



Corning | Mount Ayr | Stanton

# Southwest lines

A monthly publication for members of Southwest Iowa Rural Electric Cooperative

2022 Annual Report – August 2023

## OFFICIAL NOTICE OF THE ANNUAL MEETING

### Southwest Iowa Rural Electric Cooperative

The Annual Meeting of the Members of Southwest Iowa Rural Electric Cooperative will be held at the Lenox Community Center located at 210 E Dallas Street at Lenox, Iowa, at 6:30 p.m. on Thursday, September 7, 2023 to take action upon the following matters:

1. The reports of officers, directors and committees;
2. The election of three (3) Directors; and
3. All other business which may legally come before the meeting or any adjournment or adjournments thereof.

In connection with the election of Directors scheduled for this meeting, the following members have been nominated for Director by the Committee on Nominations appointed by the Board of Directors of the Cooperative pursuant to the By-Laws.

### THREE-YEAR TERM (Three to be elected)

**REGION #1:**  
**DISTRICT #2:** Kollin O’Day ~ Marilyn Werner

**REGION #2:**  
**DISTRICT #6:** Steven Eason ~ Kay Fast ~ Cole Sunderman

**REGION #1:**  
**AT-LARGE:** Bonnie Larson ~ Ken Peppmeier

You are urged to attend the meeting, hear the reports of the officers, election of directors and transact such other business as may come before the meeting.

*Ken Peppmeier*  
Ken Peppmeier - Secretary  
Dated this 10th day of August, 2023.

# ANNUAL MEETING



Annual Meeting Info Continued on page 3

# Annual President's and General Manager's Report

Please make plans to attend the Annual Meeting of the Members on September 7th. Each membership registering at the annual meeting will receive a \$10 energy credit on their electric bill plus a chance to win **\*FREE ELECTRICITY** for a whole year as the grand prize or **\*FREE ELECTRICITY** for six months as the consolation prize. If you've never been to an Annual Meeting or haven't attended recently, please join us and your fellow members this year and participate in one of the most valuable benefits of being a member – the election of your local board of directors. The ballot for this year is being mailed separately so look for it in your mailbox and follow the instructions provided. Your mail-in ballot must reach our office BEFORE the meeting to be counted. You may also cast your ballot in person at the Annual Meeting.

As the CEO and Board President, and on behalf of the entire cooperative staff and Board of Directors, it is with great pleasure that we present to you the annual report for our electric cooperative. This report represents an overview of our cooperative's achievements, challenges, and the path we have taken together over the past year.

## Gratitude for Your Trust and Support:

First and foremost, we want to express our heartfelt gratitude to each and every member of our cooperative. Your trust, support, and involvement are the cornerstones of our success. Your commitment to our shared mission has helped us navigate through various challenges and propel our cooperative towards a brighter future.

## Collaboration and Strategic Leadership:

Throughout the year, the Board of Directors, in close partnership with the CEO, has worked diligently to provide strategic guidance and oversight to our cooperative. We have collaborated to set clear goals, establish prudent policies, and make informed decisions that prioritize the long-term interests of our members and the communities we serve.

## Strengthening Financial Performance:

Maintaining financial stability and ensuring the affordability of electricity is of utmost importance to us. Despite external pressures and industry fluctuations, we are pleased to report that our cooperative has achieved solid financial performance, allowing us to meet our loan covenants and other obligations. The annual audit of the books by CliftonLarsonAllen, LLP, resulted in a clean audit opinion. During the year, deferred patronage dividends totaling \$370,105 were paid to current and former members. Since inception, a total of \$9,978,800 has been returned to the members. Through prudent financial management, we have maintained competitive rates while investing in essential infrastructure and technology upgrades.

To ensure that our cooperative continues to provide the services and reliability you rely upon, a Cost of Service and Revenue Requirements Study was conducted during the first half of this year. That study indicates that an overall revenue increase of \$1,017,322 is needed to support the cooperative's operations in the years ahead. We have all felt the impact of inflation and supply chain issues. The last rate increase occurred in 2011, followed by a revenue-neutral rate structure change in 2015. Your Board of Directors and cooperative staff are evaluating options for rate and rate structure changes which will be communicated to you soon.

