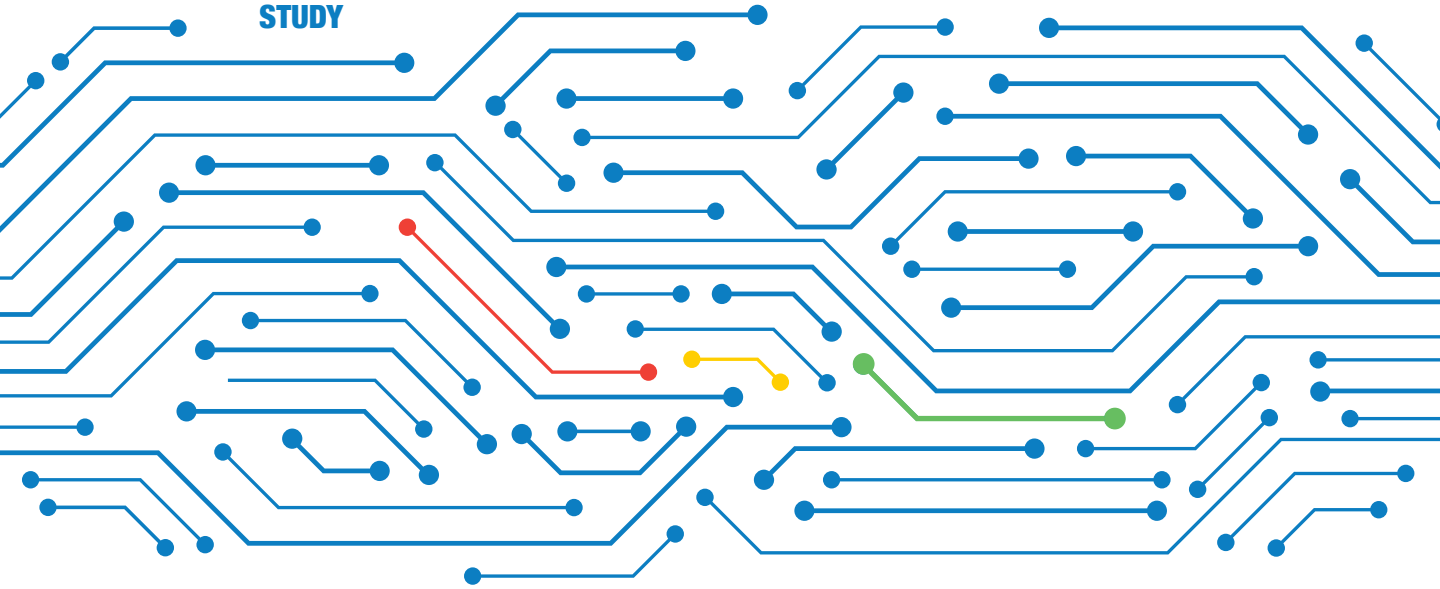
MARCH 2021 | Vol. 44, No. 03

# ENERGYLINES

POWER REQUIREMENTS STUDY



## DATA-DRIVEN FORECASTING

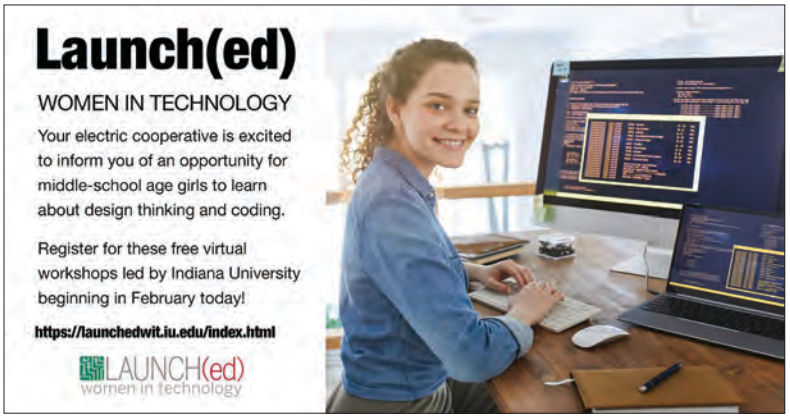
Power Requirements Study helps co-ops structure business goals **PAGE 5**

