

HIGHLINE ELECTRIC ASSOCIATION

The Beacon

JANUARY 2021



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facebook.com/HighlineElectric

Our mission is to provide our members with reliable, high-quality electricity and other needed services, which will improve their economic and social well-being and provide significant long-range benefits for our communities, our state and our nation.



**HEA IS PLEASED TO
ANNOUNCE:
There is no rate
increase in 2021.**

HIGHLINE ELECTRIC ASSOCIATION
IS AN EQUAL OPPORTUNITY
PROVIDER AND EMPLOYER



Touchstone Energy®

NOT-FOR-PROFIT, REALLY?

BY DENNIS HERMAN GENERAL MANAGER



DENNIS HERMAN

I just read a letter to the editor that was extremely critical of one of Highline's sister cooperatives in Colorado. The letter made the statement that "margins" actually means "overcharge" due to the fact that cooperatives are organized as not-for-profit entities. It occurred to me as I read the letter that capital credits, or patronage capital as we sometimes refer to it, can be an elusive topic.

Why do not-for-profit electric cooperatives charge rates that leave a margin at the end of the year? The answer lies in the larger picture of electric utility finance. Supplying energy to consumer-members is extremely capital intensive. We do not just purchase electrons from a supplier and sell them to members. The delivery of this energy requires hundreds of millions of dollars of investment in electric plant. The investment requires large amounts of capital.

This capital is financed, as it is for all individuals or business entities, with a combination of debt and equity. Our lenders require us to maintain an adequate amount of equity on our balance sheets to secure their loans. How does a not-for-profit entity build equity? We earn margins.

So if we earn margins, how are we not-for-profit? Through the use of capital credits. At the end of every year, all margins are allocated to the capital credit accounts of our consumer-members. This builds the equity required on Highline's balance sheet to secure loans with our lenders. It also creates our consumer-members' equity in Highline, as the equity is held by our individual consumer-members. As margins are earned in the current year, capital credits earned in the past are retired. In many cases, this equity is held by Highline for 15

to 20 years. This creates a revolving supply of equity that is supplied by Highline's consumer-members.

Now, you may be thinking to yourself that this is quite a deal for Highline. We get the use of your money for several years interest free. You are right, but I would encourage you to consider the alternatives. The other two ownership structures for electric utilities are investor-owned utilities or municipalities. With investor-owned utilities, equity is raised through the sale of stock. Profit margins earned by IOUs, which are typically higher than those of co-ops, are held within the company as equity or paid to stockholders as dividends. Profit margins earned by municipalities, electric utilities owned by local governments, are typically transferred into the general fund to be used at the governing board's discretion. When a co-op retires its capital credits, they are returned to the consumer-member who used the energy, lowering their overall cost.

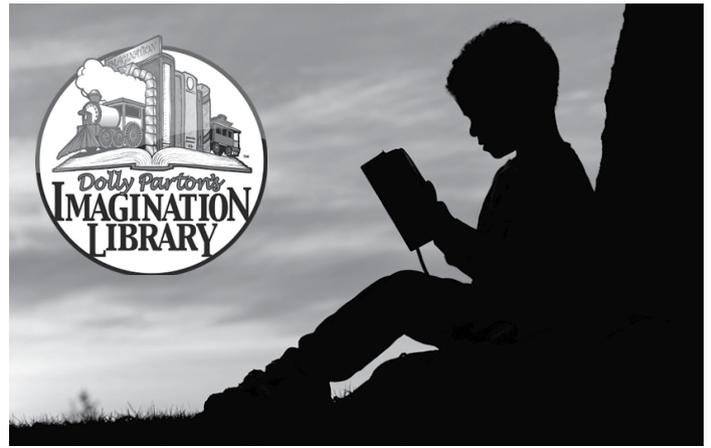
I believe the cooperative ownership structure is superior. The co-op may have access to my equity interest free, but I will get my equity back. That contrasts with IOUs and municipalities where the margin really is a profit that is being directed to others. The co-op ownership structure provides the added advantage of providing the consumer-members a voice in governing the organization through their ability to vote for, or run for a position on, the co-op's board of directors.

