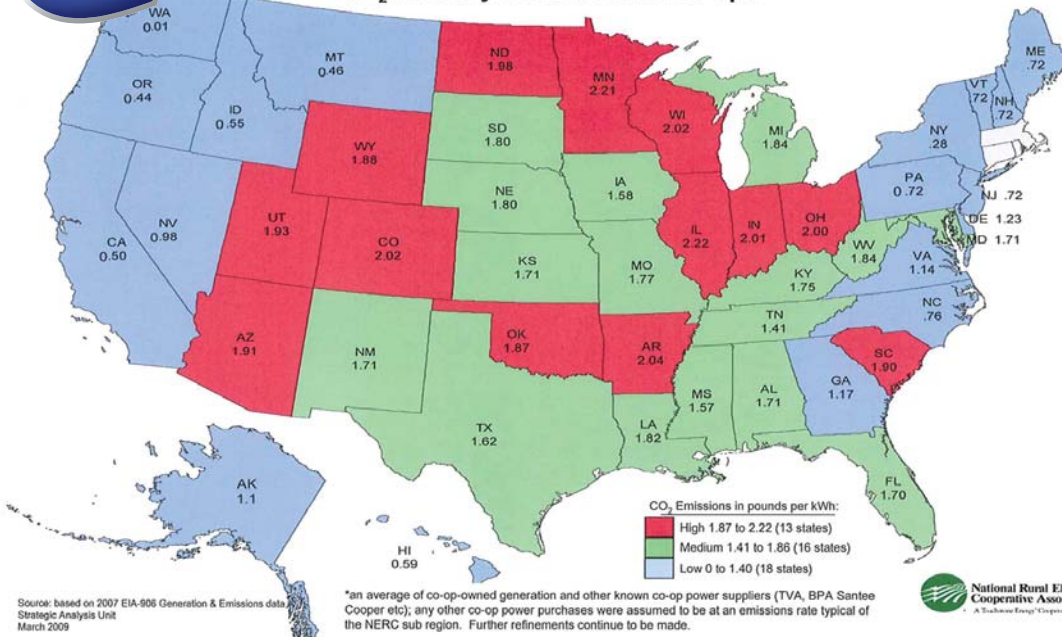


Connections

CO₂ Intensity of Distribution Co-ops*



Source: based on 2007 EIA-906 Generation & Emissions data. Strategic Analysis Unit, March 2009

*an average of co-op-owned generation and other known co-op power suppliers (TVA, BPA Santee Cooper etc); any other co-op power purchases were assumed to be at an emissions rate typical of the NERC sub region. Further refinements continue to be made.



Minnesota is ranked number two behind Illinois with the production of 2.21 pounds of CO₂ for each 1 kWh of energy produced. The federal government's carbon cap-and-trade proposal, which would tax electricity generation plants and other industries according to the amount of carbon dioxide they emit, is projected to increase the average electric cooperative member's bill by about \$600 to \$1,000 a year or more, depending on usage. Cooperatives are moving to increase renewable sources of energy and implement clean coal technologies as quickly as possible. Any carbon tax or cap and trade system will add unnecessary cost and divert investment in research and development for these technologies.

Climate Change Policy hits your pocketbooks

Congress and the federal government are focused on prioritizing climate change policy. Given the long list of environmental impacts and expensive solutions, any action taken to address the issue will certainly increase the cost of electricity we use everyday.

Climate change proposals seek to reduce emissions of greenhouse gases, carbon dioxide in particular. In the United States power plants that burn fossil fuels produce about 2.4 billion tons of carbon dioxide every year. That works out to about 39 percent of the nation's man-made output of the gas — the largest single source.

