



DAIRYLAND PRIORITIES:

Safety, Reliability, and Cost Management

by Dan Korn, Director Representative to the Dairyland Board



With an overarching goal of Sustainability, Dairyland Power Cooperative's leadership team and the Board of Directors are focused on providing safe and reliable electricity for Vernon Electric Co-op and Dairyland's 23 other member cooperatives, while transitioning to a low-carbon future.

Dairyland's Sustainable Generation Plan provides a framework for **Asset Reliability and Energy Diversification**, considering the economic impact on members, technological feasibility, social implications, and environmental responsibility.

On June 1, 2021, Dairyland safely retired the coal-fired Genoa Station #3 (G-3). Decommissioning of the facility is in progress, with a focus on reuse and donations of materials that benefit the community. A study is also underway to find a positive future site plan for both Dairyland and the Genoa community.

Following the closing of G-3, Dairyland's purchase of the RockGen Energy Center, a 503 megawatt (MW) natural gas plant in Cambridge, Wis., was a strategic fit for its power supply portfolio. RockGen supports the growth of wind and solar energy in the region and provides reliable electricity in all weather conditions.

Renewable additions include the Tatanka Ridge Wind Farm (Deuel County, S.D.), which began operation in 2021. Dairyland has a power purchase agreement (PPA) to receive energy from a 52 MW portion of the wind farm. Dairyland also has a PPA with Ranger Solar for the 149 MW Badger State Solar facility (Jefferson, Wis.), which is scheduled to be operational in 2023. Dairyland also supports solar development at its member cooperatives, such as the solar arrays by Vernon Electric's headquarters in Westby (520 KW), by Liberty Pole (1 MW), and south of Hillsboro (1 MW).

The regulatory approval process continues for the Nemadji Trail Energy Center. Basin Electric Power Cooperative has joined Dairyland and Minnesota Power as a project partner for the proposed 525-625 MW natural gas generation facility (Superior, Wis.), which is planned to be operational in 2025.

Dedicated facility maintenance strengthens power plant reliability. In 2021, the John P. Madgett Station and Elk Mound Generation Station both set power production records, reliably serving Dairyland's members during extreme temperatures.

Nothing is sustainable without a culture of **Safety**, which

remains the highest priority at Dairyland. In 2021, Dairyland achieved 245+ days without a lost-time injury as it strives for an operational goal of "zero incidents."

Financial and Competitive Strength are critical to sustainability. Dairyland balances building financial strength with ensuring competitive rates and sound operations.

The board approved a budget supporting Dairyland's strategic business plan. A new wholesale rate design was also implemented in May 2021 to provide additional flexibility for member cooperatives.

Cost management actions and sound 2021 fiscal performance resulted in strong margins. As a result, Dairyland provided \$4 million of rate credits to members in 2021,

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reduced future expenses, and is investing in business development opportunities. In addition, Dairyland maintained its cash retirement of capital credits of 2 percent, resulting in 2021 cash retirements of \$4.7 million, and had four power cost adjustment (PCA) credits totaling \$3.7 million. As part of its new rate design, Dairyland also

instituted the revenue volatility adjustment (RVA). All told, the RVA returned an additional \$9.2 million to the members.

Dairyland has credit ratings of "A3" with a stable outlook from Moody's and "A+" also with a stable outlook from Standard and Poor's.

Dairyland is also investing in regional transmission opportunities. By working with other utilities, regional transmission infrastructure has been strengthened to absorb changing generation sources while maintaining reliability and adding value for members.

Transmission Construction crews work to safely rebuild, construct, and upgrade approximately 50 miles of 69 kV transmission line each year. Each mile takes approximately two weeks to complete with roughly 17 poles per mile.

Growth and Innovation foster sustainable business and long-term competitive rates for members. Dairyland has expanded shared services for members in Information

Continued on page 18



A Unique PLACE TO STAY

By Leah Call

Throughout Wisconsin, farmers and rural residents are finding new ways to make additional revenue off their land and their skills. That innovation, determination, and work ethic are on display throughout the Vernon Electric Cooperative service territory. Mother and son duo Cheryl and Austin Cade are just one example. This pair recently put their heads together to create a

“As long as you have a creative mind, you can turn anything into a reality.”
– Austin Cade

unique money-making venture on their property four miles outside of Westby.