“ There is no greater gift for a child than a book ”

There is no greater gift for a child than the gift of learning from their own books. That's why Highline Electric Association, your Touchstone Energy Cooperative, is excited to help promote Dolly Parton's Imagination Library to residents of Deuel, Phillips and Sedgwick counties and to our youngest co-op members.

The Imagination Library, a book-gifting program administered by the Dollywood Foundation, mails one book each month to children from birth to age 5 at no cost to the families who register.

At Highline Electric, we believe every child should have the opportunity to succeed and can think of no better start than ensuring the children in our community grow up in homes filled with books that inspire a passion for reading and lifelong learning.



For more details and to learn how to register for the program, please contact your local program administrator:

- Deuel County: Vicki Fornander, 308-874-2561, vickifornander@gmail.com
- Phillips County: Linda Jelden, 970-580-4101, pcfamilyed@yahoo.com
- Sedgwick County: Alan Harris, 970-580-3855, alanharris78@yahoo.com

Scholarship Applications

Highline Electric, Tri-State Generation and Transmission and Basin Electric Power Cooperative work together to provide 13 scholarships to graduating seniors in our service area.

The scholarships range from \$500 to \$1,000. In 2018, Highline's board of directors voted to convert two of Highline's \$1,000 scholarships into renewable scholarships that can be redeemed by the recipient for up to four years if they maintain eligibility criteria.

Please visit our website, www.hea.coop, for applications.

The application deadline is at 12 p.m. on February 15, 2021.

Member Photo Contest

Highline Electric Association will be holding a member photo contest **throughout 2021**

- **What is the subject?** Photos should be taken during each of the seasons (winter, spring, summer and fall) in Highline's territory.
- **How does it work?** Consumer-members submit a photo with a brief description, an explanation of how it's related to HEA, your name and member name (if different) to info@hea.coop.
- **Who's eligible?** Consumer-members of HEA are welcome and encouraged to enter. One entry per consumer-member per category will be accepted.
- **What can I win?** For each category, first place will receive \$50 and second place will get \$25.
- **How long do I have to enter?** Deadlines are as follows: winter due April 1, spring due July 1, summer due October 1, fall due January 1, 2022.
- **How will I know who wins?** Winners will be notified by the end of each deadline month.
- **You retain your rights to your photograph;** however, by entering the contest, you are providing Highline Electric Association a royalty-free, perpetual, nonexclusive license to publicly display, distribute, reproduce and create derivative works of the entry, in whole or in part, in any media now existing or later developed, for any purpose, including, but not limited to, advertising and promotions. Any photograph reproduced will include a photographer credit as feasible. HEA will not be required to pay any additional consideration or seek any additional approval in connection with such uses.

Attention Irrigators

Letters were mailed out in November about our 2021 Load Control Program. All irrigation wells that were in the 2020 load control last year will be in the 2021 program and on the same option unless we are notified. If you want to have a well(s) in the 2021 load control program that were not in the 2020 load control program, please call our office and a contract(s) will be sent to you. **The deadline for all changes is February 1, 2021.**

Employee Anniversaries

Congratulations to the following employees who observe an employment anniversary in January:

- | | |
|-----------------------------------|-----------------------------------|
| Jeff Pocock.....29 years | Melissa Nelson... 18 years |
| JT Baker.....24 years | Jessie Heath6 years |
| Kris Camblin23 years | Elise Pocock.....6 years |
| Barb Holtzman...22 years | Mendi Lutze5 years |

You Are Invited to Highline Electric's Annual Meeting

Highline Electric Association's 2021 annual meeting is fast approaching. This will be Highline Electric's 84th anniversary.

If pandemic conditions allow, the meeting will be Tuesday, March 30, 2021, in the Phillips County Event Center at the fairgrounds in Holyoke. Alternate plans will be made if we are unable to gather in person. Consumer-members will receive a direct mailing notice in March with the most up-to-date information regarding the meeting.