Lawmakers and lobbyists say the standard is expected to reach 25 percent of power produced by renewable sources in 2025 and a fifth of this can be met with efficiency measures. A nationwide renewable power standard has been a long-standing Democratic goal, but nonetheless faces continued hurdles in the Senate; many Republicans are opposed and some conservative Democrats have misgiv-

ings. Senate Energy and Natural Resources Chairman Jeff Bingaman (D-N.M.) this year has floated a plan that requires power providers to obtain 16 percent of their supply from renewables by 2019, 20 percent in 2021 and for almost two decades thereafter. The plan allows a fourth of the target to be met with energy efficiency measures.

Electric cooperatives are involved in cutting edge work to develop new technologies to reduce carbon dioxide emissions from power plants, but those options aren't yet ready for prime time. They're limited, largely untested, and expensive. Yet potential legislation would rely on them to make significant carbon dioxide cuts nationwide.

A key committee in the U.S. House of Representatives has announced plans to consider a climate change bill by this summer. It may classify carbon dioxide as a pollutant (a first) and impose a cap-and-trade tax to limit carbon emissions. Cap-and-trade systems work by setting a spe-

— *Continued on Page 6*

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 Renewable Energy Tour/Twins game...Page 4
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MN Department of Commerce launches new energy website



The Minnesota Department of Commerce has launched www.energy.mn.gov, a new website hosting all of the energy-related content for the Department's Office of Energy Security. In addition to the new name and location, the energy content was completely reorganized and updated.

"This new website allows citizens, legislators, energy providers and researchers direct access to the newly reorganized energy-related content we have at the department," said Bill Glahn, Director of the Office of Energy Security. The energy content is now organized into six different categories on the new website:

- **Efficiency** — Conservation and efficiency measures for your home, business, school and other public buildings.
- **Renewables** — Information on wind, solar, bioenergy and hydrogen fuels.
- **Utilities** — Information on routing and siting, Conservation Improvement Programs, utility reporting and links to utilities.
- **Project funding** — Incentives and rebate opportunities for energy projects and energy investments.
- **Data and Reports** — Reports, data and policy activities on energy production, supply, distribution and renewables.
- **Low Income Assistance** — Con-

WELCOME TO THE MINNESOTA OFFICE OF ENERGY SECURITY WEBSITE

The URL for this site is www.energy.mn.gov.

This new site contains all the energy information formerly found at the Department of Commerce website. Any favorites or bookmarks you have from the Commerce site for the Energy Information Center, Energy Assistance, or Businesses We Regulate > Energy Utilities, no longer work and need to be changed.

We hope you enjoy exploring the information here. While navigating to your old favorites, you may find some new surprises.

efficiency

conservation & efficiency measures for your home, business, school, & other public buildings

renewables

information on wind, solar, bioenergy, & hydrogen fuels

utilities

information on routing & siting, CIP, utility reporting, & links to utilities

tacts and information about energy assistance and weatherization programs.

One of the most popular features on the energy website right now is information regarding the federal stimulus package, including the ability for citizens to weigh in on how policymakers should spend the state's share of the

energy stimulus funds.

The energy website also contains a new feature called "Ask the Energy Guy," an interactive forum allowing visitors to ask experts questions regarding energy efficiency, conservation and renewable energy. 🗣️

Game over? Turn off the machine...



Besides electric heating and cooling, various electronic devices have contributed to the rise in household energy use. Use of widescreen TVs (plasma and LCD) have grown tremendously, along with personal computers, cell phones and gaming devices. When left in idle mode and even when turned off these devices can continue to draw electricity. For example, a PlayStation 3 game console consumes up to 180 watts during idle mode. That equates to over 1,500 kWh during the course of a year (\$105 worth of electricity). The National Resources Defense Council estimates that 50 percent of users do not turn off their machines when not actively playing. 🗣️

— Information courtesy of *Transactions*, February 2009

GE's Profile Dishwasher makes the honor roll when it comes to smarts



GE's new Profile dishwasher with SmartDispense goes to the head of the class when it comes to intelligence. SmartDispense technology enables the dishwasher to hold an entire 45-ounce bottle of liquid or gel detergent. It dispenses just the right amount for each wash based on water hardness and how dirty the dishes are, saving on detergent. Refills are typically needed once every two to three months, saving hassle of loading detergent before each wash. Other features include:

Angled rack dry system — features tines that angle cups and glasses so water runs off.