## Enhancing Grid Reliability and Resilience:

A reliable and resilient energy grid is vital to meeting our members' needs. Over the past year, we have made significant investments in our electrical system. We are finishing up an 18-month long project to collect a complete GPS inventory of our 2,538 miles of electrical lines and associated infrastructure. This project is providing the data needed for our new GIS mapping system and line staking solution. This will allow our maps to be updated constantly as changes are made and our workers will have access to that data in the field, which will greatly enhance operations and efficiency.

We were recently awarded two FEMA Hazard Mitigation grants to upgrade, and storm harden 53.75 miles of electric lines. We began the process of applying for these grants in 2019, so we are pleased that our patience and efforts are now paying off. The projected cost, in 2019, of these two projects was \$4,217,500. Since that time material and labor costs have risen significantly so we expect the project costs to be higher when we solicit bids. In general, FEMA grants fund 75% of the project costs, the State of Iowa provides 10% and the cooperative funds 15%.

Annually, we budget significant funds for operations and maintenance of the electric system. The 2023 Operating Budget includes \$2.75 million in electric system upgrades and improvements to be completed by our line crews. These upgrades and improvements are part of our 2021-2024 Construction Work Plan. We have also budgeted \$2.17 million for ongoing operations and maintenance programs including vegetation management, pole inspection, transformer and breaker maintenance, and general line maintenance.

A modern electric grid requires the integration of advanced technologies, enhanced system monitoring, and upgraded infrastructure. We are focused on strengthening our grid's reliability, minimizing disruptions, and improving overall service quality. Our 5-year (2018-2022) Average Service Availability Index stands at 99.9779%. This means that the average member is without electricity less than two hours annually.

## Stable Power Supply:

We, along with 11 other electric distribution cooperatives and one municipal electric association, are the member-owners of Central Iowa Power Cooperative (CIPCO). CIPCO is a Generation and Transmission cooperative (G&T) formed many years ago to provide for our long-term power supply needs. We successfully negotiated a new long-term contract with CIPCO that took effect on January 1st of this year and expires on December 31, 2062.

The ongoing transformation away from "always on" generating units such as coal-fired plants to resources like wind and solar is filling the news headlines today with predictions of blackouts during peak power demand times. In collaboration with CIPCO, we support an "all-of-the-above" approach to power supply that commits to generating power as efficiently and cost-effectively as possible. We too are actively pursuing opportunities to expand our renewable energy portfolio, leveraging solar, wind, and other clean energy sources while also supporting traditional 24/7/365 power supply sources to maintain grid stability.

## Active Member Engagement and Participation:

Your active engagement and participation are integral to our cooperative's success. We encourage member input at any time. Various surveys have been conducted in the past and your valuable feedback has shaped our decision-making processes and helped us better understand your needs and aspirations. As we look to the future, we recognize the evolving energy landscape and the challenges and opportunities it presents. We are committed to anticipating and addressing these changes effectively, ensuring that our cooperative remains at the forefront of the industry. We will continue to prioritize your interests, delivering reliable, affordable, and sustainable energy solutions while maintaining our cooperative's financial stability.

We are immensely proud of the progress we have made together and are excited about the road ahead. Thank you for your trust, partnership, and dedication to our cooperative. We hope to see you at the annual meeting on September 7th.



**Phil Kinser**  
CEO / General Manager



**Marilyn Werner**  
President

## \*Win 1 Year FREE Electricity

Attend your Cooperative's Annual Meeting for the opportunity to win the grand prize – **1 year's worth of FREE electricity!** At the conclusion of the meeting, one lucky member's name will be drawn. That member will receive the monthly availability charge and up to 1,000 kilowatt/hours per month **FREE for 1 year.**

If that's not reason enough to attend - another lucky member's name will be drawn for the second grand prize – **6 months worth of FREE electricity.** That member will receive the monthly service availability charge and up to 1,000 kilowatt/hours per month free for **6 months.**

Make plans to join us for an enjoyable evening and the chance to win 1 year or 6 months worth of **FREE electricity!**

**NOTE: Winners must be members of Southwest Iowa Rural Electric Cooperative, be registered and present at the Annual Meeting at the time of the drawing. Credit will be given for actual usage up to 1,000 kilowatt/hours per month with no carryover of kWh's allowed. Credit will be given in consecutive months starting with usage beginning on October 1st.**

