

COOPERATIVE CONNECTIONS

Fostering Futures

**Mike Rowe Scholarship
Sponsors Co-op Lineman**

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**Understanding the
Southwest Power Pool**

Pages 12-13

*Dirty Jobs star Mike Rowe with Work Ethic Scholarship recipient Tayden Wells at Mitchell Technical College
Submitted Photo*

PAYMENT SOLUTIONS FOR POSTAL DELAYS

The United States Postal Service is experiencing delays in mail delivery and is greatly impacting our rural areas.

Bon Homme Yankton Electric has many options available for members to manage and pay your electric bill.



Pay Online With SmartHub

Use the Bon Homme Yankton Electric SmartHub tool to pay bills online, set up auto-pay options, manage account notifications, and monitor daily electric use. Simply register and log in to your SmartHub account on this page. If you have trouble getting started, access our SmartHub tutorials under My Account on our website.

You can download the SmartHub app from the Android or Apple app stores to control your account from a smartphone or tablet.



Pay Now Online

If you do not want to create an online account with SmartHub you can use the 'One Time Pay' online payment option on our website. Simply enter your account number and last name and pay your bill. No registration is required.



Pay By Phone 1-855-941-3507

Bon Homme Yankton Electric members can pay their bill over the phone with a credit card or check call 1-855-941-3507. This number allows members to enter their account information using a secure pay-by-phone system.



Automatic Payment - ACH

On the 15th of each month, we will automatically deduct from your checking or savings account the exact amount of your electric bill or the amount of your budget bill if you are enrolled in budget billing. You will still get a monthly statement at the beginning

of each month indicating the amount to be withdrawn. It is free and easy. To sign up please call the office at 605-463-2507 we will get you the form to fill out, sign, and return it to our office with a voided check.



Automatic Payment - Credit Card

With the automatic credit card plan, we will automatically charge your credit card on the 12th of the month for the exact amount of your electric bill or the amount of your budget bill if you are enrolled in budget billing. You will still get a monthly statement at the beginning of the month indicating the amount to be charged. It is free and easy. To sign up call the office at 605-463-2507 we will get you the form to fill out, sign, and return it to our office.



Prepaid Billing

Normally, you receive a utility bill at the end of the month for all of the electricity you used in the past 30 days. PrePay works the opposite. You pay for the electricity before you use it. You can pay ahead as much or as little as you want. Your meter is read each night at midnight and a bill is calculated for yesterday's usage. If the credit balance drops below a threshold, you are notified that your balance is getting low. If you use up all your credit, then power is shut off until the account has at least a \$25 credit balance.



Pay In Person

Monthly payments can be paid by cash, check, or credit card in person at the main office at 134 S Lidice St, Tabor, SD 57063. There is also a secure drop box on the front of the main office building in Tabor.



Pay By Mail

Mail payment and the bottom portion of your bill. Please allow time for the payment to be received by the due date. Mail check or money order to: Bon Homme Yankton Electric, PO Box 158, Tabor, SD 57063.

COOPERATIVE CONNECTIONS

BON HOMME YANKTON ELECTRIC

(USPS No. 018-973)

Bon Homme Yankton Electric Association, Inc
 PO Box 158
 134 S. Lidice St.
 Tabor, SD 57063

Office Hours:
 Monday through Friday
 7:30am - 4:00pm

Pay by Phone, call:
 1-855-941-3507

To report an outage, call:
 Local call from Tabor, Tyndall, and Yankton:
 605-463-2507

NOTICE: Electric bills must be paid by 10:00am on the 20th of each month to avoid a \$10 late fee.

Board President: Dave Sykora
Board of Directors
 Rick Cheloha - Vice President
 Brian Brandt - Secretary
 Robert Ruppelt - Treasurer
 Paul Voigt
 Tom Boyko

General Manager: Stephanie Horst
Operations Manager: Ken Carda
Office Manager: Nicole Einrem
Members Service Advisor: Aaron Melichar
Editor: Chantelle Jungemann

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DECEMBER BOARD MEETING

The December board meeting was held on December 17, 2025 at 8:00 am. Directors present were Dave Sykora, Rick Cheloha, Robert Ruppelt, Paul Voigt, Tom Boyko and Brian Brandt. Others present were the attorney, management staff and guest employee.

THE BOARD APPROVED THE CONSENT AGENDA:

- November 2025 Regular Board Meeting Minutes
- Capital Credits to Estates - \$3,918.08
- Review New Members & Cancellations
- Review Closed Work Order Inventory - None
- Review Special Equipment Purchases - None

THE BOARD REVIEWED AND ACCEPTED FOLLOWING REPORTS:

- Member Service Report
- Operations & Safety Report
- Office & Financial Reports
 - Approved 2026 Operating Budget
 - Approved 2025 Write Offs of \$10,983.22
- General Manager Report
- East River Cyber Security/IT Report
- SDREA Report - none
- East River Report

- BLC Report
 - Mid-West Annual Meeting Report
- OTHER GOVERNANCE**

- Approved 2026 Rate Policies
 - 50-01 Residential
 - 50-03 Small Commercial
 - 50-05 Irrigation
 - 50-05.7 Load Control 5/7
 - 50-08 Large Load 75-499 KVA
 - 50-09 Large Loads 1-2 MW
 - 50-15 Idle Service
 - 50-18 Large Load 500-1MW
 - 50-20 Station Service
 - 50-21 Off Peak w/Load Control
- Reviewed 2026 Director Compensation Policy 20-04
- Appointed CRC Voting Delegate (Horst)
- Enter/Exit Executive Session
- Next Meeting date set for Wednesday, January 21, 2026, at 8:00 am.