Single rack wash selection — for



GE's Profile Dishwasher gives more than deep cleaning. It's a deep thinker as well, automatically dispensing detergent as needed.

smaller loads or for cleaning glasses only. It enables users to only wash the upper rack of dishes, using less

water and energy

QuietPower 7 sound package — this is GE's quietest dishwasher ever with a hidden vent that seals in sound during the wash cycle

Countdown display with delay start — signals remaining cycle time and starts the dishwasher when no one's home.

Fold-down tines on lower rack — flip up tines to hold bowls or flip down to provide maximum loading flexibility.

The GE Profile Dishwasher with SmartDispense is available in stores and at Amazon.com.

Its retail price is approximately \$1,300. Visit www.geappliances.com for more information. 📧

Going out after a storm? Watch out!



“Before re-entering storm-damaged buildings or rooms, be sure all electric and gas services are turned off,” said Jay Solomon, University of Illinois Engineering Educator. “Never attempt to turn off power at the breaker box if you must stand in water to do so. If you can't reach your breaker box safely, call your electric utility to shut off power at the meter.”

Never step into a flooded basement or other area if water is covering electrical outlets, appliances or cords. Be alert to any electrical equipment that could be energized and in contact with water. Never touch electrical appliances, cords or wires while you are wet or standing in water. If your stove, washer, dryer, microwave or other appliances become wet, be extremely



cautious because there is a danger of electrical shock. Let the unplugged appliance dry completely. This may take a week or two.

“Cleaning up and using water-damaged appliances also carry safety risks,” Solomon said. “Electric motors in appliances that have been drenched or submerged should be thoroughly cleaned and reconditioned before put back into service. Repair or replace

electrical appliances or tools that have been in contact with water. Do not use any water-damaged appliance until a professional has checked it out.”

If, after a storm or disaster, the power to your home is out for a prolonged period, know important safety rules, such as never using a charcoal or gas grill to cook inside! If you use a standby generator, make sure a transfer safety switch is used or connect the appliance(s) directly to the generator output through an isolated circuit before you operate it. This prevents electricity from traveling back through the power lines, what's known as “back feed.” Back feed creates danger for anyone near lines, particularly crews working to restore power. 📧

— *Information courtesy of safeelectricity.org*

Federated Focus

Statement of Nondiscrimination



Federated is the recipient of federal financial assistance from the U.S. Department of Agriculture (USDA). The USDA prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or part of an individual's income is derived from any public assistance program. (Not all prohibited bases apply to all programs.)

Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD).

To file a complaint of discrimination write to USDA, Director, Office of Civil Rights, 1400 Independence Avenue, SW, Washington, D.C. 20250-9410. Otherwise, call toll free 1-866-632-9992 (voice) or 1-800-877-8339 (TDD) or 1-866-377-8642 (relay voice users). USDA is an equal opportunity provider and employer.

WildBlue \$99 special continues!

Fed up with dialup? Sign up for Federated's \$99 WildBlue special. The dish/installation price is usually \$239 for the satellite high-speed Internet service. Monthly service starts at \$49.95/month with download speeds up to 512 K.