## All-electric lawn care pilot

Program aims to change consumer mindset toward electric equipment **PAGE 8**

## SITE ANALYSIS TARGETS CO-OP INDUSTRIAL GROWTH **PAGE 9**

COMMITMENT TO COMMUNITY




## Sponsorship part of community outreach

Hoosier Energy sponsored the fourth annual Launch(ed) Women in Technology Conference. With a mission to inspire middle school-age girls to pursue their interest in STEM, the free, two-day virtual conference, hosted by Indiana University, focused on digital skills.

Hoosier Energy provided member cooperatives a social media post, as well as a public service announcement to promote the conference.

INDUSTRY NEWS

## Timeline too short for FERC Order 2222

The Federal Energy Regulatory Commission's (FERC) Order 2222 asserts current market rules do not account for distributed energy resources integration, limiting the ability of these resources to participate in wholesale markets, according to Utility Dive.

State regulators, regional transmission organizations, independent system operators and others noted the timeline was too short as wholesale markets face challenges implementing the federal rule, Utility Dive reports.

Small utilities can opt-in to maintain local control over the decision to allow aggregator access to their consumer-members, according to the NRECA. This affects most distribution co-ops. NRECA continues to defend the opt-in feature at FERC alongside the American Public Power Association.

FEDERAL OVERSIGHT

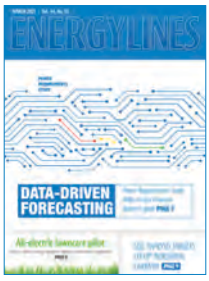
## System operators to be investigated for violations

The Federal Energy Regulatory Commission recently announced it will review if natural gas or electricity market violations have occurred stemming from recent winter weather.

The investigation will include independent system operators: Electric Reliability Council of Texas, Southwest Power Pool and the Midcontinent Independent System Operator.

### ON THE COVER

How the PRS helps co-ops structure business goals.




### ELECTRIC VEHICLE ADOPTION

Greg Field, Managing Director at eTransEnergy providing electric vehicle services said, "We understand the unique needs of fleet operators and our goal is to simplify the complex process of scaled electric fleet adoption."

# Duke Energy expands with EV fleet subsidiary

With electric consumers in six states, Duke Energy will expand its operations through a new electric vehicle fleet subsidiary. The goal is to work with cities and corporations to aid in electric vehicle growth, reports Axios.

The new eTransEnergy unit will provide services including financing, deployment and infrastructure. Duke Energy's approach to EVs shows they are moving quickly to open up new markets for electricity sales and EV charging services, according to Axios.

"We understand the unique needs of fleet operators and our goal is to simplify the complex process of scaled electric fleet adoption," said Greg Field, Managing Director at eTransEnergy.

The subsidiary will work with commercial electric original equipment manufacturers to provide customers with access to the vehicle that best meets their needs.

Duke Energy is moving forward with its own electrified fleet program. The investor-owned utility has pledged to convert 100 percent of its light-duty vehicles to electric and 50 percent of its medium and heavy-duty vehicles to EVs or plug-in hybrids by 2030.

EL

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Strategic Priorities

## 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

# Stepping up to help when power goes out

## Lineworkers volunteer to help weather-ravaged co-ops during February ice storms

When out-of-state electric cooperatives experienced outages caused by downed lines and broken poles from a February ice storm, Hoosier Energy member cooperatives eagerly answered the call to action.

Twenty lineworkers from seven member cooperatives spent almost two weeks trudging along hills and hollers in Kentucky and Virginia to help set poles and hang wire after thousands ended up without power.

Southside Electric Cooperative in Crewe, Virginia, had 48,000 member-consumers without electricity and nearly 800 broken poles at one point during a historic ice storm. Clark County REMC, Harrison REMC, Henry County REMC, JCREMC, Utilities District of Western Indiana REMC, and Whitewater Valley REMC all sent crews to the area.

