



NEWS *Lines*

PUBLISHED MONTHLY FOR THE MEMBER-OWNERS OF NORTH WEST RURAL ELECTRIC COOPERATIVE



JANUARY 2026

IN THIS *Issue*

Scholarship
Application
2

Should You Use A
Space Heater?
3

Managers Report
4-5

2026 Energy
Efficiency Rebates
6-7

Youth Tour Contest
7

Power Quiz
8

Switch Smart?
8

Scholarships Available



North West REC and Basin Electric Power Cooperative will be sponsoring several scholarships to dependents of members of North West REC in 2026. Last year we awarded \$31,750 in scholarships to 75 students!

There will be two \$1,250 scholarship winners from each of the four districts of North West REC (Ida, O'Brien, Plymouth, and Sioux). The selection process for the \$1,250 scholarship winners will be based on a combination of SAT/ACT scores, overall grade-point average, work experience, participation in school and community activities, a personal statement of career goals, and a written reference or appraisal by a third party.

Scholarship applicants, who are not awarded a \$1,250 scholarship award, will be asked to learn about the cooperative through educational material provided by NWREC, and then complete a questionnaire. This will then enter applicants into a random drawing for a \$500 or \$250 scholarship. All applicants will receive at least a \$250 scholarship. Details and related educational materials and questionnaire will be communicated at a later date.

North West REC members may qualify if their dependent meets the following criteria:

- Must be a U.S. citizen.
- Are a dependant of a North West REC member.
- Must be a senior in high school in our service territory for the 2025-2026 school year and planning to enroll in a full-time undergraduate or graduate course of study at an accredited two-year or four-year college, university, or vocational/ technical school.
- Submit an application as provided by North West REC.
- Return all completed forms no later than Friday, February 13, 2026.

You can apply online by visiting our website at www.nwrec.coop or you can e-mail the scholarship committee at scholarship@nwrec.coop and they will send you an application. If you have any questions, please call us at 800-766-2099. All entries for the scholarship must be returned to the REC no later than Friday, February 13, 2026!

Happy New Year from North West REC!

Thank you for your support throughout 2025. As we step into 2026, we wish you health, happiness, and continued success. We're grateful for the opportunity to serve you and remain committed to reliable, affordable electric service in the year ahead.

Warm wishes for a fulfilling new year!

Happy New Year!

2026



North West REC \ Basin Electric Power Cooperative 2026 Scholarship Application



Scholarship applicants must be a U.S. citizen, a dependent of a current North West REC member, a **senior** in high school in our service area for the 2025-2026 school year and planning to enroll in an accredited two-year or four-year college, university, or vocational/technical school. Please complete the form below; completeness and neatness ensure your application will be evaluated appropriately.

Name: _____ Phone: _____

Address: _____ City: _____ State: _____ Zip: _____

Email Address: _____

Father's Name: _____ Mother's Name: _____

Parents/guardians must be active members of North West REC or have a current electric account with North West REC. In order to verify, please provide account number from a North West REC electric bill (you may need to get this from your parents/guardians 😊): _____

Please put the name and address of the high school which you will graduate from this spring.

High School: _____

Address: _____

Please put the name and address of the accredited school you plan to attend in the fall.

School\College: _____ College Town\City: _____

Major course of study: _____

Signatures

Student Signature: _____ Date: _____

Parent Signature: _____ Date: _____

Scholarship Submittal Requirements:

1. Complete this form by typing or printing - your name should be on all attachments.
2. Recent academic transcript from high school.
3. Copy of your college entrance examination (ACT and/or SAT) scores, if available.
4. Please make a list of all your high school honors, school activities, community involvement, and employment history. Then compose a short essay on how these experiences have shaped your character and future career goals.
5. One letter of reference from a teacher, counselor, or employer.
6. Mail your complete application packet to:

North West REC
 Attn: Scholarship Committee
 P.O. Box 435
 Orange City, IA 51041

Scholarship applicants, who are not awarded a \$1,250 scholarship award, will be asked to watch an educational video on North West REC and the cooperative model and then complete a questionnaire. This will then enter applicants into a random drawing for a \$500 or \$250 scholarship. Details of this video and questionnaire will be communicated at a later date.