| FINANCIAL REPORT | NOVEMBER | | YTD |
|---------------------------------|------------------|------------------|---------------------|
| | 2024 | 2025 | 2025 |
| TOTAL ELECTRIC REVENUE | \$880,661 | \$951,093 | \$11,393,393 |
| COST OF POWER | \$541,926 | \$573,562 | \$6,703,982 |
| TOTAL COST OF SERVICE | \$885,325 | \$986,519 | \$11,218,349 |
| KWHS PURCHASED | 7,630,734 | 7,849,917 | 91,692,971 |
| RESIDENTIAL AVERAGE KWH | 1,438 | 1,449 | |
| RESIDENTIAL AVERAGE BILL | \$173 | \$183 | |

| WELCOME NEW MEMBERS | Yankton | Randy & Kim Wolken |
|---------------------|---------------------|----------------------|
| | Brodey Peterson | Troy & Carolyn Brown |
| Tabor | Estate of Leo Cwach | |
| Alicia E Ramos | Jessica Nakamura | |
| Colin Springer | Lazy B Lodge LLC | |

FIVE WAYS TO SAFEGUARD YOUR HOME THIS WINTER

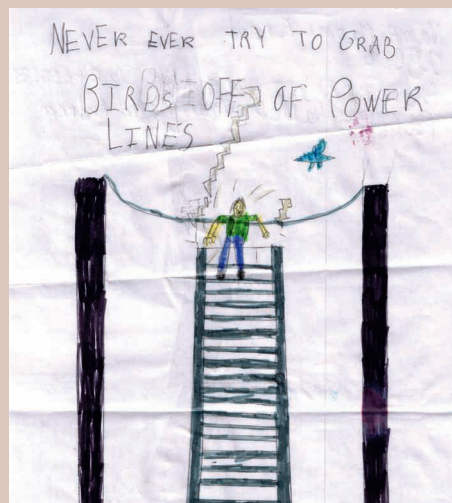
As the temperatures drop and the days grow shorter, there's a natural inclination to create a warm and cozy haven at home. Unfortunately, as we see increased use of heating equipment, candles and electrical items, the number of home fires tends to increase during winter months.

Here are five ways you can safeguard your home for the winter season.

1. Ensure carbon monoxide and smoke detectors are working properly. If your detectors are battery-operated, replace the batteries annually. Test the detectors once a month and give them a good dusting to ensure the sensors are clear of dirt and debris.
2. Inspect electrical cords. We depend on more cords during winter, whether for holiday lighting, extension cords or portable heaters. Before using any corded items, double check to make sure cords aren't frayed or cracked. If you use portable space heaters, remember to keep them at least three feet away from flammable items. Use models that include an auto shut-off feature and overheat protection. Space heaters can take a toll on your energy bills. Use them efficiently (to heat smaller spaces) and safely. Never plug a space heater into a power strip. Speaking of power strips...
3. Avoid overloading electrical outlets and power strips. When overloaded with electrical items, outlets and power strips can overheat and catch fire. If you use power strips for multiple devices, make sure the strip can handle the electrical load. For a safer bet, look for power strips that include surge protection.
4. Clean the fireplace to improve safety and efficiency. There's nothing better than a warm fire on a chilly night, but it's important to maintain your fireplace for safety. As wood burns, a sticky substance known as creosote builds up in the chimney. When creosote buildup becomes too thick, a chimney fire can ignite. The chimney should be cleaned at least once a year to reduce fire risks. Regular cleaning

also improves air flow and limits the amount of carbon monoxide that seeps indoors.

5. Practice safety in the kitchen. As we spend more time in the kitchen during the holiday season, be mindful of potential fire hazards. Never leave food that's cooking on the stovetop unattended. Clean and remove spilled foods from cooking surfaces and be mindful of where you place flammable items like dish towels.



Naomi Krcil, Age 8

Naomi warns readers to never, ever grab birds off power lines. Great job, Naomi! Naomi's parents are Andrew and Andrea Krcil from Dante, S.D.

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.

Family Night FAVORITES

SAUERKRAUT BEEF BAKE

Ingredients:

- 1 lb ground beef
- 1 can sauerkraut, rinsed and drained
- 1/2 cup instant rice
- 1 can cream of mushroom soup
- 1 soup can water
- 2 tbsps. onion soup mix
- 1 small can sliced mushrooms (optional)

Method

Brown ground beef, drain excess fat. In large bowl, mix all remaining ingredients. Transfer to a greased 2-quart casserole or baking dish.

Cover and bake at 350°F for one hour or until heated through.

Sally Florey
Charles Mix Electric

MINI BBQ BACON CHEDDAR MEATLOAF

Ingredients:

- 2 lbs. ground beef
- 6 oz. chili sauce
- 4 slices bacon, cooked and crumbled
- 1 1/2 cups sharp cheddar cheese, shredded
- 1/2 cup panko breadcrumbs
- 2 large eggs
- 1 tsp. onion powder
- 1 tsp. seasoned salt
- 1 tsp. garlic powder
- 2 tbsps. Worcestershire sauce
- 1 tsp. yellow mustard
- 1/2 cup BBQ sauce

Method

Preheat oven to 425°F.

Cook and crumble bacon.

In a mixing bowl, mix together all meatloaf ingredients except the BBQ sauce.

