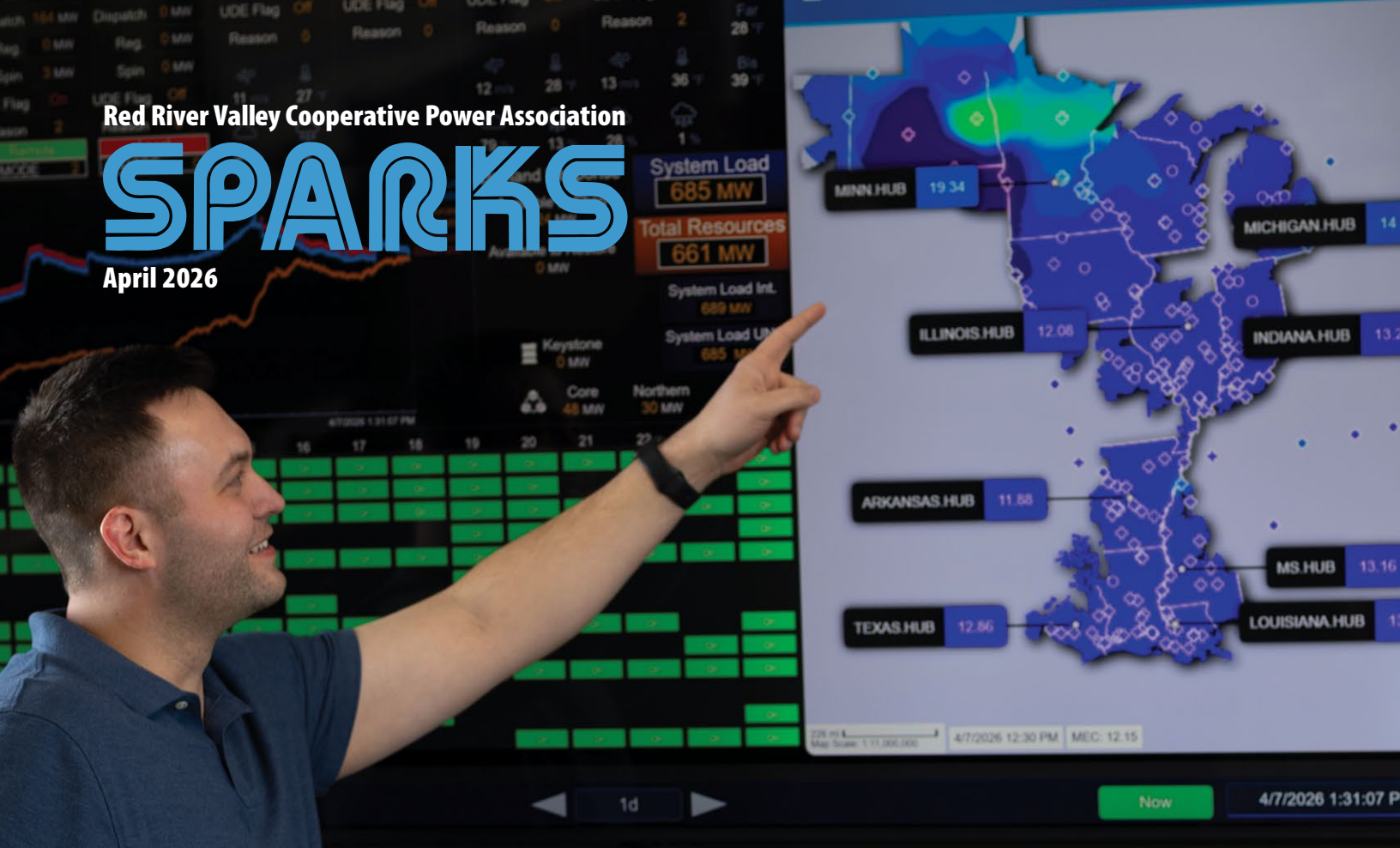
Red River Valley Cooperative Power Association

SPARKS

April 2026



SEEKING STABILITY IN MARKET VOLATILITY

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SPARKS

Red River Valley Co-op Power is an equal opportunity provider and employer.