*Southwest Iowa Rural Electric Cooperative Board of Directors and employees are NOT eligible to win.*



# ANNUAL MEETING PROGRAM

**Thursday \* September 7, 2023 \* Lenox Community Center at 210 E Dallas Street**

- 5:30p.m. to 6:30 p.m. Registration of Members & Guests  
Meal cooked by Taylor County Cattlemen  
Vendor Prize Drawings
- 6:30 p.m. Welcome and Invocation  
Meeting Notice – Ken Peppmeier, Secretary  
Minutes of 2022 Annual Meeting  
Nominating Committee Report  
Treasurer’s Report  
President’s Remarks – Marilyn Werner  
Guest Speaker – Aubrey Reed-Youth Tour 2023 Participant  
Manager’s Report – Phil Kinser  
Report of Election Results  
Adjournment  
Drawing for **FREE ELECTRICITY PRIZES**

**ATTENDANCE GIFT:**  
\$10 CREDIT ON MEMBERS’ ELECTRIC BILL

**GRAND PRIZE:**  
1 YEAR FREE ELECTRICITY\*

**2ND PRIZE:**  
6 MONTHS FREE ELECTRICITY\*

## Southwest Iowa Rural Electric Cooperative Annual Meeting of Members - September 8, 2022

The Annual Meeting of the Members of Southwest Iowa Rural Electric Cooperative was held at the Lenox Community Center in Lenox, Iowa at 6:30 p.m., on the 8th day of September, 2022.

The meeting was called to order by Mark Herzberg, Vice President of the Cooperative, who presided as Chairman, and Ken Peppmeier, Secretary of the Cooperative, acted as Secretary of the meeting and kept the minutes thereof.

Chair Herzberg introduced the guests in attendance at the meeting. Special recognition was awarded to Directors and employees for their years of service. Also present was attorney James of Sullivan & Ward, P.C. He thanked Taylor County Cattlemen for grilling steaks for the meal.

An invocation was offered by Ken Peppmeier and followed by the recitation of the Pledge of Allegiance.

Scott Meinecke, IAEC, Director Safety & Loss Control, gave a safety report and video. He emphasized the importance of hazard reporting to the Cooperative and shared information on safety precautions around an energized line.

The Chair stated that the members who had registered at the door had been checked, and that a quorum was present for the transaction of business. He stated that it would be in order for the registration to be accepted in lieu of roll call, whereupon a motion was duly made, seconded and carried, to accept the members’ registration at the door in lieu of roll call. A list of the members who registered in attendance at the meeting is attached to these minutes and made a part hereof by reference.

Secretary Peppmeier then presented a copy of the Notice of the meeting, together with proof of the mailing thereof to all members of the Cooperative, and such Notice and proof were ordered to be annexed to the minutes of this meeting.

The Chair stated that the next order of business was the election of three Directors for a term of three years each. He reported that, in accordance with the By-Laws, the Board of Directors had appointed from the members of the Cooperative a Nominating Committee consisting of Eric Marsh, RobertBob Allen, Michele Beck, and John A. Overholtzer, Chairman who had nominated the following members as candidates for Director:

<b>THREE YEAR TERM</b> (Three to be elected)	
<b>Region 1 - District No. 4</b>	<b>Region 2 - At-Large</b>
Janet Gray	Mark Herzberg
Terry Barnes	Nicholas Gray
<b>Region 2 - District No. 8</b>	
Alan Spencer	
Aaron Williams	

The Report of the Nominating Committee was ordered to be identified by the Secretary and annexed to the minutes of the meeting.

The Chairman then appointed Eric Marsh, John A. Overholtzer, Michele Beck, Mary K. Overholtzer, Robert Allen, Maurine Allen, Joe Kernan, and Lisa Kernan Inspectors of Election. The ballots were delivered to the Inspectors, who proceeded to count the same.

Upon motion duly made, seconded and carried, the reading of the minutes of the Annual Meeting of the Members of Southwest Iowa Rural Electric Cooperative held on September 9, 2021 were waived. The minutes were thereupon declared approved and were ordered to be filed in the records of the Cooperative.

The annual report of the President was presented. Copies of the President’s report had been distributed to the members and appeared in the Annual Meeting program. Vice President Herzberg introduced the directors and their spouses. Directors Kay Fast and Marilyn Werner were unable to attend. Following discussion, the annual report of the President was directed to be filed in the records of the Cooperative.