Divide the mixture into 8 round loaves. Press a small depression into the middle of the meatloaves.

Brush BBQ sauce on top of the meatloaves.

Bake for 25 minutes. Turn on broiler and brown the BBQ sauce for 2 to 5 minutes.

Kayla Beaner
Southeastern Electric

SMOKED MEATLOAF

Ingredients:

- 1 cup panko breadcrumbs
- 1 cup whipping cream
- 1.5 lbs. 93% lean ground beef
- 1 lb. ground pork
- 1/2 pkg. bacon
- 2 eggs, beaten
- 2 tps. Worcestershire sauce
- 1-2 tps. minced garlic
- 1/8 cup ketchup
- 2 tps. Heifer Dust (spice)
- 1/2 tsp. ground pepper
- 1/2 sweet onion, chopped
- 1/2 green pepper, chopped
- 1-2 carrots, chopped
- 1-2 celery stalks, chopped
- 1/2 carton mushrooms, chopped

Basting Sauce

- Cookies BBQ Ketchup
- Brown sugar Dry mustard
- Apple cider vinegar

Method

Turn Traeger to Smoke then set to 225°F and preheat for 15 minutes.

Combine the vegetables, drizzle with olive oil and microwave for about 2 minutes to soften. Cool for 10 minutes. Mix everything in a large bowl with hands. Form into a large loaf on parchment paper. Place bacon strips on grate pan. Gently flip loaf onto the bacon lined grate pan.

Place on grill and smoke for 45 minutes. Increase temperature to 325°F. Preheat for 10 minutes. Return to grill and insert probe. Cook until internal temperature reaches 160°F - about 1-2 more hours depending on size of loaf.

During the last 15-20 minutes, baste heavily with barbeque sauce mixed with brown sugar, ketchup, mustard and a little apple cider vinegar or apple juice.

Deb Prins
Cam Wal Electric

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 2026. All entries must include your name, mailing address, phone number and cooperative name.

Picture by Elena Veselova from Shutterstock



OPERATION ROUNDUP®

Through Operation Round-Up® small donations from our members add up to BIG support for local charities and community projects.

The Operation Round-Up® program is intended to benefit people and organizations within the B-Y Electric service area. The funds may be used for community projects, economic development, education and youth programs, environmental projects, emergency energy assistance, and disaster relief.

In December, General Manager Stephanie Horst and Operation Round-Up® Committee Member Deb Ruppelt presented funds to two applicants. The Springfield Historical Society, to assist in meeting building needs at its museum on the town's

Main Street. The museum houses a wide variety of collections including military artifacts, school collections,

early horse-drawn agricultural equipment used in Bon Homme County before tractor power, life-size replica of furnished rooms from “Grandma’s House,” one-room schoolhouse and an early Main Street.

The Beseda Hall on Main Street Tabor received Operation Round-Up® funds to help with the cost of updating the windows.



When Random Acts of Kindness Turn Into a Lifetime of Service

Frank Turner

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Random Acts of Kindness Day often highlights small, individual gestures. But in many South Dakota communities, acts of generosity rarely end there. Even a random gesture has the potential to blossom into something steady and lasting.

For Tasha Torgerson, office services manager with Codington-Clark Electric Cooperative, and Ann Vostad, a director with Sioux Valley Energy, a spur-of-the-moment decision to volunteer planted the seeds for a long-term passion of community involvement.

Ann Vostad, Sioux Valley Energy

Ann Vostad's decades-long connection to her local school began in 1994 with a note sent home to her daughter's third-grade class. Through the letter, the teacher asked if anyone would be willing to offer a helping hand in the classroom.

"At the time, I was running our family dairy farm," Vostad said. "It got me off the farm and talking to people instead of cows."

That moment marked the beginning of a 30-year career of involvement at Sioux Valley School District. During that time, Vostad served as a classroom volunteer, substitute teacher, library helper, booster club president, athletic team bookkeeper and 4-H leader. Even after her children graduated, she decided to continue her work in the schools for her community.

Vostad said she enjoys working throughout the school rather than staying in one classroom. By bouncing from classroom to classroom, she said she can see the rewards of her volunteerism as students develop year-by-year.

"One of the things I've really enjoyed is watching the next generation come through," she said. "I've taught their parents, their grandparents were classmates

of mine, and now I get to see their kids and grandkids come through."

Her long history of community involvement eventually led her to cooperative leadership. After serving on the Operation Round Up board, Vostad was encouraged to run for the Sioux Valley Energy board of directors. She is now in her fifth year as a director.

Tasha Torgerson, Codington-Clark Electric Cooperative.

Years ago, Tasha Torgerson was mentoring a student at a Watertown elementary school when something outside of the room caught her attention.

"I noticed these totes sitting in the entryway every time I went in," Torgerson said. "I finally asked what they were for."

These totes were part of the Watertown Area PACH program, People Against Childhood Hunger, a nonprofit that

provides weekend food bags to students in Watertown and across Codington County. Torgerson learned that each tote was filled with easy-to-prepare meals and snacks intended to help carry children through weekends and school breaks. The discovery prompted her to learn how she could get involved.

"I went to my first meeting about a week later," she said. "I've been there ever since."

PACH started in 2011 with about 100 bags packed each week through First United Methodist Church in Watertown. Over time, the program has grown and now distributes more than 600 bags weekly to students across the Codington County area. Today, volunteers like Torgerson pack the bags on Wednesday nights, and they are sent to schools the following morning to be distributed before the weekend.