DEADLINE: Friday, February 13, 2026

Should I Use A Space Heater Or Turn Up The Heat?

Drafty room? Before reaching for your space heater, consider whether it's better to plug it in or simply turn up the thermostat.

Space heaters are designed to warm small, targeted spaces — not your entire home. If you find yourself relying on one often, it may be time to address your home's overall energy efficiency.

Fix efficiency first, then supplement with a space heater.

Improving your home's efficiency helps it retain heat, reduces drafts and reduces your energy use. Many solutions are affordable and DIY-friendly, such as:

- Seal air leaks. Use caulk and weather stripping around windows and exterior doors to prevent drafts.
- Add insulation where it matters. Attic insulation has the biggest return on investment, and loose-fill insulation is an affordable option.
- Check your heating system. Schedule regular service for your furnace or heat pump. If it's outdated or struggling, it could be time for an upgrade. Check with your utility for potential rebates and incentives.
- Use programmable thermostats. These can help reduce energy waste by heating only when and where needed.

Once your home is sealed and insulated, a space heater can be used to increase comfort and warm specific rooms, like a home office or bedroom, without turning up the heat for the whole house.

A space heater is like a ceiling fan; it can improve comfort in a small area, but it's not a whole-house solution.

Use space heaters efficiently:


- Heat only the room you're currently in and keep the door closed to keep heat contained.
- Choose the right size; too small won't warm you, too large wastes energy.
- Select a heater with a thermostat and timer to avoid overheating or wasting electricity.










Stay safe while staying warm:

- Place the heater on a solid, flat, nonflammable surface — never on carpets or rugs.
- Plug the heater directly into a wall outlet, not an extension cord or power strip.
- Keep children, pets and anything flammable at least 3 feet away.
- Choose a heater with an overheat sensor, tip-over shutoff switch and UL, ETL or CSA certification.
- Never leave a space heater unattended. Turn it off when you leave the room or go to sleep, and unplug it when not in use.

feeling chilled?

HEAT YOUR SPACE SAFELY



-  Keep flammable items at least 3 feet away
-  Place on a flat, level surface
-  Make sure the cord is not frayed or cracked
-  Plug it directly into an outlet
-  Follow all instructions and use models endorsed by a reputable testing lab
-  Do not use around small children or pets
-  Do not use one with a damaged plug or prongs
-  Do not use an extension cord or power strip, which can overheat
-  Follow all instructions and use models endorsed by a reputable testing lab

Safe Electricity.org®



Lyle D. Korver

MANAGER'S *Report*

Safe. Reliable. Affordable.

As we reflect on the successes and challenges of this past year, and the opportunities ahead of us in the new year, I think it is important to focus on how we are doing in carrying out our mission.

Our mission really hasn't changed since our founding in 1938, and we can confidently say that it won't change in the future. This month, I thought it would be good to highlight how we did in these three key areas of Safety, Reliability and Affordability in 2025 and how things look heading into 2026.

Safety – I'm pleased to report that we had a very safe year of operations last year. Our employees worked over 80,000 hours without any "lost time accidents". As we continue to work hard at enhancing our Culture of Safety, this is one of the key metrics we use to see how we are doing. We also were fortunate to not have any serious public injuries relating to our electric distribution system.

Our employees and directors all made a recommitment to Zero Contacts, and we take these kinds of commitments very seriously. We encourage all of our members to also make a commitment to their own personal safety, whether in how they drive or conduct their daily activities

Reliability – We experienced a few challenges in 2025 relating to reliability. The biggest challenge and impact on our system was the derecho storm event of late July. The good news is that it only hit part of our system. However, it did cause some extensive damage primarily in the northwest portion and significantly increased our average outage minutes for the year compared to an average year.

In order to maintain the service reliability that our members expect and deserve, we continue to make annual system improvements on our distribution system. For example, our 2026 Capital Outlay Budget, that was recently approved by the Board, is over \$5 million. NIPCO's 2026 budget for transmission system improvements is over \$20 million and Basin Electric's 2026 budget for generation and transmission projects is over a \$1 billion. We are in a very capital intensive business and the investment it takes collectively from all of our Cooperative partners to "keep the lights on", continues to grow.



