



Renville-Sibley Cooperative Power Association

Your Touchstone Energy Cooperative



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March 21, 2025

Dear Mr. Rauenhorst:

Thank you for recently attending the Renville-Sibley Cooperative Power Association's (RSCPA) board meeting to discuss your concerns regarding the 2024 distributed energy resource (DER) application you submitted to RSCPA as part of your planned Agri-voltaic project.

RSCPA's board of directors has carefully weighed the issues you and others raised. This letter outlines the board's position on the issues you raised and is an attempt to resolve this dispute in accordance with RSCPA's Cogeneration Rules.

It's important to recognize that RSCPA is a member-owned, not-for-profit organization. Since 1938, RSCPA has been proudly serving member-owners of the cooperative. We take every member request seriously and devote time and resources to respond to the request. At times, this involves information-gathering, such as a thorough review of our policies and procedures, financial information, laws and regulations, and other information that might be pertinent to the request. Please know that your request was handled accordingly.

RSCPA is governed by member-elected directors whose primary mission and responsibility is to oversee the short- and long-term interests of the cooperative in the best interests of its members. As a not-for-profit business, the cooperative maintains slim operating margins. To put this into context, RSCPA's 2024 operating margin was less than \$54,000. RSCPA currently serves only 1,564 members, so costs to provide safe and reliable power are spread across those members. We take our fiduciary and governance responsibilities very seriously.

The cooperative supports our members who are interested in distributed generation, and as directors, we work to ensure the interests of our membership as a whole are fairly represented. RSCPA approved your 2023 request to establish a new service on your property, which you acknowledged was intended to facilitate the export of solar energy to the cooperative. You withdrew your 2023 DER application and submitted a new DER application in 2024.

Your 2024 DER application included a request that the cooperative compensate you at the applicable average retail cooperative energy rate for energy generated by your solar facility and exported to the cooperative. As noted above, as part of evaluating and responding to your request, the board thoroughly reviewed our power supply rates, gathered pertinent information, and calculated anticipated costs relevant to your proposal. Given the characteristics of your project and the expected energy input to the cooperative of your solar facility, RSCPA estimates that the expected compensation to you for energy generated from your facility at the average retail rate would result in a loss to the cooperative. This loss could result in increased rates for the other cooperative members, which would unfairly burden 1,563 co-op members who do not directly benefit from your project. They would have to absorb the additional costs of paying the average retail rate.

**RSCPA Letter to Mr. Rauenhorst
March 21, 2025**



However, RSCPA is committed to you as a member and supports the value of your proposed research. We want to help facilitate your novel distributed generation project. Therefore, to balance the cooperative's interest in helping further your proposed project against the increased rates that the project could impose on other members, RSCPA proposes compensating you for energy generated from the facility at the rate of \$0.037 per kWh, which represents the power cost RSCPA would pay to our wholesale power cooperative for equivalent energy. This rate is based on RSCPA's current wholesale power rate schedule and ensures that all members are treated fairly while still supporting your project's potential benefits. Full terms will be included in an agreement between you and RSCPA to facilitate the interconnection process as soon as possible.

We appreciate the opportunity to respond to your request. **Please reply to board@RSCPA.coop with your response and/or any further questions regarding this matter.** We value your membership and look forward to hearing from you soon.

Sincerely,

Board of Directors
Renville-Sibley Cooperative Power Association