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Halstad, Minnesota (USPS 509-300)

Scheduled Board Meeting
Board meetings are held in Halstad at the cooperative office starting at 8:30 a.m. on the next-to-last Monday of each month.

Outages:
800-788-7784

On the cover: Minnkota Power Cooperative (RRVCP's wholesale power provider) Energy Marketer Dylan Walski (left) leads a team discussion on current energy pricing in the Midcontinent Independent System Operator (MISO) market.

Annual meeting recap; construction season beginning

by Rich Whitcomb, CEO

About 100 members and guests attended your cooperative's 89th annual meeting last month at the Legion Recreation Center in Halstad.

Directors Paul Baukol (District 2) and Trevor Sorby (District 3) ran unopposed and were each elected to serve a three-year term. Members in attendance heard reports on cost-saving efforts at the cooperative, the I-94 Reliability Grant project about to begin, and the location of a new business distribution center in Dilworth that will begin construction soon in your cooperative's service territory.

Minnkota Power Cooperative, our wholesale power supplier, also provided updates on the Applied Digital data center under construction near Harwood as well as their study of a potential natural gas power plant.

Construction season about to begin

Crews are already starting to work on new services and projects that came in late last fall. This includes a line relocation due to a roundabout in Clay County, and other reliability projects.

The I-94 grant project involves relocating and retiring 4.5 miles of overhead three-phase line northwest of Downer and installing new underground power line. This line connects two substations and supplies power to about 175 members. A portion of the overhead line also crosses I-94. Minnesota will reimburse us about 42% of the estimated cost. The project was made possible due to grant funding from the MN Department of Commerce's Minnesota Electric Grid Resilience program.

With everyone excited to get outside and in the fields, please remember safety around overhead power lines and distribution equipment. In other words, "Watch the Wires" – a campaign slogan your cooperative and other local co-ops have been promoting to raise awareness of electrical safety.

SPRING PLANTING

Spring planting is just around the corner, and Red River Valley Co-op Power is here to remind you that one of best ways to avoid costly accidents is to always watch the wires! Before getting back in the field, here are a few tips to help keep you and your equipment safe.

- Review your work route and mark any potentially dangerous areas
- Never assume new equipment fits under power lines
- Maintain a 10-foot clearance from all power infrastructure
- Call 911 or 800-788-7784 if your equipment comes in contact with a power line

WATCH THE WIRES

Visit WATCHTHEWIRES.COM to learn more about how to stay safe around power lines.

THEIR COMMUNITY knows them for their pole climbing skills, their bucket trucks, their hard hats.

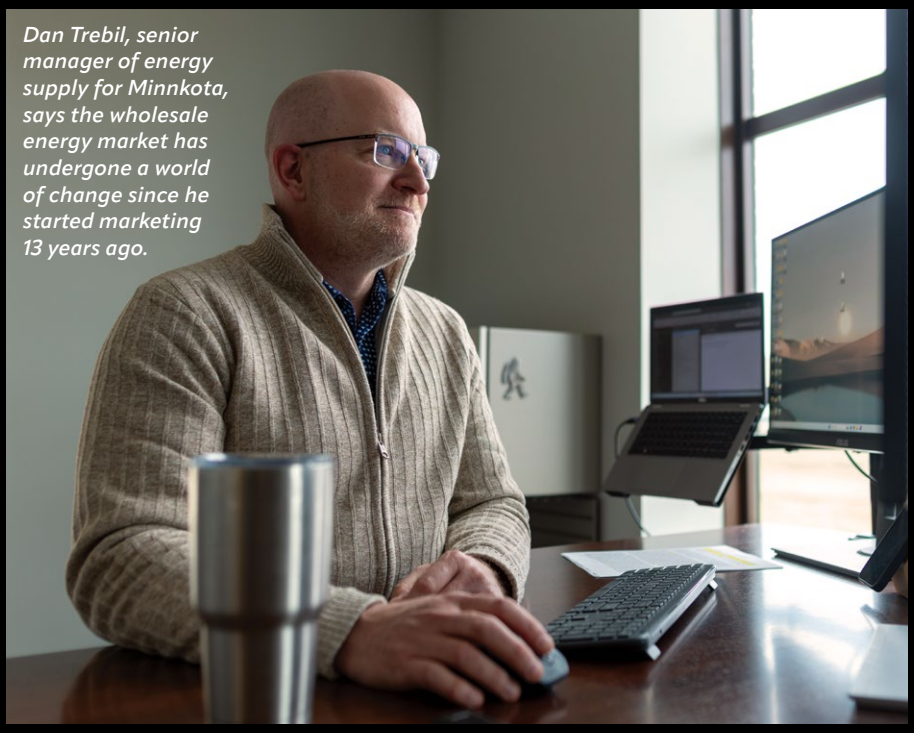
THEIR COWORKERS know them for their selflessness, their courage, their resilience in harsh environments.

