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WISCONSIN ENERGY *Cooperative* October 2026 NEWS

TAYLOR ELECTRIC

Cooperative



Your Touchstone Energy Partner



DYNAMIC DAIRY

CO-OP MONTH AND COW LESSONS

PORK RECIPES

KIDS AND CRITTERS





ADAPTING TO A CHANGING ENERGY GRID

Kenneth Ceaglske, President/CEO



The electric industry was long regarded as stable and unchanging. For decades, we have maintained systems that were based on annual predictions of load curves that changed slightly across seasons but maintained a consistent pattern, with lower usage in the nights and midday, slightly higher in the morning, and the heaviest usage in the late afternoon and evening hours.

Prices would also follow the same pattern, lower prices in the low usage hours, higher prices in the high usage hours. We designed our load management programs to shift load or interrupt it in the highest-priced hours and move it to the low-priced times to stabilize prices. This strategy has remained unchanged for many decades, some of the first programs came out in the 1980s and are still running today.

As you can imagine, over four decades, people's usage patterns, generation resources and even some of the systems behind the scenes have changed.

The creation of the Midcontinent Independent System Operator (MISO) and other similar organizations across the U.S. created major changes behind the scenes. They allowed for a more organized and cost-effective way of managing the ever-expanding power grid. At this point, MISO analyzes the grid every five minutes every day and determines what power generation units are available or needed and prices power at any given location based on the lowest-cost units that are available. They also set requirements for utilities to have a set amount of backup energy or reserves available during times of power shortages. This reserve calculation and need is beginning to drive power costs. The timing of the reserve needed is also shifting. Where the system used to be designed based

on the hottest of hot days and the coldest of cold, the grid can now be limited under different conditions.

We saw an example last January. It was early in the morning, before the sun was high enough to provide solar generation and calm winds limited the available wind generation. Extreme cold also reduced the availability of natural gas, as it was needed for home heating, leaving some natural gas-fired generators forced to switch fuels if possible, or go offline. Add in a few generating units that did not come online as expected because of the cold, and suddenly we were facing a capacity limitation.

With more and more peak loading hours and needs occurring on the weekends, our heating programs that we controlled for storage will be moving from a 5-day with weekends off to a 7-day-a-week strategy.

The grid rode through it well, but it drove pricing up and established a time for MISO to determine reserve needs. January was a perfect storm of cold, calm, and darkness, but other times of the year see combinations that drive down available capacity and drive up needs but not following the historic patterns.

MISO's response has been to modify the pricing and reserves methodology to catch some of the odd hours and focus less on the maximum needs and more on the critical times of need. With those changes on the horizon, our power provider, Dairyland Power Cooperative (DPC), and in turn TEC, are looking

at changes that will follow the pricing signals that we get from MISO.

Historically, our Peak Alert program and some of the interruptible heat and AC programs ran only on set times of the day. With the changes, we will likely see fewer calls for interruption, but at more random times directed by system conditions. There will be a minimum of one interruption per quarter to prove the capabilities. This compares to the current system where the loads are typically interrupted 1-3 times per month in the summer and winter. This change should be positive overall with fewer interruptions, but at the cost of less predictability of the hours. These changes will take place over the next couple years as DPC makes changes to the programming to keep in sync with MISO.

The change that is coming sooner is a change to our storage or off-peak systems. With more and more peak loading hours and needs occurring on the weekends, our heating programs that we controlled for storage in the evening and night hours will be moving from a 5-day with weekends off to a 7-day-a-week strategy and shifting the hours of control from 7 a.m. to 11:30 p.m. to 6 a.m. to 10 p.m.

We will be looking at our other time-sensitive rates like EV charging or whole-house time of day, and as we look at demand billing, weekends will likely be included in the peak times as we go forward. Stay tuned for updates as they come along.

WHAT MEMBERS MAY NOTICE

- Fewer interruptions overall
- Interruptions at less predictable times
- Weekend peak periods becoming more important
- Storage heating control moving to seven days a week
- New control hours: 6 a.m.–10 p.m.

LOCAL VOICES SHAPE LOCAL SOLUTIONS

October is National Co-op Month

When you hear the word “cooperative,” what comes to mind? As your local electric co-op, we hope you think of Taylor Electric Cooperative.

