

GREAT RIVER ENERGY AND ARROWHEAD COOPERATIVE SHARE A COMMON VISION

Our industry is changing at a speed as fast as electricity flows across the lines that deliver it. Members of cooperatives are concerned now more than ever about how electricity is produced. Great River Energy is on a path to a greener, carbon-free future. Arrowhead Cooperative is there to support this transition.



Almost 70 years ago, Arrowhead Cooperative was formed by a small group of dedicated people that saw a need for electricity throughout Cook County. Before becoming a cooperative, Superior North Shore Power Company had a small generator in the building. In 1946 the building was expanded, and three new generators were installed to meet the growing demand for electricity. As the increase in electricity use grew, Arrowhead needed to find a Generation and Transmission company that would be willing to build transmission lines to support the growing need. UPA, United Power Association, a cooperative, saw the need and built those transmission lines into our community. Soon thereafter, Arrowhead Cooperative removed the generators from service.

A little over 40 years ago, Coal Creek Station (CCS) was built in North Dakota to supply baseload generation from a location next to Falkirk Coal Mine. A transmission line brings electricity from the plant into Minnesota. At the time, this was to supply existing and future electricity needs into the twin cities' metro area.

It is now 2022. Our industry is changing at a speed as fast as electricity flows across the lines that deliver it. Members of cooperatives are concerned now more than ever about how electricity is produced. Federal and State legislators have created mandates that are forcing the industry into a new era. So, what does that mean for our industry? I wish I had a crystal ball. One thing I do know is that Great River Energy is on a path to a greener, carbon-free future. Arrowhead Cooperative is there to support this transition.

There has been much discussion, good and bad, regarding the announcement that Great River Energy would either shut

down or sell CCS by the end of 2023. CCS provides over 1100 MW of baseload electricity, 24/7/365 available power, flowing into the twin cities metro area. When Great River Energy received notification that a party was interested in buying the plant, the board and staff at Great River Energy started working with Rainbow Energy on a potential sale.

As part of this effort, Great River Energy has been working with multiple wind developers to secure contracts for renewable wind energy. By 2027, their portfolio will include 1400-1600 megawatts (MW) of wind energy potential, including a 400 MW wind project in North Dakota – a project that would not be possible if CCS shutdown. Great River Energy is projecting that 57% of its power portfolio will be renewable. This is not a simple process, there is much at stake. Not only for Arrowhead Cooperative and our members but all members of Great River Energy and the many jobs and livelihoods in North Dakota. Great River Energy's primary responsibility is to provide its members with affordable, reliable energy in harmony with a sustainable environment.

Some would argue that the sale of CCS versus just shutting it down does not align with the last part of that statement. We have been told by some of our members that we are morally and ethically wrong by supporting the Rainbow Energy sale. We have been accused of being negligent with regards to the transparency of the cooperative and not sharing the information with members or seeking their input.

As the CEO/General Manager for the cooperative, and as the Board of Directors, it is our responsibility to ensure we are

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COMMON VISION CONTINUED...



providing the reliable and affordable electricity you expect from your cooperative. Ensuring the lights stay on, the heaters continue to work, and fans blow warm air throughout your homes is NOT optional. While we are hearty Minnesotans, losing electricity in -50-degree wind chilled air can be disastrous for any of us. Last year's event in Texas and across other portions of the United States should remind us that we are completely dependent upon electricity in our homes and our lives.

What does a transition from fossil fuel-based generation (coal) look like? Simply shutting down a power plant, any type of power plant, without having the resources in place to replace it, results in people without electricity. It really is that simple.

Our industry is in a transition period. This transition will take time. To just shut down every coal plant in the United States would result in consequences that are as disastrous as any climatological event. There are areas of the United States that suffer from rolling blackouts because the electric grid cannot support the needed demand. In these areas, typically in the summer, people suffer and even die from the excessive heat. In the winter, if people have no electricity, they can freeze to death. We are a society that depends on others to live.

The electric industry has done an amazing job of leading the way to a cleaner future. We can't just "Pull the Plug", there is too much at risk.

Every day, options are being created to transition into a cleaner, carbon-free future. Battery technology continues to improve, duration continues to get longer, and the increased technology provides for safer operation.

Great River Energy and Arrowhead Cooperative see the future in a similar light. A transition to renewables in a thoughtful, strategic, and most of all, a patient mindset while we move to a cleaner, carbon-free future.

Cooperatively,



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CO-OP NEWS

ARE YOU INTERESTED IN SERVING ON THE BOARD?

