

# ENERGYLINES



## CHARTING OUR JOURNEY

During his final annual meeting message, CEO Steve Smith discusses where Hoosier Energy has been and where it is going.

**STORY, PAGE 4**

A COOPERATIVE  
**PROCESS**



Learn how Hoosier Energy has prepared to develop and implement renewable energy opportunities.

**STORY, PAGE 7**



HE photo

**LEGISLATIVE CONFERENCE:** Congressman Larry Bucshon, left, and Hoosier Energy CEO Steve Smith meet in Washington D.C.

## Hoosier Energy CEO thanks congressman for coal support

Hoosier Energy CEO Steve Smith is shown thanking Congressman Larry Bucshon of Evansville for the introduction of the Electric Reliability and Fuel Security Act.

The Act would support utilities that maintain coal-fired power plants. These plants provide security to the electricity grid through on-site fuel storage in times of high demand such as during bad weather. It would phase out in 2022, the same year as subsidies for wind and solar.

Smith was participating in the National Rural Electric Cooperatives's Legislative Conference in Washington, D.C. Hoosier Energy directors also participating included Don Sloan, Janet Anthony, Bob Stroup and Gary Waninger, as well as Director of Public Affairs Randy Haymaker. [E](#)

# Communicators in the spotlight

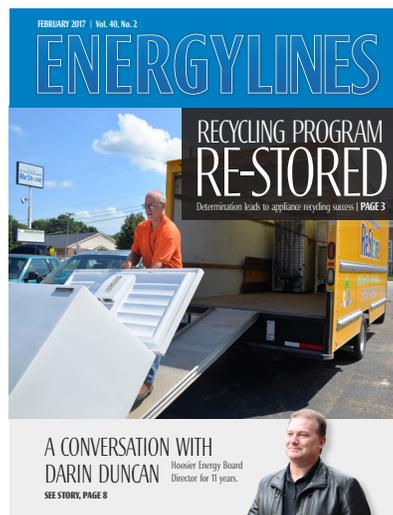
NRECA contest places a 'Spotlight on Excellence'

Hoosier Energy's Communications Department has been recognized by the National Rural Electric Cooperative Association, NRECA, for excellence in communication and creativity. EnergyLines received a gold award for its quality of communication. The entire communications department is involved in producing this publication including: writing, editing, design and photography.

Another award winner is Whitewater Valley REMC Director of Member Services and Corporate

Relations Sandy Cason. She won a silver award for the Powerlines newsletter.

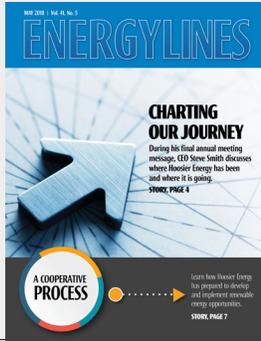
This NRECA program recognizes a body of outstanding work produced by electric co-op professionals across the nation. The Spotlight on Excellence Award is an initiative of the Council of Rural Electric Communicators and is NRECA's highest communication honor. Awards are presented for best projects and programs that embody high standards of quality and achievement. [E](#)



**AWARD WINNING:** Hoosier Energy's EnergyLines and Whitewater Valley REMC's PowerLines newsletters both earned awards through the Spotlight on Excellence Award program from the National Rural Electric Cooperative Association for their quality of communication.

## ON THE COVER

Hoosier Energy CEO Steve Smith discusses where the cooperative has been and where it is going during his final annual meeting message.



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# Hoosier Energy credit ratings remain strong

Core business activities for Hoosier Energy include providing competitively priced power, transmission and member services. Credit rating agencies review these aspects when determining credit outlook.

The cooperative continues to retain a solid investment rating from Standard & Poor's (S&P) and Moody's Investors Service.