Regardless of the services offered, all cooperatives have one thing in common: they’re led by the people they serve—and that simple idea makes a meaningful difference.

Cooperatives come in all shapes and sizes, each created to meet a specific need. Credit unions help members save and borrow money. Producer cooperatives, like Ocean Spray and Land O’Lakes, help farmers bring their products to market. Retail cooperatives, like REI and ACE Hardware, are owned by their shoppers or a membership of store owners, while housing cooperatives give residents a voice in managing their communities. And utility cooperatives—like Taylor Electric—provide reliable electricity to the communities they serve.

Unlike many businesses that answer to outside investors or shareholders, cooperatives are built for their members. Their goal isn’t simply to earn a profit—it’s to provide value, meet unique local needs, and strengthen the communities they call home.

That’s exactly what makes us different.

Our story began in 1936 when neighbors came together to bring electricity to an area when other utilities wouldn’t. While a lot has changed since then, our purpose has remained steady. We’re still here to provide power and make decisions with our community’s best interests in mind.

Being locally owned means we have



CELEBRATE CO-OP MONTH

Drop in to say hello and pick up a few goodies!

WHEN: October 12–16, 2026

WHERE: Taylor Electric’s office at N1831 State Hwy. 13, Medford, WI

TIME: 8 a.m. – 3 p.m.

Fresh cookies • Refreshments

- Electric bill credit drawings (limit one entry per member)
- Green Bay Packers calendar • Treats for kids

the flexibility to focus on what matters most to the communities we serve. That’s why no two electric cooperatives are exactly alike. Every community has different needs, and every cooperative reflects those priorities.

For some co-ops, that means expanding programs that help members save energy and money. Others may focus on supporting economic development, investing in new technology or creating new opportunities for local students. We invest in our community through youth scholarships, incentive programs and the Christmas Wish Program. You’ll also find the co-op difference in the little things. It’s the lineworkers restoring power after a storm. The employees answering your questions when you call. Involvement in local children’s programs, electrical safety and community parades. The

board members—your neighbors—who help guide decisions for the future.

We’re your neighbor and local energy partner, and we’re committed to serving this community for generations to come.

This National Co-op Month, we invite you to join us, October 12–16, 2026, at the cooperative’s office. Join us in celebrating the cooperative difference, because this co-op belongs to you. Enjoy fresh cookies, refreshments, electric bill credit drawings, and grab a Green Bay Packers calendar!

Whether it’s Taylor Electric, your local credit union, or ACE Hardware, cooperatives prove that when people work together, everyone benefits.

Your membership is what makes our mission possible—and it’s what keeps us focused on serving the people and communities that matter most.

**Join the
Nominating
Committee**

If you are interested in serving as a nominating committee member for the Annual Meeting, please contact our office at 715-678-2411 by Friday, Nov. 20.



ROUTINE INSPECTIONS HELP KEEP THE POWER ON

Is your HVAC system ready for winter?

Here's what to check this fall

As cold weather approaches, fall is a good time to ensure your heating system is ready for winter. A few simple maintenance steps can improve comfort, reduce energy use and help prevent a breakdown when you need heat the most.

Schedule a professional inspection

- Have your heating system inspected by a qualified HVAC professional each year, preferably before winter weather arrives. A professional can check for worn parts, airflow issues, safe operation and other problems that may not be obvious to a homeowner.
- Ensure the inspection includes checking for proper ventilation and signs of carbon monoxide risks if your home has a gas, propane or oil furnace.

Change or clean air filters

- Check your air filter regularly and replace or clean it as needed — usually every one to three months. A dirty filter can block airflow, make your system work harder and affect indoor air quality.
- Consider filter changes more often for homes with pets, allergies, heavy system use or significant dust.

Prepare outdoor HVAC equipment

- Remove leaves, branches, grass clippings and other debris around outdoor HVAC equipment. Trim shrubs and vegetation to maintain at least two feet of clearance around the unit.
- Check gutters and downspouts to ensure water drains away from HVAC equipment.
- Check your furnace's outdoor air intake and exhaust pipes. Snow, ice or debris can block airflow, keep your furnace from operating properly and increase the risk of carbon monoxide buildup.
- Keep outdoor heat pumps clear of snow, ice and debris during the winter. Do not cover a heat pump while it is operating, because it needs airflow to work properly.