THEIR FAMILIES know them for their muddy boots, their ringing phone during the storm, their suntanned faces.

HOWEVER YOU KNOW THEM - TAKE TIME TO THANK A LINEWORKER TODAY.

Lineworker Appreciation Day
Monday, April 13

SEEKING STABILITY IN MARKET VOLATILITY



Dan Trebil, senior manager of energy supply for Minnkota, says the wholesale energy market has undergone a world of change since he started marketing 13 years ago.

Minnkota's energy marketing team serves as first defense against energy price fluctuations

By Kaylee Cusack /// Photography Michael Hoeft

Participation in the regional wholesale energy market can be a white-knuckle thrill ride.

Gone are the days of predictable pricing and casual assessments of wind reports. When Dan Trebil started in energy marketing at Minnkota Power Cooperative (Red River Valley Co-op Power's wholesale power provider) 13 years ago, his workdays, even weeks, were mostly docile. In 2026, as the co-op's senior manager of energy supply, his crew of energy marketers is working to tame a wild beast that keeps getting wilder.

"The difference is night and day," Trebil said of the current volatility of the Midcontinent Independent System Operator (MISO) energy market. "We spend a lot more time now looking at wind forecasts than we used to, and this team collaborates with just about every department in the building."

Minnkota's Paige Johnson began her career in energy marketing four years ago. "In the last two years especially, the pace has really amped up," she said. "There's so much to pay attention to in every avenue. All the transmission projects coming through and the market going crazy – you have to be very present in the energy marketer role."

The energy market – or the system through which utilities buy or sell energy across the regional electric grid to balance generation with demand – has become more volatile for several reasons. The dominating factor is the retirement of reliable power plants and their replacement with weather-dependent generation resources across the MISO footprint, which stretches from Manitoba, Canada, down to Louisiana. This major resource transition is happening at a time when the demand for electricity is forecasted to grow significantly.

"Ten years ago, the majority of resources on the system were reliable, baseload, dispatchable generators. They used fossil fuel, but they could be controlled. You could run them up and down as needed with demand," Trebil explained. "With wind and solar generators, you're at the mercy of Mother Nature."

As wind and solar are added to MISO's capacity, they increasingly drive market pricing. On days filled with wind and sunshine, energy is typically readily available. On days that are either still or cloudy, pricing can reach extreme highs.

"An example of where we start to see a lot of volatility is with solar penetration," Trebil said, noting that solar panels stop producing quickly when the sun drops in the evening, which also happens to be the time demand rises as people arrive home. "When solar bleeds off, it's currently difficult for the market to respond with resources that can ramp up quick enough to mitigate that swing."

Transmission congestion is also impacting market volatility. There are currently more bottlenecks in

the transmission system because of MISO's changing resource mix and growing loads across the system. Thus, more pathways from generation to end-user are needed. MISO member utilities and participants are investing historic amounts into building out more transmission, but that buildout will take many years to complete.

Amid all of this, MISO knew stronger price signals were needed to ensure its participants were planning their resources appropriately. In April 2025, MISO increased its maximum energy price threshold from $3,500 per megawatt-hour (MWh) to $10,000/MWh. For comparison, rates during stability hang around $20-$50/MWh.