What stands out most to Torgerson is the level of community support. Volunteer slots fill quickly, and many local groups, businesses, and organizations – including Codington Clark Electric Cooperative – wait months for a chance to help where they can and pack bags.

"They look forward to it," she said. "Once you do it, you want to keep coming back."



(Above) Codington-Clark Employees and their family members volunteered with the Watertown Area PACH Program by packing bags with food for students.

(Left) Ann Vostad helps a student study at Sioux Valley School district.

FOSTERING FUTURES

'Mike Rowe Scholarship' Winner Kicks Off Career at Electric Co-op

Jacob Boyko

jacob.boyko@sdrea.coop

For many high schoolers, figuring out the next steps after graduating is a time for making big decisions and answering tough questions. What do I want to do for a career? Should I go to a university or technical college? Will I be able to pay off all of this college debt?

Tayden Wells' mind was already made up following a great high school internship and a little bit of faith and support from others. Wells was awarded numerous scholarships, but none as prestigious – nor time-consuming – as the Work Ethic Scholarship from 'Dirty Jobs' star Mike Rowe.

Discovering the Passion

Growing up around linemen, Tayden had an early appreciation for their work, unpredictable schedules and the expansive grid of wires and poles that keeps everyone's lights on.

"As a child I'd be sitting in the house and all of a sudden, Dad would up and vanish," Tayden explained. "And I always wondered, what's he doing? Where's he going? Why is he going to work on a Saturday or in the middle of the night? And then finally it occurred to me that we rely on the power grid, and when the power goes out, linemen go to work."

Tayden's dad, Travis, is a lineman at Clay-Union Electric in Vermillion, S.D. Tayden recalls the long car rides on hunting trips with his dad and uncle – also a lineman – where the conversations would drift to the power lines outside the truck windows.

"I'd hear them talking, using linemen slang like 'distro' (distribution lines) and 'T-lines' (transmission lines)," Tayden said. "They really sparked my interest."

When Tayden's high school business teacher told students to think about internships, he knew exactly where he wanted to go.

It All Started With an Internship

Tayden's teacher made the call to Union County Electric Cooperative in Elk Point, S.D. After getting the green light from the board of directors, Tayden was cleared to shadow the crew for about 10 hours a week as he learned the ins and outs of the job.

"He was always looking for something to do, and he also asked a lot of questions and had an eagerness to learn," General Manager Matt Klein said about Tayden's work ethic. "When I saw that, I knew he would fit in well with the rest of our team."

Klein offered the high school senior a full-time summer



internship where he continued to expand his skills before heading to Mitchell, S.D., in the fall.

Mike Rowe's Work Ethic Scholarship and the S.W.E.A.T. Pledge

With his mind made up after the internship, Tayden's next step was to enroll in the power line program at Mitchell Technical College for a formal education – and find scholarships to help pay for it.

A straight-A student involved in athletics and extracurricular activities, Tayden applied for numerous scholarships, including the highly competitive Work Ethic Scholarship.

The scholarship, founded and administered by Mike Rowe and his foundation, offers millions of dollars to kids around the nation interested in pursuing trade careers.

Electricians, linemen, HVAC, nursing, culinary, automotive, even cosmetology – just no four-year bachelor's degrees.

"We promote skilled trades and want to get people into good-paying jobs without them drowning in debt," explained mikeroweWORKS President Mary Sullivan, who oversees the scholarship. "It's just heartbreaking seeing the amount of kids taking on college debt and graduating and aren't able to find jobs in their chosen field. Even more heartbreaking – but less reported – is the number of kids that drop out partway through the program with the debt and no piece of paper."

The scholarship's application process is different too – it's intensive, spanning several months and requires applicants to submit a video, answer questionnaires, gather references and think critically about the scholarship's curriculum.

The scholarship attracts thousands of applicants, but by the end, only the most committed, hardest working remain.

"We want to give scholarships to the kids who are passionate – they show up early, stay late and help others," Sullivan explained. "One of the recipients said he applied for 20 scholarships, and if you put all the other 19 into a bucket, ours still took more

time – but he said there was a level of pride in receiving it. High school kids today need to see 18-20 year olds who are successful, and the scholarship program allows us to meet students we believe are good representatives for the industry.”

Part of the curriculum includes the S.W.E.A.T. Pledge (Skill & Work Ethic Aren't Taboo) video series that walks students through 12 pledges Rowe designed to promote strong work ethic and foster successful careers, which include:

“I do not follow my passion. I bring it with me. I believe that any job can be done with passion and enthusiasm.”

“I deplore debt and do all I can to avoid it. I would rather live in a tent and eat beans than borrow money for a lifestyle I can't afford.”

After completing all of the curriculum and proposing a 13th S.W.E.A.T. pledge for a final project, Tayden was awarded \$16,000 to cover his education.

And when Rowe traveled to MTC in 2024, Tayden got the chance to thank Rowe face-to-face.

“Mike told me, from his mouth, that my scholarship was one of the highest amounts they gave out that year,” Tayden said. “That was very cool to hear.”

Rowe said Tayden stood out among thousands of applicants and embodies the qualities the scholarship promotes.

“Tayden checked all the boxes, and then some,” Rowe said. “His references were great, his attitude was great, his essay was great, and his comments about The SWEAT Pledge were spot on. His willingness to pursue a skill that's in demand, along with his attitude and work ethic, make him a perfect example of the qualities we're trying to encourage with our scholarship program. The country needs thousands more like him.”