Affordability – As you might expect, with these kinds of investment requirements to keep the electric system reliable, along with other “post-Covid” inflationary pricing affecting our operating expenses, our mission of keeping electric rates affordable for our members continues to be more challenging every year. **We are proud of our achievement of keeping our base rates stable for the last ten years.** However, we recognize that we will need to make an adjustment to our base rates in 2026, in order to keep your Cooperative financially strong.

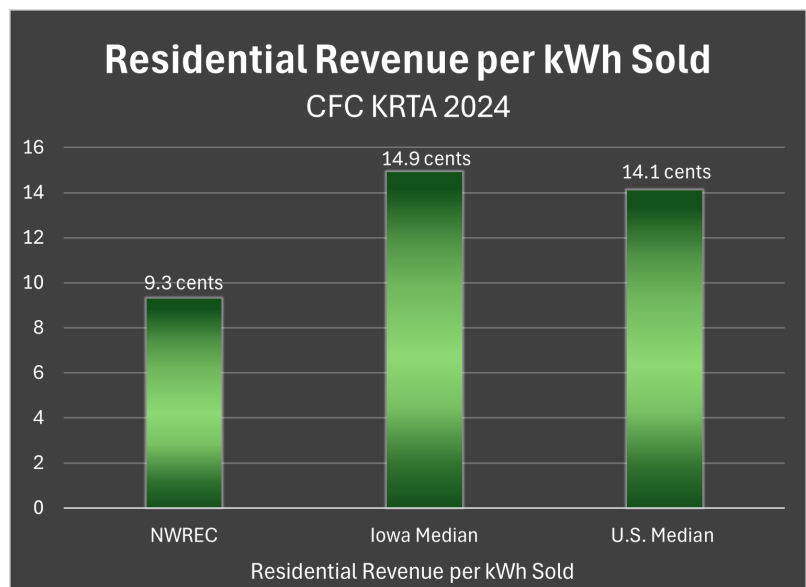
80% of our operating expenses are purchased power costs. Our power supplier, NIPCO, has informed us that their wholesale rate will be increasing approximately 8%, effective January 1, 2026. This is on top of the 8% increase they passed along to us in January, 2025.

In preparation for a rate increase, we have been working on a rate study with our Cooperative lender, CFC. The Board will be reviewing the rate study at the February, 2026 board meeting. They will likely make a decision on the new rates and implement those rates effective June 1, 2026. This will give us the opportunity to share more information with the members at our Annual Meeting in March.

In the meantime, we will be increasing our Power Cost Adjustment (PCA) on January 1, 2026, and will also be using some Margin Stabilization Plan funds to help offset the increase in wholesale power costs, until the rate adjustment takes effect. The Margin Stabilization Plan has been a great tool that we have had in place for a number of years for the purpose of helping to delay rate increases and keeping rates affordable for our members. The PCA will increase from the current 7 mills (7/10 of a cent) to 13 mills, effective January 1. When the rate adjustment goes into effect on June 1, the PCA will be reduced back to the current 7 mill level.

The good news is that NWREC’s electric rates are competitive and will continue to be in terms of other REC’s in Iowa and the U.S. According to the CFC Key Ratio Trend Analysis report for 2024, NWREC’s average retail rates are in the lowest 5% of 815 REC’s in the country.

We will keep you informed regarding the results of the rate study. We take any rate increases very seriously and we assure you that the Board and employees continue to work very hard to meet our mission. Thank you for your understanding and ongoing support. Please contact me if you have any questions.



YES, please enter our names in the drawing for the trip. We understand that if our names are drawn, we will be billed \$100.

Our first and second choice of dates:

June 24-26	1st	2nd	3rd (please circle)
July 8-10	1st	2nd	3rd
July 15-17	1st	2nd	3rd

I/we have have not participated in this tour in the past.

First Person _____

Second Person _____

Address _____

City _____

Phone _____

Clip this coupon and return to cooperative by April 30, 2026.

