JANUARY 2018 | Vol. 41, No. 1

ENERGYLINES

Commitment in action

Significant key initiatives support Hoosier Energy's commitment to serve the long-term interests of the G&T's 18-member distribution systems.

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2017 YEAR IN REVIEW

Business journal honors Hoosier Energy executive

Donna Walker honored as a top Chief Financial Officer of 2017

Donna Walker, Executive Vice President and Chief Financial Officer at Hoosier Energy, was selected as an honoree for Indianapolis Business Journal's 2017 CFO of the Year.

Editors of the Indianapolis Business Journal (IBJ) explain the significance of the award.

"If the CEO is a captain of industry, then the chief financial officer is the navigator, with one eye on the charts, another on the stars, and both hands on the steering wheel. In IBJ's ninth annual CFO of the Year program, we recognize these first officers who plot the safest financial course and allow their firms to make waves."

IBJ launched the CFO of the year awards in 2008 to recognize these individuals who are critical to the company's management team and overall success.

"The selection process is always difficult for the awards program," said Greg Morris President and Publisher of IBJ.

Selection criteria includes the CFO's dedication to their organization's obligations, their high ethical standards, their contributions to their organizations' overall growth and their involvement in the community.

Walker was in the Private Companies (Revenue over \$100M) category alongside CFOs from the Indiana Supreme Court and the former CFO, now COO, of St.Vincent Health.

"I'm very humbled and honored by the IBJ's recognition. I so enjoy working with the 18-member distribution cooperatives who own Hoosier Energy. To love what you do and to be recognized for it is truly a blessing," said Walker.

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Donna Walker, Hoosier Energy Executive Vice President and CFO



Developing Indiana's Workforce ■ December 2017

■ Hoosier Energy Headquarters

Roundtable discussion focuses on building stronger workforce

Indiana's Secretary of Career Connections and Talent, Blair Milo, facilitated a roundtable discussion on Dec. 18, at Hoosier Energy headquarters in regards to the Next Level Jobs initiatives including the Workforce Ready and Employer Training Grant programs. Local Economic Development Organizations, Chamber of Commerce representatives, and Department of Workforce Development regional offices from over 21 counties in Hoosier Energy's service territory were present for the roundtable.

"As workforce continues to be the dominant issue in economic development circles, we wanted to give our Local Economic Development Organizations (LEDOs) the opportunity to have face time with the person that Governor Holcomb has tasked to address this concern," said Hoosier Energy's Economic Development Coordinator Christy Langley.

Secretary Milo, former Mayor of LaPorte, has been tasked by Governor Eric Holcomb to collaborate with business, industry, trade groups and public officials to identify employment needs and identify workers in order to help them take advantage of training opportunities for high-demand, high-wage positions. She will embark on a road trip the first quarter of 2018 to visit all 92 Indiana counties to hear what each county and its partners are already doing in workforce development.

ENERGYLINES

EnergyLines is published monthly by Hoosier Energy's Communication Department for members, employees and retirees of Hoosier Energy.

ON THE COVER

Learn about key initiatives that support Hoosier Energy's commitment to serve the long-term best interests of members.



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Store highlights

- The number of bulbs is now limited.
- No hassle shipping and return policy.
- Another benefit for Hoosier Energy member co-ops to pass along to consumers.

Online lighting store changes increase functionality

Improvements made to website help consumers through selection, ordering process

In 2014 Hoosier Energy member co-ops launched an online lighting store (https://teamupmarketplace. com) to help consumers improve efficiency within their homes. The lightbulbs available through the store helped consumers transition from incandescent bulbs to more efficient compact fluorescent lighting.

The bulbs available today are light emitting diode (LED) bulbs improving efficiency even more.

As bulb lamp technology has changed, so has the functionality of the store. Improvements include explanation of bulb types so consumers can make better purchases.

Changes continue throughout the variety of bulbs and products available. The variety of new bulbs now

include those for outdoor use as well as use for agricultural settings.

Orders placed are followed with an email confirmation and with a shipping confirmation. This level of consumer-focused communication provides information most expect from an e-commerce site. Purchases come with a no-hassle return policy that includes no return shipping costs.