Reflecting On the Journey

Tayden graduated from the power line program in 2025. He credits his success in part to his internship, saying the out-of-classroom experience set him up for a good year of training at MTC and a rewarding career with electric cooperatives.

“I kind of had the upper hand going into the program with my internship,” Tayden said. “I was able to see stuff before I went to school, so I kind of had a good understanding of the basics. But for kids coming in, some of them obviously struggle. I'm a very hands-on, visual learner, so because I was able to see it beforehand, the bookwork and the schooling really clicked a lot better with me.”

Today, Tayden is a full-time apprentice lineman at Union County Electric, where he continues to accumulate hours and complete coursework to earn his journeyman lineman certification. He encourages other young people not to overlook a career in the trades – or the Work Ethic Scholarship.

“With all of the talk about AI now, the trade jobs are always going to be there,” Tayden said. “Without oil fields we wouldn't have gas, and without electricity we wouldn't have lights. Mike realizes that the world revolves around the trades, and he wants to see kids strive and succeed because in the trades there are endless opportunities, just like any other job.”

Why is it so important that more young Americans enter the trades, and what does a shortage of skilled workers mean for the country?

For decades, the skills gap has been a tragedy of missed opportunity, both for students who weren't encouraged to consider a lucrative and viable path and the industries that rely on skilled labor. It still is. Today though, it's also a matter of national security. Not a week goes by that MRW doesn't get a call from an industry leader, desperate to hire skilled workers. The US Maritime Industrial Base told me they need 250,000 tradespeople to build nuclear subs. The automotive industry has over 100,000 openings for mechanics and collision repair techs. The energy industry needs half a million electricians, and the construction industry has so many openings they've stopped counting. The skills gap is real, and I can tell you that every CEO and every elected official I know are paying attention like never before.

What's one piece of advice you have for young people who are deciding their career path?

With regard to choosing a career, there's nothing more dangerous than dispensing advice to people you've never met. Same thing with choosing an education. We told an entire generation of kids that a four-year degree was the best path for the most people and then pressured them to borrow whatever it took to buy a degree, regardless of the cost. That kind of cookie-cutter advice was a colossal mistake and a big reason why we have millions of open jobs today that don't require a college diploma and lots of college graduates with a trillion dollars in student debt and no work in their chosen field. The only advice I generically offer to young people is to be very careful about “following your passion.” Just because you're passionate about something doesn't mean you can't suck at it. Obviously, it's important to be passionate about whatever you do, but passion – like work ethic - is a choice, and life is a lot easier when you figure out a way to be passionate about whatever it is you're good at. (People hate hearing that, by the way, but it's the truth.)

What do you see as the single biggest misunderstanding young people have about working in the trades today?

The trades are surrounded by dozens of stigmas, stereotypes, myths and misperceptions that dissuade people from giving them an honest look. I guess if I had to pick one, I'd point to the stubborn belief held by many parents that their kids can't make six figures working with their hands. It's laughably and demonstrably false. And fun to disprove. Also – the simple fact that the road to so many successful small businesses often starts with the mastery of a skill that's in demand. The number of successful entrepreneurs in the skilled trades is enormous, and more people need to understand that.

What can teachers, community leaders and co-ops do to better identify and support young people interested in a trade career?

Start a “Career Reality Day” where local linemen, meter technicians and substation operators come in and talk real numbers. Not feel-good fluff, but actual wages, benefits, and career paths. When kids hear that a journeyman lineman can make \$80,000 a year without student loan debt, that gets their attention.



SEALED BID OPPORTUNITY

Truck #5 - 2016 Ford F550 4x4 with Versalift
If you have questions call Ken Carda @ 605-463-2507.

Mail to: B-Y Electric attn: Ken Carda
PO Box 158
Tabor, SD 57063

Drop off: 134 S. Lidice
Tabor, SD 57063

Bids due Friday, Feb. 13 at noon.



Supply Chain Kinks Still a Challenge for Reliable Energy

Cathy Cash
NRECA

Kinks in the supply chain caused by the COVID pandemic – remember the run on toilet paper – may be in the rearview for regular consumers, but new bottlenecks in the flow of goods and services are challenging many electric cooperatives to deliver affordable and reliable service. And the circumstances squeezing the supply chains for electric co-ops are unlikely to ease in the foreseeable future.

Basically, we're talking about a higher demand for electricity, but supply of equipment needed to maintain or build more power plants has not kept up. Then there's a skilled labor shortage to get the job done and tariffs on imported materials. All these things add up to delayed energy projects at increased costs.

With all things digital from phones to thermostats, electricity use is up. To sustain the growing digital economy, huge data centers with appetites for electricity akin to that of a small city are sprouting up across rural America and electric co-ops' service territories. These centers soak up extreme amounts of power to serve the internet's relentless demand for high-speed networking, data storage and AI (artificial intelligence) that make the World Wide Web user-friendly.

But even in this post-pandemic world, there still remains a scarcity of materials, equipment and workers to get new power generation sources built.

After the pandemic forced manufacturing to shutter for months in 2020, a lot of experienced employees retired or never even went back to their jobs making transformers and other equipment essential to distributing electricity to consumers. The supply of some transformers has never been fully replenished, and the lack of a competent workforce today makes that a constant game of catch-up.

U.S.-based engineering, procurement and construction firms are scrambling to meet work orders for new power projects as there is more demand today than they can keep up with, says Stephanie Crawford, regulatory affairs director at the National Rural Electric Cooperative Association.

