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2018 was a year of breaking new ground for our power supplier, CIPCO

BY MARCEL FETT

2018 was a year of breaking new ground for Central Iowa Power Cooperative (CIPCO). The dynamic level of change taking place for the organization was unheard of; yet I'm proud of how we handled the challenges and opportunities. I believe CIPCO is well-positioned to serve its members now and into the future. I'm privileged to serve as your representative on both Guthrie County Rural Electric Cooperative's board of directors and CIPCO's board of directors.

CIPCO began the year with the unplanned announcement of Duane Arnold Energy Center's (DAEC) early closure. This carbon-free resource currently provides 33 percent of our energy portfolio and will take time to replace. However, forward planning by CIPCO led to the launch of Heartland Divide Wind in Audubon County, a 103.5 MW wind farm from which CIPCO



is purchasing 100 percent of the output. It is now our largest wind project. CIPCO's continued goal of providing a diverse, 24/7 energy portfolio led to two additional generation announcements in 2018. We will be working with Clēnera, LLC, as it develops Wapello Solar, a 100 MW facility on 850 acres in Louisa County. The new project incorporates the latest solar technologies and will be the

largest solar site in Iowa. Finally, the existing Summit Lake Generating Station in Creston is undergoing an \$85 million repowering project. The modernization project for the 70-year old plant will add 55 MW of efficient natural gas-fired reciprocating engines into CIPCO's portfolio, while retiring the steam engines.

Guthrie County REC and CIPCO are committed to providing safe, affordable and reliable electricity to our members across the system. Ensuring the quality of our transmission lines is an important part of the commitment, which is why CIPCO implemented the New-To-Replace-Old (NTRO) program in 1986 with a goal to reconstruct the original 34.5 kV subtransmission system, work that is nearly complete. In 1995, the program was expanded to include the 69 kV system. To date, more than 650 miles of 34.5 kV line and 180 miles of 69 kV line has been replaced. Together with new technology and sound operating and maintenance programs, NTRO helps ensure that our power supply system achieves the high degree of reliability our consumer-members expect.

Financial strength is integral to our success. CIPCO's financial strength has led to strong credit ratings, rates that are stable and among the lowest among generation and transmission co-ops in the Midwest,

and access to borrowing capital to complete system upgrades and enhancements cost effectively. The unexpected early closure of DAEC highlights actions taken over many years to manage risk and position CIPCO to withstand the loss of such an important generation resource. Because of these actions, CIPCO was able to absorb the impairment loss caused by the planned early closure and keep rates stable. CIPCO's 2018 average system rate was the lowest in more than 10 years.

Returning patronage capital is a fundamental component of the cooperative business model. CIPCO remains committed to sound financial practices that allow margins to be returned to its members in the form of patronage. During 2018, CIPCO returned patronage totaling \$622,382.87 to Guthrie County REC.

In today's energy conscious world, CIPCO and Guthrie County REC are committed to ensuring members are using energy wisely and utilizing available options to reduce excess energy consumption. As a result of these efforts, CIPCO and its member systems issued energy-efficiency rebates that saved approximately 12,764,812 kWh of energy. In comparison, the average house uses nearly 11,000 kWh a year according to the U.S. Energy Information Administration. That includes 614,138 kWh savings for Guthrie County REC members.

I'm proud of the actions taken in 2018 to secure CIPCO's position in the rural electric industry. Our actions have strengthened CIPCO's commitment to provide cost-effective, safe and reliable energy to power our communities, state and economy into the future. ⚡

Marcel Fett is a director at Guthrie County REC and the co-op's representative on the CIPCO board of directors.



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This institution is an equal opportunity provider.

Cooperative supports Adair Fire Station project, Guthrie County Fair

Guthrie County REC takes pride in supporting local community organization efforts. On May 29, CEO Cozy Nelsen and Board Vice President Steve Bireline presented the Adair Fire Department with a \$4,000 donation to help offset costs of building a new fire station.

The \$850,000 project began in June 2018 and was completed in June 2019. The donation included funds from Guthrie County REC and Tammy and Steve Bireline of Adair, with a match by CoBank's Sharing Success Program.

"This project has been a success so far," said Steve Bireline. "I want to thank all of the guys in the fire department and everyone in the community for their help and support."

Additionally, the cooperative presented a check for \$5,000 to the Guthrie County Fair Foundation on May 29 to support a new Art and Ag Hall building. The estimated \$200,000 project will feature one wing for the Art Hall and another for the Ag Hall, with a vestibule in between for small-

scale events. An anonymous donor has pledged to match all donations up to \$50,000.