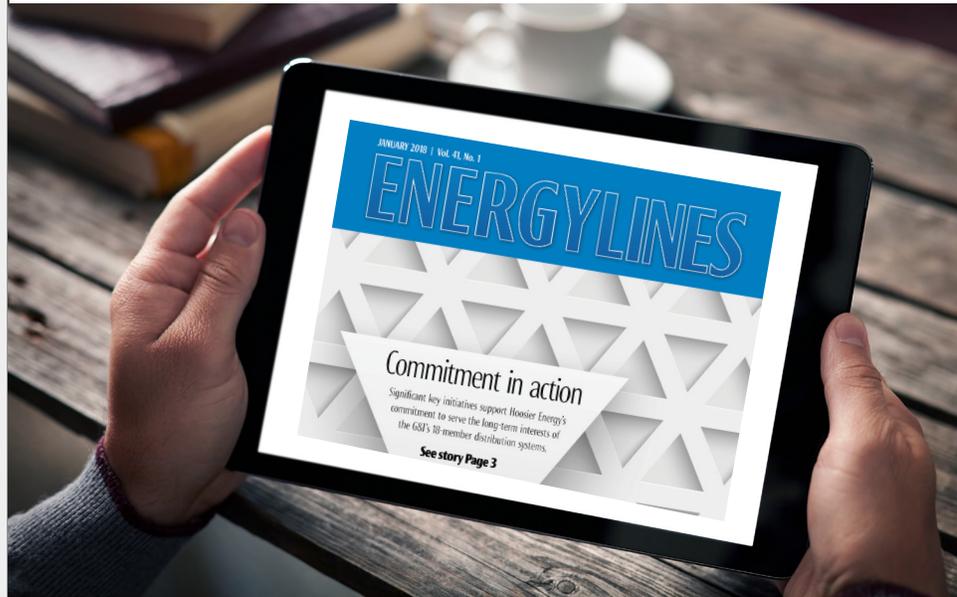
The rating from S&P has been improved from stable to A/Positive. Moody's rating is A3.

Credit quality and solid ratings are important to Hoosier Energy for financing business aspects

from plan maintenance to fuel contracts.

Credit ratings by S&P or Moody's Investors Service are considered to be independent, objective analysis of a borrower's capacity to meet its financial commitments on a timely basis.

The S&P rating shows that Hoosier Energy's long-term capacity to meet its financial commitments on obligation is strong. Moody's rating shows that Hoosier Energy has a superior ability to repay short-term debt obligations and is subject to low credit risk. [E](#)



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## MEROM GENERATING STATION

# CANAL MAINTENANCE

Concrete repairs help maintain the longevity of discharge canal at Merom Generating Station



HE photo

**PATCH WORK:** A contractor works on a concrete repair patch at the Merom Generating Station's discharge canal. The repairs took place during scheduled maintenance at the plant.

In addition to the maintenance being completed at Merom Generating Station's Unit 2 this spring, crews took the time to perform maintenance on the discharge canal. Both generating units were shut down for a two-week period that allowed the water to be drained from the canal and concrete repairs to be completed.

A larger project completed in 2014, began the process of making improvements to canal.

There were a small number of repairs made to the concrete walls of the canal during this year's maintenance project.

Repairs included replacing sections that were crumbling or eroded and filling holes along the outer edge with concrete to prevent continued damage.

"We used about 20 cubic yards of concrete for the repairs this spring and the project went very well," said Senior Generation Analyst Kyle Eslinger. [E](#)

## COMMITMENT TO COMMUNITY

# Working to make a difference

Habitat for Humanity 'Women's Build' helps build affordable homes for families in need

From April 28 to May 13, approximately 400 women volunteers, seven from Hoosier Energy, worked alongside future homeowners. This is the 18th year for the Women's Build to take place in Monroe County.

This year, the Hoosier Energy women raised over \$4,000 and helped build the trusses and roofing deck for the house.

To help build the homes in Bloomington, women collectively volunteered approximately 3,200 hours of time and fundraised \$170,000 to support families in need of affordable housing. [E](#)



HE photo

**WOMEN'S BUILD PARTICIPANTS:** From left: Christy Langley, Claire Gregory, Crystal Rogers, Megan Miller, Melissa Riggs, Heather Hughet and Susannah Smith participated in the 2018 Habitat for Humanity Monroe County Women's Build.

## COVER STORY

# HOOSIER ENERGY ANNUAL MEETING CHARTING OUR JOURNEY

## FRENCH LICK

The 2018 Hoosier Energy Annual Meeting, while welcoming new members, was also set for good-byes. The meeting was more than just a summary of the previous year. Several

officers and members had announced their retirements, making this their last annual meeting.

### CEO's message

*A look back from 1930's and into 2030's.*

While it was rumored that CEO Steve Smith would work well into his 70's since the corporation is on a great path, with great people, Smith decided that he would rather work with a different group of great people: his grandkids.

