERs make sense: in remote areas where connecting to the electrical grid is too costly, for businesses or individuals looking to leverage tax credits and grant funds, and

for individuals who want to produce their own energy as a personal or environmental choice.

“The most successful applications of DERs that I’ve seen have been for agricultural operations like hog and dairy farms, where the producer has been able to secure both grant funding and tax incentives,” said Pierson. “It makes sense economically because they are using most their energy during the day when solar is producing.”

Even in the best-case scenarios, DERs still face challenges. Without existing tax breaks and grant funds, the energy savings from Waxdahls’ solar array would not have justified the expense. “It wouldn’t be economically efficient at all without the tax credits and grant funding,” Matt said.

The array has also not been as efficient as the Waxdahls had hoped. While the panel installers projected a return on investment within seven to 10 years, the reality after two years of operation suggests it may take closer to 12 to 15 years for the panels to pay for themselves.

Despite the challenges, Matt considers his solar array a successful addition to his hog operation. “If I had another barn the same size, I would make the same decision to add a solar array,” he said.

The Electrical Grid

While DERs offer renewable energy options at the local level, South Dakota’s electrical grid already incorporates significant contributions from renewable energy sources at a wholesale price.

In fact, Basin Electric Power Cooperative, a generation and transmission cooperative serving South Dakota’s electric cooperatives, began purchasing energy from the Wild Springs Solar Project in 2024. Located near New Underwood, the 128-megawatt facility is the largest solar farm in the state. Basin Electric is set to purchase 114 megawatts of the project’s output, marking its first step into utility-scale solar generation.

The benefits of this project are already underway, said Pierson.

“Building a large-scale solar array is much more economically feasible than

a smaller-scale solar array,” said Pierson. “It lets us implement renewable energy into the portfolio in a cost-effective way.”

According to Pierson, power providers are continually working to implement renewable energy where it makes sense while providing reliable energy at an affordable price.

Connecting to the Grid

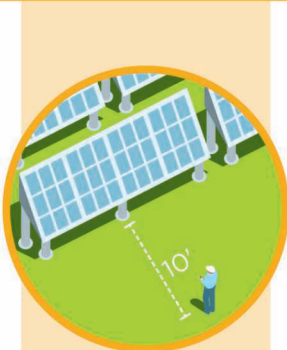
When considering the addition of DERs such as solar panels or an on-site wind turbine, Pierson encouraged members to contact their local electric cooperative to ensure the system is properly sized and safely connected.

When implementing a DER, there are often safety requirements in place to protect both the DER owner and the grid operators.

“Especially if you are talking to a third-party vendor, please reach out to your local utility to discuss the pros and cons – and realities – of implementing DERs,” said Pierson. “Utilities can offer unbiased information regarding the expected output and proper sizing of a DER.”

SAFETY NEAR SOLAR

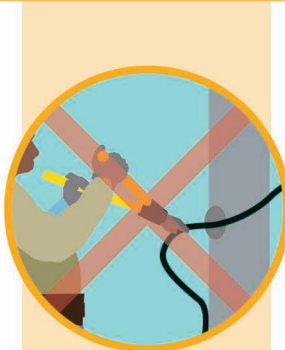
Like any other source of electricity, solar panels can pose potential hazards. Keep these safety tips in mind when you’re near solar panels.



Stay at least 10 feet away from the installation.



Never walk on solar panels.



Never cut any wiring to the solar panels.



Never touch broken or damaged solar panels.

Statement of Nondiscrimination

In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.

Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotape, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.

To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found on-line at http://www.ascr.usda.gov/complaint_filing_cust.html, and at any USDA office, or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call 866-632-9992. Submit your completed complaint form or letter to USDA by:

1. Mail: U.S. Department of Agriculture Office of the Assistant Secretary for Civil Rights
1400 Independence Avenue, S.W.
Washington, D.C. 20250-9410
2. Fax: (202) 690-7442; or
3. Email: program.intake@usda.gov



Co-Generation Notification

In compliance with Sioux Valley Energy's adopted rules relating to Co-Generation and Small Power Production, Sioux Valley Energy is obligated to interconnect with and purchase electricity from co-generators and small power producers whom satisfy the conditions of a qualifying facility. Sioux Valley Energy is obligated to provide information free of charge to all interested members upon request regarding rates and interconnection requirements. All interconnections require an application and approval to become a qualifying facility. Any dispute over interconnections, sales and purchases are subject to resolution by the Cooperative. Interested members should contact Sioux Valley Energy, PO Box 216, Colman, SD 57017 or call 800-234-1960.