Check airflow throughout the home

- Ensure all registers and vents are clean and not blocked by furniture, rugs, curtains or other items.
- Vacuum vents to remove dust and keep air moving freely. If you notice excessive dust around vents, uneven heating or weak airflow, it may be time to have your

system and ductwork checked by a professional.

- Keep most of the registers open throughout your home. Closing vents in unused rooms may seem like a way to save energy, but it can disrupt airflow and make your system work harder.

Reduce heat loss

- Look for drafts around windows and doors, and seal gaps with weatherstripping or caulk.
- Check insulation in attics, basements and crawl spaces. Proper insulation can help keep warm air inside and reduce strain on your heating system.

Adjust your thermostat for energy savings

- Install or program a smart thermostat to match your household schedule. Lowering the temperature when you are asleep or away from home can help save energy without compromising comfort.
- Review the settings on your smart or programmable thermostat before winter begins. You could set the fan to “auto” during mild fall weather to circulate air efficiently without unnecessary energy use.

Know when it may be time for a replacement

- Heating systems more than 10 years old may operate less efficiently than newer models. Planning ahead can help you avoid an emergency replacement during extreme cold. Check with Taylor Electric for rebates on energy-efficient replacements.
- Watch for signs such as increasing energy bills, uneven heating, frequent repairs, unusual noises or a system that takes too long to heat your home.
- When it is time to replace your system, consider ENERGY STAR-labeled equipment for long-term energy savings and efficiency. These include high-efficiency furnaces, air-source heat pumps or geothermal heat pumps, depending on your home, climate and budget.



CAPITAL CREDIT REFUNDS ISSUED

Economic participation is a benefit
of co-op membership

What sets Taylor Electric Cooperative apart from investor-owned utilities?

One of the main things is that each cooperative member is an owner of the business.

And, with being an owner comes the responsibility of operating the business, which is done through attendance at the annual meeting and electing fellow members to the board of directors, who in turn set policies and hire a CEO. The CEO then employs the staff to carry out those policies.

Each member-owner also has a responsibility to invest in the business. There is no stock to sell on Wall Street to provide financial backing for the business. Through member investments, the cooperative builds an equity reserve, which for Taylor Electric Cooperative is currently about 49 percent of the total assets of the co-op. This equity reserve is required by lenders who then share the risk by making loans to the co-op to finance power line construction and rebuilding projects that are needed to keep the electricity flowing.

Since there are no Wall Street

stockholders, there are no dividends or monies paid to outside investors. When each year's finances are audited and closed out, the remaining profit or margins are allocated to the members based on the amount each member paid for electricity during the year. After a period of time, the allocations, or capital credits, are paid back to the members.

Taylor Electric Cooperative has returned more than \$10 million to its member-owners as of December 31, 2025. This amount represents approximately 46 percent of all of the margins earned by the cooperative since its inception.

The bylaws of Taylor Electric Cooperative delegate authority to the board of directors to determine the amount and method of capital credit retirement. With a need for large amounts of cash to invest in new power lines, as well as to replace and repair existing lines, it becomes a tough job to balance the right mix of member investment and borrowing from outside lenders. The decision directly affects the annual retirement of capital credits to past and present co-op members.

Taylor Electric Cooperative returned \$500,000 to its members this year. This amount is being refunded to those members who received electric service from Taylor Electric Cooperative in 2004 and 2005, with Dairyland credits from the years 1998–2000.

All capital credits under \$2,000 were credited to the member's electric bill in September (per new IRS 1099 guidelines). In the case of an inactive membership, a check was mailed at the end of September.

The directors believe there's a need to continue to refund capital credits, but they also realize the need to maintain a strong, viable financial position to meet the future needs of the members and the requirements of our lenders.

The patronage of each member is greatly appreciated.

NOTE: Joint capital credit checks require both signatures when signing. Also, when using the capital credit check for paying your electric bill, please be sure to sign the back of the check.

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