Memorial Day

Federated is closed May 26. 🇺🇸

Renewable Energy Tour/Twins game



Learn more about your electricity firsthand and see a Twins game! Federated is partnering with Nobles Cooperative Electric, Worthington, to offer our cooperative members this fun, educational opportunity. This two-day tour August 25-26 takes you to Great River Energy, your cooperative's wholesale power provider in Maple Grove; tour their new LEED platinum headquarters. The second day tour a dairy farm that uses an anaerobic manure digester and see how garbage is used to produce electricity. This tour's fun side trip takes you to a Twins game in the Metrodome. First you'll enjoy supper at Champps and then watch the Twins take on Baltimore Orioles (August 25) in the home run porch. Cost: \$80 per cooperative member or \$160 per Federated couple. Price includes air-conditioned charter bus, meals, motel and Twins tickets. 🇺🇸

Renewable Energy Tour Sign Up Form

Name _____
 Address _____
 City/state/zip _____
 Phone _____
 Location no. _____ Phone no. _____
 Renewable Energy payment enclosed: \$80 (1 person) \$160 (2 people)
 Circle room preference: Smoking Non-smoking

Enclose check for trip payment. Return this with your electric bill or mail to:
 Federated Rural Electric, ATTN: Andrea Christoffer,
 77100 US Highway 71, PO Box 69, Jackson, MN 56143.

Save with CFLs and enter to win \$500!

CFLs are now more affordable than ever. Save even more with the manufacturer's coupon below. Simply cut it out, purchase your GE brand CFLs and present the coupon to the cashier. Wal-Mart also marked down prices on GE CFL multipacks. In addition, don't forget to enter for a chance to win a \$500 energy credit at mnbrighterideas.com. First prizes of \$100 energy credits will also be awarded.

Enter to Win a \$500 Energy Credit

Between April 1 and June 30, 2009, visit mnbrighterideas.com, take a short quiz and you'll be entered to win!

Grand Prize
One \$500 Energy Credit

First Place Prizes
\$100 Energy Credit

See www.ge.com for rules. Participating cooperatives.

MANUFACTURERS COUPON EXPIRES JUNE 30, 2009

SAVE \$2.00

on any GE ENERGY SMART™, ENERGY STAR® qualified compact fluorescent lighting product multi-pack

Consumer: Coupon valid only on your purchase of any GE ENERGY SMART™, ENERGY STAR® qualified compact fluorescent lighting product multi-pack. You pay sales tax. Coupon may not be reproduced or combined with another offer and is non-transferable. Void if transferred, exchanged, sold or reproduced. Offer limited to one purchase in U.S.A., its territories and military exchanges. **Retailer:** GE will reimburse you the face value plus 8¢ handling provided you have accepted this coupon in accordance with GE's Coupon Redemption Policy. Void where prohibited. Cash value 1/100 of 1¢. For copy of policy and/or coupon redemption mail to: GE Consumer & Industrial Lighting Products, P.O. Box 880650, El Paso, TX 88588-0650. Coupon expires: June 30, 2009 **D204023 47215**

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Round Up recipients announced



The Federated Rural Electric Trust, Jackson, awarded \$12,057 to local organizations through Operation Round Up April 1. These donations occur due to monthly contributions by Federated members. Through this charitable giving program 21 organizations received money in this 29th round of funding (see below). The Trust Board will meet again in the fall to determine the next round of funding. The deadline for submitting applications is October 2, 2009. 🇺🇸



