

## energy star

SMMPA member utilities want to make sure that every customer recognizes the ENERGY STAR® label as a symbol of products that exceed federal energy efficiency standards, and what it means to the environment.

SMMPA members have been active ENERGY STAR partners with the US Environmental Protection Agency (EPA) and US Department of Energy (DOE) since 2000 and are national leaders in bringing the ENERGY STAR message to customers. Each year, SMMPA members promote the national “Change a Light” and “Cool Change” campaigns. Beginning in 2003, they were

It is because of these efforts that SMMPA members were named an ENERGY STAR Partner of the Year Award winner in 2003 and were recognized by the EPA and DOE, yet again, as one of only two utilities in the nation to win the ENERGY STAR National Product Campaign Award in 2004.

Purchasing energy-efficient equipment is one of the smartest ways our customers can reduce energy and carbon dioxide emissions over the lifetime of the products they buy.

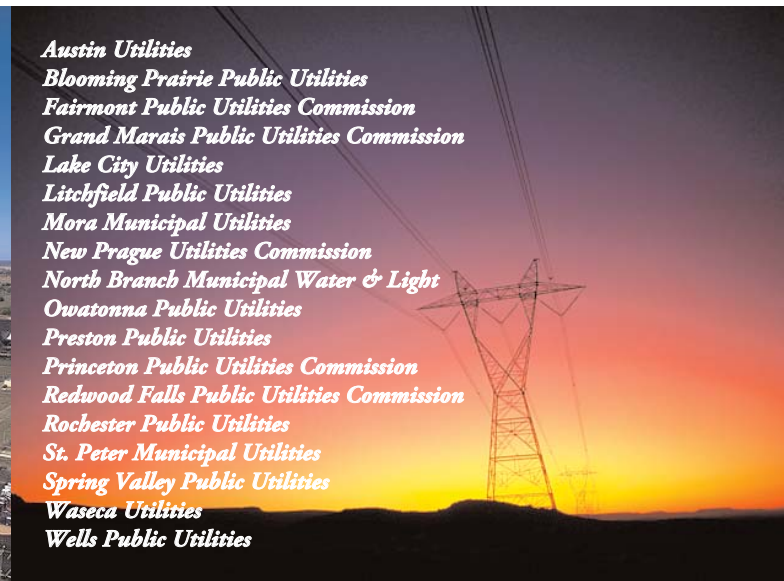
There's every good reason to look for the ENERGY STAR logo on the label of your next appliance purchase and help *find a better way* to save the environment. Visit [smmpa.com](http://smmpa.com) for information on how to contact your SMMPA member utility.

# Finding a better way.

## harnessing the power of the wind

As an alternative energy technology, wind-generated power offers emission-free electricity. It uses no fossil fuels, produces no emissions and leaves no by-products. Wind power, growing at over 25% annually, is the fastest growing energy source in the world today.

Here in Minnesota, the ninth windiest state, SMMPA is producing electricity using the wind - an unlimited renewable resource available within our borders. Technology improvements have driven down the cost of wind power by 80% over the last two decades, making Minnesota's homegrown wind power a great investment for everyone.



vigorously involved in the first ever nationwide joint appliance promotion for ENERGY STAR-rated clothes washers and “Holiday Home Electronics” campaign.

SMMPA members, through a strong commitment to the environment, have made an array of educational and informational materials available to customers to help them make a high-efficiency choice as they shop for that next appliance. Because ENERGY STAR-qualified products can sometimes cost a little more, SMMPA members are providing rebates as incentives to purchase lights, freezers refrigerators, dehumidifiers, ceiling fans with lighting, air source heat pumps, ground source heat pumps, room and central air conditioners, dishwashers and clothes washers.

## cleaner air from sherco 3

Sherco 3 is the newest, most efficient coal-fired electric generating facility in the entire Midwest region. This plant's state-of-the-art air quality control technology uses the dry scrubbing system that removes up to 90% of the sulfur dioxide and 99% of the particulates from the flue gases.

SMMPA and its members are *finding a better way* to reduce impact on air quality.



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SMMPA already is a leader in energy conservation, and continues to make strong commitments to producing renewable energy. Two 950 kW wind turbines have been operating in member city Fairmont since 2003. Four additional 1.65 MW turbines (two in Fairmont and two in Redwood Falls) began operation in late 2004 and early 2005.