Energy Trail Tour 2026

North West Rural Electric Cooperative and Northwest Iowa Power Cooperative invite you to join us for one of three Energy Trail Tours being offered this summer. This 3-day adventure will allow you to experience, first-hand, how your power providers convert energy from water, wind, and coal into electricity. View coal being mined and see how those mines are then returned to productive farm and native grass lands. Enjoy interactive walking tours through a hydroelectric and coal-fired energy generation facility and other stops along the way. Meet other cooperative member-owners while traveling together across the Dakotas on-board a motor-coach bound for the North Dakota’s Energy Loop. \$100 per couple covers your lodging, meals and entry fees. The remainder of your tour costs are covered by North West Electric Cooperative.

Twelve lucky couples from North West REC will be selected at random from those who sign up.

2026 Energy Efficiency Rebates

Energy efficiency rebates are effective as of January 1st, 2026. We want to make sure all our members are aware of the current rebates. See the full list of rebates we offer below.

Rebate forms for Building Insulation and Electric Vehicle Chargers are available at our offices and can also be found on our website at www.nwrec.coop under the member services tab.

No form is needed for the other rebates, simply submit a copy of the invoice for the rebated equipment to North West REC, and a representative from North West REC will call you to set up a time to inspect the installation prior to the rebate being paid to verify that it has been installed and is operating.

GEOTHERMAL HEAT PUMP – NEW UNITS INSTALLED ON OUR SYSTEM		NEW LOAD	REPLACEMENT
● RESIDENTIAL		\$1,400 PER TON	\$750 PER TON
-	MAXIMUM REBATE LIMIT OF 30% OF COST UP TO \$10,000		
● COMMERCIAL/INDUSTRIAL/AG PROJECTS		\$1,400 PER TON	\$750 PER TON
-	MAXIMUM REBATE LIMIT OF 30% OF COST UP TO \$50,000		

AIR SOURCE HEAT PUMP – NEW UNITS INSTALLED ON OUR SYSTEM		NEW LOAD	REPLACEMENT
● RESIDENTIAL			
-	IF BACK UP HEAT IS ELECTRIC	\$700 PER TON	\$700 PER TON
-	IF NO BACK UP HEAT OR IF BACK UP HEAT IS PROPANE OR GAS	\$500 PER TON	\$500 PER TON
-	MAXIMUM REBATE LIMIT OF 30% OF COST UP TO \$10,000		
● COMMERCIAL/INDUSTRIAL/AG PROJECTS			
-	IF BACK UP HEAT IS ELECTRIC	\$700 PER TON	\$700 PER TON
-	IF NO BACK UP HEAT OR IF BACK UP HEAT IS PROPANE OR GAS	\$500 PER TON	\$500 PER TON
-	MAXIMUM REBATE LIMIT OF 30% OF COST UP TO \$50,000		

DUCTLESS MINI-SPLIT HEATING/COOLING & P-TAC UNIT – NEW UNITS INSTALLED ON OUR SYSTEM.			
● RESIDENTIAL			
-	IF BACK UP HEAT IS ELECTRIC	\$700 PER TON	\$700 PER TON
-	IF NO BACK UP HEAT OR IF BACK UP HEAT IS PROPANE OR GAS	\$500 PER TON	\$500 PER TON
-	MAXIMUM REBATE LIMIT OF 15% OF COST UP TO \$5,000		
-	REBATE LIMITED TO TWO UNITS PER SINGLE FAMILY DWELLING OR OUTBUILDING		
● COMMERCIAL/INDUSTRIAL/AG PROJECTS			
-	IF BACK UP HEAT IS ELECTRIC	\$700 PER TON	\$700 PER TON
-	IF NO BACK UP HEAT OR IF BACK UP HEAT IS PROPANE OR GAS	\$500 PER TON	\$500 PER TON
-	MAXIMUM REBATE LIMIT OF 15% OF COST UP TO \$10,000		
-	LIMIT OF ONE REBATE FOR EACH LEASABLE HOTEL ROOM		

MARATHON WATER HEATERS – SOLD ONLY TO MEMBERS AND INSTALLED ON OUR SYSTEM. MUST HAVE LOAD MANAGEMENT SWITCH INSTALLED TO RECEIVE REBATED PRICE. SWITCH AND WH MUST BE INSTALLED WITHIN 90 DAYS. REBATE IS FOR THE MAIN WATER HEATER ONLY, IT DOES NOT INCLUDE STORAGE TANKS FOR GEOTHERMAL. WATER HEATERS ARE SOLD AT REBATED PRICES.

