

## Wholesale power costs are rising - What it means

**C**orn Belt Power, through its wholesale power provider Basin Electric Power Cooperative, is facing one of the largest power cost increases in recent memory. While these increases are never welcome, they are part of a broader, nationwide shift in how electricity is produced, regulated, and consumed. Many of these forces are beyond the control of local utilities.

### The Impact of Federal Policies

Federal production tax credits have provided significant financial incentives for renewable energy development, particularly wind and solar. While these policies have accelerated the transition toward cleaner energy, they have also had unintended consequences. By lowering the market price of renewable generation, it's made it more difficult for traditional, dispatchable baseload plants — coal, natural gas, and nuclear — to remain financially viable. As a result, many of these plants have been retired years ahead of schedule, removing dependable 24/7 generation from the grid.

### Rising Demand and Reliability Strains

The closure of these plants comes at a time when electricity demand is surging. Economic growth, population increases, and the electrification of transportation, heating, and manufacturing are all placing new demands on the grid. Data centers, electric vehicles, and advanced manufacturing facilities require huge amounts of power. Renewable resources play a vital role, but they depend on weather conditions. Without enough baseload generation to cover periods of low wind or sunlight, the system becomes more vulnerable to shortages during extreme weather or high-demand periods.

### Regulation and Compliance Costs

On top of these supply and demand pressures, government regulations and



### **New generation**

**Above** | To meet projected demand, Basin Electric Power Cooperative—Corn Belt Power's wholesale provider—will begin adding new generation resources. While this new construction is essential to serving future load, it is also one of several factors contributing to rising power production costs.

environmental controls continue to add significant costs. Meeting stricter emissions standards, upgrading equipment to meet environmental guidelines, and complying with new safety requirements can each require investments in the hundreds of millions of dollars. These expenses are built into the cost of producing power and are ultimately reflected in wholesale rates.

### Transmission and Infrastructure Challenges

The existing transmission network was never designed to move large volumes of renewable power from rural generation sites to urban demand centers. Congested transmission lines can force grid operators to rely on more expensive local power. Building new lines to relieve congestion or connect new generation is essential, but it requires significant capital investment — often hundreds of millions of dollars — which becomes part of the cost of service.

### Aging Assets and Maintenance Needs

Many power plants, substations, and transmission structures are decades old. As equipment ages, maintenance costs rise, and replacement or modernization becomes unavoidable. Across the industry, utilities are

now facing these replacement cycles all at once, driving costs higher.

### Labor and Supply Chain Costs

The power industry faces a shortage of skilled labor, driving up wages for lineworkers, plant operators, and engineers. At the same time, global supply chain disruptions have made critical components — such as transformers and circuit breakers — more expensive and harder to obtain.

### The Road Ahead

The reality is that there is no single cause behind this increase — it's the result of a combination of market forces, policy decisions, infrastructure needs and changing patterns of electricity use. While we can't control these external pressures, our co-op will continue working to manage costs, advocate for a balanced energy mix and make strategic investments that protect both reliability and affordability for our members.

Corn Belt Power's mission remains the same as it has always been: to provide safe, reliable, and affordable electricity. While the challenges may be different and greater today than in the past, our commitment to serving rural Iowa is stronger than ever. ■

# FEMA bill inches closer to becoming a law

A key House panel passed a bipartisan bill in September that would streamline the Federal Emergency Management Agency and dramatically speed up delivery of crucial disaster relief funds to electric cooperatives devastated by wildfires, hurricanes, ice storms and other natural disasters.

The House Transportation and Infrastructure Committee voted to advance the Fixing Emergency Management for Americans (FEMA) Act, which would also keep in place FEMA's essential Public Assistance program that provides funding to co-ops to restore power and rebuild their systems after major weather events.

NRECA pushed for an important change that was added to the version of the bill passed Wednesday. This provision would make co-ops eligible to be reimbursed for the interest they must pay on loans to perform emergency work and rebuild their systems while they wait to receive disaster funds from FEMA.

The bill is expected to go before the full House for a vote in the coming weeks. NRECA has been urging Congress to reform and modernize FEMA while keeping the agency intact.