President Mike Bennett and General Manager Dennis Herman will give their reports on the condition of the association.

An election will be held for four director positions. These positions require the nominees to be a member of Highline Electric and comply with Article III, Section 3 of the association's bylaws.

There will be one director position from District 1, and the nominee must reside in Logan, Weld, Washington or Morgan county, Colorado. The incumbent director for this district is Jim Lueck.

There will be one director position from District 2, and the nominee must reside in Phillips or Yuma county, Colorado. The incumbent director for this district is Mike Bennett.

There will be one director position from District 3, and the nominee must reside in Sedgwick County, Colorado or Deuel County, Nebraska. The incumbent director for this district is David Kinnison.

There will be one director position from District 4, and the nominee must reside in Chase, Perkins or Dundy county, Nebraska. The incumbent director for this district is Merlin Prior.

Petitions to nominate a director are available at all Highline Electric offices. Anyone nominated for a board of directors' position must comply with all the following rules:

1. The person nominated must comply with Article III, Section 3 of the bylaws, a copy of which may be obtained from any Highline Electric office.
2. A minimum of 15 signatures is required for nomination. Each member signing the petition must reside in the same district as the person being nominated.
3. Only members of Highline may sign said petition. If the membership is in joint tenancy, only one tenant may sign.
4. Circulators of said petition should attempt to verify the correctness of the name and address of each signer and must require that the signature take place in the presence of the circulator. The circulator should sign the affidavit at the end of said petition and have the affidavit notarized before submitting to Highline Electric.
5. All petitions must be received at Highline Electric Association, 1300 S. Interocean, Holyoke, CO 80734 or P.O. Box 57, Holyoke, CO 80734 on or prior to January 29, 2021.

Have You Driven a Tesla? "Y" Not?! Tesla's Model Y is coming to Highline in January!

If you are interested in owning an electric vehicle, already have one and want to see the latest Tesla model or are just curious about this technology, we will have an all-wheel drive Tesla Model Y crossover SUV for you to test drive.

As we continue to work in conjunction with Tri-State Generation and Transmission to roll out its fleet of electric vehicles for our consumer-members to experience, we are thrilled to offer 30-minute test drives of a Tesla Model Y available for consumer-members beginning Monday, January 11.

We also want to be sure our consumer-members are aware of a handy tool on our website called ChooseEV®. This is a custom site that provides a variety of excellent resources to research and learn about EVs. One of our favorite tools is the savings calculator, which can quickly "do the math" to compare cost of fuel between your current vehicles versus any EV on the market. This tool quickly breaks down your monthly costs based on current fuel price per gallon against your specific kilowatt-hour rates as a consumer-member of Highline.

Visit www.heacoop.com/choose-ev to explore ChooseEV® today.



STATEMENT OF NONDISCRIMINATION

Highline Electric Association is the recipient of federal financial assistance from the Rural Utilities Service (RUS), an agency of the U.S. Department of Agriculture.

In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity, (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded

by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.

Persons with disabilities who require alternative means for communication of program information (e.g., Braille, large print, audiotope, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at 202-720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at 800-877-8339. Additionally, program information may be made available in languages other than English.

To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at http://www.ascr.usda.gov/complaint_filing_cust.html and at any USDA office, or write a

letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call 866-632-9992. Submit your completed form or letter to USDA by:

Mail: U.S. Department of Agriculture,
Office of the Assistant Secretary for
Civil Rights
1400 Independence Avenue, S.W.
Washington, D.C. 20250-9410

Fax: 202-690-7442; or

Email: program.intake@usda.gov

USDA is an equal opportunity provider, employer, and lender.

Highline Electric Association is an equal opportunity provider, employer, and lender.

Information from Your Cooperative

ATTENTION IRRIGATORS:

Irrigators are reminded that if you are late paying an irrigation account two times during the irrigation season, a deposit will be required before the well will be energized the next season. If a deposit is required and you are late paying one time in the current year, a deposit will be required the following year.