Minnkota energy marketer Paige Johnson takes a look at the weather forecast to prepare for market changes ahead.

PROTECTION FROM MARKET EXPOSURE

If Minnkota needs to buy power during periods of extreme market volatility, the financial impact can be significant. For instance, being short 400 MW and purchasing replacement energy at peak prices for just four hours would cost about $16 million. If those conditions persist, the total cost can climb quickly, creating a substantial financial burden.

To prevent that exposure, the energy marketing team has to plan ahead.

"In our daily schedules, we pay particular attention to those two hours other utilities are losing solar to be extra careful," Johnson said. "We might bump up our load a little bit so that we're long in the real-time market, or we'll be cautious with our wind expectations if we're not 100% sure that it's going be there."

"We can mitigate some risks in the day-of market. But if you have a plant trip offline, or something similar, you're still exposed during that timeframe," Trebil added. "That's where having demand response in your back pocket really becomes valuable."

Minnkota's demand response program allows the co-op to shed nearly one-third of its load when necessary. The program is popular with its volunteer member-consumers, who sign up and receive lower electricity rates in return. The program has been essential in protecting Minnkota from high market prices when demand is high across MISO (like during a long cold snap) or when generation is lower than expected (minimal wind or plant outages).

MISO continues to explore ways to alleviate extreme market swings, but there's no one easy fix. In 2023, the operator switched from an annual to a four-season peak demand resource adequacy construct. This aligned needed generation capacity with shifting seasonal risks (peak demand usually occurred in summer, but is now shifting to the winter season as well). In 2025, MISO enacted a reliability-based demand curve, which has helped to provide more accurate values for additional capacity. Even more reforms are being assessed for the years ahead.

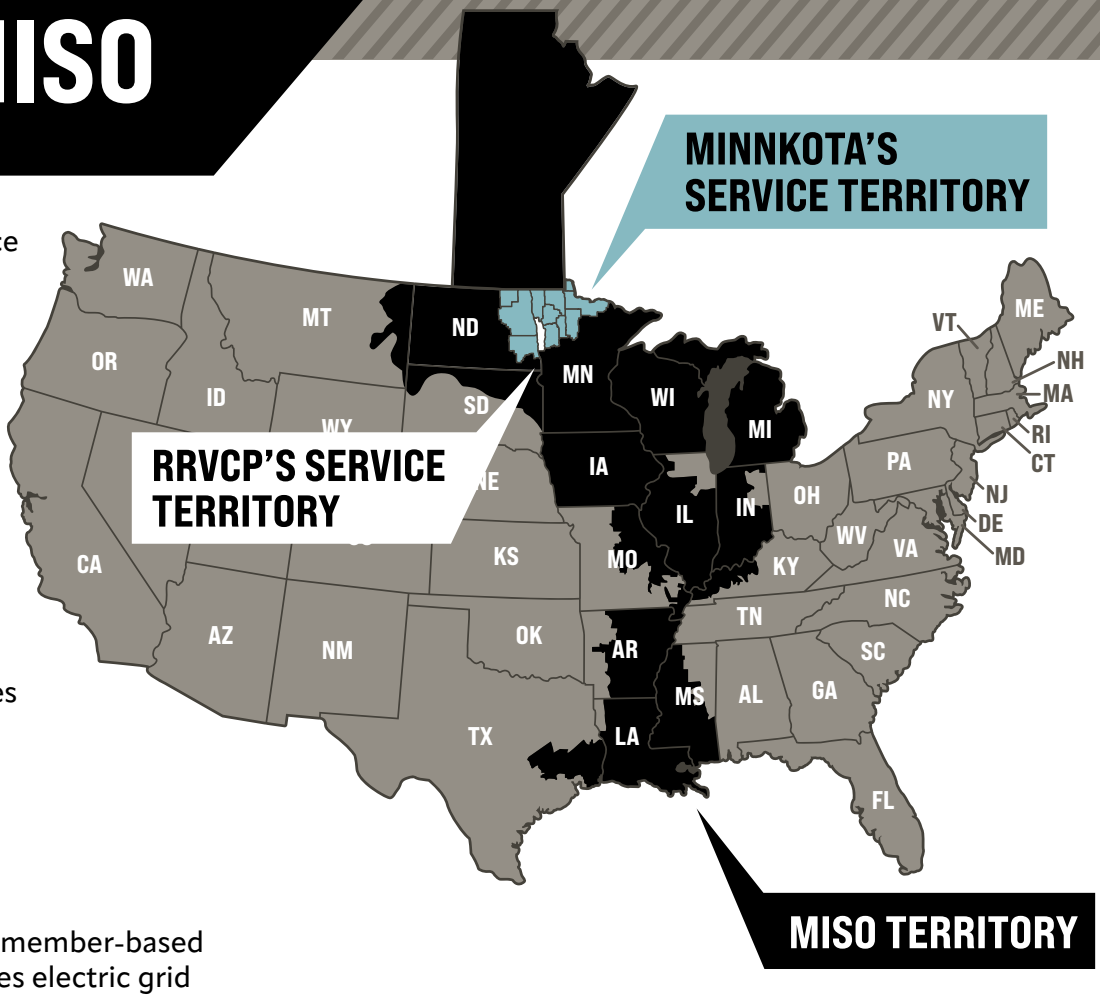
Minnkota is also exploring additional measures of its own, including the analysis of new generation resources that could raise regional dispatchable generation capacity and strengthen its all-of-the-above energy strategy.