The annual report of the Treasurer was presented. The members had received copies of the Treasurer’s report, in the form of the balance sheet and statement of revenue and expense for the year ending 2021, both of which were published in the Annual Meeting program distributed to the members. Following discussion, the annual report of the Treasurer was approved and directed to be filed in the records of the Cooperative.

General Manager Phil Kinser introduced Youth Tour winner Henry Bevington of Corning who was unable to attend but

shared a video report on the Youth Tour to Washington, D.C. and thanked the Cooperative for sending him.

The annual report of Manager Kinser was presented. After presentation, the report was directed to be filed in the records of the Cooperative. Mr. Kinser introduced the employees of the Cooperative and commented on the length of service of the employees.

The Certificate of Inspectors of Election was then presented and read, certifying that the following members, having received the highest number of votes cast, had been duly elected as Directors of the Cooperative to hold office for the term specified, and until their successors shall have been duly elected and qualified:

<b>THREE YEAR TERM</b>	
<b>Region 1 - District No. 4</b>	<b>Region 2 - At-Large</b>
Terry Barnes	Mark Herzberg
<b>Region 2 - District No. 8</b>	
Alan Spencer	

The Chairman directed the Secretary to annex the Certificate of the Inspectors of Election to the minutes of the meeting, and thereupon declared the above members duly elected directors of the Cooperative to hold office for the term specified, and until their successors shall have been elected and qualified.

Meal was provided by Taylor County Cattlemen prior to the meeting.

Each registered member received a door prize of \$10.00 credit on member’s electric bill and participated in a drawing for Grand Prize of one-year free electricity and second prize of six-months free electricity.





## Nominee Bio's



**Kollin O'Day:**  
Region 1 – District 2

Kollin and his wife, Haley, live on a farm near Tingley with their two daughters. Kollin is the owner of O'Day Land & Habitat, a land & hunting conservation business that also provides excavating and trucking services. He also farms 500 acres of row crops with his dad. In his spare time, Kollin enjoys teaching his two girls everything about hunting and fishing, as well as working with his 3 brothers and dad on their family farms.



**Marilyn Werner:**  
Region 1 – District 2

Marilyn and her husband Steve live on the family farm north of Tingley. They have two daughters, one son, and seven grandchildren. Marilyn has a master's degree from Iowa State University and is retired from 23 years of employment at Southwestern Community College as an Assessment Coordinator. Prior to that, she worked for Iowa State Extension Service and in the banking industry. She is active in the Tingley United Methodist Church and currently serves as board chair and trustee. Marilyn is an active volunteer in her community. Her special interests include gardening, reading, and photography. She has served on the REC Board of Directors since 1993 and is a credentialed director having completed the National Rural Electric Cooperative Association's Director Program. Directors who hold this distinction are required to attend classes and demonstrate an understanding of competencies contained in five core electric utility courses. This past year Marilyn received the NRECA Board Leadership Certificate which recognizes individuals who continue their professional development and have completed 10 credits in advanced, issues-oriented courses.



**Bonnie Larson:**  
Region 1 – At-Large

Bonnie and her husband Will live on their farm east of Diagonal with their three children--Rhett, Matt, and Abby. Bonnie keeps the records for her family's farm. She is on the SWCC Ag Advisory Board as well as the REC Advisory Board. Bonnie also enjoys volunteering at the various youth programs at her church. In her spare time, she enjoys gardening and spending time with her family.



**Ken Peppmeier:**  
Region 1 – At-Large

Ken and wife Lori live near Shannon City. Their family includes daughter Brooke (Patrick), daughter Ayla (Johnnie), and son Zack (fiancé Kristi). They have three grandchildren. They have a farming operation and Ken is also a rural mail carrier. He belongs to the Arispe Methodist Church, where he has served as a trustee, as well as serving on the Afton Volunteer Fire Board, Grant Township Trustee, and Union County Fair Swine Committee. Ken is a credentialed director having completed the National Rural Electric Cooperative Association's Director Program



**Steven Eason:**  
Region 2 – District 6

Steven and his wife Theresa reside northwest of Clarinda. Steven is a semi-retired building contractor and has worked at IWCC, NSK, and other jobs showcasing his building skills. He and his wife have 5 grown children, 8 grandchildren and one great-grandchild. In his free time, Steven enjoys traveling, camping, biking, horseback riding, kayaking, and gardening all with his family.



