



VOLUME 30 | ISSUE #3
MARCH 2020

CUSTOMER UPDATE



Introducing SMMPA 2.0

FEATURING: SMMPA 2.0

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OPU MEMO



Roger Warehime,
General Manager

OPU Commission

Mr. Dale E. Simon
Mr. Matt Kottke
Mr. Kent Rossi
Mr. Randy Doyal
Ms. Dena Keilman

This month's featured article is about SMMPA's recently announced strategic initiative coined "SMMPA 2.0" which, amongst other things, includes plans to be 80% carbon free in 2030. So, who is SMMPA and why does this matter to OPU customers? SMMPA is the Southern Minnesota Municipal Power Agency and is made up of 18 municipal utilities, of which OPU is one. We are contractually obligated to purchase all of our wholesale electricity from SMMPA until 2050; therefore, SMMPA's energy mix is essentially our energy mix.

OPU has been a part of SMMPA since it was founded in 1977 for the purpose of securing an affordable, long-term energy supply for its members. This goal was accomplished by purchasing a 41% share of the then-newly-constructed 900-megawatt Sherco 3 coal-fired generating plant located in Becker, Minnesota which began commercial operation in 1987. While Sherco 3 has remained our main generating resource since then, SMMPA has adapted and evolved over time, adding transmission and additional generating resources including wind, solar, and natural gas.

The "2.0" vernacular commonly refers to an upgraded version of an original – and that is the case with SMMPA. SMMPA 2.0 creates a strategic direction to make an already successful organization poised for even greater success and service in the future. The convergence of many factors and events make now the right time to undertake this initiative. The decreasing cost-effectiveness of coal fired generation, the improved cost of renewable resources, the increased societal focus on climate change, and the potential of electrical vehicles and other technological changes led us to this initiative. Fortunately, we find ourselves at a unique time when we can find alignment in meeting our economic, reliability, and environmental goals.

A major portion of the plan involves retiring the Sherco 3 coal-fired plant and replacing it primarily with wind and solar generation. SMMPA's analysis indicates that in nearly all future plausible scenarios, retiring Sherco 3 and replacing it primarily with renewable resources is the most cost-effective option. This does not mean that all fossil fuel generation will go away. For example, SMMPA's natural gas fired generation located right here in Owatonna will continue to provide reliability—not only to back up intermittent renewable resources, but also to provide local reliability in case the transmission grid goes down.

A reasonable concern that some might have when they first hear about SMMPA 2.0 is that a plan which is focused so heavily on renewable energy and carbon foot print reduction will have a negative impact on cost and reliability. As a SMMPA Board Member, I can assure you that this will not be the case. SMMPA will continue to keep affordability and reliability front and center in all decisions it makes as it moves forward in this new direction.

CONSERVATION TIP\$

Dark and charred cooktops and pan bottoms reduce heat transfer, taking your food longer to cook. Keeping your glass top stove and pan bottoms clean and shiny reduces the energy it takes to heat up the food you cook which saves you both money and time!



Help Shape Owatonna's Future-Census 2020

What is the Census? As mandated by the U.S. Constitution, the census is a once every-decade count of everyone living in the country. When we know how many people live in your community, organizations, and businesses are better equipped to evaluate the services and programs needed, such as clinics, schools, and roads. It also determines how seats in Congress

are distributed among the 50 states. In March of 2020, the U.S. Census Bureau will send every household an invitation to complete a simple questionnaire about who lives at your address on April 1st. You will have the opportunity to respond online, by phone, or by mail, and federal law keeps those responses safe and secure. For more information go to <https://mn.gov/admin/2020-census/>.



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Feeding the Waterfowl Makes Your Water Foul

Many people enjoy watching and feeding waterfowl in local park areas near the Straight River. While this may be a fun activity, unfortunately it isn't healthy for waterfowl or beneficial to water and recreational quality of our parks.

Wastes from densely concentrated waterfowl can contain nitrogen, phosphorus, bacteria, and viruses. Currently, segments of the Straight River and Maple Creek are listed as impaired for fecal coliform.

The Minnesota Pollution Control Agency (MPCA) plans to address potential sources of bacteria (fecal coliform) in upcoming regulation changes and reissuance of the City's Municipal Separate Storm Sewer (MS4) Permit during the next cycle. Specifically dog parks, pet wastes, and areas of densely populated waterfowl.

Please consider the recreational value of your water resources and parks before feeding waterfowl.