Electric co-ops are "finding that these firms cannot respond to requests, they're charging price premiums or that planning for projects four years out is already 'too late,'" she says.

As a result, equipment crucial for electricity projects – from new substations to power plant maintenance and outage repairs after storms hit – are on delay and coming in

at much higher prices.

Co-ops are seeing lag times of up to four years between an order for a transformer and its ultimate delivery. Prices are up 70% to 100% compared to 2020. Lead times for new gas turbines for a power plant can range from three to six years and cost 25% more than just three years ago.

According to one industry insider, an electric co-op that spent \$10 million on materials and equipment for electricity projects and maintenance in 2020 had to spend over \$15.5 million in 2025 to keep up.

So, what is your electric co-op doing to maintain reliable and affordable service?

Collaboration, which is baked into every co-op's DNA, is key. Co-ops are finding themselves working with equipment suppliers and contractors closer than ever and planning their orders at least a year in advance of construction to work out the snags of the current supply chain.

Knowing their exact inventory and the physical storage space also helps co-ops keep necessary equipment on hand, materials flowing and projects as near to schedule as possible.

ERMCO, a subsidiary of Little Rock-based Arkansas Electric Cooperatives, makes distribution transformers with American-made steel at its facilities in Tennessee and Georgia and is not experiencing price spikes or delays. Still, the transformer market as a whole is not immune to price pressures impacting other manufacturers reliant on imported cores made with foreign steel.

The biggest challenge right now is "navigating uncertainty," says ERMCO President and CEO Tim Mills.

"The best path forward is to develop a long-term sourcing strategy and work closely with suppliers to lock in future needs. We need to embrace a more collaborative model between co-ops and their suppliers."

By working as a team, electric co-ops, manufacturers and their industry partners will be able to improve forecasting their equipment needs, stay ahead of potential demand changes and experience a smoother supply chain.





UNDERSTANDING THE SOUTHWEST POWER POOL

Basin Electric's trading floor connects the cooperative to the broader wholesale electricity market.
Submitted Photo

Frank Turner

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When looking at the entire electric grid, electric cooperatives are just one component in a much larger system. Understanding how that system works, and how power is planned and shared across the region, provides important context for decisions that affect reliability, long-term infrastructure investments and, ultimately, the cost of electricity.

Southwest Power Pool

Every electric cooperative in South Dakota operates within the Southwest Power Pool (SPP), a regional transmission organization that oversees the grid. Really, electric cooperatives are all essential pieces of a larger,

regional puzzle that keeps the lights on.

SPP manages a wholesale electricity market and operates transmission lines across all or parts of 14 Midwest states, including South Dakota.

In 2015, East River Electric Power Cooperative joined the Southwest Power Pool along with Basin Electric Power Cooperative and the Western Area Power Administration Upper Great Plains Region. This move allowed electricity generators in the state to participate in a larger regional market, making it easier and more efficient to buy and sell energy across the grid.

Electric cooperatives aren't the only utilities operating within this regional system. Investor-owned utilities and

municipal utilities also participate in the SPP, all feeding into the same wholesale electricity market. By sharing transmission lines and following the same market rules, these utilities help create a broader, more flexible grid, allowing power to move long distances to where it's needed most.

"SPP is like a traffic director of electricity, because it doesn't own any assets," said Kristi Fiegen, South Dakota Public Utilities Commissioner and chair of the Southwest Power Pool's Regional State Committee. "They direct traffic and work to make sure the transmission lines and generation are bringing electricity to about 18 million customers on a second-by-second basis. That supply has to equal the demand every single second."

Winter Storm Uri

Another important benefit of participating in SPP is its ability to support the grid during extreme weather or unexpected outages, when regional coordination becomes especially important. Because SPP manages electricity across such a large footprint, the system can draw on resources from far beyond state borders. For example, when a power plant in North Dakota goes offline for routine maintenance, electricity from another state can cover the gap. Likewise, during severe winter weather in the South, generation from the Dakotas can help support the southern part of the grid.

That system maintained regional reliability until Feb. 2021, when it was pushed to its limits by Winter Storm Uri, which caused widespread power outages across Texas. According to the Federal Energy Regulatory Commission, 4.5 million people in Texas lost power during the storm.

“Winter Storm Uri woke up the entire nation, because we didn’t know how vulnerable we were,” said Fiegen.

The storm prompted SPP to reexamine how the grid maintains regional reliability during the winter. Part of that change involved increasing the reserve margin — the extra electric generation capacity kept on hand beyond what is normally needed — to help the system withstand extreme cold and unexpected outages. The goal, according to Fiegen, is to ensure enough power is available across the region, especially on the coldest days of the year.

“Since Winter Storm Uri, we have spent much of our time focused on resource adequacy policies,” Fiegen said, referring to SPP leadership and regulatory committees.

Reserve Margin

One significant change set to take effect in the 2026/2027 winter season is SPP’s adoption of a winter planning reserve margin, which increases the amount of generation required to be available during the winter season. The change will apply across the SPP footprint, including impacts to Basin Electric, which supplies power to cooperatives across South Dakota, North Dakota, Montana, Minnesota and much of the Midwest.

Through an increased winter reserve margin, the SPP aims to better prepare the entire SPP footprint for extreme weather and periods of unusually high electricity demand, helping ensure reliable power for homes, businesses and industries across the SPP footprint.