Smith referred to his plans in his opening remarks. He also mentioned that he wanted to cover where Hoosier Energy had come from and give a glimpse of what is still to come, covering almost 100 years. >>



*HE photo*

**A LOOK BACK:** CEO Steve Smith shares a smile with the audience during his annual meeting message.

From the 1930s to 2030s, change has been and will be eminent. Cutting edge technology was used to get Hoosier Energy where it is today and will continue to take us into the future. Big and bold initiatives helped carry the company through a troubled economy.

The buzz in the 90's was deregulation. It occurred in the airline and telephone industries and electric utilities were next, both wholesale and retail deregulation were in play. Electric prices were expected to drop dramatically but became extremely volatile and increased for several years.

In 2005, the Midcontinent Independent System Operator, Inc. (MISO) was formed as the nation's first regional transmission organization. MISO provides an open and transparent market that puts smaller utilities like Hoosier Energy on a level playing field with large entities and continues to progress today.

Renewable resources continue to grow as the portfolio now includes wind, hydro, landfill gas and solar power production.

"I am pleased to report that recently I signed an agreement to buy energy from the new 200MW Riverstart solar project in Whitewater Valley's territory," announced Smith from the podium. "It will be the largest solar array east of the Mississippi river. This project will get us to our 10 percent renewables target ahead of schedule."

Smith concluded with a look to the future, not just of the company, but the consumer's world. More electric cars on the road, greater utilization of renewable resources and opportunities to grow in the electric generation field.

## Chairman of the Board's message

### *Situation is right for growth*

Retiring Chairman Herb Haggard took the podium for his last time at the 2018 Annual Meeting. Haggard had several points of discussion for his speech. He started off by mentioning the upcoming retirements of several employees and board members. Haggard went on to mention that Hoosier Energy is a very well managed company, financially sound and positioned to move forward.

"They have an excellent staff with an excellent group of young people coming forth," said Haggard. "You will see many changes coming up for Hoosier Energy – primarily in the people. Retirements will bring a lot of changes. The leadership program with Indiana University is a tremendous program, developed to bring on new talent and cultivate existing talent."

Challenges in the foreseeable future, according to Haggard, are unavoidable. Challenges will include Environmental Protection Agency challenges, government regulations >>

# New Hoosier Energy directors

**Jamie Meredith** is serving his second term on the Board of Directors at Johnson County REMC for District 4. He has been recently elected to the Hoosier Energy Board of Directors. He was recognized as a Credentialed Cooperative Director by the National Rural Electric Cooperative Association and is currently working towards his Board Leadership Certificate. Meredith replaces Herb Haggard on the Hoosier Energy Board.



Since 2002, Meredith has been the owner and managing Funeral Director of his family's business, Meredith – Clark Funeral Home in Morgantown. Meredith holds a B.S. in Business Administration from the University of Southern Indiana and an A.S. Degree from Mid-America College of Funeral Service in Jeffersonville. He is also a graduate of the Morgan County Leadership Academy.

Meredith is a director and former chairman of the Morgan County Health Department, chairman of the East Hill Cemetery Corp., director of Morgantown Community Center and treasurer for the Morgantown Senior Center. His memberships include: Morgantown Masonic Lodge #358, Brown County Lions Club, University of Southern Indiana Alumni, Sigma Tau Gamma Alumni Association and the Academy of Professional Funeral Service Practitioner Association.

Meredith and his wife, Angela have been REMC members for 17 years and currently reside in Jackson Township. They have two children, Hunter and Gracee, who both attend Indian Creek Schools. They are members of the Morgantown United Methodist Church.

**Steve Dieterlen**, representing District 2 of Clark County REMC for 11 years, has been elected as the co-op's representative on the Hoosier Energy Board of Directors. He replaces Steve Stumler.

Dieterlen and his wife Lisa have been married for 31 years, and have three adult children. Kara works as a teacher and is married to Joe. Kala is a nurse and Daniel is a partner at Innovators Insurance Group. Daniel and his wife, Danielle, have an eight-month-old son Ryan, Dieterlen's first grandchild.



Dieterlen graduated from Purdue University with a degree in mechanical engineering technology. He works for the United States Postal Service, where he has been employed for over 27 years, as a maintenance engineering specialist. He is involved in continuous improvement programs and is Six Sigma certified – Green Belt.

"I am looking forward to contributing to this board," said Dieterlen. "I find the things we do here very interesting."

and retaining employees. Haggard feels the latter will be a challenge because Hoosier Energy is creating such an excellent group of workers that it may become a feeder program for competitors.

Haggard concluded with a heart-felt thanks to his family, who were in attendance.