TELL US WHO POWERS YOU!



Nominate your local hero at whopowersyoucontest.com



We know our co-op community is filled with people making a difference. Let's celebrate them! Nominate a hero in your community who goes above and beyond. **They could win up to \$3,000!**

Power Generation Q&A, Continued from Page 2

very well when matched with natural gas. This is because natural gas plants can quickly change the output to match the variability or intermittency of wind and solar. At the end of 2023, renewable generation made up over 30% of Basin Electric's energy portfolio, which includes wind and hydro.

As new baseload generation is built, the focus has shifted to natural gas due to its ability to provide reliable and affordable energy. Sioux Valley Energy's wholesale power supplier is planning to construct two additional natural gas resources in the next five years to meet future energy needs. Because of regulatory and political pressures on coal, they are leaning towards natural gas as the most viable source for reliable generation. Factors such as public education and the complexities of the siting and approval process are being carefully navigated to advance these projects successfully. New baseload generation HAS to be built because the demand for electricity is increasing and there is a need for both baseload generation and renewable generation to fill that void. This presents an opportunity to invest in modern, highly efficient power plants that will provide reliable energy for years to come, ensuring continued service to our members.

The chart below shows how Basin Electric's power generation portfolio has changed over the years and what is being planned for the future. You can find some great information in its Sustainability Report found here: https://www.basinelectric.com/_files/pdf/financials/Sustainability-Report-November-2024.pdf

ARE RATES GOING UP BECAUSE RENEWABLE GENERATION RESOURCES LIKE WIND AND SOLAR ARE EXPENSIVE?

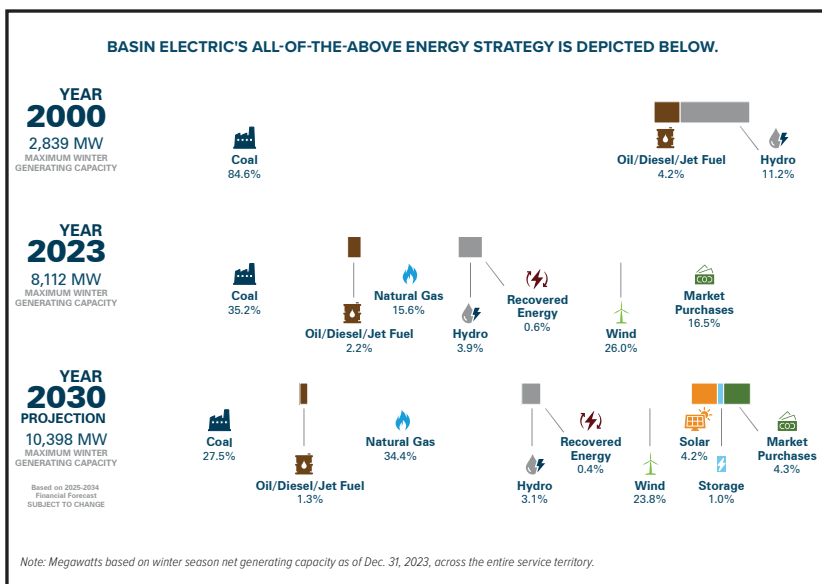
Renewable energy, such as wind and solar, are an important part of the "all of the above" power supply strategy mentioned earlier. These resources are intermittent, which means they do not run 24/7. Baseload-generating resources such as natural gas and coal run 24/7 and are the backbone of reliability for electric co-ops.

Costs for wholesale power are increasing. Sioux Valley Energy's wholesale power suppliers, Basin Electric and the Western Area Power Administration (WAPA), have increased their rates in 2025. For Basin Electric, factors for the increase include inflation, higher equipment and maintenance costs, and additional investments in generation and transmission to meet a growing demand for electricity. For WAPA, increased operations and maintenance costs, along with drought, were the impacting factors for the power supply cost increase.

Basin Electric currently owns or purchases power from more than 20 various wind facilities in North Dakota, South Dakota, and Minnesota. None of those wind facilities are located within Sioux Valley Energy's service territory. Basin Electric purchases power from one solar facility located in Pennington County, South Dakota, as well as some recovered energy generation along the Northern Border Pipeline.