**Kay Fast: Region 2 – District 6**

Kay was born and raised on a family farm, southeast of Villisca, where she continues to live. She has served on the REC board since 2017 and is the current treasurer. Kay recently completed her CCD (credential cooperative director) certification, which includes 5 courses to improve her skills as a board director. She enjoys being a part of the REC family and working with members of the board.

Kay received a master's degree in music education from NWMSU in Maryville MO. She completed 34 years in music education, serving districts in Red Oak, Villisca, and Glenwood. Kay has received numerous honors, including the Navy Music Award of Excellence, the prestigious Charles Lakin Teacher Award of Excellence, and the Outstanding Music Director at the Heritage Festivals in New Orleans. Under Kay's direction, the Glenwood Jazz Choir was 3A state champions, and she was chosen to conduct the Opus Honor Choir at ISU in Ames. Kay is a published songwriter, and the author of the book "Learning to Live Again".

Kay retired from education in 2015 but continues to work as a certified Iowa adjudicator for vocal music competitions. She is a lifelong member of the Villisca United Methodist Church, where she has served as a pianist for the past 40 years. She has two children, Dustin (Laura), and Trisha (Rusty), and ten grandchildren. She is engaged to Dave Deyoe and is planning a fall wedding. Her hobbies include spending time with family and friends, walking, shopping, traveling, and reading.



**Cole Sunderman:**  
Region 2 – District 6

Cole Sunderman is the 3rd generation to live on his farm near Villisca, Iowa. He has a degree in Agricultural Business from Northwest Missouri State University. Cole is employed at Cornerstone Bank in Clarinda as an Assistant Vice President Loan Officer since October 2019. Cole is also the owner of Cole Sunderman Katahdins raising registered and commercial Katahdin sheep. He enjoys researching and testing different livestock production practices to increase his farm's efficiency and productivity. During his downtime, Cole enjoys spending time with family and friends.

**CRIME STOPPERS**

**TOGETHER, WE CAN CUT DOWN ON COPPER THEFT AND OTHER CRIMES AGAINST IOWA'S ELECTRIC UTILITIES!**

**800-452-1111**

# Financial Report - December 31, 2022

## Balance Sheet

ASSETS	12-31-22	12-31-21
<b>ELECTRIC PLANT</b>		
Electric plant in service .....	\$50,709,788	\$49,124,404
Construction work in progress .....	\$1,924,932	\$823,199
LESS: Accumulated Depreciation .....	<u>(17,862,277)</u>	<u>(17,060,417)</u>
Electric Plant (net) .....	34,772,443	32,887,186
<b>OTHER ASSETS AND INVESTMENTS</b> .....	4,052,900	4,227,578
<b>CURRENT ASSETS</b>		
Cash and cash equivalents .....	700,652	1,468,600
Accounts receivable (net) .....	1,537,534	1,208,377
Materials and supplies .....	1,361,172	617,685
Current Portion of notes receivable .....	67,803	66,441
Other current and accrued assets .....	<u>70,212</u>	<u>88,923</u>
	3,737,373	3,450,026
<b>DEFERRED CHARGES</b> .....	27,215	34,778
	<u>\$42,589,931</u>	<u>\$40,599,568</u>
<b>LIABILITIES AND MEMBERS' EQUITY</b>		
<b>EQUITIES AND MARGINS</b>		
Patronage Capital .....	\$7,681,133	\$8,011,061
Other Equities .....	<u>10,926,843</u>	<u>10,411,923</u>
	18,607,976	18,422,984
<b>LONG-TERM DEBT, less current maturities</b> .....	20,196,951	19,468,855
<b>CURRENT LIABILITIES</b>		
Accounts payable .....	1,267,542	739,478
Current Maturities of long-term debt .....	994,951	925,983
Notes Payable .....	425,000	0
Other current and accrued liabilities .....	<u>879,408</u>	<u>910,910</u>
	3,566,901	2,576,371
<b>DEFERRED CREDITS</b> .....	218,103	131,358
	<u>\$42,589,931</u>	<u>\$40,599,568</u>

