

Corn Belt Power receives "A" rating from Kroll Bond Rating Agency

It's another year and another "A" rating for Corn Belt Power Cooperative.

While Kroll Bond Rating Agency (KBRA) continues to monitor the direct and indirect impacts of the COVID-19 virus on the U.S. Rural Electric G&T Cooperative sector, they were able to issue a rating to Corn Belt Power.

The rating reflects CBPC's relatively strong all requirements wholesale power contracts with its members and all requirements power supply contract with Basin Electric Power Cooperative. Both the power purchase and power supply contracts extend to 2075.

The strong and stable regional rural economy of the CBPC service area is supportive of demand for energy. Regional unemployment has historically remained well below the national average and has shown relatively less volatility during periods of economic stress. A recent trend of regional economic development is expected to support increased electricity sales and a stable load. CBPC expects to add an additional 26.1 megawatts of new and/or expanded load in 2020 as businesses and industries in the region continue to expand.

"The "A" rating speaks well of Corn Belt Power as an organization," said Karen Berte, senior vice president, finance and administration, Corn Belt Power. "In order to maintain an "A" rating we have to be stable and functioning at a high level organization wide. KBRA views Corn Belt Power's overall business environment as stable to improving."

An above average number of heating and cooling degrees days combined with favorable service area economic conditions drove 2019 sales to a second consecutive



Making the Grade

Above | Karen Berte, senior vice president, finance and administration reviews Corn Belt Power Cooperative's favorable financial condition with the Board of Directors during the March 2019 annual audit committee review and monthly board meeting. Corn Belt Power received an "A" rating from Kroll Bond Rating Agency in early April 2020. Corn Belt Power sales grew again in 2019.

record, at 2,021,173 MWh. System peak load was 332 MW in 2019. CBPC's stable demand profile is partially offset, however, by the co-op's relatively small size and the concentration of its retail customer base. The top ten retail commercial and industrial customers represent 29 percent of 2019 sales.

The rating was affirmed because of the following:

Key credit considerations

Credit Positives

- CBPC's members are required to purchase essentially all power requirements from CBPC subject to take and pay contracts extending through 2075.

- CBPC is not state-regulated. It sets its own rates which it can implement within a monthly period.

Credit Challenges

- Although CBPC and Basin have taken steps to diversify their respective energy portfolios, both remain highly dependent on

coal fired power.

- The total number of ultimate customers is small (approx. 34,000 in FY 2019) relative to CBPC's peers.

Sensitivities that could impact rating

Positive:

- Ongoing load growth that results in consistently stronger financial metrics would be a positive credit factor.

- Significant reductions in average cost to members resulting from generation efficiencies on the part of Basin and/or CBPC would be a positive credit factor.

Negative:

- Debt service and TIER that are consistently lower than 1.1x and 1.2x, respectively would be a negative credit factor. Corn Belt Power mitigates this by budgeting for 1.2x each year.

- Regulatory costs that necessitate non-competitive or unaffordable rate increases would be a negative credit factor. ■



Above | Corn Belt Power uses Zoom, a cloud-based video conferencing application, to conduct its 2020 Annual Meeting on Friday, April 3. The annual meeting took place during the regularly scheduled board meeting. Both meetings were conducted virtually because of the statewide ban on large gatherings due to the Coronavirus.

Corn Belt Power hosts digital annual meeting

Like nearly all cooperatives that had annual meetings scheduled in the past couple of months, Corn Belt Power cancelled its in-person annual meeting and opted for a digital version.

Corn Belt Power hosted its annual meeting following its board meeting on Friday, April 3. The event had been scheduled for Wednesday, April 8 in Fort Dodge with guest speaker Jason Redman.

“This is not a decision we wanted to

make, however, the health of our members, employees and industry colleagues is critical,” said Ken Kuyper, executive vice president/general manager, Corn Belt Power. “We did our best to preserve the democratic process by having the annual meeting around the same time we do each year. With so many of our directors and other colleagues farming during the spring and summer months, it was impossible to postpone it.”

During the meeting, directors and others

in attendance heard Ken Kuyper, executive vice president and general manager, Corn Belt Power; John Ward, the cooperatives attorney; and Karen Berte, senior vice president, finance and administration. Ward conducted the election of directors. Berte and board treasurer Dave Onken presented the 2019 financial report.

“We appreciate our board and member-cooperative’s being able to adapt so quickly to the times we live in,” Kuyper said. “It wasn’t ideal to have a digital annual meeting, but it was important.”

During the annual meeting, Scott Stecher, Prairie Energy, was re-elected to another three-year term on Corn Belt Power’s board of directors. His seat was the only seat up for election at this year’s meeting.

Officers remain the same:

- Scott Stecher, President
- Dale Schaefer, Vice President
- Jerry Beck, Secretary
- Dave Onken, Treasurer
- Larry Rohach, Assistant Secretary/Treasurer

Annual reports were mailed to cooperatives and last year’s annual meeting attendees. To see the annual report, visit our website: www.cbpower.coop. You can also contact our office and request a mailed copy.



Hawkeye Pride expands, takes advantage of energy efficiency program

Saving energy means saving money. Working with members to use energy more efficiently is just one facet of the cooperative difference.

Prairie Energy Cooperative recently teamed with Hawkeye Pride, not only helping the egg facility to use less energy, but also saving thousands of dollars in the process by taking advantage of the cooperative’s energy efficiency rebate program.

The energy efficiency upgrades are part of a much larger project. Hawkeye Pride is expanding its cage-free bird

operation. When complete, the facility will house 1.9 million cage free birds to go along with its 4.5 million conventional cages. The expansion will create eight new full-time jobs. In total, the \$65 million expansion includes two new barns, a grain storage facility and a state-of-the-art bio security building.