WHY IS SVE "PUSHING" ELECTRIFICATION, AND IS THAT CAUSING OUR RATES TO GO UP?

Sioux Valley Energy does not push members to convert to electric technologies. However, we are increasingly fielding inquiries and requests for beneficial electrification programs from our membership, and we are responding to those needs. Electric technologies provide members with desirable attributes such as quiet operation, zero emissions, minimal maintenance, and ease of use, which are driving the interest in those technologies. Our role is to educate members by providing factual information on electrification and develop programs that incentivize off-peak electric use and charging. This is beneficial to all members by helping to control demand costs for the Cooperative.



REGISTER TO WIN!

Bring this coupon and mailing label to the Touchstone Energy® Cooperatives booth at Black Hills Stock Show & Rodeo to win a Blackstone electric grill!

Your Phone Number: _____

Your E-mail Address: _____



To have your event listed on this page, send complete information, including date, event, place and contact to your local electric cooperative. Include your name, address and daytime telephone number. Information must be submitted at least eight weeks prior to your event. Please call ahead to confirm date, time and location of event.

FEB. 1
James River Gobblers Wild Turkey Banquet
5 p.m.
Highland Conference Center
Mitchell, SD
605-999-3208

FEB. 2
Hot Dish Competition Lake County Museum Fundraiser
11 a.m.-1 p.m.
St. Thomas School Gym
Madison, SD
605-256-5308

FEB. 8
Polar Bear Chili Cook-Off
11 a.m.-2 p.m.
Main Street
Hill City, SD

FEB. 8
Dad & Daughter Dance
6-8 p.m.
Joy Ranch
Florence, SD
www.joyranchofsd.com

FEB. 8
ALL Ability Skate Day
Disability Awareness & Accessibility Committee
1-3 p.m.
Main Street Square
Rapid City, SD
605-390-4434

FEB. 14-17
11th Annual Frost Fest
9 a.m.-3 p.m.
Brookings, SD
605-692-7444

FEB. 15
Sioux Empire On Tap
Sioux Falls Convention Center
Tickets available online
www.siouxempireontap.com

FEB. 22
Knights of Columbus Ice Fishing Derby
Waubay Lake
Registration 9-10 a.m.
605-881-5075

FEB. 22
Bellator Titans Charter Casino Night Fundraiser
6-11 p.m.
316 2nd St.
Aberdeen, SD

FEB. 28-MARCH 1
Mardi Gras Weekend
8 p.m. Fri.-10 p.m. Sat.
Main Street
Deadwood, SD
605-578-1876

MARCH 8-9
Philip Area Annual Gun Show
Sat. 9 a.m.-5 p.m.
Sun. 9 a.m.-3 p.m.
American Legion Hall
Philip, SD
605-859-2135

MARCH 14-15
Badlands Quilter Weekend Getaway
Fri. 5 p.m.
Sat. 8 a.m.
Community Center
Wall, SD
605-685-5718

APRIL 4-5
Annual Schmeckfest
German Heritage Celebration
748 S Main St
Freeman, SD
605-925-4237

APRIL 11-12
Junkin' Market Days Spring Market
Fri. 4-7 p.m.
Sat. 9 a.m.-4 p.m.
\$5 Admission
W.H. Lyon Fairgrounds
Sioux Falls, SD
www.junkinmarketdays.com

Note: Please make sure to call ahead to verify the event is still being held.



You Can Live and **BE** Better

BE savings smart. **BE** grid conscious. **BE** efficient. Beneficial Electrification allows you to live and **BE** better. Enjoy greater quality of life thanks to a grid with more renewable and affordable energy than ever before. Choose electric and plug into a cooperative equipped to power all of your needs.



SIoux VALLEY
ENERGY A Touchstone Energy Cooperative

Energy Solutions
Guide | 2025



Water Heaters

Purchase the last water heater you'll ever need to buy for your home. Large capacity, high-efficient Marathon® water heaters have a lifetime tank/six-year parts warranty for the original purchaser and are available for \$600 plus applicable tax with

participation in the load management program. SVE provides warranty and repair services, and units are in stock at SVE service centers. Accounts requiring more than one water heater may purchase the primary unit for \$600 and additional units for \$1,200.