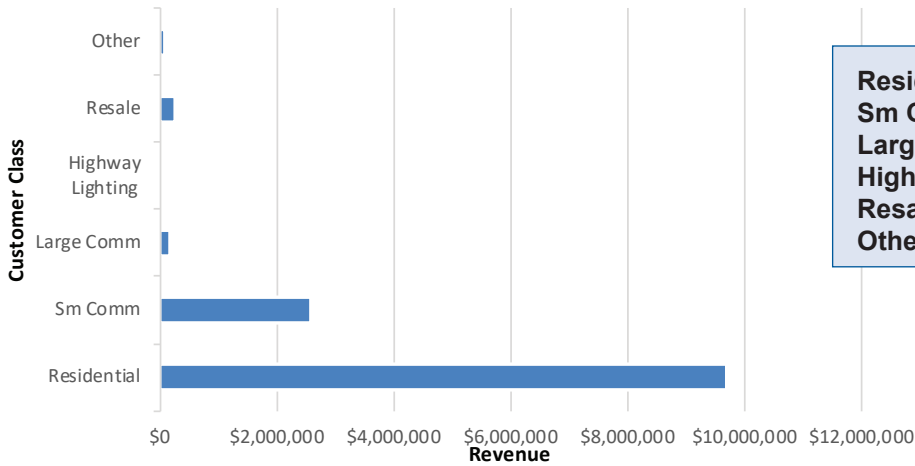
## Statements of Revenue and Expense

<b>OPERATING REVENUE</b> .....	\$12,808,231	\$11,748,776
<b>OPERATING EXPENSES</b>		
Cost of power .....	7,015,755	6,151,929
Distribution expenses - operations & maintenance .....	2,071,490	2,024,613
Consumer accounting / information / assistance .....	607,600	539,831
Administrative and general expense .....	916,678	850,090
Interest on long-term debt .....	739,283	735,440
Taxes and other deductions .....	5,893	19,624
Depreciation and amortization .....	<u>1,335,197</u>	<u>1,300,497</u>
	12,691,896	11,622,024
Operating margins before patronage allocations .....	116,335	126,752
<b>DEFERRED PATRONAGE ALLOCATIONS (non-cash)</b> .....	297,020	468,480
Net Operating Margins .....	413,355	595,232
<b>NONOPERATING MARGINS</b> .....	145,105	648,163
<b>NET MARGINS</b> .....	<u>\$558,460</u>	<u>\$1,243,395</u>