Of course, one of the most powerful arrows in Minnkota's quiver will always be the exceptional range of its people. Trebil and his energy marketing team will continue to meet every morning, on chaotic days and quiet ones, to ensure the co-op is protected from volatility at every angle.

"We have a great group of people," Trebil said. "We've gathered a good diversity of skills. I think each one of them has a different element they're very strong at, and that makes them a good team."

MEET MISO

We occasionally reference the Midcontinent Independent System Operator (MISO) in the pages of this newsletter, because MISO is an important partner in making sure our co-op has the reliable, affordable electricity it needs. We thought we'd take a moment to introduce you to MISO and the service it provides to our regional grid.



What is MISO?

MISO is a not-for-profit, member-based organization that oversees electric grid operations in the middle of the country, with a territory that extends from Manitoba, Canada, through 15 U.S. states down to Louisiana. Its grid footprint serves more than 45 million people through 79,000 miles of transmission power line.

Red River Valley Co-op Power's energy provider, Minnkota Power Cooperative, participates in the MISO wholesale energy market to both sell and buy surplus power to and from other utilities. Simply said, when Minnkota needs more power, it can purchase some from its neighbors. If it has extra power, it can sell it to those who need it. MISO makes sure the grid remains balanced between the sales of more than 550 market participants.

MISO also plays a role in helping to plan future regional generation and transmission additions. Although MISO doesn't own any generation or transmission infrastructure, their team helps guide utilities to ensure that the right amount of energy is being produced to cover the demand of the entire region, and that transmission capacity is adequate to get power where it needs to be.

MISO's role in balancing the grid

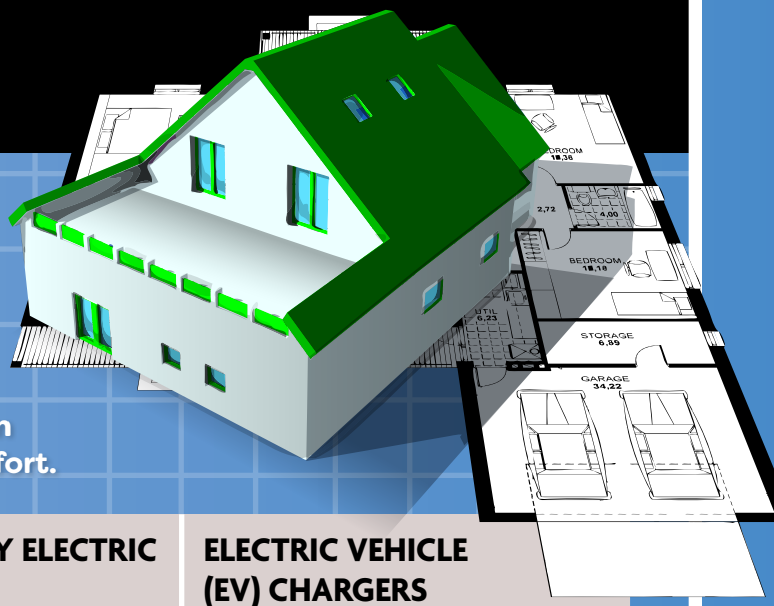
Like an air traffic controller manages the movement of airplanes from different airports, MISO manages the movement of energy from different utilities and generation sources.