Measurements:

85 gallon – 28¼" x 70¼"

100 gallon – 30¼" x 70¾"

Electric Heat

Heating and cooling use the largest chunk of your home energy dollars. Choose electric for clean, reliable, and safe energy.

Heat Pump Rebates

It's tough to beat the efficiency of an electric heat pump that not only cools in the summer, but also heats in the winter. Rebates are available for equipment two ton and larger.

Air-Source Heat Pump

- With electric back-up: \$1,200
- With non-electric back-up: \$600

Geothermal Heat Pump: \$1,200

Ductless Air-Source Heat Pump

- Rebate of \$300 per structure

Electric Heat Rate

- Reduced rate (6.85¢/kWh)
- Available October to April billing cycles

Some restrictions apply.

Time of Use Rate *(Available for residential and general service accounts)*

Put the power in your hands to save money on your electric bill by signing up for the Time of Use (TOU) rate. You can save by shifting your energy use to off-peak times. It's also a great way to take advantage of smart home automation and electric vehicle technology. Rearranging tasks such as laundry and dishwashing, and conserving energy to take advantage of reduced off-peak rates is good for both you and Sioux Valley Energy.

Contact SVE's Member Services Department to sign up for a three-month risk-free trial period. Use SmartHub to manage and review your usage.

Off-peak Hours (16 hours/day):

10 a.m. to 4 p.m. and
9 p.m. to 7 a.m.
6.62¢/kWh

On-peak Hours (8 hours/day):

7 a.m. to 10 a.m. and
4 p.m. to 9 p.m.
17.01¢/kWh

The standard rate is 11.25¢/kWh.

Members with sub-metered electric heat still receive the reduced electric heat rate of 6.85¢/kWh.



EV Program

If you are in the market for an electric vehicle (EV), Sioux Valley Energy offers an EV rebate and special off-peak charging rate options. There is also an incentive for wiring a newly constructed home to be EV ready.

Rebates and Incentives

- Rebate for new EV purchase or lease
Requires participation in Time of Use Rate or Vehicle Plug-In Rate
- \$500 for battery electric vehicle (BEV)
- \$250 for plug-in hybrid electric vehicle (PHEV)
- EV Ready New Home Construction Rebate – \$300 for a new home that has either:
 - a minimum 40-amp circuit with a NEMA 14-50 receptacle or
 - a 1-inch conduit installed from the electrical panel to the garage to provide a means for future EV charger installation.

EV Rate Options

- **Time of Use Rate (TOU):** Whole home usage including EV charging
- **Vehicle Plug-In Rate:** EV charging usage only (*Sub-meter installation required*)

Energy Audits

An energy audit can identify air leaks in your home to help prioritize efficiency upgrades. Contact SVE to schedule a third-party certified energy audit for \$100 which includes use of infrared camera imaging, blower door testing, and an audit report.

Loan Program

Loans up to \$15,000 (5% interest with a seven-year term) are available to qualifying members for the purchase of heat pump equipment or weatherization products.

Renewable Energy Credit (REC) Program

SVE's Renewable Energy Credit (REC) Program allows you to off-set your energy usage up to 100% with renewable energy. Check with Sioux Valley Energy for details.

Interconnection Agreement

An interconnection agreement is required by SVE if you are connecting:

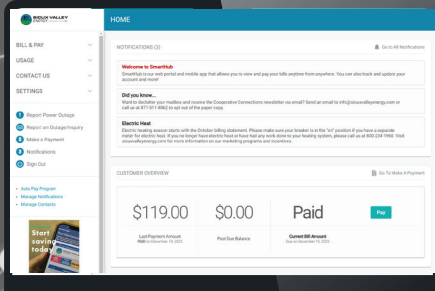
- Renewable energy
- Battery storage
- EV charging equipment capable of providing backup power

Commercial Programs

Sioux Valley Energy provides energy solutions and resources for your farm or business:

- Heat pump and electric resistance heat rebates/electric heat rate
 - Third-party irrigation program
 - EV charger rebate and rate program
 - Members can receive reimbursement for a third-party provider conducting facility energy audits or technical analysis
- Some restrictions apply.***

UPGRADE UNLOCKED



- Save time with easy payment options to avoid late fees and service interruptions.
- Receive the information you need to make the right decisions about your account.
- The eco-friendly way to instantly access your bill.
- Receive updates on outages.



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