InTouch

WITH MEMBERS OF BUTLER COUNTY RURAL ELECTRIC COOPERATIVE

October 2025

Your Touchstone Energy® Cooperative K



Wholesale power costs are rising - What it means for our cooperative and members



utler County REC is facing one of the largest wholesale power cost increases in recent memory. We do not yet know the amount of increase from our power suppliers. However, we do know this will be added to the Energy Cost Adjustment (ECA) line item on your bill. It is a pass-through increase, meaning the increase we receive is being passed through to our members.

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, but all of them influence what we pay for power, which is roughly 75% of our monthly costs. When you consider this, in addition to our fixed costs, it does not leave a good deal remaining.

The following are impacts on our cost of wholesale power:

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. 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 In addition to these supply and demand pressures, government regulations and 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 is struggling to move large volumes of renewable power. 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 — again, 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

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

While we can't control these external pressures, our cooperative will continue working with Basin Electric Power Cooperative and Corn Belt Power Cooperative, our wholesale power providers, to manage costs, advocate for a balanced energy mix, and make strategic investments that protect both reliability and affordability for our members.

As wholesale power rate increase projections become clearer in the coming months, we'll keep you informed with updates in this newsletter.

Butler County REC's mission remains the same as it has always been: to provide safe, reliable, and affordable electricity. In the meantime, explore our energy-saving options, including no-cost home audits, rebates, and

While the challenges may be different and greater today than in the past, our commitment to serving you is stronger than ever.

Beach retires after 31 years of dedicated service

Lori Beach is generous, committed, loyal, kind, fun, professional, a team player, a leader, intelligent—the list goes on.

Those of us with the privilege of working with Lori at Butler County REC will miss all of that and more about her. Lori retired in August after 31 years of service to our members as the cooperative's financial accountant.

Previously employed by another REC, Lori was contacted about an opening at Butler when her cooperative and another consolidated, and the commute to the new headquarters was not sustainable for her.

For Lori, no two days were the same in her job, making each day unique. In her retirement, each day will be unique, as well, but will include

those things that Lori couldn't fit into her schedule while working, including attending more sporting events and traveling with friends and family.

"I will miss the work family, and as they say, if you love what you do, it seems less like work," Lori said. She added that, "Technology has changed tremendously; it will be interesting to see what impact AI will have and how it will contribute to making processes more efficient."

Lori lived the cooperative business model and always put members first as an REC employee, as evidenced by her comments, "Providing safe and reliable power for our members is our priority. As a cooperative, our business model is built around our members, not profit. Every decision made is driven by the



impact it will have on our members, employees, and community. That kind of responsibility demands a different kind of leadership—one rooted in transparency, trust, and purpose.... Leadership isn't a job title on an organizational chart—it is measured by success, service, and accountability."

Congratulations, Lori! You are so deserving of this retirement, we will not forget your impact, and we will miss you tremendously.



There is power in our power. As a member of Butler County REC, you are one of 42 million people served by cooperatives. Co-ops power over 22 million businesses, homes, schools, and farms in 48 states. As not-for-profit organizations, collectively, we return more than \$1 billion to our member-consumers annually.

830 distribution cooperatives are the foundation of the electric cooperative network. We were built by and serve co-op members in our communities by delivering electricity and other services.

64 generation and transmission cooperatives provide wholesale power to distribution co-ops through their own electric generation facilities or by purchasing power on behalf of the distribution members.

October energy checklist

A few simple chores as fall approaches can help lower your heating bill and keep you comfortable all winter long.

- Start with your windows and doors. Feel for drafts and seal any gaps.
- Reverse your ceiling fans so they spin clockwise to push warm air down from the ceiling.
- Schedule a furnace tune-up.
 Replace the air filter if it's dirty.
- If you have a fireplace, close the damper when you're not using it.
- Inspect your insulation, especially in the attic. If you can see the ceiling joists, you may not have enough.
- Adjust outdoor lighting timers as the days get shorter. Switching to LED bulbs in porch lights and yard fixtures can save energy year-round.

Spend a little time now, and you'll spend less on your power bill later.

Thompson returns from D.C. Youth Tour

"Speechless," said Amelia Thompson, Greene, when asked about her Youth Tour trip in June. "Totally glad I went."

Amelia was chosen as the Butler County REC Youth Tour representative for the all-expense paid trip to Washington, D.C. The Iowa group left from the Des Moines airport on Monday, June 16, arriving in D.C. via St. Louis. After their arrival, they hit the ground running and went to the Gettysburg Museum and Visitors Center, and then on a dinner cruise with students from three other states.

Tuesday was a full day with seven destinations, including memorials, museums, and paddle boats. Throughout Wednesday through Friday, over 10 additional stops were made. The group returned to Iowa on Saturday, June 21. Awake every day at 6:30 a.m., the group usually returned to their hotel by 10:00 p.m. at the latest.