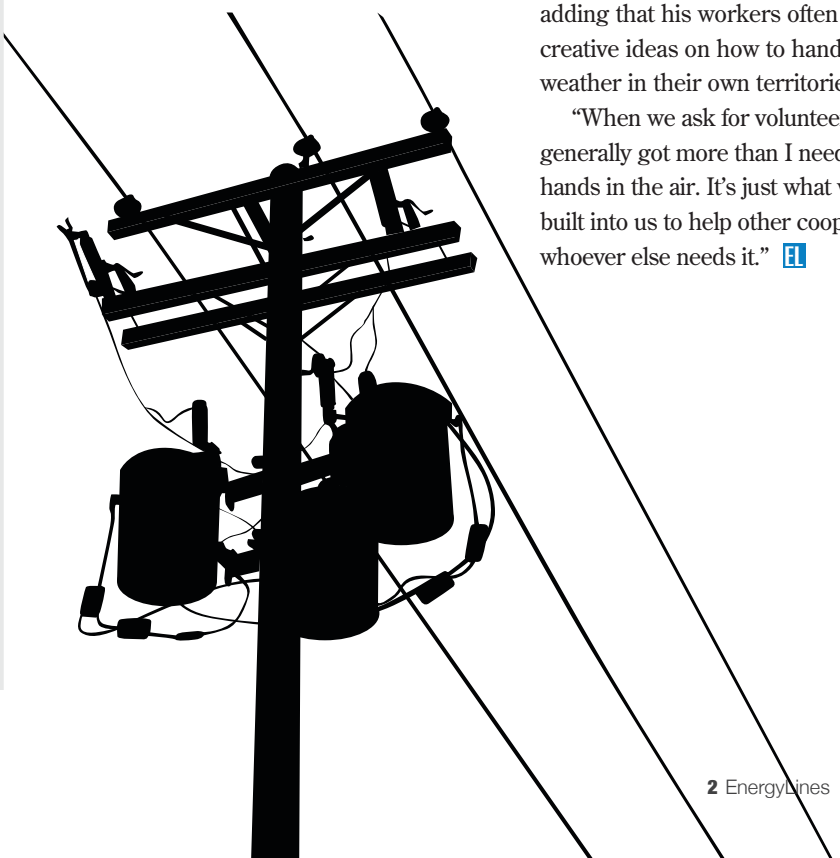
Another hard-hit territory was that of Licking Valley RECC in Magoffin County, Kentucky, which had more than 8,000 members without power and 80 broken poles.

South Central Indiana REMC not only sent five lineworkers to help the Kentucky co-op, but also two small bucket trucks, a digger and a small utility pickup. Operations Manager Rob Pryor says the crew helped repair between 50 and 60 poles and a lot of line down due to ice.

"We're normally the ones that get hit with weather disasters," Pryor said. "It's not very often we're able to send out assistance to other co-ops, so when we get the opportunity, we're glad to help out any way we can. I sure do appreciate the help that's sent here in storms."

JCREMC Director of Operations Tim Hogue echoed Pryor's commitment to sending mutual aid to fellow cooperatives. "We're always glad to help. Even though we're real busy, we're never too busy to lend a hand," he said, adding that his workers often bring back creative ideas on how to handle severe weather in their own territories.

"When we ask for volunteers, I've generally got more than I need with hands in the air. It's just what we do – it's built into us to help other cooperatives, or whoever else needs it." EL



# Catalog details member-focused services available

## Information is grouped into seven categories for easy access to data

Hoosier Energy has developed a 28-page Member Service Catalog detailing 84 services for member cooperatives.

A cross-functional team worked to clarify these services and create a document that members can use to quickly find services available to them. Through concise descriptions, co-ops also can find who works on what service, along with appropriate contact information.

All services are grouped into one of seven categories, so a member looking for such items as training or program enrichment could browse all opportunities within one section. Other categories include communications, analytics and reports, power delivery, technology and the fee-for-service directory, which includes the fees for those services. All services, by title, are listed in a comprehensive index in the back of the catalog.

