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March 2026 **NEWS**

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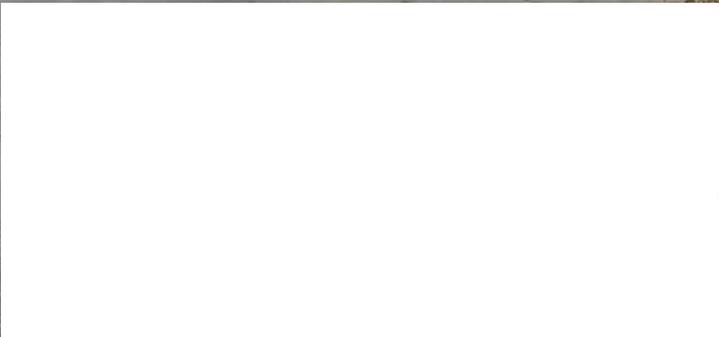
**FROM POWER LINES
TO FIREWALLS:**

**THE RURAL
REALITY OF
CYBER THREATS**

**HOW ENERGY EFFICIENCY
REBATES AND INCENTIVES WORK**

AFFORDABILITY AND ACCOUNTABILITY

PEANUT BUTTER RECIPES





MISO ISSUES MAX GENERATION EVENT AMID WIDESPREAD WINTER STORM

by Craig Buross, CEO & General Manager

While the morning of Saturday, January 24, seemed like a normal cold January in the Coulee Region, electric grid operators were working diligently behind the scenes, to keep power flowing across our area. Power which was needed to run businesses, heat homes and protect life and infrastructure from the extreme cold. Our region narrowly avoided widespread rolling blackouts during this extreme cold event. The Midwest Independent System Operator (MISO) declared an Emergency Alert 2 (EEA2) due to high demand, baseload power plant outages, plummeting wind generation, no solar generation output, and tight natural gas supplies. The next stage of alert, (EEA3) is when firm load shedding is implemented to prevent the grid from collapsing.

prices are favorable, the PCA can help reduce overall bills. When prices spike due to extreme conditions, the PCA reflects those increased costs.

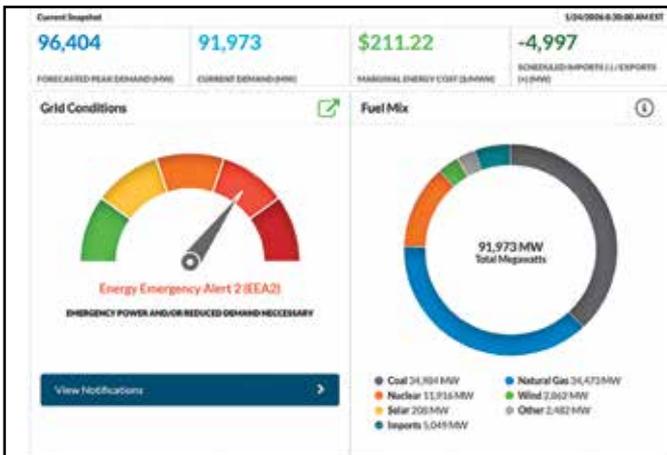
At the time of writing this, MISO power cost settlements are still taking place, and the exact cost is not known; however, initial projections show that the January power cost adjustment for Vernon Electric could exceed \$700,000. We are working with our wholesale power supplier, Dairyland Power Cooperative, to soften the impact to our members as much as possible, and we plan to spread the cost over several months.

During extreme cold, demand often peaks in the early morning and evening hours when heating systems are working hardest. Electric resistance heating, heat pumps operating in auxiliary mode, and other essential equipment can all contribute to rapid increases in load. When these uses overlap across thousands of members, the cumulative effect places tremendous strain on the electric system.

Managing demand during these critical periods is one of the most effective tools for reducing exposure to extreme market prices. Demand response programs, peak alerts, and voluntary load reductions help relieve pressure on the system when it matters most. Even small actions—such as delaying non-essential energy use or adjusting equipment settings—can make a meaningful difference when multiplied across the cooperative membership.

Participating in demand response efforts, and being mindful of energy use during peak conditions, members play an active role in supporting reliability and controlling costs. Together, these actions help reduce risk, strengthen the electric system, and ensure reliable service even during the most challenging winter conditions.

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This snapshot shows MISO issuing an Energy Emergency Alert 2 (EEA2) on January 24 as extreme cold pushed demand near peak levels, requiring emergency power resources and reduced demand.

While grid conditions improved in the following days and rolling blackouts were avoided, energy demand remained extremely high throughout the MISO region as winter storm Fern slowly moved across the United States. Energy prices reached exceptionally high levels for many days as utilities competed for limited supply. These prices are determined by regional market conditions and are not set by the wholesale power suppliers or local electric cooperatives.

As a result, actual wholesale power costs for January are anticipated to be considerably higher than forecasted, triggering a very large power cost adjustment (PCA) charge on upcoming Vernon Electric Cooperative electricity bills. The Power Cost Adjustment exists to transparently pass through the extremely volatile cost of wholesale power. When market



This graphic shows the Energy Emergency Alert levels used by MISO, explaining how grid conditions escalate from normal operations to maximum generation events during periods of extreme demand.