| Organization | Amount | Purpose |
|---|-----------------|---|
| Cottonwood County Historical Society | \$150 | Speaker mileage for Charles Lindbergh program Sept. 13 |
| Sherburn Senior Dining Center | \$200 | Toward a dishwasher for Senior Nutrition Program |
| Jackson County DAC | \$200 | Toward a large capacity dishwasher |
| Jackson County Central Anatomy Class | \$225 | Toward transportation costs for students' trip to cadaver lab at South Dakota State University |
| Jackson Circles of Support | \$250 | Toward purchase of highchair, booster chairs, step stool, supplies and storage containers for children programs |
| Truman Historical Association | \$250 | To purchase start-up materials for an after school program — "History Hands On" |
| Dunnell Book Room | \$250 | Buy CDs, DVDs and books for adult readers |
| Truman Public School | \$300 | To purchase metal storage cabinet for preschool |
| Southwest Star Concept Wellness Center, Okabena | \$300 | Buy hyperextension machine for community fitness center |
| Sanford Hospice, Worthington | \$382 | Toward three ear thermometers and one pulse oximeter |
| Reinbows Inc. of Windom | \$400 | Scholarship for child or elderly person to take part in an equine-assisted therapy program |
| Western Community Action Big Buddies | \$400 | Toward DVD curriculum for Young Women of Excellence at JCC Middle School, Lakefield |
| Jackson County Library | \$450 | To hire "Zooman" to perform at summer reading program |
| Girl Scouts of MN & WI River Valleys | \$500 | Toward Jackson and Martin County Girl's Swim Team |
| Fort Belmont, Jackson | \$500 | To purchase paver squares for path to the church |
| Dunnell-Lake Fremont Fire Department | \$500 | Toward a foam system for structural firefighting and fuel-alcohol fires |
| Alpha Fire Department | \$500 | Buy certified vests for fireman assisting with car fires |
| Ceylon Fire Department | \$500 | To purchase a handheld radio |
| Ceylon EMS | \$500 | Toward purchase of new stretcher |
| Northrop Fire Department | \$500 | Toward purchase of Air Pac |
| Minnesota West, Jackson | \$600 | Dedicated to a Jackson or Martin County student enrolled in electrical lineworker's program |
| Seven \$600 high school scholarships | <u>\$4,200</u> | One \$600 scholarship per district for high school seniors of Federated members |
| Total | \$12,057 | |



Wrapped up by too much wasted paper?

Federated can help. Go paperless on your electric bill with the Easy 2 Pay Program! Receive your bill via e-mail, pay online or over the phone and more. Visit www.federatedrea.coop for more information.

Energy and climate change policy must focus on reducing emissions responsibly

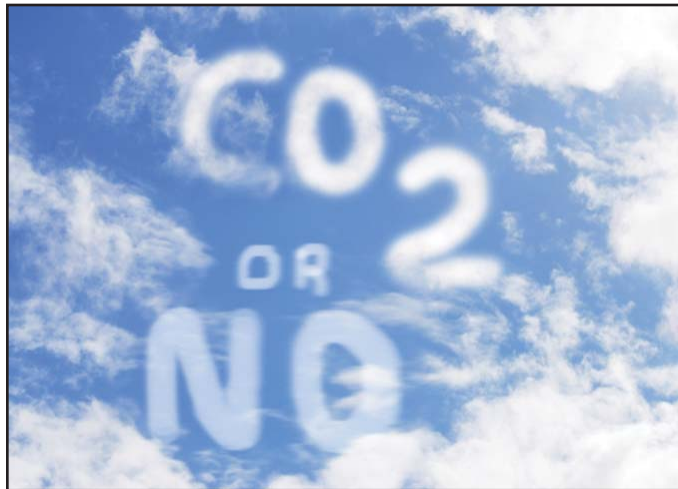
— Continued from Page 1
cific limit on airborne pollutants from sources like power plants, factories, and refineries. It requires those sources to account for all emissions with issued allowances.

The predictions regarding how fast or slow climate legislation will come up in Congress seem to change daily.

While President Obama restated his preference for a carbon emissions cap-and-trade tax program, he also acknowledged regional differences and cost issues. “The way it’s structured has to take into account regional differences,” the President said. “It has to protect consumers from huge spikes in electricity prices. So there are a lot of technical issues that are going to have to be sorted through.”

Cap-and-trade has worked well during the past 15 years to reduce emissions of acid rain-causing sulfur dioxide nationwide and to curb smog-creating nitrogen oxides in the eastern half of the country. However, some cap-and-trade tax proposals for carbon dioxide contain a new twist — pricey allowances.

Allowances would be auctioned off at undetermined prices, leading to huge cost burdens for any source of carbon dioxide emissions. In the case of power plants, those costs would ultimately be passed on to consumers using the power, in some cases adding \$600-\$1,000 or more to electric bills each year. In late February the Obama Administration pointed to such a system as a new, substantial source of revenue for the federal government — effectively muddying the initial environmental argument for regulat-



ing carbon dioxide.