“This is one of the larger projects we’ve ever worked on,” said Todd Foss, Prairie Energy’s manager of business and community development. “Working with members to save energy and money, whether that be on a commercial level or

at home, is what sets electric cooperatives apart. We’re happy to do it.”

Hawkeye Pride installed 43,776 LED lights, totaling more than \$260,000 in rebates. In addition to rebates for lighting, the company also received incentives for a lighting control system that varies light intensity and color as well as the installation of 96 variable speed one-horsepower fans.

To learn more about the cooperative’s energy efficiency program, visit <https://www.prairieenergy.coop/>. ■

News in brief

Behounek named Chief System Operator

Jon Behounek has accepted the chief system operator position at Corn Belt Power. Behounek has been with Corn Belt Power for seven years as a system operator and holds an associates degree in Powerline Technology from Northwest Iowa Community College.

Behounek fills the roll left vacant by the departure of Brian Gibson. Gibson's last day at Corn Belt Power was May 1. He accepted a job in the Des Moines area. Following Gibson's departure, Larry Brusseau, compliance director, stepped in as interim chief system operator before a replacement could be named.

"We're excited for Jon to lead our system operations team," said Kevin Bornhoft, vice president, engineering and system operations. "We're sad to see Brian leave, but we appreciate his years of dedicated service. Larry was able to slide into the interim role and our team continued without missing a beat."

Behounek will begin as chief system operator on May 19.



Jon Behounek



Larry Brusseau

Erickson wins employee-dependent Basin Electric scholarship

Lauren Erickson, daughter of Katherine and Corie, Corn Belt Power assistant right-of-way and land supervisor, is the recipient of one of 20 scholarships given to dependents of Basin Electric Cooperative and member cooperative employees. The scholarship is for \$1,000.

The Ericksons are also members of Midland Power Cooperative. Erickson plans on attending Iowa State University to complete her undergraduate degree as well as graduate studies in veterinary medicine.

"I aspire to become not only a veterinarian but someone who has a truly meaningful and positive impact on those around me," she wrote in her scholarship application. "I want to lead by example and volunteer time to give back to my community, no matter where I live."



Lauren Erickson

Erickson holds a 4.0 grade point average and is involved in a plethora of activities. She's been the recipient of many awards including the FFA Leadership Award, 4-H Outstanding Citizenship Award, 4-H Herdsmanship Award, Rotary Student of the Month and more. Erickson enjoys helping in her community through programs like Meals from the Heartland, Mini Milers Running Club and Toys for Tots.

To learn more about the Basin Electric scholarship program visit: <https://www.basinelectric.com>.



Directors re-elected

Above | From left, Butler County REC members re-elected Tim Schrage, Gerald Schmitt and Leland Boyd to three year terms at this year's annual meeting.

Butler County REC holds annual meeting

It wasn't typical, but it got the job done. Butler County REC held its annual meeting at 1 p.m. on Saturday, March 28.

No meals were consumed and no speakers were present. Members re-elected Gerald Schmitt, Leland Boyd and Tim Schrage to the board of directors.

Craig Codner, CEO, Butler County REC, said it was all about the democratic process.

"Our board of directors were very open-minded and felt it was important to continue with our annual meeting, although not in the traditional format, but for the purpose of board elections," he said. "They looked at numerous options but felt the best option in following CDC and Iowa Department of Health recommendations was to hold a directors-only meeting."

Codner said mail-in ballots allowed the co-op to move forward with this year's meeting.

"Last year our members voted to change our articles of incorporation to allow mail-in ballots," he said. "At their March meeting, the directors exercised their right to amend the Butler County REC by-laws to accept mail-in ballots for determining a quorum for director elections."

The morning of the annual meeting, election tellers, along with corporate attorney Dennis Puckett, opened and counted over 430 mail-in ballots to establish the results of the election.

"I'm thankful for the staff's ability to quickly adapt to changes during these unprecedented times," Codner said.

Officers were elected as follows: Duane Rieckenberg, President; Gary Poppe, Vice President; Tim Schrage, Secretary; and Leland Boyd, Treasurer. ■

Crews move the Burt Substation transformer in March to a spare concrete pad. Burt Substation is scheduled to receive a new transformer in May. Crews moved the existing transformer to pour concrete for the new transformer.

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April Touchstone Energy Volunteer Challenge winner | Ann Ingvall, manager of customer care and billing, Iowa Lakes Electric Cooperative, donated her \$100 prize drawing to St. Patrick's Church in Estherville.

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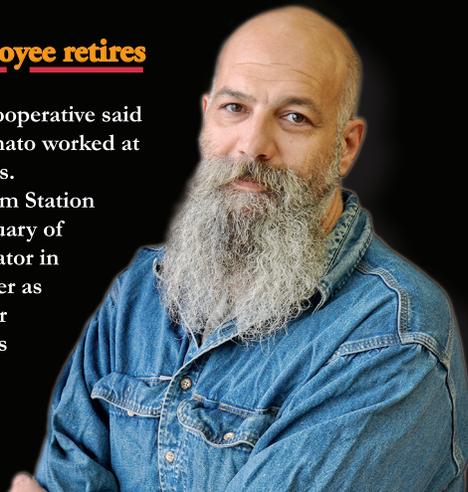
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Longtime Wisdom employee retires

In April, Corn Belt Power Cooperative said goodbye to Dan Amato. Amato worked at Corn Belt Power for 23 years.

He began his career at Wisdom Station as a general plant worker in January of 1997. He became a control operator in May of 1999. He ended his career as a shift operator. Corn Belt Power thanks Amato for his many years of service and wishes him the best in retirement.



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.

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