Report from the Board Chair

A Year of Progress and Steady Leadership

By Bernadine Hornby, Board Chair

The year 2025 marked a period of meaningful progress and steady leadership for Vernon Electric Cooperative (VEC), reflecting the strength, resilience, and forward-thinking spirit of the organization. The cooperative's mission—to provide safe, reliable, and affordable electricity was evident in every major initiative and milestone throughout the year. Strategic infrastructure investments, continued emphasis on safety, employee excellence, and community engagement, 2025 reinforced the value of the cooperative model and the dedication of those who make it work every day.

Safety remained a cornerstone of our operations in 2025, and it is an area where the cooperative's commitment truly shines. I am pleased to report that VEC achieved zero lost-time accidents during the year. This accomplishment cannot be overstated. Our employees work in environments that involve significant risk, particularly those in the field who face hazards related to weather, equipment, and traffic on a daily basis. Achieving a year without lost-time accidents is the result of a strong safety culture, consistent training, clear expectations, and a shared understanding that safety is everyone's responsibility. The board commends all employees for their vigilance and professionalism. We remain committed to providing the resources and support necessary to maintain and strengthen this culture moving forward.

The cooperative also experienced notable transitions in 2025 with the retirement of several long-tenured employees whose service left a lasting impact on VEC. I would like to send my sincere congratulations to Dave Maxwell, 34 years, Karla Yanske, 33 years, and Duke Flock, 18 years, on their retirements. These retirements marked the conclusion of remarkable careers. Collectively, these individuals contributed decades of institutional knowledge, leadership, and commitment to our members. Their work helped shape the cooperative into what it is today, and their presence will be deeply missed. At the same time, these retirements highlighted

the importance of thoughtful succession planning and cross-training to ensure continuity of operations. The board extends its sincere gratitude to these retirees and wishes them the very best in the next chapter of their lives.

I'd be remiss if I didn't mention the passing of long-time director David Dregne of Readstown. He served on the VEC board for over 30 years, and his dedication to the cooperative and the village of Readstown is something we should all strive for.

Despite these transitions, VEC continued to demonstrate stability and adaptability. The cooperative's leadership and staff stepped forward to ensure that knowledge was shared, responsibilities were transitioned smoothly, and service to members remained uninterrupted. This ability to manage change while maintaining

high standards of service speaks to the strength of the organization as a whole. It also reflects the cooperative's long-standing commitment to investing in its employees, encouraging professional development, and fostering a team-oriented environment where collaboration and accountability are valued.

One of the most significant accomplishments of the year was the completion of the Greenfield Solar array. The 2.5 megawatt (MW) array, located southeast of La Crosse, represents not only an investment in renewable energy, but also a commitment to long-term sustainability. The array helps diversify our power supply, manage long-term costs, and support cleaner energy generation. The project reflects Vernon Electric Cooperative's recognition that the energy environment continues to evolve, and that our cooperative must remain proactive in planning for the future while continuing to meet today's needs.

Commitment to the community remained at the heart of VEC's efforts throughout 2025. Our organization understands that our role extends beyond providing electricity. We are neighbors, partners, and supporters of the communities we serve. This commitment was evident in our continued involvement in local events, support for community initiatives, and engagement with members across our service territory. Whether through educational outreach, sponsorships, or simply being present and accessible, the cooperative continued to prioritize meaningful



Safety Achievement Award, left to right: Kim Carlson, Mark See, Ken Karwoski



Dave Maxwell



Karla Yanske



Duke Flock



VEC Board of Directors presenting a \$9,000 donation to local food pantries.

connections with our members and communities.

One particularly memorable example of this community focus was the joint Member Appreciation Picnic held at the Readstown Tourist Park in collaboration with Vernoncom. This event served as a celebration of cooperation, partnership, and shared service to the community. Together, we provided an enjoyable and welcoming experience for members, reinforcing the cooperative spirit that defines us. The picnic was well attended and well received, offering an opportunity for members to connect with staff, board members, and one another in a relaxed and family-friendly setting. Events like this remind us that while infrastructure and operations are critical, relationships remain at the core of what we do.

Throughout 2025, the board of directors remained focused on sound governance and responsible oversight. We worked closely with management to ensure decisions were made with the best interests of the membership in mind, balancing short-term needs with long-term sustainability. This included careful consideration of investments, ongoing review of policies, and attention to regulatory and industry developments. The cooperative continues to operate in a complex and changing environment, but our commitment to transparency, accountability, and decision-making remains unwavering.

As Board Chair, I want to express my appreciation to the employees of Vernon Electric Cooperative for their dedication, professionalism, and pride in their work. I also thank my fellow directors for their time, thoughtful deliberation, and commitment to representing the membership. Finally, I extend my sincere gratitude to our members for their trust and engagement. It is because of you that Vernon Electric Cooperative exists, and it is for you that we continue to plan, invest, and innovate.