	COST	REBATE	MEMBER PRICE PLUS TAX
50 GALLON MARATHON – SHOP ONLY WITH SWITCH	\$1,400	\$300 REBATE	= \$1,100
85 GALLON MARATHON – HOUSE OR SHOP WITH SWITCH	\$1,875	\$400 REBATE	= \$1,475
100 GALLON MARATHON – HOUSE OR SHOP WITH SWITCH	\$2,150	\$500 REBATE	= \$1,650
100 HD GALLON MARATHON – DAIRY ONLY WITH SWITCH	\$2,150	\$500 REBATE	= \$1,650
100 HD GALLON MARATHON – DAIRY ONLY WITH NO SWITCH	\$2,150	FULL PRICE - NO REBATE	= \$2,150
HOG BUILDINGS – 50 GALLON ONLY WITH NO SWITCH	\$1,400	FULL PRICE - NO REBATE	= \$1,400
NEW HOME WITH ALL ELECTRIC HEAT (PRIMARY HEAT & ELECTRIC BACKUP) WITH SWITCH		\$1000 REBATE ON A 85 OR 100 GAL	

PRICES SUBJECT TO CHANGE WITHOUT NOTICE, PLEASE CALL THE OFFICE FOR CURRENT PRICES

BUILDING INSULATION

- BUILDING MUST BE ALL ELECTRIC AS THE PRIMARY HEATING SOURCE WITH ELECTRIC BACKUP
- MUST BE PROFESSIONALLY INSTALLED FOR BLOWN-IN, SPRAY FOAM, INSULATING CONCRETE FORMS, AEROSHEILD, RIGID STYROFOAM PANELS, AND/OR STRUCTURAL PANELS
- **RESIDENTIAL (HOUSE)** – REBATE LIMITED TO 20% OF INSTALLED INSULATION COST UP TO A MAXIMUM REBATE OF \$800 PER BUILDING WITHIN A 12-MONTH PERIOD.
- **COMMERCIAL/INDUSTRIAL/AG BUILDINGS** – REBATE LIMITED TO 10% OF INSTALLED INSULATION COST UP TO A MAXIMUM REBATE OF \$2,000 PER BUILDING WITHIN A 12-MONTH PERIOD.

ELECTRIC VEHICLE CHARGERS - FOR NEW LEVEL 2 CHARGERS ONLY

- RESIDENTIAL/COMMERCIAL: UP TO \$1000 TOWARD COST OF CHARGER AND INSTALLATION, REBATE CANNOT EXCEED INVOICE AMOUNT. (HYBRID VEHICLE CHARGERS \$750 MAX).
 - LEVEL 2 CHARGER, 208-240 VOLT
 - MUST BE HARDWIRED AND INSTALLATION MUST MEET LOCAL CODE
 - MEMBER REQUIRED TO PROVIDE CHARGER MAKE, MODEL, S/N, SPECIFICATIONS
 - CANNOT BACK-FEED INTO THE SYSTEM
 - SUB METER AND LOAD CONTROL SWITCH ARE REQUIRED FOR REBATE
 - LIMIT OF 1 REBATE PER ELECTRIC VEHICLE

Apply Now for the 2026 Youth Tour Trip to D.C.

North West REC will send two high school juniors on an all-expenses paid Youth Tour trip to Washington, D.C. on June 14-20, 2026!

At North West REC one way we invest in the next generation of rural Iowa leaders is by participating in the national Electric Cooperative Youth Tour program. We're looking for high school junior students with a passion for government and public service to apply for a once-in-a-lifetime trip to our nation's capital in June.



Two students will be selected from eligible candidates to attend the 2026 Youth Tour in Washington, D.C., from June 14-20, with orientation June 14th in Des Moines, along with 40 other student leaders from Iowa. The Iowa Youth Tour group will join with hundreds of students from across the country as they learn more about electric cooperatives and American history and come home with a greater understanding of their role as an American citizen. Students will also learn about U.S. government and meet with their members of Congress. On the trip, students take in the sights of D.C. as they visit monuments, museums, and historical landmarks. Students who go on Youth Tour often call it the trip of a lifetime!