HUNTERS USE CAUTION:

Hunting season is here. Be extremely cautious when hunting near power lines.

LET US KNOW ABOUT LIFE SUPPORT:

If you have anyone on life-support systems at your residence, please notify Highline. The co-op will try to notify all consumer-members on life-support systems of any planned outages. Highline will not terminate a service if a licensed physician makes a certification in writing of a medical emergency. This continuance of service will be effective for 60 days from the date of said medical certification. One 30-day extension may be granted if a second medical certification is received prior to the expiration of the initial continuance period. These provisions may be used only once during any period of 12 consecutive months.

DISSUADE DEADLY VAPORS:

Never use a charcoal grill to cook with or heat inside the home. Burning charcoal gives off deadly carbon monoxide gas. Charcoal grills should only be used outdoors.

2021 Rebate Product Guide

- Eligible rebates must be submitted within 120 days of purchase.
- Rebate amounts under \$25 will be issued as a credit on the Highline account. Rebate requests must include itemized payment receipts (including product model number) and Energy Star verification documentation.

Product	Eligible Rebate
Electric Outdoor Power Equipment	25% of cost up to \$150 for electric mower or snow blower. 25% of cost up to \$50 for electric blower, chainsaw, pruner, and trimmer. 25% of cost up to \$150 for electric bicycles. Maximum yearly outdoor equipment rebate of \$300 per member account.
Energy Star LED Bulbs	50% of lamp/bulb cost – Capped at \$8 per lamp/bulb. 500 lumens or greater. Cap of 50 lamps/bulbs per HEA account per year.
Energy Star Refrigerator/Freezer (min. 7.75 cu ft.)	\$60 per unit. Additional \$120 if old unit is recycled. Proof is required to receive the freezer and refrigerator recycling credit. A form can be downloaded at hea.coop or available upon request. Freezer and refrigerator rebates are limited to a max of two recycles per member, per year.
Energy Star Dishwasher	\$40 per unit.
Energy Star Clothes Washer	\$80 per unit front load. \$60 per unit top load.
Energy Star Dryer	\$80 per unit. \$180 heat pump unit.
Ground Source Heat Pump	\$850 per ton for new installation. \$425 per ton for existing unit replacements. Minimum 3/4 ton. Energy Star-rated. \$375 per unit for Energy Star-rated heat pump water heaters above 30 gallons minimum.
Air Source Heat Pump	\$500 per ton for units rated from 15-17 SEER. \$750 per ton for units greater than 17 SEER. Not to exceed 50% of equipment cost. \$100 per additional unit with controlled ETS backup. Excludes window units. \$85 per unit for package terminal units (through wall heat pumps)
Air Conditioner — Whole Home System	\$200 per unit for units rated 16 SEER and above. Excludes window units. Minimum 1 ton, Energy Star-rated.
Electric Water Heater	\$80 per unit for replacement. \$180 per unit for new or conversion. 30 gallon minimum.
Marathon Electric Water Heater purchased through HEA	\$125 per unit for replacement. \$225 per unit for new or conversion.
Motors (10-1500 hp)	\$8/hp for commercial and industrial motors. \$10/hp for irrigation motors and \$1.50/hp wiring assistance if motor replaces fossil fuel or is a new install. Contact HEA for form.
Variable Speed Drive (VSD)	Contact HEA for details. Soft start kits added to existing motors are not eligible.
Irrigation and Industrial/ Agricultural Auditing	Contact HEA for details.
EV Level 2 Charging Station	50% up to \$500 without network capability or \$1,000 with network capability.
COMMERCIAL LIGHTING	
LED/Induction Street Lighting	25% of total LED head cost. Project cap of \$20,000.
LED Refrigerated Case Lighting Retrofit	50% of total LED fixture cost. Project cap of \$3,000.
Commercial Lighting New/ Retrofit/Replacement	Contact HEA for details. One project per member account per year.