So, what does this mean for cooperative members in South Dakota? Valerie Weigel, senior vice president of Energy Markets and Dakota Coal Operations at Basin Electric, said higher reserve margins means Basin Electric needs to supply more generation capacity to the SPP market to meet expected peak winter demands, which affects Basin Electric’s wholesale rates for the cooperatives it serves.

“The increase in reserve margins means we need to build additional generation to ensure we have enough accredited resources to meet new planning requirements,” Weigel said. “As we look toward the rate increase in 2026, part of that increase reflects the cost of adding these resources to meet updated market requirements.”

Learning The Lingo

Transmission

High-voltage power lines and related infrastructure that move electricity long distances from power plants to local utilities. Transmission allows electricity to be shared across regions, especially during emergencies or peak demand.

Generation Capacity

The maximum amount of electricity that a utility’s power plant or portfolio of power plants can produce at one time. Capacity matters most during peak demand, when the grid is under the most strain. This may happen during extreme heat or cold, when people are using more electricity to heat or cool their homes.

Southwest Power Pool (SPP)

A regional transmission organization that coordinates electricity transmission and wholesale power markets across 14 Midwestern states, including South Dakota and Minnesota. SPP does not own power plants or transmission lines; instead, it manages how electricity flows across the regional grid.

Regional Transmission Organization (RTO)

A federally approved organization, like SPP, that operates the electric grid across multiple states. RTOs balance supply and demand, manage wholesale electricity markets and plan for long-term grid reliability.

Reserve Margin

The extra amount of generation capacity kept available above expected peak demand. This extra capacity helps the grid handle extreme weather, unexpected outages or sudden increases in electricity use.

CO-OPS GIVE LENDING HANDS

How Electric Cooperatives Fund Economic Development In Their Communities

Jacob Boyko

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Small towns and rural communities are the backbone of electric cooperatives. That's why co-ops across South Dakota are committed to investing in their communities and promoting economic development.

Through co-ops' Rural Electric Economic Development (REED) Fund and other lending sources, co-ops can further support their communities by lending money to projects they determine will provide jobs in the community, improve services or otherwise benefit the co-op's membership.

How It Works

As member-owned utilities, electric co-ops are eligible for a USDA program called the Rural Economic Development Loan and Grant Program (REDLG). Through this program, co-ops can apply for grants and zero-interest loans and re-lend the money to qualifying projects in their communities.

There's also the Intermediary Relending Program (IRP), a USDA program that offers low-interest loans to organizations including nonprofits, public agencies or other eligible intermediaries that relend the money to help kickstart local economic development projects.

A co-op can apply for the USDA funding and lend it to a qualifying project in their community. Since the funds come from USDA, the co-op is not risking its own capital, but it does carry responsibility for managing the loan and ensuring repayment.

The Rural Electric Economic Development (REED) Fund

In the 1990s, co-ops wanted to support economic development beyond what they were receiving from existing programs.

East River Electric Power Cooperative, the generation and transmission cooperative serving distribution co-ops in Eastern South Dakota and Western Minnesota, kickstarted the REED Fund in 1996. REED lends money from the USDA's REDLG program at 0% interest and IRP program at a rate slightly higher than what the USDA lends to cover loan losses and other administration expenses. This creates a revolving fund, building up the REED Fund so it can support even more economic development projects in the future.



(From Left) Oahe Electric Cooperative CEO Jordan Lamb with Tori and Garrett Peterson after finalizing their REED loan to purchase their daycare in August, 2025. About 50% of their total funding was through their REED loan.

Photo by Jacob Boyko

REED doesn't fund projects alone – it acts as a co-lender. When a traditional lender like a bank or credit union won't lend for the total amount needed, REED can lend up to 50% of a project cost to get it over the finish line. Plus, REED's often-lower interest rates can reduce overall costs to the business, which is pivotal for projects with high start-up expenses.

Through REED, cooperatives have helped fund more than 400 projects since the fund's inception, said Eric Fosheim, East River Electric's economic development director in charge of the REED Fund. Fosheim says the roughly \$130 million lent by REED has supported more than 10,000 jobs and generated more than \$1 billion in economic impact in South Dakota and Minnesota.

Lil' Gov's Bright Beginnings

One of those projects is Lil' Gov's Bright Beginnings, which opened last August in Pierre.

Garrett and Tori Peterson never thought they'd own a daycare, but when the couple learned they'd soon have their third child, they knew they'd have to make a difficult decision about childcare.

"Financially, it would almost be my whole paycheck going to daycare," said Tori, who at the time worked as a seventh grade science teacher. "Do I continue to work and send my kids to daycare, or do I stay home with them?"

Garrett saw an online listing for a daycare business and sent the listing to Tori. After some thought, Tori decided it would work well – she'd get to be with her children, help support her family, and provide a needed service in her community.

Tori's father, Scott Moore, is the general manager at FEM Electric Association, the cooperative serving Faulk, Edmunds and McPherson counties in northeast South Dakota. He suggested Tori and Garrett reach out to Oahe Electric Cooperative, the electric cooperative serving the Pierre area, to apply for REED funding.

Jordan Lamb, CEO of Oahe Electric, worked with Tori and Garrett through the application process. He called the Petersons' daycare a "great asset to the Pierre area."