We are accepting Youth Tour applications now through February 13, 2026. Dependents of North West REC member-consumers are eligible to apply. The student must currently be a junior in high school. You can download our youth tour application at www.nwrec.coop. You can also call 800-766-2099, email nwrec@nwrec.coop, or stop by our office and we can get you a copy. Contact our office for more info.

For more than 60 years, Iowa's locally owned electric cooperatives have been sending deserving students to D.C. This program is a great resume builder for student leaders and a wonderful opportunity to kickstart one's passion for government affairs or advocacy. **Make sure to apply for Youth Tour 2026 by Friday, February 13, 2026!**



ARE YOU

**SWITCH
SMART?**

Switch Makes Cents is a load management program that our cooperative has offered to members since 1985. In fact, our co-op served as an early pioneer of this technology. It is energy efficient and curbs electric demand during peak times to prevent the need to build additional generating facilities or incur higher wholesale power costs. The Switch Makes

Cents load management program reduces our system peak by as much as 20 megawatts (MW) in the summer and 12 MW in the winter...the equivalent of powering approximately 3,200 homes! This is done by reducing total demand during times of peak-use, generally between 6-10AM and 3-9PM, when people are commonly at home running washers, dryers, dishwashers, air conditioners, heaters and so on.

THE POWER QUIZ

NORTH WEST REC

1. If your home is all electric, how much is the rebate available for insulation?
2. What are the dates of the 2026 Iowa Youth Tour?
3. Name an efficiency tip you can fix instead of using a space heater:

Name _____ Acct. # _____

Find the answers within the content of this newsletter, our website or Facebook posts and you could win a prize of \$10 off your electric bill. Send your answers to powerquiz@nwrec.coop or you can send your written answers to North West REC, PO Box 435, Orange City, IA 51041. You may mail your entry along with your electric bill payment, but remember the deadline is February 2. Each month, ten names will be randomly drawn from all correct entries for a \$10 bill credit. Members who answer the questions correctly and participate at least three times throughout the year will be eligible for 2 - \$250 bill credits, through a random drawing, at the end of the year.

POWER QUIZ *Winners*

Joseph Cronin - Holstein
 Carla Dykstra - Orange City
 Kim Gutheridge - Paullina
 Darrell Hageman - Hinton
 Dan Leusink - Orange City

NOVEMBER 2025

Sherri Ludvigson - Cushing
 Marylyn Muecke - Hinton
 Sharon Schmidt - Orange City
 Dennis Von Arb - Alton
 Brekka Trometer - Merrill



ARE YOU SWITCH SMART?

What is Switch Makes Cents?

Answer: _____

Name _____ Acct. # _____

What do you know about the Switch Makes Cents program? Find the answers within the content of this newsletter, our website or Facebook posts and you could win a prize. Send your answers to switchsmart@nwrec.coop, fill out the question form online, or send your written answers to North West REC, PO Box 435, Orange City, IA 51041. You may mail your entry along with your electric bill payment, but remember the deadline is February 2. Each month, one name will be randomly drawn from all correct entries for a \$25 bill credit.

North West Rural Electric Cooperative

P.O. Box 435
 1505 Albany Place SE
 Orange City, IA 51041-0435

OFFICE HOURS:
 Monday through Friday
 7:30 a.m. till 4:00 p.m.

Orange City office open during noon hour

Le Mars office open 9:00 a.m. - 3:00 p.m.
 Tuesday through Thursday

Ida Grove office open 9:00 a.m. - 2:00 p.m.
 Wednesdays

PHONE:
 (800) 766-2099

24/7 outage reporting using the SmartHub app or nwrec.smarthub.coop Or call 800-766-2099 anytime

Pay your bill online anytime using SmartHub



Outside Depository Box Available For After Hours Payments

This institution is an equal opportunity employer, provider, and lender.

Lyle D. Korver
 CEO & General Manager

Curt Ahrenholz
 Finance & Office Services Director

Emily Vander Velde
 Editor



Follow us on Facebook and Instagram!