Arrowhead Cooperative Directors are members just like you who understand and listen to the community. They represent you on the Cooperative's Board, while responsibly overseeing the business of the Cooperative and determining its strategic direction. Each year an election takes place to ensure that every member has a voice in the governance of this organization and that any member in good standing may seek election for the Board of Directors. In 2022, there are three districts up for election:

District 3: Gunflint Trail

District 6: Lutsen

District 7: Schroeder/Tofte

If you are interested in serving on the Arrowhead Cooperative Board or would like more information please call (800) 864-3744 or email newsletter@aecimn.com. Visit arrowheadcoop.com to learn about the qualifications and responsibilities of a director.

APPLY NOW FOR AN OPERATION ROUND UP GRANT

More than \$340,000 has been donated to over 90 organizations thanks to Arrowhead Cooperative members who allow the Cooperative to simply "round up" their electric bills to the next highest dollar. Operation Round Up funds are given to local civic organizations and worthy causes through an application and selection process. Grant guidelines and application forms are available online at www.arrowheadcoop.com. Applications must be submitted by 4:30 p.m. on Friday, April 16 and awards will be distributed at Arrowhead Cooperative's Annual Meeting in June. For more information, please email roundup@arrowhead.coop.

NEXT BOARD MEETING

March 31, 2021 at 9:00 a.m.



UPCOMING COOPERATIVE BYLAW VOTE

In 2022, the Arrowhead Board of Directors is asking our members to approve proposed amendments to the Cooperative's Articles of Incorporation and Bylaws.

As a not-for-profit electric cooperative, Arrowhead Cooperative is governed by a series of documents, including Articles of Incorporation and Bylaws, that were first established when the Cooperative was founded in 1953. These important documents provide a framework for governing and conducting business.

As time passes, the energy industry changes, technology advances and member needs and expectations grow. It is important to periodically review and amend the Articles of Incorporation and the Bylaws in order to remain relevant and effective. It's been 20 years since this process last occurred.

Over the last year Arrowhead Cooperative staff, the Board of Directors, an attorney, and our auditor conducted a review of the Cooperative's Articles of Incorporation and Bylaws. After reviewing these documents line by line and comparing them to Cooperative business procedures, future needs, and industry advancements, we've identified a variety of necessary alterations. In recent months the Cooperative has been hard at work rewriting these important business guidelines to incorporate the changes needed as our business moves forward.

While the proposed amendments have been approved by the current Board of Directors, they cannot be placed into effect without approval by a majority vote of the members that participate in the voting process. This membership vote will take place in conjunction with the Director elections and Annual Meeting on June 4th.

As that date gets closer, we'll keep you informed. Tune into future issues of the newsletter, watch for details on our website and Facebook page and look for your annual report in the mail, all of these will include additional information.

TRIMMING FUTURE PROBLEMS

2022 RIGHT-OF-WAY MAINTENANCE PLANS

An essential part of providing safe, reliable service at a reasonable cost is the establishment and maintenance of a clear power line corridor.

Planning is underway for the 2022 Integrated Vegetation Management (IVM) of Arrowhead Cooperative's power line right-of-way. This vital work helps to prevent power outages and reduce dangerous conditions that can occur from vegetation encroaching on power lines.

IVM spot spraying will be conducted in the area that was mechanically cleared in 2020. This area begins near the Cook County / Lake County border, following the Hwy 61 corridor to the Onion River east of Tofte. This also includes inland right-of-way, including the Cramer Road. Individual letters with more information will be sent to all members within the planned spot spray zone.

The IVM mechanical zones will include the areas around Grand Marais, Colvill, and Hovland. This includes the areas inland around Devils Track and the County Road 14 corridor. Planning is underway and members can expect a site visit, a phone call, or a door hanger in the coming months.

This spring, Arrowhead Cooperative will hold our second annual tree giveaway. The events will be held May 11, 12, and 13. Times and locations will be in following newsletters, on our website, and on Facebook.

This past fall, Arrowhead Cooperative's Forester, Justin Mayne, put on an informational collaboration zoom meeting. The meeting featured Arrowhead Cooperative, Shoreview Natives, North Shore Forest Collaborative and Sugar Loaf. The meeting was very well attended, and a lot of good discussion was presented about IVM for utility rights-of-way and how members can help promote self-sustaining natural habitats within the ROW corridors. If you missed this presentation, it has been posted on our website in the Vegetation Management section.

If you have any questions about right-of-way maintenance or concerns about danger trees, please reach out to us at (218) 663-7239.



MARCH CALENDAR WINNER

Submitted by: Vienna Volante



EFFICIENCY TIP

Most manufacturers recommend an annual tune up for your home's cooling system. A qualified professional can check the amount of refrigerant, accuracy of the thermostat, condition of belts and motors and other factors that can greatly impact the efficiency of your system.

ARROWHEAD COOPERATIVE

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