Regularly feeding waterfowl can cause:

- Water quality degradation
- Shoreline erosion
- Poor nutrition and overcrowding of birds and other wildlife
- Spread of disease and bacteria in migratory birds
- Migration and reproductive issues
- Vegetation destruction

For the benefit of people, waterfowl, and the environment, avoid feeding the ducks and geese that congregate in parks along the river and near other local waterbodies.

Learn more about our Stormwater Program at ci.owatonna.mn.us/stormwater or contact Brad Rademacher, Stormwater/Water Quality Specialist at 507-774-7300 or stormwater@ci.owatonna.mn.us.



Introducing SMMPA 2.0

SMMPA plans to be 80% carbon-free in 2030 Agency will reduce CO2 emissions by 90% over 2005 levels

On February 5, Southern Minnesota Municipal Power Agency (SMMPA) announced its plan to reshape its generation portfolio through the retirement of the Sherco 3 coal-fired power plant and replace it primarily with wind and solar generation. The plan would result in a 90% reduction in CO2 emissions from 2005 levels and become 80% carbon-free energy on an annual basis in 2030. SMMPA's Executive Director and CEO Dave Geschwind said this was a unique opportunity to reimagine SMMPA and take the Agency in a direction with an increased commitment to sustainability while maintaining reliability and affordability.

SMMPA currently owns 41% of the 900-megawatt Sherco 3 coal-fired generating unit located in Becker, Minnesota. Sherco 3's majority owner, Xcel Energy, announced plans in 2019 to retire the plant in 2030. SMMPA expects all its outstanding debt on Sherco 3 will be paid off in 2027.

Natural gas and other non-coal fossil-fueled generation will continue to play an important role in maintaining reliability for SMMPA's members. The Agency expects these facilities to provide a relatively small percentage of its energy needs on an annual basis, but to continue to facilitate the increase in intermittent renewable resources, like wind and solar, while maintaining reliability and affordability.

SMMPA is optimistic that technological breakthroughs are on the horizon but cautions the cost of achieving the last 10-20% reduction in carbon emissions in the power sector is currently projected to be prohibitively high with today's technology.

In outlining its strategic direction, SMMPA also highlighted the potential of beneficial electrification in applications like electric vehicles as well as energy efficiency, both of which will be important elements of meeting societal sustainability goals.

Geschwind says this transformation will be challenging but the Agency will strive to keep its rates competitive and limit

wholesale rate increases to levels at or below the rate of inflation during the transition.

SMMPA labels this strategic initiative as "SMMPA 2.0" and is adopting a new logo and tag line - "Your Partner for a Bright Energy Future." The Agency says this is an exciting turning point that the new logo and tag line capture as it begins this new strategic journey.

To learn more about SMMPA's strategic initiative, please see www.smmpa.com/SMMPA2.0

Key Elements of SMMPA 2.0

Power Supply

- Plan to retire Sherco 3 and cease owning coal generation after 2030
- Will add significant levels of wind and solar
- Plan to be at least 80% carbon-free in 2030
- Will have reduced carbon emissions in 2030 by nearly 90% compared to 2005 levels
- SMMPA and member utility natural gas & diesel units will continue to play an important role for reliability
- Society will need new technology to go beyond 80% carbon-free and should evaluate cost-effectiveness
- SMMPA will evaluate storage and deploy when cost-effective
- There will be a continued need for transmission investment
- Plan to meet at least one percent of renewable resources with local member projects located in their communities

Customer programs

- Build on successful energy efficiency programs
- Develop beneficial electrification programs including SMMPA's electric vehicle charging network
- Continue providing economic development credits to members
- Committed to maintaining competitive rates and will strive to hold increases to at or below CPI
- Urge policy makers to resist one-size-fits-all mandates



Be a
Leak Detective

MARCH 16 - 22, 2020

for
Fix a Leak Week



Leaks Can Run, but They Can't Hide!

Are you ready to chase down leaks? Household leaks can waste nearly 1 trillion gallons of water annually, nationwide, so each year we hunt down the drips during Fix a Leak Week. The EPA's Fix a Leak Week is March 16 through 22, 2020, but remember, you can find and fix leaks inside and outside your home to save valuable water and money all year long.

The average household's leaks can account for nearly 10,000 gallons of water wasted every year and ten percent of homes have leaks that waste 90 gallons or more per day. Common types of leaks found in the home are worn toilet flappers, dripping faucets and other leaking valves.

Below are some easy tips for finding leaks in your home:

- Take a look at your water usage during a colder month, such as January or February. If a family of four exceeds 12,000 gallons per month, there are serious leaks. (748 gallons of water = 1 CCF (100 cubic feet))
- Check your water meter before and after a two-hour period when no water is being used. If the meter changes at all, you probably have a leak.
- Identify toilet leaks by placing a drop of food coloring in the toilet tank. If any color shows up in the bowl after 10 minutes, you have a leak. (Be sure to flush immediately after the experiment to avoid staining the tank.)
- Examine faucet gaskets and pipe fittings for any water on the outside of the pipe to check for surface leaks.

