

SEPTEMBER 2020 | Vol. 43, No. 9

ENERGY LINES

DATA CENTERS

How Hoosier Energy is attracting
new businesses and load growth
to member communities **PAGE 3**

ELECTRIC VEHICLES



©Nikola Motor, Forbes.com

ELECTRIC VEHICLE STARTUPS REV UP WITH REVERSE MERGER DEALS

The Wall Street Journal (WSJ) reports that Lordstown Motors Corp., based in Ohio, will revive a former General Motors factory to go public through a reverse merger deal. The electric vehicle startup will build e-trucks as it merges with DiamondPeak Holdings Corp. The deal indicates a value of \$1.6 billion.

Another e-truck startup, Nikola Corp., completed a similar deal in June and received an order from refuse company Republic Services Inc. for 2,500 electric trucks. The average cost of an electric garbage truck is \$500,000.

Nikola's base truck platform, shown above, has 150 miles of range and can empty as many as 1,200 trash cans on a single charge. According to Forbes, the Nikola refuse trucks have battery capacity of 720kWh.

This has been the largest order of garbage trucks in the U.S. to date.

INDUSTRY NEWS

Duke Energy to boost renewable energy following pipeline loss

North Carolina-based Duke Energy will shift investment strategy toward low-cost and small-scale projects, like solar and battery storage, following a \$1.6 billion loss due to the cancellation of the Atlantic Coast Pipeline, reports UtilityDive.com

The project, developed in conjunction with Dominion Energy, was tabled due to expected delays and cost uncertainty. The shift to renewable energy supports its 5-year \$56 billion capital plan, Duke Energy officials explained during the energy company's second quarter earnings call with investors.

ON THE COVER

Economic development efforts at Hoosier Energy are being used to attract data centers to member communities.



220 MW

BATTERY STORAGE

Guidehouse Insights estimates U.S. businesses will install 220 MW of storage capacity at or near their locations next year.

Companies install battery systems to manage energy costs

Companies are increasingly looking to install banks of batteries on location to manage energy costs. According to a Wall Street Journal (WSJ) report, these batteries help businesses use stored energy when energy costs rise or when there are power outages.

The WSJ provided an example of a load-heavy data center using batteries for uninterrupted business function and to reduce energy costs.

A battery system was added to a 1.3 million-square-foot facility in Nevada operated by Switch.

The battery system installed provides 60 MW of storage capacity for four hours – making it the largest behind-the-meter battery system in the world.

Switch anticipates to see profit from the project after 15 years.

INSIDEXTRA

>> Learn more about Hoosier Energy's Economic Development efforts to attract data centers to member communities in this month's cover story on page 3.



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Eight ways Hoosier Energy works to succeed

These are the strategic priorities that the Hoosier Energy workforce strives to achieve every day.

EMERGING
TECHNOLOGIES

MEMBER
FOCUS

RISK
MANAGEMENT

GOVERNANCE

COMPETITIVE
RATES

COST MANAGEMENT
AND PERFORMANCE

SUPPLY
PORTFOLIO

OPERATIONAL
EXCELLENCE

Eugene Roberts passed away on July 16 at his home

Hoosier Energy board member for 26 years will be missed

Walker “Eugene” Roberts, 81, passed away July 16, 2020 at his home in the Mitchell, Ind. area.

A 36-year District One Director on the Orange County Rural Electric Membership Corporation Board, Roberts was also the co-op’s appointed representative as a Hoosier Energy Board member for 26 years; 14 of those as an officer.

Roberts began his professional career at Travler Radio in Orleans, Ind. and worked briefly at Allison Transmission in Indianapolis. He later spent six years at Loogootee Textile before hiring on for what would prove to be a 28-year career at Naval Surface Warfare Center in Crane, Ind.

In addition to teaching Sunday school classes at his church, organizing special events and leading various youth groups, Roberts and his late wife, Bonnie, both

served on various church-related boards and committees.

Community involvement was important to Roberts, even in his

retirement years. As a charter member of the Huron Ruritan Men’s Club, he helped clean vacant lots, build sidewalks, cut wood and assist shut-ins. He was also a charter member and the last survivor of the South Lawrence Water Corporation Board of Directors, serving as

treasurer for his first six years on the Board. In addition, he was a 20-year treasurer for the Huron Volunteer Fire Department and served more than 40 years on the Huron Cemetery Association Board.

Roberts, an avid sports fan, coached youth basketball and baseball for many years and even covered high school sports as a reporter for The Mitchell Tribune newspaper.



Conference helps communicators connect

THE NRECA CONNECT CONFERENCE GOES VIRTUAL, PROVIDES TIMELY INDUSTRY NEWS

About 600 cooperative communicators from across the nation gathered online for the Connect Conference hosted by the National Rural Electric Cooperative Association.

The two-day virtual gathering helped communicators learn best practices they can take back to their cooperative and communities.

A breakout session discussed the value of audience segmentation to increase member engagement on social media platforms.

Another session examined the role that technology plays in meeting member-consumer expectations about service and how co-ops can respond to position them for success. [EL](#)



DATA CENTERS

THE FARM FULL OF FLASHING LIGHT

HOW DATA CENTERS ARE AN OPPORTUNITY FOR LOAD GROWTH IN MEMBER COMM

The storage of digital data is big business. The data center market in the U.S. is expected to grow to more than \$69 billion by 2024, according to a report compiled by market data and trends analyst Arizton.

This growth has not been slowed by the pandemic; if anything it has given it a boost. This can be seen as leading cloud vendor, Amazon, reported a 65 percent backlog for cloud services in the second quarter, according to the Wall Street Journal. Demand is growing as businesses look to transition digital operations to the cloud.