One long-held Youth Tour tradition is each state having a state pin and the representatives trading with each other. For Amelia, that was the most fun. "I did not expect to have as much fun trading pins and talking to people from other states!" Iowa students also had "corn necklaces," which were a hot commodity.

A senior at North Butler High School, Greene, Amelia plans to attend the University of Northern Iowa and major in elementary education. During her senior year of high school, she will complete an internship at North Butler Elementary School, Allison.



Amelia's state pins and Iowa corn necklace from the 2025 Youth Tour trip to Washington, D.C.

Touchstone Energy

Cooperatives

of Iowa

Amelia will also participate in the Iowa Association of Electric Cooperatives' new Youth Ambassador program. This is an opportunity for her to engage more fully with Butler County REC and her community. She will be completing tasks for an opportunity to qualify for either a \$1,000 or a \$5,000 scholarship. We will keep you informed of her accomplishments throughout the school year.

When asked if she would go on the trip again, Amelia said, "Oh, yeah! For sure!" She continues to keep in touch with her roommates from the trip and several other friends. Amelia is the daughter of Todd and Corrine Thompson, members from Greene.

Approximately 40 students from Iowa are chosen each year by their electric cooperatives to attend the Youth Tour. Iowa participants join other students from co-ops around the country for the adventure. Watch this newsletter and social media beginning in November for information on the 2026 Youth Tour.



of Fredericksburg! Barb's recipe for Garden Gazpacho was published in the August 2025 issue of *Iowa Electric Cooperative Living* magazine, featuring garden fresh recipes. She received a \$25 bill credit.

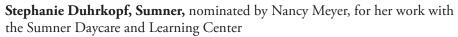
Each issue of *Iowa Electric Cooperative Living* magazine details how to submit your recipe—either by email or by mail to the magazine's headquarters. If your recipe is published, you will receive a \$25 bill credit.

The magazine's website, www. ieclmagazine.com, has several recipes at your disposal. Visit the website, click on Recipes, and then Recipe Archive.

Shine the Light nominees announced

The fifth annual Shine the Light contest, held in June and sponsored by the Touchstone Energy Cooperatives of Iowa, saw five people nominated, for their commitment to their communities, by members of Butler County REC. Those nominated were:

Al Buseman, Dumont, nominated by Joel Noelting, for his work with Revitalize Dumont



Patty Hummel, Allison, nominated by Linda Pruin, for her work with the Allsion City Swimming Pool, Butler County 4-H, and Wilder Park

Deb McWhirter, Allison, nominated by Sheila Wangsness, for her work with Wilder Park

Debra White, Clarksville, nominated by Lynn Bolin, for her work with Open Door Youth Center

Congratulations, and thank you for your dedication to your communities!



Thank you for joining us! 2025-member appreciation events recap

Our fourth annual member appreciation events were a success! The 2025 events included evenings in Allison, Charles City, Nashua, and Tripoli, with approximately 1,600 meals served by Butler County REC employees and directors.

This year, line crew safety gear and a bucket truck were available for attendees to look at and ask questions of two of our linemen. We also handed out literature on the services we offer.

Each member received a telescoping flashlight, and drawings were held for bill credits for the adults and splash pads for the children.

\$75 bill credit winners: Terry Blank, Shell Rock; Dennis Mohlis, Sumner; Larry Riechmann, Sumner; and Diane Wells, Charles City

\$20 bill credit winners: Levi Benning, Plainfield; Steve Deutsch, New Hampton; Wanita Eckhoff, Clarksville; Leon Luhring, Waverly; Daniel Schmidt, Clarksville; Gary Schwickerath, New Hampton; Robert Tonne, Tripoli; and Brad Williams, Rockford

Splash pad winners: Asher (Heather) Hanawalt, Charles City; Jack (Patrick) Hoffman, New Hampton; Grayson (Jamie) Landers, Bristow; and Phillip (Kyle) Niemann, Tripoli

Thank you to our food vendors--West Forty Market, Greene, for supplying the meat, buns, cheese, chips, pickles, and more; to Cindy Johnson, owner of Butler Center Bakeshop, Allison, for the cookies; and to Hansen's Dairy, Hudson, for the ice cream. In addition, we so appreciate the venues that we work with. Everyone is so helpful and accommodating.

And a huge thank you to everyone who attended. It was great to see so many of you and to visit with you!

RECare CONSUMER AUTHORIZATION FORM I will contribute \$_____ per month. I understand this amount will be automatically added to my monthly electric bill. I will make a one-time contribution of \$_____ to RECare. My check is enclosed. Name ______ Address ______ City ______ State ____ Zip____ Account Number______ Return to Butler County REC, PO Box 98, Allison, IA, 50602

RECare IS MEMBERS HELPING MEMBERS

Butler County REC continues to extend a helping hand to members in need. In response to actions by the Iowa General Assembly, we have established RECare, a program of members helping members.

RECare will provide funds to be distributed by local community action agencies to help pay winter heating bills and to assist in weatherization of homes of low-income consumers.

You have the power to make a difference.

Sign up for our e-newsletter at www.butlerrec.coop

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