Such a back door tax increase would force electric cooperatives to essentially become tax collectors for the federal government. This allows Wall Street investors to set allowance prices and determine how much you pay for electricity.

House Ways and Means Committee Chairman Charles Rangel is trying to inject his committee into the climate debate and held another hearing on climate change recently. He expressed his concern that climate measures developed by the House Energy Committee will not address economic and budget issues. During a hearing on price volatility in climate legislation, the Congressional Budget Office (CBO) said policies that put a price on carbon will raise energy prices on nearly all goods and services and put a significant drag on economic activity. CBO Director Douglas Elmendorf said pricing cap-and-trade allowances is an indirect tax on consumers and will impact all goods used by households and businesses. He said the costs of complying with a carbon tax or cap-and-trade plan could be controlled by allowing flexibility in the

timing of reduction requirements.

We need to help Congress draft an energy solution that accomplishes environmental goals, while taking affordability into account. But time may be tight. If Congress fails to act, the U.S. Environmental Protection Agency stands ready to step in, leaving decisions that affect pocketbooks up to unelected bureaucrats.

Electric cooperatives want to work with Congress to address climate change in an affordable and environmentally responsible fashion. We’re ready to provide insight into how various policy proposals will impact consumers and urge lawmakers to reach the right answers.

National energy and climate change policy must focus on reducing emissions, not on “revenue enhancement” for federal government. Money generated, through a cap-and-trade tax or otherwise, must be used wisely. It should be devoted to developing related technology or returned to those who foot the bill. Congress should take the lead on climate change — not regulators or Wall Street speculators.

In unity with 42 million other electric co-ops’ consumers around the country, urge your U.S. representative and senators to work with electric cooperatives to keep electric bills affordable. Get involved in this effort by participating in the Our Energy, Our Future™ grassroots campaign at www.ourenergy.coop. If you did not previously register with a postcard or this website last summer, please do so today! 🗳️

— Information courtesy NRECA’s Straight Talk Alert



Hooked on fish? Go fishing for your favorites in your recipe box

Mail your fish recipes by May 25 to: Editor, Federated Rural Electric, PO Box 69, Jackson MN 56143-0069 or e-mail to christoffer@federatedrea.coop. Otherwise, drop it off at your local electric co-op. Add your name and phone number. 📧

Take yourself out to a Twins game July 11 for Touchstone Energy Day at the Dome



Catch spring fever for baseball season! Take yourself out to a Twins game and root for the "Dome" team. Join your fellow electric co-op members statewide at the Metrodome Saturday, July 11, at 6:10 p.m. when the Minnesota Twins take on the Chicago White Sox at the Dome.

Reserved tickets are available in great locations on the lower level for a special price of \$28 — an \$5 discount from the \$33 face value. You can also purchase a concession coupon redeemable for a hot dog and soft drink for \$3.75 (regularly \$6).

The deadline for this special offer is July 10. Tickets will be filled on a first-come, first-served basis. Don't delay! Cut out the coupon on this page,

fill out the necessary information and mail it in today.

If you have any questions, call Luis Breazeale from the Twins at 612-375-7463; otherwise, you can e-mail Luis at luisbreazeale@twinsbaseball.com. 📧

Ron Berg's Game-Fish Seasoning by Sandy Kalfs, Okabena

- 1½ tsp. granulated garlic
- ½ c. Kosher salt
- 2 tsp. lemon pepper seasoning
- 1½ tsp. celery salt
- 1½ tsp. onion powder
- 2 tsp. Cajun seasoning
- 1 tsp. med.-coarse freshly ground black pepper
- 2 T. paprika
- ½ tsp. cornstarch

Combine all of the ingredients in a small bowl and mix well. Makes about ¾ cup. Store in an airtight container in a cool, dry place. 📧



Italian Walleye by Leland Olson, St. James

Cut fish into serving sizes. Place fish in a 9x13" pan. Pour the spaghetti sauce over the fish. Sprinkle with parsley. Top with mozzarella cheese. Bake at 350° for 25 minutes or until the fish is flaky. 📧

Touchstone Energy Night at the Dome — July 11!