The donation included contributions from Guthrie County REC, Board Member Bob Batschelet and his

wife, Cheryl; Guthrie County REC Secretary/Treasurer Joni Rees and her husband, Mike; Guthrie County REC Board President Don Schwartz and his wife, Carolyn; with a match by CoBank's Sharing Success Program. ⚡



Guthrie County REC CEO Cozy Nelsen presents a check to Adair Fire Chief Kelby Smith with, from left: Adair Fire Board President Steve Bireline, Treasurer Matt Richter, Trustee Trevor Wagner, Trustee Bob Knapp and Adair Fire Department President Jared Smith.

Pictured left to right is Bob and Cheryl Batschelet, Joni Rees, Cozy Nelsen, Guthrie County Fair Foundation Board President Kendall Kipp, Carolyn Schwartz and Don Schwartz.



MARK YOUR CALENDAR!

Visit us at the Iowa State Fair!

Guthrie County REC employee Rebecca Schwartz will join representatives from Iowa rural electric cooperatives in August to staff the Touchstone Energy® Cooperatives of Iowa booth at the Iowa State Fair.

Located in the Bruce L. Rastetter 4-H Building, the booth will have an updated and youthful look and feel this year, focusing on both the annual rural electric cooperative Youth Tour and cooperative careers and programs that appeal to younger audiences.

Visitors to the booth can step into the boots of a lineman with Lineman 360, an award-winning virtual reality experience created by Northwest Iowa Power Cooperative. Anyone interested in learning more about these programs can connect with their rural electric cooperative using iPads, also a new feature in this year's booth.

The Iowa State Fair runs Aug. 8-18 in Des Moines. Be sure to stop by and say "hi" to Rebecca at the Touchstone Energy Cooperatives of Iowa booth on Tuesday, Aug. 13! ⚡

IowaStateFair

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AUG 8-18 2019

SAFETY FOR KIDS

Woodward-Granger farm and electrical safety program for kids

Guthrie County Journeyman Lineman Jeremy Gruber and Member Service Clerk Marlene Chalfant presented an electrical safety program to Woodward-Granger third- and fourth-grade students May 16. The safety day is coordinated by the Woodward-Granger High School FFA Chapter. Students also learned how to be safe while using ATVs, tractors, and lawn mowers as well as animal and livestock safety. ⚡



ANNOUNCEMENT

Service interruption slated for July: What you need to know

BY ELDEN WOLFE

Cooperative members who are served by Guthrie County REC substations in the Panora, Adair and Diamondhead areas should expect a momentary power interruption in July.



The interruption is scheduled to occur during business hours on Monday, July 22 at the Panora substation; Monday, Aug. 5 at the Diamondhead substation; and Monday, Sept. 23 at the Adair substation. Please like and follow the Guthrie County REC Facebook page for updates as these dates are subject to change.

Guthrie County REC is working to upgrade both substations from 34 kVa to 69 kVa this summer. The effort is being coordinated between several utilities and the cooperative's power supplier, Central Iowa Power Cooperative. Over the last several years, the cooperative has invested resources to convert several of its substations to meet the electricity needs of our members who rely on us for dependable service. These conversions modernize an aged system and ensure the cooperative can provide safe and reliable electricity.

Thank you for your patience as we work to upgrade our system. We're proud to power our members' lives. ⚡

Elden Wolfe is the line superintendent for Guthrie County REC.

SAFETY MATTERS

Stay back and stay safe

BY DOUG DOWNING, LINE CREW FOREMAN



Working with electricity can be a dangerous job, especially for your Guthrie County REC lineworkers. In fact, *USA Today* lists line repairers and installers among the most dangerous jobs in the U.S. That's why safety is the number one priority for our cooperative. Perhaps you've heard us say it over and over. That's because we're proud to put our crews' safety and that of the community above all else.

Yes, we strive to deliver affordable and reliable electricity to you, but equally important, we want our employees to return home safely to their loved ones. This requires ongoing focus, dedication, vigilance – and your help!

Distractions can be deadly.

While we appreciate your kindness and interest in the work of our crews, we ask that you stay back and let them focus on their task at hand. Even routine work has the potential to be dangerous, and it takes their full attention and that of their colleagues, who are also responsible for the team's safety. Distractions can have deadly consequences. If a lineworker is on or near your property during a power

outage, for vegetation management or for routine maintenance, please allow them ample room to work. These small accommodations help protect our crews – and you.

If you have a dog, try to keep it indoors while lineworkers are on or near your property. While most dogs are friendly, some are defensive of their territory and can't distinguish between a burglar and a utility worker. Our crews work best without a pet "supervising" the job.

We recognize that for your family's safety, you want to make sure only authorized workers are on or near your property. You will recognize Guthrie County REC employees by their clothing and the service trucks with our name and logo on them. You may also recognize our lineworkers because they live right here in our local community.

Slow down and move over

In addition to giving lineworkers some space while they are near your property, we also ask that you move over or slow down when approaching a utility vehicle on the side of the road. This is an extra barrier of safety to help those who help all of us. ⚡



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