In addition to remarks by Smith and Haggard, the business session included a 2017 year-in-review video and the presentation of service awards.

### Exhibit booths inform attendees

Ten booths filled the hallway just outside of the meeting room. Hoosier Energy employees were there to engage attendees, answer questions and create an atmosphere of helpfulness. The booths were presented by the following areas:

- Environmental Services – educational outreach programs
- Economic Development – Industrial site and building location information
- Human Resources – Leadership development programs
- Wellness – Walking for fitness
- Billing and Forecasting – Member survey results
- Renewable Energy – My Solar program
- Communications – Communication Toolbox
- Power Delivery – Tools of the trade
- Marketing – Online lighting store
- Safety and Training – Training equipment

### Annual service awards

- 2 years – John Edwards; Director on Daviess-Martin County REMC
- 10 years – Larry Hosselton; Director, Wayne-White Counties Electric Cooperative
- 20 years – Herb Haggard; Director, Johnson County REMC
- 25 years – Bob Stroup; RushShelby Energy Director



*HE photos*

**TOP:** Kyle Parker, Forecasting Analyst for Business Development, answers questions for attendees visiting the Billing and Forecasting booth. Their presentation included member survey results.

**MIDDLE:** Josh Cisney, Project Developer, Renewable Energy, speaks to attendees during the annual meeting as the renewable department had a Chevrolet Bolt all-electric car to help educate attendees about electric vehicles.

**BOTTOM:** Chairman Herb Haggard recognizes Bob Stroup, RushShelby Energy, for his 25 years of service on the Hoosier Energy board of directors.

# Consumer interest helps bring light to cooperative solar initiative

One of the perks of being a member of an electric cooperative is having your voice heard. In January 2015, the Hoosier Energy Consumer Owned Generation Committee was formed as a response to member outreach, requesting more information about consumer-owned generation. Co-ops were seeing more interest from consumers in generating their own energy and wanted to get ahead of it. They addressed the issues up front—incorporating clear processes, guidelines and compensation so that the program would be fair to all members.

A six-person committee of member managers began collecting data on processes, generation issues, procedures, interconnection applications, insurance requirements and compensation. This was no small task. The committee met more than a dozen times over a 30-month period, to gather the appropriate information, review surveys, articles and hear speakers on the topic of consumer-owned generation.

Research continued in the fall of 2016 through the Cooperative Accelerated Leadership Development (CALD) program. CALD is an executive leadership development program that Hoosier Energy facilitates for our member cooperatives. One of the

teams in the program worked with the renewable energy team at Hoosier Energy to bring in speakers, engineers, analysts, insurance experts and outside co-ops to dive into greater depths on research and gain experience.

With the copious amounts of information discovered, the committee

compiled the analysis from each area and then presented the information as a complete presentation to the Managers Association and the Hoosier Energy Board of Directors. Several presentations were made during the course of discovery and the Board was always kept abreast of the progress. >>



## RENEWABLE ENERGY

Hoosier Energy's renewable energy department was involved in every step of the process as well as with every committee.

"This has been a very engaging and educational process," commented Heath Norrick, Renewable Energy Manager. "Through the months of committee research, we have the added bonus of being able to say we now have member managers who are experts on consumer-owned generation," said Norrick.

The 18-member co-op systems previously had various interconnection policies and compensation for renewable energy projects. The first step was to streamline some of these policies so that there was a base for a unified cooperative solar project. Pricing and options can still be tailored to each cooperative, but the base processes and policies remain the same.

Once the details were defined and final approval was given, a name for the program was selected – My Solar. The renewable energy team then began presenting the proposal for My Solar to each co-op. To date, the majority of co-ops have decided to participate in the My Solar program. This program will be in place for the foreseeable future as renewable energy continues to grow, providing electric consumers a chance to participate in solar power.

Solar power will become more dominant in the future. By doing the research, streamlining processes and working on the base level, Hoosier Energy has taken the appropriate steps to prepare for bigger and better renewable energy opportunities in the future. [EL](#)



HE photo

**COST SAVINGS:** Reduction in equipment costs and solar panels were big contributors to the decrease in costs in the 10, 1-megawatt solar arrays. With over 41,000 panels installed at 10 sites, reductions in equipment price helped immensely.