If there is a problem on the grid, such as a failure at a power plant or a damaged transmission line, MISO must assess whether electricity supply can still meet demand. They may ask generators to ramp up production or ask utilities to reduce load by using demand response programs or asking the public to conserve. In rare emergency cases, they may call upon utilities to implement controlled temporary outages on noncritical loads. Even if a utility like Minnkota has enough generation to meet the load of its own members, emergencies in other areas of the country could impact MISO's requests in our region.

Want to learn more about MISO?
Visit misoenergy.org.

BUILDING A NEW HOUSE?

Think off-peak.



Building a new home is an opportunity to start fresh and make design decisions that work best for you and your family. It's also a perfect time to consider electrification, from how you heat your home to how you fuel your car. Combined with Red River Valley Co-op Power's off-peak energy program, you can lay a foundation for savings, efficiency and comfort.

AIR-SOURCE OR MINI-SPLIT DUCTLESS HEAT PUMPS

Whether it's a whole home air-source heat pump or a small mini-split ductless heat pump, these are the hottest technology in home heating and cooling. They also qualify for the low off-peak program electric rates and large cooperative rebates.

REBATES AVAILABLE:
$500 per ton

LARGE-CAPACITY ELECTRIC WATER HEATERS

A large-capacity electric water heater can also be set up on the off-peak program to draw heat energy during lower-demand times of day. The water is heated inside a specially insulated tank, which allows almost no heat loss over a 24-hour period.

REBATES AVAILABLE:
$125 - $600 per unit

ELECTRIC VEHICLE (EV) CHARGERS

You may not have an EV now, but it's smart to include a garage charger in your building plans *(or at least the wiring for one)*. Down the road, it will be easy to set up a charger on our off-peak program to save big on every mile driven. Plus, a charger can increase your home value.

REBATES AVAILABLE:
Up to $750 per unit

What is the off-peak program?

Electricity consumers in the Minnkota Power Cooperative system (including Red River Valley Co-op Power) voluntarily sign up for the program, which allows Minnkota to temporarily turn off electric heating, water heating, vehicle chargers and commercial account service. During these "control periods," most consumers are automatically switched to a backup heating system or generator.

How does off-peak reduce my electric costs?

The off-peak program offers a lower electric rate that is about 40-50% below the regular service rate – all for helping your utility lower demand on the system when it's highest. For home heating, this makes electricity one of the most stable and cost-effective energy sources available. With the off-peak rate, electricity is very competitive with other heating fuels such as propane or fuel oil. And the off-peak rate really looks good during times when fossil fuel prices rise dramatically.

Learn more about the off-peak program and electric technology at **valueofelectricity.com**.

VALUE OF ELECTRICITY

RED RIVER VALLEY
CO-OP POWER

APRIL IS NATIONAL SAFE DIGGING MONTH

You never know what is hiding below the ground. **ALWAYS remember to call 8-1-1** before you start your next construction, renovation or yard project.

WATCH THE WIRES

WHAT COULD BE UNDERGROUND?

Electrical power lines

Water lines

Internet and cable lines

Gas lines

WHY SHOULD YOU CALL 8-1-1?

1. It prevents costly repairs if lines are hit or damaged.
2. It's free! Your utilities will come out and mark lines with no cost to you.
3. IT'S THE LAW.

Visit **CALL811.com** to learn more about how to dig safely.