Work began on the catalog in February 2019 after strategic priorities identified the member-focused goal to define, catalogue and identify member services. Hoosier Energy worked closely with the Member Services Standing Committee to evaluate and assess what services Hoosier Energy would continue to provide. The Managers' Association was instrumental in editing the compiled list and reducing overlap of services.

"This catalog will help inform our members about the programs and services Hoosier Energy provides on behalf of the member systems," said Tom Van Paris, Executive Vice President.

The 2021 Member Service Catalog will be distributed to members by early spring. An updated version will be released each year. EL

MEMBER FOCUS

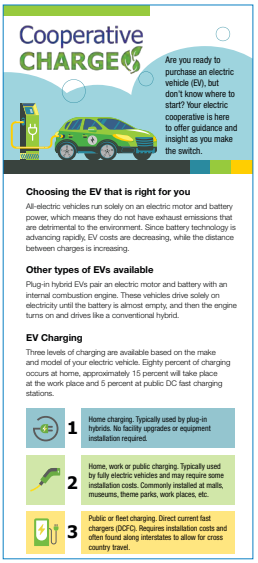
# The creative connection for co-op success

**"I love being able to transform something to make it different or to make it new."**

**TRINA PARDUE,** Communications Coordinator - Events and Graphic Design

## Member value, consumer engagement

Pardue creates a range of design work from bill stuffers to social media posts. These resources help engage consumers with programs on print and digital platforms.






## Developing design projects that attract the eye and engage the brain drives projects developed by Hoosier Energy's Pardue

When Trina Pardue joined Hoosier Energy 28 years ago, she couldn't foresee how drastically her job would change. Starting as a division secretary and transitioning to an associate in Financial and Corporate services, Pardue had become the go-to person for designing presentation materials.

"I was always asked to make things look pretty," she said, explaining that her accounting degree was beneficial during the early years at Hoosier Energy, but she had to teach herself complex software when given the opportunity to design materials for a marketing campaign. "That was a crash course in Adobe software, but I love designing and I love what I do."

After her first successful marketing project, Pardue transitioned into a position as communications coordinator for events and graphic design, through which she regularly creates expansive marketing campaigns that include website banners, social media graphics, bill stuffers, three-fold brochures, rack cards, newsletter advertisements, and much more – essentially, anything needed to brand and market a program.

Pardue starts each project by meeting with members or managers to gain full understanding of their vision and expectations, and then she begins researching the topic to learn as much as she can. Once she understands the program and concept, she's able to navigate the project in the right direction and design all the necessary elements.

In recent months, Pardue has been working on three simultaneous, all-inclusive marketing projects with other departments – Emerging Energy Resource's electric vehicle program and Energy Management Solution's HVAC Tune Up Pilot and the Electric Lawn Equipment Pilot Project, all of which were being rolled out to members in February.

"We are all working together toward the common goal to serve our members," Pardue said. "We not only represent Hoosier Energy and its departments, but also the members, as print pieces and social media posts get passed on to the member-consumer. It's just the cooperative vision."

Energy Management Solution Manager Blake Kleaving said if members are interested in launching new marketing campaigns with professional-grade results, they should reach out to Hoosier Energy's communications team.

"Our marketing department has been overly impressed with the efficiency and brand consistency of transitioning from outside consultants to now utilizing our internal communication design and writing team," he added.

Having worked in so many different capacities throughout the past three decades, Pardue found her creative calling in Communications.

"I love being able to transform something to make it different or to make it new," she said. "To be able to get people's attention, to be creative and colorful, to not just use words, but send a message. I want to be able to tell a story." EL

**Future system planning**

Provides a 20-year forecast for consumer growth, energy and demand.

**Regulations**

This report is a Rural Utilities Service borrower's requirement.

**Provides lasting value**

This report supports future system planning, facility development, RUS loan applications and financial planning.