continued on page 6

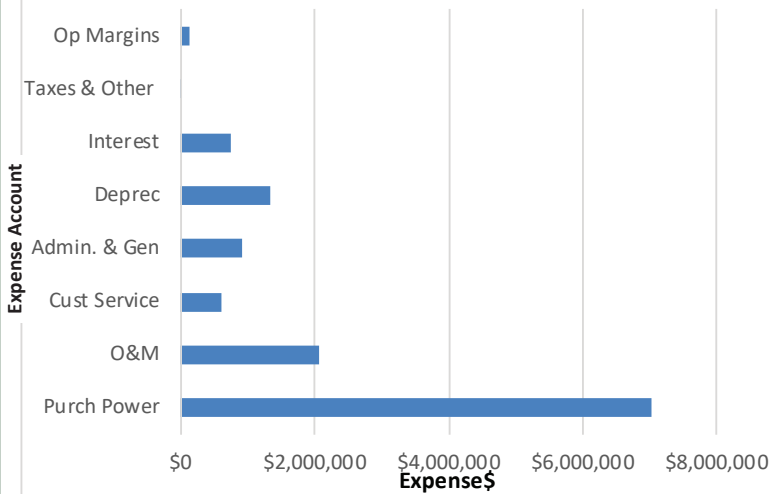
# Financial Report - December 31, 2022

## WHERE THE MONEY COMES FROM



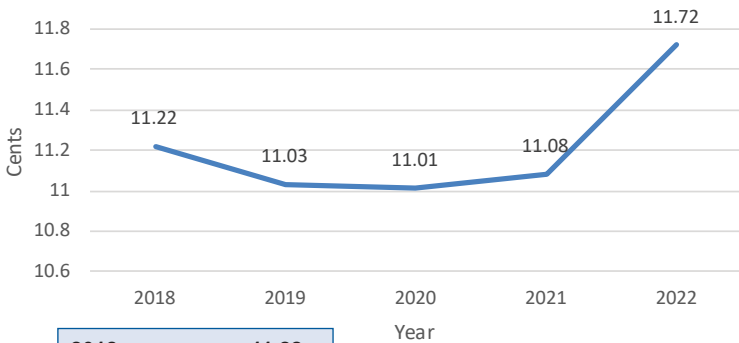
<b>Residential</b>	<b>\$9,708,720</b>
<b>Sm Comm</b>	<b>\$2,576,199</b>
<b>Large Comm</b>	<b>\$160,955</b>
<b>Highway Lighting</b>	<b>\$15,157</b>
<b>Resale</b>	<b>\$272,127</b>
<b>Other</b>	<b>\$75,073</b>

## WHERE THE MONEY GOES



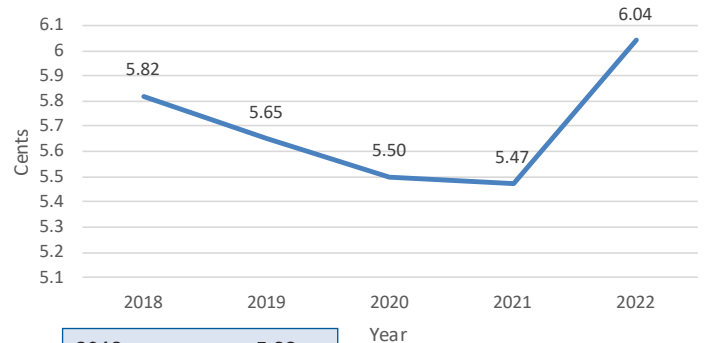
<b>Purch Power</b>	<b>\$7,015,755</b>
<b>O&amp;M</b>	<b>\$2,071,490</b>
<b>Cust Service</b>	<b>\$607,600</b>
<b>Admin. &amp; Gen</b>	<b>\$916,678</b>
<b>Deprec</b>	<b>\$1,335,197</b>
<b>Interest</b>	<b>\$739,283</b>
<b>Taxes &amp; Other</b>	<b>\$589,335</b>
<b>Op Margins</b>	<b>\$116,335</b>

## Revenue Per KWH Sold



<b>2018</b>	<b>11.22</b>
<b>2019</b>	<b>11.03</b>
<b>2020</b>	<b>11.01</b>
<b>2021</b>	<b>11.08</b>
<b>2022</b>	<b>11.72</b>

## Cost Per KWH Purchased



<b>2018</b>	<b>5.82</b>
<b>2019</b>	<b>5.65</b>
<b>2020</b>	<b>5.50</b>
<b>2021</b>	<b>5.47</b>
<b>2022</b>	<b>6.04</b>

# Introducing

## Mount Ayr Employees



**Justin Murphy**  
20 Years  
Director of  
Operations



**Kylee Fleharty**  
2 Years  
Customer Service  
Representative



**Sarah Newton**  
9 Years  
Director of Finance/  
Administrative Services



**Cacey Quick**  
4 Years  
Accountant



**Tanner Rinehart**  
15 Years  
Line Foreman



**Nathan Weeda**  
18 Years  
Lineman



**Connor Giles**  
3 Years  
Apprentice Lineman



**David Head**  
11 Years  
Lineman



**Cody Stackhouse**  
4 Years  
Lineman



**Steven Grace**  
4 Years  
Apprentice Lineman



**Eric Hensley**  
2 Years  
Member Service  
Technician

## Stanton Employees



**Denise Hallquist**  
46 Years  
Customer Service  
Representative



**Marilyn Rubel**  
36 Years  
Accountant



**Tim Pfeiffer**  
16 Years  
Director of Member  
Services



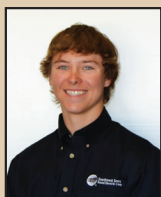
**Scott Geer**  
36 Years  
Line Foreman