"Electric cooperatives are among the first to respond when disaster strikes and work tirelessly to restore power in some of the hardest-hit and most remote communities," NRECA CEO Jim Matheson said after Wednesday's vote. "FEMA plays a critical role in these efforts."

"This strong bipartisan committee vote is

an important step towards a stronger, more responsive FEMA that helps co-ops rebuild faster and reduces the post-disaster financial burden on rural families and businesses," he said. "The FEMA Act of 2025 is a vital step toward a smarter FEMA—one that protects taxpayer dollars and empowers local communities."

**"This strong bipartisan committee vote is an important step towards a stronger, more responsive FEMA that helps co-ops rebuild faster and reduces the post-disaster financial burden on rural families and businesses."**

*- Jim Matheson, CEO, NRECA*

NRECA provided committee members with real-world examples of the harm done to co-ops that have had little choice but to accumulate huge debts from interest on loans. In most cases, not-for-profit co-ops have been forced to pass those interest costs on to their members, many of whom live in rural areas with high poverty rates.

One such example is Jeff Davis Electric Cooperative in Jennings, Louisiana, which has accrued more than \$15 million in interest from loans it received after Hurricane Laura destroyed its system in 2020, said NRECA Legislative Affairs Director Will Mitchell.

JDEC has to rely on emergency generators to power its system while rebuilding everything from the ground up, Mitchell said. The co-op has been denied interest reimbursement for the costs of operating the generators to provide power to its members.

The FEMA reform bill would also greatly shrink the amount of time it takes for co-ops to receive reimbursements from the agency.

It would direct the FEMA administrator to reimburse a co-op for emergency work no later than 120 days after it submits a request, Mitchell said. The president would first need to determine that at least 90% of estimated costs are eligible for reimbursement.

For longer-term projects to rebuild or replace infrastructure, the bill would require FEMA to review within 90 days a co-op's cost estimate of the work that needs to be done, Mitchell said. After that, the agency would have 30 days to disburse the funds for the project.

"Right now, most co-ops are waiting years for reimbursement," Mitchell said.

Another big improvement, he said, is that co-ops would be allowed to build stronger, more resilient systems in the aftermath of disasters rather than being forced by the agency to build everything back exactly as it was.

If passed by the House, the legislation would still need to be approved by the Senate and signed into law by President Donald Trump. That process could be expedited if the bill is attached to a must-pass government funding bill before the end of the year. ■



**Storm-downed line**

**Above |** Before-and-after photos of Corn Belt Power crews rebuilding storm-downed line.



# Corn Belt Power holds all-employee training day

**T**raining, Information, and Education is one of Corn Belt Power's founding principles—and on September 9, we put that principle into practice with our annual all-employee training day.

The event brought together employees from all four Corn Belt Power locations, providing an opportunity to learn, engage, and connect as one team. Department heads shared key updates from across the cooperative, ensuring every employee had insight into the challenges, successes, and priorities shaping our work. In addition, employees participated in a tabletop crisis exercise designed to strengthen our readiness and teamwork during unexpected situations.

Representatives from NRECA provided valuable information about benefits, while our employee assistance plan provider shared resources to support the well-being of our team. Employees had the chance to network with colleagues they may not interact with day-to-day—putting names to



**General manager address**  
**Above** | Jacob Olberding, executive vice president and general manager, Corn Belt Power Cooperative, shares about G&T accomplishments and opportunities with employees at the all-employee day training in Humboldt Sept. 9.

faces and strengthening relationships across the cooperative.



## Table-top safety drill

**Above** | Neil Smith, operations engineer, left and Rod Stephas, assistant plant manager, discuss safety protocols and next steps during a safety table-top exercise during an all-employee training.

"The All-Employee meeting was started by the Employee Engagement Committee (EEC) in 2021," said Brittany Dickey, vice president of business development and EEC leader. "The purpose of the event is to bring all our employees together to hear Corn Belt updates and to provide education on topics that impact our cooperative and our industry. We want to foster a workplace culture rooted in open communication and continuous learning. With employees spread across four locations, many don't always get the chance to connect, so this event is an important opportunity to build relationships and grow together."