Orders on the site are verified by the Energy Efficiency Collaborative Platform (EECP) requiring an account number to be entered when ordering. This verification assures that orders placed are from cooperative members. This also allows co-ops the ability to review data about members using the store.

COVER STORY

2017 YEAR IN REVIEW

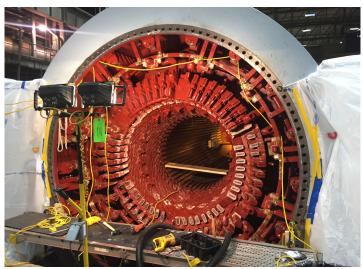
Significant key initiatives support Hoosier Energy's commitment to serve the long-term interests of the G&T's 18-member distribution systems. No matter the issue, we always seek the right balance to meet the future needs of our members while constantly trying to improve and be open to new ideas.

Major maintenance performed at Merom Generating Station

In March of 2017, Unit 1 at the Merom Generating Station went under a 75-day scheduled maintenance project. This was the first time the generator had been serviced since the unit began producing electricity in 1982.

This was a significant undertaking, from manpower to equipment usage. Both rotor and stator – the stationary portion of the generator – were refurbished. The turbine that drives the generator was also overhauled, including the removal of the lower casting for seal maintenance and removal of the turbine blades for reconditioning.

"Hoosier Energy's mission is to produce power reliably, efficiently and competitively for our members," said Mark Kramer, Outage and Construction Manager. "During maintenance outages, we perform repair and maintenance work on our units to make sure they remain reliable and efficient. The result of our outage effort is a plant that will be reliable, efficient and therefore competitive, leading to increased value for our members."



HE photo

COPPER COILS: With the cover to the generator removed, the stator can be seen. The copper coil windings, as seen in orange, help conduct electricity as the rotor rotates in the center of the unit. This is the first time the generator has been opened for maintenance since it was installed in 1982.

2017 YEAR IN REVIEW

Wind purchase agreement adds to power diversity

With the dedication of the Meadow Lake V Wind Farm on October 10, 2017, Hoosier Energy and Wabash Valley Power added a combined 100 megawatts (MW) of wind energy to the grid.

"Electric cooperatives are focused on providing cost-effective energy for their member systems through a variety of resources including renewables," said Steve Smith, Hoosier Energy President and Chief Executive Officer. "This agreement adds more wind resources to our 'all-of-the-above' portfolio, which includes coal, natural gas, wind, hydro and landfill gas generation."

Located near Interstate 65 in northwestern Indiana, the first phase of the Meadow Lake Wind Farm began operations in 2009. With the completion of phase V in 2017, the total installed capacity is 601 MW – enough electricity to power approximately 159,000 average-sized Indiana homes.

This partnership contributes to Indiana's rank of 12th nationwide in wind capacity.

Ten site solar program brightens member territories

In October, local REMC officials and Hoosier Energy dedicated the Center solar array, named after nearby substations. This completed a 10-site 1-megawatt solar energy program, part of Hoosier Energy's commitment to provide reliable and competitively priced energy to members. Hoosier Energy expects renewable energy to more than double to nearly 10 percent of the G&T's power supply within a few years.



Learning management system expands for members

Hoosier Energy is expanding its Cooperative Academy line-up by offering online courses and in-person training sessions to its 18-member cooperatives.

By the end of 2017, 10 co-ops were offering courses to their employees through the online learning tool. The rollout to the remaining cooperatives should be complete by the end of 2018.

The Cooperative Academy site for Hoosier Energy employees opened in January 2016.

Offerings include safety training, office program instruction, skill improvement training for career advancement and in-person classes. As the year progressed, the value of the courses became clear.

"We knew these courses would be valuable to our member cooperatives," said Human Resources Manager, Chris Blunk. "Our team is working hard to make sure we can offer these educational tools to any member that wants to use it."



2017 YEAR IN REVIEW

G&T finishes with solid performance in reliability

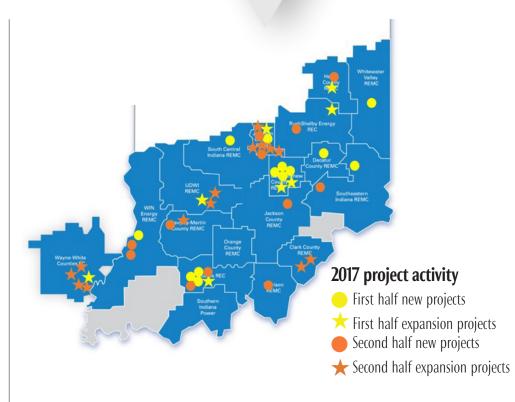
Part of Hoosier Energy's mission is to be a solid performer for providing reliable power. Member cooperatives rely on the performance of its power supplier to better serve their end consumers and communities.