**Luke Brockshus**  
3 Years  
Apprentice Lineman



**Shayne Larson**  
11 Years  
Lineman



**Brady Williams**  
2 Years  
Apprentice Lineman

## Board of Directors



**Marilyn Werner**  
30 Years  
President



**Mark Herzberg**  
13 Years  
Vice President



**Kay Past**  
6 Years  
Treasurer



**Ken Peppmeier**  
13 Years  
Secretary



**Terry Barnes**  
4 Years  
Director



**Deena Moore**  
8 Years  
Director



**Dana Morgan**  
9 Years  
Director



**Jason Smith**  
8 Years  
Director



**Dale Walkup**  
43 Years  
Director



**Alan Spencer**  
1 Year  
Director

## Corning Employees



**Phil Kinser**  
35 Years  
CEO / General Manager



**Suzy Olson**  
4 Years  
Administrative Assistant



**Les Helvie**  
21 Years  
Line Foreman



**Lucas Dalton**  
6 Years  
Lineman



**JD Hitt**  
2 Years  
Apprentice Lineman



**Brycen Wallace**  
2 Years  
Apprentice Lineman



**Dustin Smith**  
4 Years  
Lineman



# 2022 Central Iowa Power Cooperative Power Supply Report: Bridging the Gap

By: Dale Walkup, Representative on the CIPCO Board of Directors



In 2022, the American electric utility industry raised significant concerns about the stability of our electric grid amid rising calls for the early closure of dispatchable generation sources.

Dispatchable generation, namely from fossil fuel resources, can be fired up and dispatched to the grid on demand at the request of power grid operators, according to market needs. In 2022, our power supplier, Central Iowa Power Cooperative (CIPCO), continued to study ways in which it could reduce the risk of purchasing energy in a volatile market and bridge the resource gap left by the early closure of Duane Arnold Energy Center in 2020. To do this,

CIPCO won't be able to rely on the dwindling dispatchable generation supply across the industry in the next decade, but rather seek out new, intermittent renewable energy assets to meet this need.

The stability of the grid and the ability of regional grid operators to meet power demands were put to the test not once, but twice in 2022, when the Mid-Continent Independent System Operator (MISO) forecasted potential capacity shortfalls during both the summer and winter months. MISO warned of a potential summer peak electricity demand of 124 GW, or 5 GW more than what was projected to be available, prompting CIPCO and its Member-owned cooperatives to stress the importance of energy efficient practices among its member-consumers like you.

Later in the year as many of us were readying for the holidays, we faced Winter Storm Elliott, a "bomb cyclone" of intense wind, snow and frigid temperatures that settled in across Iowa over the course of several days.

The skyrocketing demand during those times sent energy market prices soaring. The electric industry's reaction to two instances of extreme weather over the course of one year underscored the value of an "all-of-the-above" strategy that includes coal generation as one of many options during times of intense demand. Using all its available resources – including coal – CIPCO met all capacity requirements set forth by MISO.

CIPCO's commitment to reliability led to a system-wide outage rate of 0.34 hours per consumer. For 2022, Southwest Iowa REC's was 0.30 hours per member-consumer.

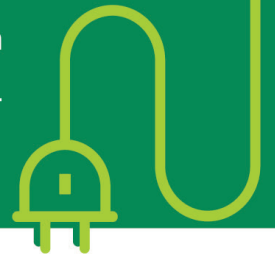
Despite volatile energy costs in 2022, both Standard & Poor's and Fitch Ratings maintained CIPCO's 'A' ratings which confirm CIPCO's financial strength. CIPCO remains dedicated to sound financial practices that allow margins to be returned to its members in the form of patronage, a key component of the cooperative business model. In 2022, CIPCO returned patronage totaling \$291,635 to Southwest Iowa REC.

As a CIPCO director, I'm committed to guiding the organization through the industry challenges we anticipate in the coming years. I'm confident CIPCO is well-positioned to navigate these challenges, allowing both CIPCO and Southwest Iowa REC to thrive. As a member-consumer, you can rest assured your electricity needs will be met now and in the years to come with safe, reliable and cost-effective power when you need it most.

## Energy Efficiency Tip of the Month

Did you know ceiling fans can make a room feel 4 degrees cooler? To save energy through ceiling fan use, remember to raise your thermostat a few degrees while fans are turned on. Ceiling fans can help improve comfort year-round. In the summer, operate ceiling fans in a counterclockwise direction. Reverse the direction to clockwise during winter months and set fans on a low speed so warm air can circulate from the ceiling to the lower levels of the room. Remember, ceiling fans cool people, not spaces. Be sure to turn them off when you leave the room.

Source: Dept. of Energy



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