"Commitment to community is one of the seven cooperative

principles, and we saw a declining population of daycare providers in our rural area,” Lamb said. “Safe, affordable daycare promotes a pillar to the safety in the homelife of many families in our community, and we were planning to ensure that affordable, reliable and safe daycare facilities are accessible to not only our members but also the surrounding area to improve and promote child development. This will ensure the next generation has proper tools and guidance to one day change the world in a positive way. We are blessed to have the Petersons locate their business here.”

Tori’s goal for Lil’ Gov’s Bright Beginnings is to be more than a daycare. She offers an included service where parents who are low on evening free-time can sign their kids up for daytime YMCA swim lessons, and she will shuttle the kids to and from the lessons. She’s also developing the curriculum for her new preschool program.

“One thing we struggled with as working parents was that it’s really hard to find a preschool,” Tori said. “A lot of preschools are only a couple of hours per week, and you have to leave work to drop your kids off and pick them up. As a teacher, if it didn’t work in my schedule, I couldn’t just leave. And my husband has meetings and can’t always drop everything. My goal is to have a one-stop-drop where you drop your kids off before work, and they can have preschool, get fed, go outside, do arts and crafts, and you pick them up after work.”

Today, Lil’ Gov’s Bright Beginnings has eight employees, and provides childcare for about 30 community children – a number Tori hopes to see grow. She credits the REED fund for giving her business the boost it needed to get off the ground and begin serving the community.

“I just think it says a lot about how co-ops are for the community,” Tori said. “I’m not an Oahe Electric member – I live in city limits, and they were willing to fund a daycare that wouldn’t help them financially either because it’s also in city limits. But their willingness to give us a lower rate and help us finance shows how much they are willing to give back to the community.”

REED Serves Non-Profits and Municipals

REED isn’t just for small business ventures – it also offers reduced-rate financing for community nonprofits and municipalities.

Over the last year, REED helped finance infrastructure expansion for three business parks in the Corsica, Hartford and Parkston communities.

“All three of these projects will bring new jobs and investment into their respective communities,” explained REED’s Eric Fosheim. “In some cases, communities that haven’t seen those new



Garrett and Tori Peterson meet with Jordan Lamb and East River Electric’s Senior REED loan officer, Janis Dailing. *Photo by Jacob Boyko*



At the time of publishing, Lil’ Gov’s Bright Beginnings provides childcare for 30 children, including space for five children under 1 year old. *Submitted Photo*

job opportunities for some time.”

While Hartford is served by Sioux Valley Energy, the Corsica and Parkston communities rely on other, non-co-op power sources. Still, the projects were approved for REED funding because ultimately, co-ops’ goals are to improve rural communities and the lives of their members in and around those communities.

“Even if a project is not served by the cooperative, it will very likely be beneficial to the membership living in that region,” Fosheim added. “One of the top determining factors considered by the board when approving a loan is whether this project will be good for the community. If that answer is yes, it is almost always followed by an approval from the board.”

He continued, “In an era where we are seeing populations in rural areas of the state slowly dwindle, these communities are saying, ‘That’s not going to be us. We need to take steps to keep our young people here, and to give our young people a reason to move back after they go and get further educated.’”



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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.

JAN. 30-FEB. 7
Annual Black Hills Stock Show
Central States Fairgrounds
Rapid City, SD
www.centralstatesfairinc.com
605-355-3861

FEB. 1
The Great Lake County Hotdish Competition
11:30-1:30 p.m.
St. Thomas School Gym
Madison, SD
605-256-5308

FEB. 6-7
31st Annual Dinner Theater
Reliance Legion Hall
Reliance, SD
Tickets: 605-730-0553

FEB. 7-8
The Black Market/Formerly Benson's Flea Market
Sioux Falls, SD
605-332-6004

FEB. 13-16
12th Annual Frost Fest
Brookings, SD

FEB. 14
Polar Bear Chili Cook-Off
11 a.m.-2 p.m.
Hill City, SD

FEB. 20-22
Winterfest
Fireworks, Parade of Lights, Bonfire, Snowshoeing
Lead, SD
www.leadmetherere.com/winterfest

FEB. 21
Knights of Columbus Fishing Derby & Raffle
10 a.m.-2 p.m.
Enemy Swim Lake, Waubay, SD
605-881-5075

FEB. 21
All Ability Skate
12-3 p.m.
Main Street Square
Rapid City, SD
disabilityaac@rcgov.org

FEB. 21
Bellator Titans Casino Night Fundraiser
6-11 p.m.
City Lights Bar & Event Center
Aberdeen, SD

FEB. 24
Life as an Astronaut
Free Presentation by NASA
Astronaut Charles Gemar
7-8 p.m.
DSU Science Center
Madison, SD
605-256-5308

MARCH 5
SD Jazz Festival
7:30 p.m.
Johnson Fine Arts Center
Aberdeen, SD

MARCH 7
Free Christian Men's Event
The Barn at Aspen Acres
8:30 a.m.-1:30 p.m.
Spearfish, SD
Register: RiseUpMen.com

MARCH 14
St. Uhro Finnish Festival
11 a.m. Main Street Parade
12 p.m. Community Ctr. Lunch
Lake Norden, SD
605-881-1758

MARCH 20-21
Badlands Quilters Getaway
Fri. 5:30 p.m. Start
Sat. 8 a.m. Start
Wall Community Center
Wall, SD
605-279-2807

MARCH 28
VFW Teener Baseball Benefit Vegas Night
Social: 4:30 p.m., Meal 6:30 p.m.
Tyndall, SD

Note: We publish contact information as provided. If no phone number is given, none will be listed. Please call ahead to verify the event is still being held.