The metric widely used to track reliability is called the System Average Interruption Duration Index (SAIDI). This refers to the average number of outage minutes experienced by electric utility customers annually.

For 2017, Hoosier Energy's system reliability finished 18 percent better than target which is established every year based upon the previous seven-year's average performance. Over the past seven years, outage minutes have trended downward by 1.2 percent per year.

The goal of continuous improvement is attained by paying close attention to preventative maintenance practices, making prioritized capital investments and having service minded field personnel who are ready to respond in all circumstances. Another key initiative has been to engage with neighboring utilities that supply the transmission feeds for several Hoosier Energy delivery points offering improvement in their processes as well.

"Our 2017 results are encouraging," said Dave Sandefur, Vice President Power Supply. "Hoosier Energy remains committed to driving our system outage rate as low as economically possible."



Jobs, investment, load on the rise for member co-ops

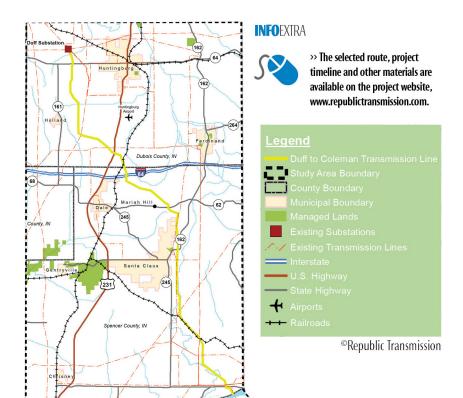
Business expansions within member cooperatives help enrich communities. The economic development team partnered with member systems to bring jobs, investment and load growth to member territories in 2017.

One example of this enrichment is the growth in the automotive part supplier sector. GECOM Corporation, an automotive parts manufacturer for seven automotive companies, expanded their facilities served by Decatur County REMC. This \$26 million expansion project will bring 750 kWh in load increase and 30 new jobs. Agriculturally, the market has trended toward what the cooperative territory is strongest in producing: chickens, turkeys and eggs.

Overall, Hoosier Energy and member systems experienced significant economic development activity during 2017. Projections to the end of the year from December 1, 2017, show the number of jobs should significantly exceed the 10-year average. Although the load growth is projected to be lower than the 10-year average, it will be an improvement over 2016 numbers. Additionally, the logistics sector showed particular strength in the service territory during 2017.



Duff-Coleman transmission project grows electric grid



Republic Transmission (a Hoosier Energy and LS Power partnership) together with Big Rivers Electric Corporation, will develop, build and maintain the single circuit 345 kilovolt Duff-Coleman line. Spanning 30 miles, this transmission line crosses sections of Dubois County, Indiana; Spencer County, Indiana; and Hancock County, Kentucky.

Republic Transmission was selected from 11 proposals by the Midcontinent Independent System Operator in the regional transmission operator's first competitively bid transmission process. The project is estimated to provide over \$1 billion in benefits, which far exceeds the cost for the project.

Republic Transmission is leveraging its technical capabilities in the construction and operation of the Duff to Coleman Project, benefitting from Hoosier Energy's existing local operations, maintenance experience and capabilities. The route selection has been completed and engineering and easement acquisition are on schedule.

Communications department projects earn national recognition

The National Rural Electric Cooperative Association's (NRECA) Spotlight on Excellence Award program recognizes a body of outstanding work produced by electric co-op communication and market-

ing professionals across the nation.

Awards are presented for best projects and programs for the year that embody high standards of quality and achievement.

The awards included Best Internal News Publication (EnergyLines) and Best Total Communications (member solar programs).



Extreme cold brings out the beanies

Temperatures in January dipped below zero on multiple days. Members using the load control system helped reduce peak demand. In Bloomington, residents placed beanies around town for others to take if needed to keep warm.