# MODELING THE FUTURE

## HOW THE POWER REQUIREMENTS STUDY HELPS STRUCTURE BUSINESS GOALS

Every two years Hoosier Energy's forecasting group takes a snapshot of energy trends to develop 20-year load forecasts across the power network. This business analysis is compiled into the Power Requirements Study (PRS) and it tackles three main business functions – system planning, budgeting and financial requirements. Tina Elliott and Justin Rice lead the forecasting work at Hoosier Energy and their process is research-focused and driven by data.

Information gathered provides residential, commercial and industrial trends for each member. Co-op leadership receive a preliminary forecast and the data is very specific and actionable. The PRS includes historical data, projected number of member-consumers, energy needs, growth rates and system demand.

With this data, the forecasting group creates an executive summary for each cooperative and their board of directors. The full report is also available, and this is where specific and extensive details lie. This document helps with business needs, such as documentation required for RUS loan applications.

"We take a look at data historically and across a variety of data sets, allowing us to present multiple forecast scenarios. This allows flexibility in dynamic conditions to help Hoosier Energy and members with a wide-range of planning," said Elliott.

**"We take a look at data historically and across a variety of data sets, allowing us to present multiple forecast scenarios. This allows flexibility in dynamic conditions to help Hoosier Energy and members with a wide-range of planning."**

**TINA ELLIOTT,** Forecasting analyst

Hoosier Energy also develops a system-wide study for its own planning purposes. This information is an aggregation of all member cooperatives' forecasted results. The latest PRS shows that load requirements are forecasted to grow modestly through 2038 – mainly led through residential and commercial sectors. Industrial growth is expected to reach its peak in 2025 and decrease nearly 250 gigawatt-hours during the following 13 years. Driving this reduction is the expected loss of mining load located in member territory.

**STUDY,** continues on Page 7

POWER REQUIREMENT STUDY

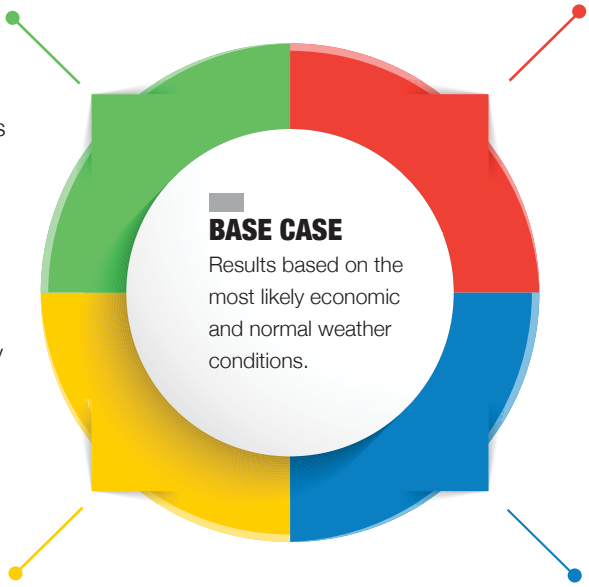
## FIVE ENERGY FORECAST SCENARIOS

Five scenarios concerning the energy forecast were developed to create a range of member system energy requirements. The scenarios reflect sensitivities to changes in annual weather variances, as well as varying economic conditions.

### HIGH
Results based on strong economic and normal weather conditions.

### BASE SEVERE
Results based on the most likely economic and severe annual weather conditions.

Economic conditions are adjusted in the models using variables such as Consumer Price Index, demographic data and commodity pricing.




Weather conditions are adjusted in the models using Heating and Cooling Degree Days (HDD & CDD) with normal, mild and severe weather based on historical data in each member's territory.

### LOW
Results based on poor economic and normal weather conditions.

The most likely economic conditions were determined by researching leading experts' outlook in economics. These experts include Woods & Poole Economics, Moody's Analytics, Indiana University's Center for Econometric Modeling and U.S. Energy Information Administration. Normal weather conditions are defined by the National Oceanic and Atmospheric Administration (NOAA) for the local weather stations.

### BASE MILD
Results based on the most likely economic and mild annual weather conditions.


**STUDY,**
Continued from page 5

The forecasts are compared with data from other electric utilities and the State Utility Forecasting Group. Data shows the Hoosier Energy average annual growth rate for the 20-year forecasting period is 0.6 percent for energy and 0.7 percent for demand. This is comparable with these groups' projections. These growth rates are based upon expected economic and normal weather conditions.