## Solar arrays finished under budget

Hoosier Energy and its member cooperatives are committed to the goal of 10 percent of member energy sales from renewable resources by 2025. In 2014, the Hoosier Energy renewable energy team presented a budget to the co-op's Board of Directors for ten, 1-MW solar arrays to be built in southern Indiana over the following three years. The budget included the cost to purchase the land, construction, development and interconnection.

The initial installation of the first four arrays came with large learning curves. Certain procedures that took one week to complete in the beginning of the project were whittled down to taking one day by the time the last array was constructed in 2017. Collaboration across the company was key in understanding schedules and work process to reduce costs. These process improvements were part of the reason

the projects were finished under budget by almost 30 percent.

"We were able to learn as we went, streamlining certain procedures and being able to eliminate duplicate steps by the end of the construction process," said Heath Norrick, Renewable Energy Manager. "By the time construction began on our final arrays, our designs improved and we had better processes in place. It greatly benefited the projects."

Reduction in equipment costs and solar panels were also a big contributor to the decrease in costs. With over 41,000 panels installed at 10 sites, reductions in equipment price helped immensely.

Hoosier Energy's Board of Directors have been dedicated to a diverse generation portfolio since 2000 and adopted a voluntary renewable energy policy in 2006. Hoosier Energy's renewables portfolio also includes wind, hydropower and landfill gas plants. [EL](#)

## Co-op annual meeting highlights



### *Go the extra mile*

## Johnson County REMC annual meeting

### Meeting details

The Johnson County REMC annual meeting took place Saturday, April 21, 2018 at 10 a.m. at Franklin Community High School. The auditorium was full and the cafeteria was used as overflow for the nearly 800 registered members in attendance. Members received a coin holder with \$5 to \$50 bills for attending.

Members were notified of the retirement of President and Chief Executive Officer Chet Aubin after serving members since 1991. Herb Haggard was also recognized after serving on the Board of Directors for 41 years.

Incoming President and CEO John Sturm noted that safety is the co-ops number one goal and illustrated several ways that the co-op goes the extra mile to serve the members and the community. Sturm noted reliability at 99.98 percent with crews ready to respond 24 hours a day, 365 days a year. Decisions on where and when to deploy fiber were also discussed. He applauded a well-rounded and committed Board of Directors and Staff that are talented and empowered to serve the members and go the extra mile.



### Meeting highlights

Entertainment was provided by the Grascals, a bluegrass country band. Director of Member Services, John Gates was called to the stage with his mandolin in tow to join the band.

### Election of Officers

District 2 – Seth Brown, unopposed  
 District 3 – Steve Shaul, unopposed  
 District 7- Ron Barnett, replaced seat vacated by Herb Haggard.



*HE photos*

**TOP:** Dayana Sanchez, right, stands with a member who won an iPad during the Johnson County REMC annual meeting.

**MIDDLE:** Director of Member Services, John Gates, second from left, joined the Grascals – playing his mandolin.

**BOTTOM:** Ted Harpe of Johnson County REMC speaks with a member about vegetation management.

## Co-op annual meeting highlights



*HE photos*

**TOP:** Several employees were honored for their years of service, including Gerry Kinney as a 20-year employee. McKinney lost his forearms and hands in a work-related accident in 2015. He spoke to the audience about the accident and offered his sincere gratitude for the outpouring of love and support from his co-workers.

**MIDDLE:** Faye Yang was invited to speak at the meeting. Yang was the Wayne-White representative on the Youth Leadership Council.

**BOTTOM:** Several booths were set up for members to peruse before the meeting. Hoosier Energy Demand Side Management Analyst Susie Smith, offered educational information on LED lighting.

### *The cooperative difference*

## Wayne-White Counties Electric Cooperative annual meeting

### Meeting details

The Wayne-White Counties Electric Cooperative annual meeting took place on April 6 at Wayne City High School in Wayne City, Illinois. There were 657 members in attendance. All members received a \$25 bill credit for attending.

### Meeting highlights

A smoked pork chop meal was provided for all members during registration. Entertainment was provided by the southern gospel quartet “The Victory Boys.” They performed several songs, including the National Anthem to begin the meeting.

Board Chairman Ricky Rubenacker announced there would be no base rate increase this year and that they do not anticipate one in the next three years. He then announced there would be \$1,760,000 in funds retired in 2018 for years 1985-1987.

### Election of officers

Three of the directors were up for re-election: Larry Hosselton, Danny Rose and Rick Rubenacker. All ran unopposed.



# A 'primarily' beautiful sunrise

The Bloomington Primary Substation interconnects with Duke Energy lines on the grid.