Name _____

Daytime phone ____/____

Address _____

City _____ State _____ Zip _____

Number of tickets _____ x \$28 = \$ _____

Number of concession coupons _____ x \$3.75 = \$ _____

Handling _____ + \$ 5.00

TOTAL \$ _____

Check enclosed? (Payable to the Minnesota Twins) OR ✂

Credit Card # _____ Expiration _____

Circle one: Visa Mastercard American Express Discover

Mail coupon with payment to: Minnesota Twins, ATTN: Luis

Don't dig up trouble!



1-800-252-1166

www.gopherstateonecall.org

Contact Gopher State One Call (GSOC) before doing any digging more than 12-inches deep. Make this call 48 hours before digging for foundations, trees, tiling and more. You can also register on the website at www.gopherstateonecall.org. This gives utilities time to mark their underground lines up to your meter so you are safe! Then contact a licensed electrician to locate the underground lines on your side of the meter. 📧



Richard 'Rick' Burud

Manager's Message

Key legislation pending

If you've been reading our newsletter, you are aware of the big issue that has the potential to seriously affect your electric bill and cooperative. Carbon dioxide (CO₂) legislation has now been introduced by Representative Henry Waxman (D-CA) and Senator Ed Markey (D-MA). The plan is to aggressively reduce greenhouse gases to 20 percent below 2005 levels by 2020 using a market-based cap-and-trade system. Everyone is now trying to calculate the effects of the legislation. Stay tuned as I'll visit Washington, D.C. during the first part of May to represent your interests and the interests of other cooperatives in the United States.

Spring finally arrives

As I write this it is 66 degrees outside and finally feels like spring. Yesterday someone said the tilers are still finding one to two inches of frost so I guess it's best to have some patience. As planting season is near, be careful around poles, guy wires and underground cabinets. We don't want to see any unnecessary accidents.

VeraSun Welcome Plant sold to Valero

The Welcome VeraSun Plant was sold to Valero Renewable Fuels Company, LLC effective April 1. We've been working closely with Valero personnel to complete the contract addendum as they have intentions of running the plant. Federated had no financial losses due to the VeraSun bankruptcy.

Need a service upgrade?

If you're planning an upgrade, be sure to let Joe Marthaler or Jerald Hagen know. We're purchasing materials now. We do not carry big inventories so we need to know your plans in order to plan accordingly. You can call us at 1-800-321-3520. ⚡

Lighten your water heating costs!

Thinking about purchasing a new water heater? Try an electric energy-efficient Marathon water heater from FREA. \$499 includes water heater and installation, a savings of \$500 over retail price!



Rural Electric

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The Board of Directors generally meets the last business day of the month at 9 a.m. at the Jackson office. Regular board meetings are open to the membership. Members interested in discussing business items should contact the general manager or president three days before the meeting.

Board meeting highlights



Federated Rural Electric's Board of Directors met April 30. All directors were present. They acted on these issues:

- Approved Federated's 2009-2018 financial forecast, demonstrating the co-op's need for construction loan funds.
- Approved Federated's \$4.7 million loan request with the Federal Financing Loan Bank for line construction projects planned from 2009 through 2012.
- Set the Renewable Energy Tour costs. (See Page 4 for details).
- Updated on the contract with Valero Renewable Fuels Company, LLC, which bought the VeraSun ethanol plant in Welcome.
- Approved quarterly inventory adjustments.
- Updated on Great River Energy's transmission contract.
- Reviewed upcoming meetings and events. ⚡