Join countless other Americans from coast to coast in finding and fixing water leaks during Fix a Leak Week.



Minnesota Municipal Utilities Association

Tom Bovitz Memorial Scholarship Program

OPU is accepting scholarship essays and applications for the MMUA Tom Bovitz Memorial Scholarship. The essay deemed to best address the subject of "Municipal Utilities: Good for All of Us" will receive a \$500 scholarship from OPU and will be forwarded on to the Minnesota Municipal Utilities Association for entry in the Tom Bovitz Memorial Scholarship state-wide contest. MMUA splits their scholarship fund into \$2,000, \$1,500, \$1,000 and \$500 scholarships.

For more information visit our website at <http://www.owatonnautilities.com/residential-customers/energy-education/>

Applications are due in our office by March 27, 2020.

ICE ON METERS

When your gas meter is covered with ice and snow, it can cause a potentially dangerous situation. If there is snow on your meter, brush it off. **If it's covered with ice, give us a call at 451-1616 and we'll take care of it for you.**

In addition, snow and ice should be cleared from exhaust and combustion air vents for gas appliances to prevent the accumulation of carbon monoxide in buildings and to prevent operational problems for the combustion equipment. Monitor the accumulation of snow or ice blocking regulator or relief valve vents which could prevent regulators and relief valves from functioning properly. Use caution in cleaning snow from around the piping on service regulator set as it is susceptible to damage that could result in failure of the equipment. Where possible, use a broom instead of a shovel to clear snow off regulators, meters, and associated piping.

As always, if you smell gas and can't find the source immediately, go to a neighbor's house and call OPU at 451-1616. Don't turn electrical switches on or off or use a flashlight or telephone in the home, because a spark could ignite the gas and cause an explosion.



How can we contact you?

From time to time it is necessary to contact you for such things as meter exchanges, meter access, leak notification, high consumption, planned outages, and/or emergencies, to name a few. It is very important we have the correct contact information so we are able to contact you in a timely manner.

Please help us ensure we have your correct contact information by calling customer service at 507-451-2480 or logging into your SmartHub account. If you prefer, simply fill out the form below and mail or drop it off in the office. Thank you, in advance, for helping us provide you with the best service possible.

Name: _____

Service Address: _____

Phone Number:
(Best to Reach You) _____

Email Address: _____

Emergency Contact & Phone Number
(in case we can't reach you) _____

Preferred Method of Contact

Phone

Email

Cell

Home

Work

REBATES

Be Ready For Snowmelt With \$10 Rebates on Rain Barrels!

It's not too early to think spring!

Rain barrels can be placed under a roof downspout to collect melting snow for your spring lawn and gardens. Using a rain barrel reduces stormwater runoff that carries pollutants into streams and rivers. Rain barrels:

- Conserve water in the summer months
- Help lower water bills
- Reduce water pollution
- Help keep excess water out of the sewer system
- Are easy to install

Visit www.owatonnautilities.com to learn more and download rebate applications with complete terms and conditions.

CONSERVE & \$AVE[®]

P.O. Box 800 208 S. Walnut Ave.
Owatonna, MN 55060

Office: 451-2480 Service: 451-1616

OFFICE HOURS:

Monday-Wednesday:
8:00 a.m. - 5:00 p.m.

Thursday:
8:00 a.m. - 6:00 p.m.

Friday:
8:00 a.m. - 4:00 p.m.

Saturday & Sunday:
Closed

Payment Options

- Online at www.owatonnautilities.com
- Automatic Withdrawal; bank account or credit card
- Drive-up drop box located in the parking lot south of building
- Drop box locations at Cash Wise Grocery Store and HyVee Food Store
- Mail
- At Owatonna Public Utilities; cash, credit card, check or money order

Moving?

Remember to contact the Customer Service Department **ONE WEEK** prior to moving, 451-2480.

**March 18th is National
Natural Gas
Utility Worker's Day**



Thank you Jeff, Dave, Byron, Joe, Brent and Dan for all you do!

Gas Leak?

If you smell gas and can't find the source immediately, go to a neighbor's house and call OPU at 451-1616.



Don't turn electrical switches on or off or use a flashlight or telephone in the home, because an electrical spark could ignite the gas and cause an explosion.

**Remember
to turn your
clocks ahead
one hour on
March 8th.**