Looking ahead, the accomplishments of 2025 provide a strong foundation for the future. The progress made in renewable energy, the demonstrated commitment to safety, the respectful honoring of long-serving employees, and the continued focus on community all reflect a cooperative that is both grounded in its values and prepared for what lies ahead. On behalf of the board of directors, I am confident that Vernon Electric Cooperative is well-positioned to continue serving its members with excellence in the years to come.

Congratulations

to each of the following students awarded a \$1,000 scholarship from Vernon Electric's Federated Youth Foundation.



Felicity Mitchell
Aquinas High School



Calista Zimmerman
Brookwood High School



Vivie Dempsey
Cashton High School



Ellia Dale
Central High School



Bryce Schultz
De Soto High School



Emma McGraw
Hillsboro High School



Brogan Cary
Kickapoo High School



Chad Wirts
La Farge High School



Avery Abbott
Sparta High School



Alana Christianson
Viroqua High School



Kristal Levendoski
Westby High School



Gillian Novacheck
Hillsboro High School
Dairyland Scholarship



Matthew Adams
Melrose-Mindoro
At Large



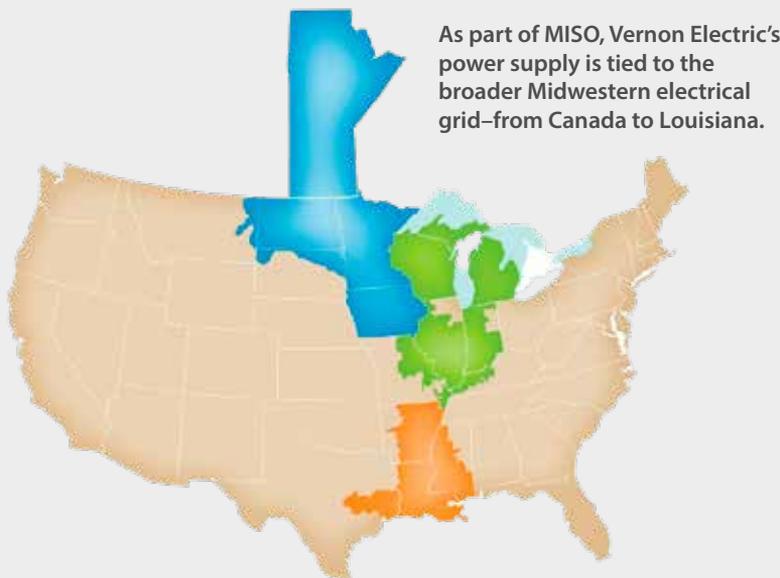
Hannah Christianson
Non-Traditional

In the most extreme and rare circumstances, if available generation and emergency market actions are not sufficient to meet demand, the regional grid operator has the authority to direct utilities to implement controlled, temporary outages—commonly referred to as rolling blackouts. These measures are considered a last resort and are intended to protect the integrity of the overall electric grid and prevent a larger, uncontrolled system failure. While rolling blackouts have not occurred within our region of the MISO market to date, the increased probability underscores the importance of reliable generation, careful grid planning and maintenance, and effective demand management.

What is MISO?

The Midcontinent Independent System Operator, commonly known as MISO, is the regional organization responsible for coordinating the flow of electricity across much of the central United States, including Wisconsin. MISO does not generate or sell electricity. Instead, it manages the high-voltage transmission system and operates the wholesale energy market to ensure power is delivered reliably and at the lowest possible cost.

MISO's primary role is to keep supply and demand in balance across its footprint in real time. Every day, it forecasts electricity needs, schedules power plants to run, and monitors system conditions to maintain reliability. When demand increases—such as during extreme cold or heat—MISO calls on available generation resources and market participants to meet that demand.



What Members Can Do During Peak Events

During periods of extreme weather, electricity demand can rise rapidly across the system. When demand is high and available generation is limited, even small actions by members can make a meaningful difference. The following steps can help reduce strain on the electric grid during peak events:

- **Reduce nonessential electricity use.** Delay activities such as laundry, dishwashing, or other high-energy tasks until off-peak hours when possible.
- **Be mindful of heating settings.** Lowering thermostats by a few degrees, especially during peak morning and evening hours, can significantly reduce demand when multiplied across many members.
- **Respond to peak alerts.** If you receive a peak alert or demand response notification, take action promptly. These alerts are issued during critical periods when the system is under the most strain.
- **Ensure backup generators are ready.** Members with backup generation should routinely test equipment, confirm fuel availability, and verify that automatic transfer switches are functioning properly so generators operate as intended during peak events.
- **Maintain equipment efficiency.** Well-maintained heating systems, ventilation equipment, and electrical infrastructure operate more efficiently and place less strain on the system during high-demand periods.
- **Stay informed.** Understanding how demand impacts power costs and reliability helps members make informed decisions during extreme conditions.

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Trevor Clark, Editor