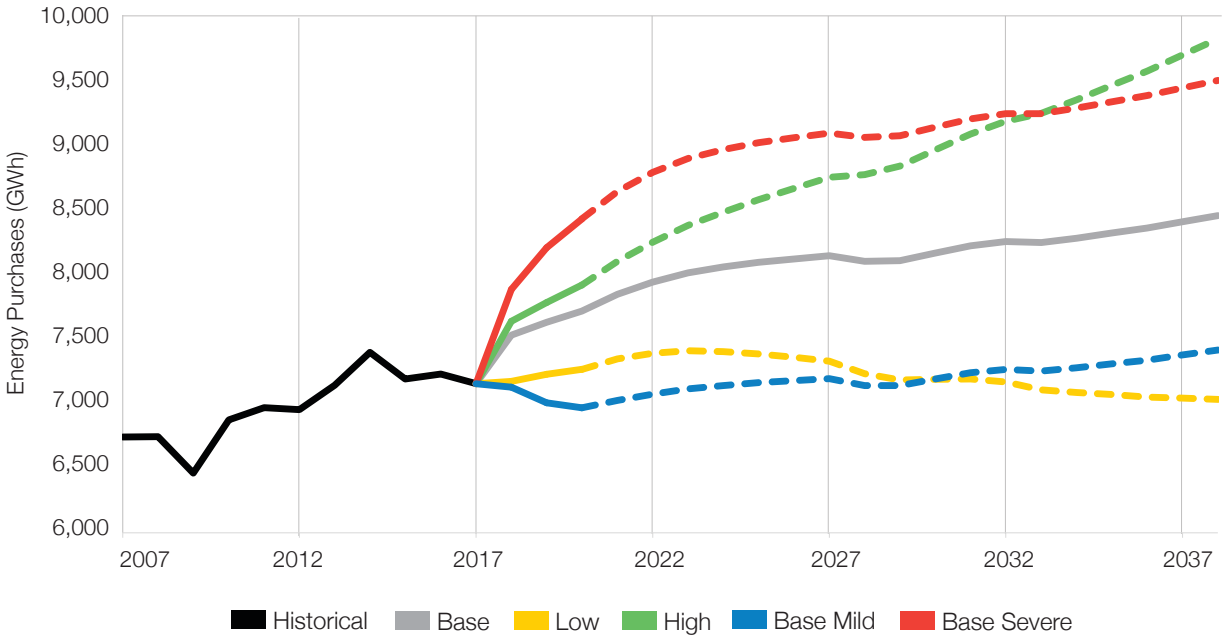
Alternate scenarios are developed for variations of these conditions. The expected and alternate economic variables include the Consumer Price Index, demographic data and commodity pricing. Data is sourced from Moody's, Woods & Poole and the Energy Information Administration. Weather conditions are adjusted in the models using heating and cooling degree days with normal, mild and severe weather based on historical data for each member's territory.

"Detailing member growth is an essential metric for measuring the health and providing direction for member cooperatives," said Rice.

The depth of the forecasting group's analysis use diverse variables and modeling tools to provide a strong basis for member co-op and Hoosier Energy planning. The forecasts developed give reliable information about the power network and its growth to support sound business decisions. EL

## Member total energy requirements

The base-severe and base-mild cases show energy weather sensitivity, while the high and low cases represent varying economic conditions. In addition, variation occurred to the input growth rates in the Commercial/Industrial/Other sector models. All cases are presented with Demand Side Management impacts included.



# All-electric lawn care

## Hoosier Energy launches a pilot program incentivizing member-consumers to purchase electric lawn equipment

Member co-ops are working to electrify Indiana, but some consumers are hesitant to go all-in with electric cars and other big-ticket purchases.

But an electric lawnmower, leaf blower or string trimmer?

With a little nudge, co-ops think the average consumer is willing to try these lower-commitment products. So Hoosier Energy came up with that nudge — the Electric Lawn Equipment Pilot Rebate Program, which rolls out this month.