From the data-driving apps on our phones to business storage needs for email, websites and commerce, data centers are dedicated facilities that store this information so businesses don't have to house, protect and backup data locally.

The increase in demand for information storage has led to facilities as large as 100,000 square feet full of servers, known as hyperscale data centers. The Economic Development department at Hoosier Energy has been identifying sites to attract the development of these facilities in member communities.

"This is a great way to bring large data center players like Amazon to rural America," said Hoosier Energy Economic Development Manager Jeremy Sowders.

Hyperscale data centers are attractive because they average 100 MW of energy use. Helping meet this potential energy demand are projects like the recently completed Duff to Coleman 345 KV line. This helps reduce energy congestion in the Midcontinent Independent System Operator territory and opens up the opportunity for energy-intensive tech business expansion in the region.

Location, location, location

Finding a suitable data center location requires certification including energy capacity available, long haul internet connections and low environmental risk.

The Business Enterprise Park in Greensburg, Ind., fits the bill. Served by Decatur County

REMC, this site has been earmarked for data center development. To attract developers, this shovel-ready site is posted on HoosierSites.com. Properties like this help Commercial and Industrial (C&I) businesses find sites to locate or expand in member communities.

Securing a data center takes more than a website and determination. Diverse partnerships are needed to show results. From local economic development organizations to consultants and property developers, Sowders has been building these relationships to attract member-focused C&I business growth. Brett Abplanalp, CEO at Decatur County REMC, has taken notice of the work being done by the economic development team at Hoosier Energy.

"This is an exciting opportunity for potential growth of our cooperative and community. We are fortunate to have such strong economic development partnerships and support from our community and power provider," said Abplanalp.

Indiana's new advantage

Sites like the one in Decatur County benefit from recent state legislation that provides tax exemptions that expire after 25 years unless the investment is more than \$750 million, and then the exemption extends to 50 years. That is the longest exemption offered in any state. Combine that with Hoosier Energy's economic development rider that provides discounted energy costs for the first six years of a project and Indiana is a very attractive location.

"As we look at similar sites in member communities, the work we have already done gives us the opportunity to go out and market sites to developers and to help members bring jobs, investment and load to their communities," said Sowders.

Hoosier Energy is working with member cooperatives and economic development professionals to identify additional sites for data center development in Jeffersonville, Vincennes, Oden and Lanesville. [f](#)

Internet Journey

Southern Indiana Power worked with the local telephone cooperative to help members gain access to broadband internet service.

A

POINT A: Limited internet options.

B

POINT B: Access to high-speed internet.

THE POWER OF COOPERATIVES WORKING TOGETHER

Co-ops join forces to provide broadband

Co-op value.

Two cooperatives – one electric and the other telephone – have joined forces to ensure that

Perry and Spencer county cooperative members have access to broadband internet service.

This partnership was sought out because about 50% of Southern Indiana Power's member-consumers are also members of Perry-Spencer Rural Telephone Cooperative (PSC), which is within two years of completing its

12-year, \$60 million project to connect 100 percent of its members to fiber.

"Perry-Spencer Rural Telephone Cooperative has been working for a really long time to upgrade their members to fiber," says Steve Seibert, president and CEO of Southern Indiana Power (SIP). "Our new partnership focuses on the 50 percent of our electric members who do not or will not have access to fiber. These members are located in the old AT&T territory, outside PSC's current serving area." >>

Social session

Members took to social media to share messages to help member-consumers stay safe and reduce energy use.

Clark County REMC asked members to check their surge protectors to be sure they are operating properly.

Henry County REMC provided a tip for member-consumers to reduce their energy use when doing laundry by using full loads and cold water.

These tips are examples of how members continue to provide valuable tips using social media.





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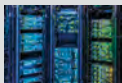
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**“We’re also investing our own electric
plant dollars in fiber ‘make ready’
preparation for things like pole changes,
and correcting clearances to meet the
National Electric Safety Code standards.”**

STEVE SEIBERT

[Southern Indiana Power CEO](#)

Funding this massive project has involved a multi-prong approach, according to Seibert. The two cooperatives submitted a joint application to the Indiana Next Level Connections Broadband Grant, and PSC was awarded \$15 million, about half of which will support fiber to SIP member-consumers. The construction work for the grant must be completed within two years.

The Spencer County government has approved a \$5 million contribution to support the project, and Southern Indiana Power has also secured a \$15 million “Smartgrid” loan from the Rural Utilities Service under the United States Department of Agriculture.


“We’re also investing our own electric plant dollars in fiber ‘make ready’ preparation for things like pole changes, and correcting clearances to meet the National Electric Safety Code standards,” Seibert says, adding that the five-year project will cost over \$30 million and cover about 700 miles of mainline fiber. “All kinds of entities are banding together to

get this job done.”

Construction on the grant-funded portions of the project began earlier this year and will unfold in eight phases. Phases one through four are expected to be done in 2020 and then phases five through eight will be done in 2021.

Construction and connections for the unfunded area – which is the area not grant funded – will be completed in years three to five.

“This project is really about the development and sustainability of our entire community,” Seibert says. “If we don’t have fiber availability in our electric service territory, the new generation of members simply aren’t going to live here. They need to be connected to the world no matter where they live.”

Seibert adds that the fiber will also connect all electric substations and be able to support any behind-the-meter types of resources and technologies that could be developed in the future. “The project is just forward looking and thinking about the future of both cooperatives and the communities that we serve.” 



Member co-op crews work to keep grid reliable

South Central Indiana REMC line crews in late August replaced single-phase reclosers through the co-op's recloser maintenance program north of Gosport, Ind.

Apprentice Dakota Grimes, in the top image, and Line Foreman James Jackson and Journeyman Lineworker Mike Stuckey work on site.