In addition to building and owning turbines, SMMPA is actively considering proposals from Minnesota wind developers, including community based energy projects hoping that our next round of renewable resources improves not only the environment but Minnesota's rural economy.

# Finding a better way, together.

## We're SMMPA

Created by its members as a joint-action agency in 1977, SMMPA generates and sells reliable electricity at wholesale to its eighteen non-profit, municipally-owned member utilities, and develops innovative products and services to help them deliver value to their customers.

Though SMMPA member utilities are located throughout the state, most are in southern Minnesota. SMMPA members serve over 93,000 residential customers and over 11,000 commercial and industrial customers.



The Agency first delivered power to its members on November 1, 1982, relying mostly on purchases from other utilities. Today SMMPA serves its members with a unique portfolio of generation resources that includes:

- ⇒ Sherco 3 (884 MW) - SMMPA owns 41% (362 MW)
  - ↳ provides over 94% of the energy needs of homes & businesses in SMMPA member communities
  - ↳ newest & cleanest coal-fired generating facility in Midwest
  - ↳ 30% of \$1.072 billion construction budget for environmental controls

- ⇒ Distributed member generation (240 MW)
  - ↳ SMMPA contracts & dispatches local generation in sixteen member communities
  - ↳ Added energy security for member community businesses & families in the unlikely event of interruptions in the transmission system
  - ↳ Uses an average of five times the state requirement for biodiesel in its diesel generation

- ⇒ Wind Power
  - ↳ Two 950 kW turbines operating in Fairmont
  - ↳ Two 1.65 MW turbines in Fairmont
  - ↳ Two 1.65 MW turbines in Redwood Falls

SMMPA's job, however, is about more than producing power - it's about producing power that is reliable, affordable, efficient and sensitive to the environment we all share.

Most environmentally responsible actions require a sacrifice, and that's where SMMPA makes a difference. Being a good citizen of the environment is as important to the Agency as being a good citizen of the communities it serves. As part of the municipal advantage, SMMPA takes pride in preserving its natural resources.

To produce the power you need for your homes and businesses, SMMPA relies heavily on the earth's precious resources. The Agency works hard to use these resources wisely, consistently looking for new and innovative ways to protect and improve the environment. Like you, SMMPA's responsibility lies in being 100% committed to making this world a better place for future generations. Here's how SMMPA is looking ahead and *finding a better way*.

## Environmental Initiatives

### soy diesel, a new fuel source

SMMPA began using a biodiesel fuel long before mandates were issued on its use. Currently, a blend of 10% to 20% soy diesel is being used in most engines under contract to SMMPA in member communities.



Soy diesel is a homegrown resource that helps the economy by keeping more energy dollars inside Minnesota and helps the environment by reducing harmful emissions. A big boost to farmers

across the state, use of soy diesel creates additional markets for soy oil produced in Minnesota. SMMPA's involvement with soy diesel has raised new and endless possibilities. SMMPA and its member utilities are *finding a better way*.

### using energy wisely

The potential to use energy more wisely is tremendous. Since the mid-1980s, SMMPA member utilities have been leaders in implementing energy management strategies to minimize the growth in peak demand for electricity.

A significant number of SMMPA members' customers allow the utility to control their air conditioners and electric water heaters during peak load periods. Peak demand occurs during the hottest days of summer and the coldest days of winter, when either air conditioning or heating load is at a maximum. It is during these times that load management can save up to 12 MW of electricity per day. For example, on those sizzling summer days, the utility sends a signal over the power lines to a controller on an air conditioner turning the compressor motor off for a few minutes each hour. But since each switch controls only the compressor, the circulating fan continues to operate, keeping your home cool and comfortable.

With SMMPA member utilities' load management systems in place to lower peak demand, the Agency is better able to avoid purchasing additional power that is very expensive during the summer months. Controlling wholesale power costs, in turn, leads to lower electric bills for customers. What a great benefit to both SMMPA members and their customers!

By working together with its member utilities, SMMPA is successfully meeting the increasing customer demand for electricity and ultimately *finding a better way* to change the traditional pattern of energy use in order to help save valuable environmental resources.