"We're working toward behavior change so consumers view electric products favorably," said Blake Kleaving, Manager of Energy Management Solutions. "The goal is to help member-consumers adopt additional electric products in their home."

The program works like this: Each co-op will be allotted $5,000. Member-consumers who purchase an electric push lawnmower, string trimmer or leaf blower can complete an application (with paid invoice, receipt or proof of purchase) to submit to their co-op. They will receive a rebate of 50 percent of the purchase price with a maximum rebate of $50. The rebates will be issued on a first-come, first-served basis until funds are exhausted for each co-op.

**"The goal is to help member-consumers adopt additional electric products in their home."**

**BLAKE KLEAVING,** Manager of Energy Management Solutions

To help get the word out quickly and easily a multi-pronged marketing program has been created in-house and is available for use, including a flyer, social media posts, web banners, bill stuffers, member co-op details, talking points and the application.

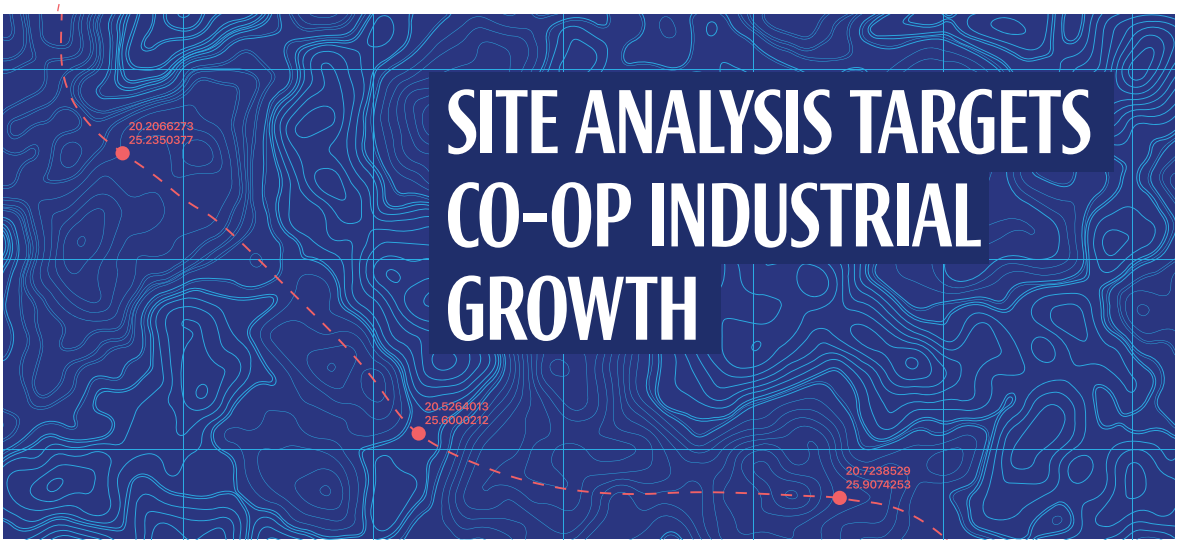
"We're one of maybe 10 or 15 places in the country doing this," Kleaving said. "I'm pretty excited, and I think the members are, too."

The results of the pilot program will be assessed in the fall and sent to the Managers' Association, which will then vote on whether to expand the program or to discontinue it.

The benefits of electric lawn equipment are many. You don't have to have gas on hand and there's no oil to change. They're easy to get started, run quietly and are odor-free. Not to mention they're better for the environment.

This pilot program gives member-consumers a chance to see the advantages for themselves, perhaps inspiring them to imagine a future without gasoline.

"It might be a string trimmer today, but tomorrow it may be an electric heat pump and, later, an electric vehicle," said Kleaving. "More and more the membership will see that the technology coming up is electric-centered. This pilot program helps us get our foot in the door." EL




# SITE ANALYSIS TARGETS CO-OP INDUSTRIAL GROWTH

**At Hoosier Energy, Jeff Pipkin is tasked with determining what is needed for successful site development in co-op communities, and there are a lot of important pieces.**

From identifying infrastructure including water, sewer, power and internet access to workforce demographics, having this information ready on a moment's notice is the foundation of successful economic development.