The venture is a two-bedroom vacation rental home situated on a hillside on Cheryl and Mark Cade’s 160-acre farm. But

this is not a typical structure. It’s constructed using three repurposed shipping containers, which Austin—a welder by trade—transformed into a rural getaway available for rent through VRBO and Airbnb.

“The two of us talked about wanting to do something like this,” said Cheryl of the mother-and-son project.

“For me, it was something to do to have some income in retirement and to have a second place where we can have company stay.”

For Austin, it was an investment and a way to use his skills and ingenuity. “As long as you have a creative mind, you can turn anything into a reality,” said Austin. “With my welding background, I thought I would be able to incorporate something unique in this area.”

The project

After drawing up plans, the Cades hired an architect to finalize the design. They then purchased shipping containers from a company in Ohio. When the delivery driver refused to haul the containers up the steep driveway, Austin rented equipment to do it himself. Using a crane, he ultimately positioned the containers atop the prepared foundation on the scenic site overlooking a wooded valley.

“Then they needed to be sealed and supported underneath from the basement,” Austin explained. “I did all the site work; I dug the basement, built the road. My Mom took care of organizing all the contractors.”

As bookings begin with this unique rural rental, mom

and son continue to share responsibilities. Austin handles all the necessary maintenance, yard work, and snow removal. Cheryl takes care of cleaning the unit between rentals.

The home

The bookings rolled in shortly after posting this 800-square-foot shipping container home on the online vacation rental sites. In January the first guest arrived, an outdoorsman looking to scout the nearby trout streams with plans to return in the spring.

The Cades expect many of their renters will be drawn to the area’s many activities, including trout fishing, hunting, hiking, canoeing, and winter recreation. And while the peaceful location is remote, it’s not far from restaurants and shops in Viroqua and Westby.

Both of the bedrooms have a queen bed and sliding doors that lead out to a private deck [to be added this summer]. Amenities inside the unit include a full kitchen, full bathroom, heat and air conditioning. Outside is a third deck and grill along with a yard and fire pit. “We also allow renters to hike, snowshoe and cross-country ski on our land,” notes Cheryl.

With the first rental home build under their belt, the Cades hope to create other rental opportunities together.

“This has been a big learning experience for me. I’ve only done healthcare my whole life,” said Cheryl. “It has been fun learning and doing something different.”

Top right: Austin and his mother, Cheryl, teamed up to make this interesting guest house a reality.

Right: The Cades’ container house sits on a scenic hillside between Viroqua and Westby.

Below, left and right: The first of the three shipping containers being hauled up the hill. Once up the hill the containers were placed on the foundation.



Technology, Human Resources, and Publication Services, and established a Business Development Fund to seek new revenue opportunities.

Vernon Electric and Dairyland were among 31 cooperatives to create CHARGE EV, LLC, in 2020, to build interest in the growth of electric vehicles (EV). The CHARGE™ network of cooperative-powered EV chargers is growing in rural areas. We already have EV chargers in Westby (Vernon Electric headquarters), Viroqua (new Sleepy Hollow Ford), and Readstown (Kickapoo Creekside restaurant). Additionally, Dairyland is working with local businesses to help them learn more about adding EVs to their fleets.

While Dairyland evolves, our Cooperative Principles and member satisfaction remain at the forefront. Dairyland is committed to transparent governance and strong relationships with members. As a Touchstone Energy® cooperative, Dairyland makes positive impacts in its local communities and improves the quality of life for cooperative members.

As your representative on the Dairyland Board of Directors, I am confident that Dairyland will continue to provide our cooperative with safe, reliable, affordable, and sustainable power today and for future generations.

Energy Efficiency Tip of the Month



When streaming content, use the smallest device that makes sense for the number of people watching. Avoid streaming on game consoles, which use 10 times more power than streaming through a tablet or laptop.

Streaming content with electronic equipment that has earned the ENERGY STAR® rating will use 25% to 30% less energy than standard equipment.

Source: Dept. of Energy



CALL BEFORE YOU DIG

It's Easy! It's Free!

Planning a digging project in your yard or on your property? If you dig without knowing what is located below, you could damage an underground line.

Not only could you become seriously injured, but you will be responsible for the cost of repairs. To avoid hassles and fines, call 811, the Call Before You Dig number, at least three

business days prior to breaking ground. (811 locators do not mark privately owned underground lines or pipes, such as service to outbuildings, sprinkler systems or invisible fences.)

An uneventful digging project is the best kind to have.



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