Corn Belt Power's commitment to training and education ensures our team is prepared, informed, and connected in order to serve our member-cooperatives. ■

## Peters promoted at Wisdom Station

**C**ongratulations to Mitchell Peters on his recent promotion to shift operator at Wisdom Station.

Peters began his Corn Belt Power career in February 2024 as a control operator.

As a shift operator, Peters is responsible for operating boilers, turbines, generators and plant auxiliary equipment at Wisdom

Station. He will also perform work that includes day-to-day operation, maintenance and security of the generation facilities.

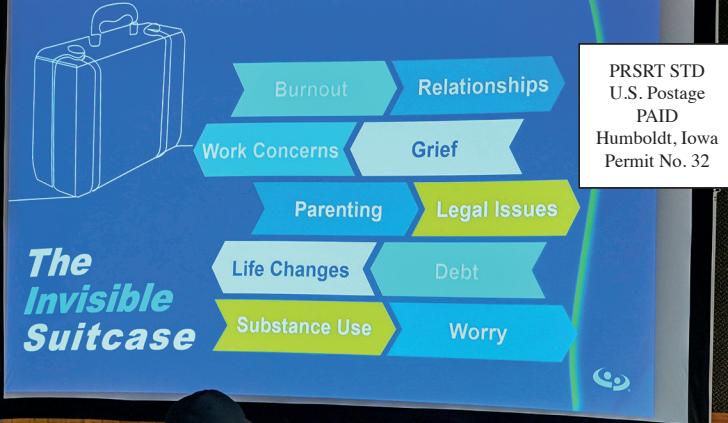
He is a graduate of Iowa Lakes Community College and previously worked for Valero Renewable Fuels.

Mitchell's promotion was effective September 1. ■





Paula Genkinger, Employee and Family Resources, shares available services with Corn Belt Power employees Sept. 9. During all-employee day, she mentioned that kindness matters and that everyone's carrying an invisible suitcase to work.



PRSRT STD  
U.S. Postage  
PAID  
Humboldt, Iowa  
Permit No. 32



**September Touchstone Energy Volunteer Challenge winner | Kay Dahl**, operations assistant, Iowa Lakes Electric Cooperative, won this month's Volunteer Challenge. She donated her \$100 prize to the hospitality ministry at her church.

## Help us prevent wildfires

Wildfires are no longer confined to the western United States. Once thought of as a threat unique to dry, fire-prone regions like California, they are now reaching into the Midwest and even parts of the Southeast. Corn Belt Power has experienced this reality firsthand, with uncontrolled fires threatening and damaging assets along its transmission grid.

Corn Belt Power and its member-cooperatives are working to reduce the risk of wildfires throughout our service territory. Through regular vegetation management and grid maintenance and hardening practices, we are proactively working to reduce risks and improve the reliability of our local system.

### Tips to prevent wildfires

- **Properly extinguish campfires.** Always douse your campfire with water, stir the ashes and ensure everything is cool to the touch before leaving the area.
- **Don't burn on windy days.** Avoid outdoor burning when it's windy or dry, as embers can easily spread and ignite surrounding areas.
- **Clear vegetation and debris.** Maintain a defensible space around your home by removing dry leaves, dead branches and other flammable materials.
- **Use equipment safely.** Tools like lawnmowers or chainsaws can spark

fires. Use them during cooler times of the day and keep them in good working condition.

- **Follow local fire regulations.** Always check for burn bans or restrictions in your area before burning anything or using open flames outdoors. ■



## Corn Belt Power Cooperative Watts Watt

Watts Watt is published monthly for employees and associates of Corn Belt Power Cooperative, 1300 13th St. North, Humboldt, Iowa 50548-0508. This institution is an equal opportunity provider and employer.

Copyright 2025

- Jacob Olberding, Executive Vice President and General Manager
- Ryan Cornelius, Editor; Vice President, Corporate Relations; CCC
- Marena V. Fritzler, Marketing Director; CCC



[facebook.com/cornbeltpower](https://facebook.com/cornbeltpower)  
[youtube.com/cornbeltpower](https://youtube.com/cornbeltpower)

[@CornBeltPower](https://www.cbpower.coop)  
[www.cbpower.coop](https://www.cbpower.coop)