That is why Pipkin and the economic development team at Hoosier Energy work to compile dense data sets for use by local economic development organizations. Their goal is simple, they want to attract industry to co-op served communities. This need was the driving force for an analysis conducted in Jackson County REMC's service territory.

To identify sites suited for industrial expansion Hoosier Energy partnered with Verisite, a Ginovus, Plaka + Associates and Veridus Group partnership, to conduct an in-depth site readiness analysis of 10 greenfield sites within the co-op's territory. Evaluation criteria center on community readiness as well as prerequisites, such as minimum acreage, zoning status, availability, land cost, proximity to transportation and available utility infrastructure.

With this data, Pipkin can provide communities actionable data to assist them as they budget for utility expansion near greenfield sites.

"Through projects like this, we are able to show communities the value of making the investment where industrial growth is most likely to occur," said Pipkin.

The data is also helping co-ops. Jackson County REMC can use this information and connect it to their electrical and fiber internet infrastructure plans.

"What makes us unique is that we have a robust fiber optic network within our electric service territory. We can easily accommodate a fiber optic broadband or leased fiber-optic connection. A high-tech industry will not have to worry about access to the internet, the speeds or redundancy," said Mark McKinney, CEO of Jackson County REMC.

Cooperatives are committed to attracting businesses to the state, and the economic development rider (EDR) is an incentive tool created to help fulfill that commitment. The EDR offers significant discounts on an industrial consumer's electric bill for the first six years of a project. Additionally, Hoosier Energy offers a market-based rate for large projects of 20 megawatts or more. Also available are renewable energy options to help companies meet renewable energy and carbon reduction goals through renewable energy credits.

This approach is leading to results as the market-driven strategy has resulted in more than $8.25 billion in new investments during the last two decades and 34,000 new jobs since 2000. EL

ENERGYLINES

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Q&A

# **Pam Raisor,** Senior Billing/Data Analyst

In 2005 Pam Raisor moved from Indianapolis to her home outside of Nashville, Ind. She wanted to find a job closer to her new home. When a records management job opened up at Hoosier Energy she looked into the cooperative, liked what she saw, and applied. EnergyLines sat down with her to discuss what working here has meant to her and how she has become an expert Lego builder.

**What is your best habit?**
I connect with people really well. I take the time to remember things like birthdays – I'm good like that!

**What is a business buzzword you don't ever want to hear again?**
New normal.

**So, how do you unplug?**
I enjoy spending time with my grandchildren when I can. Yeah, I'm a Lego builder! (laughs)

**What advice would you your give your younger self?**
I'd tell myself not to worry about stuff like I used to. I used to have to have everything in order and in its place at my house. Nobody cares about that but me. A better use of time is to make memories. Time is so short. If something crosses your mind about what you might like to do or someone you want to see… if it crosses your mind, you should do it!

**You live outside of Nashville, Ind. What do you enjoy most about it?**
I like seeing the stars. You don't get that in city life. (laughs) If I didn't live here I would miss the night sky. It's unbelievable! Also, while I don't know everybody, you get to know the person that works at CVS or at the grocery store because you see the same people more often. I like that.

**What has working at Hoosier Energy meant to you?**
When I joined the company, I knew nothing about the electric business. At that time, all I knew was that you turn the switch and magic happens! Learning the business and our members has been a great experience for me.

**What would be something most don't know about you?**
I like old black and white films. The Criterion films are great. I love that they are preserving film history. EL

ENERGYLINES
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# Rural winter wonderland under blue skies

Hoosier Energy transmission lines near the Monroe and Lawrence County line stand tall as snow blankets the rolling hills. Weather in February brought frigid temperatures with an accumulation of snow to the region. Hoosier Energy crews worked to maintain reliability of the grid.

**INSIDE**EXTRA

Learn where member cooperatives sent line crews to help restore power in other states impacted by winter storms. **Page 2**