

BASIN TODAY

BASIN ELECTRIC POWER COOPERATIVE | FALL/WINTER 2019

FROM FIELD TO FOAM

CRAFT BREWING INDUSTRY TAPS
GROWTH IN UPPER MIDWEST





Members of Basin Electric's communications division were awarded International Association of Business Communicators (IABC) Silver Quill Awards from the Pacific Plains Region.

The Pacific Plains Region spans 12 chapters in 19 states. IABC Silver Quill Awards are presented to outstanding professionals who have proven that their communication programs effectively furthered the goals of their organizations.

To see which employees and projects won awards, visit <http://bit.ly/BasinElectricSilverQuills>.



Employees of Basin Electric's Leland Olds Station near Stanton, North Dakota, received special recognition for achieving the lowest overall incident rate in the lignite industry in 2018, during the Lignite Energy Council's (LEC) Fall Conference. Employees received a traveling trophy known as "Lignite Louie" for winning the Safety Excellence Award. Pictured are, from left, LEC President and CEO Jason Bohrer, Leland Olds Warehouseperson and Our Power My Safety Steering Committee Representative Dustine Simmons, Leland Olds Plant Manager Jamey Backus, and LEC Chairman Wade Boeshans. Read more at <http://bit.ly/LOSSafetyExcellence>.



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Sandy Stinnett, head brewer of Beaver Creek Brewery in Wibaux, Montana, says the craft brewing industry creates a lot of opportunity in Montana, not only for brewers, but for the taprooms that hire individuals in small towns and the ancillary businesses in the area. See how the industry impacts other communities in Basin Electric's service territory on page 12.

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Use your smartphone barcode scanner to view stories online.

PAUL SUKUT

OUR COOPERATIVE STORY STANDS STRONG

Many of us were brought up in a culture that keeps us humble. From our roots, back to the farmers who joined together to form electric cooperatives, to today's hard-working employees who operate our power plants and keep our systems secure and reliable, we have people and ideas that deserve attention and praise.

We do our jobs, strive for excellence, and hope the results speak for us.

We don't tell our story like we should – loud and proud, with all the color and dimension that comes with the conversations behind the decisions we make and steps we take.

The Basin Electric story is one of innovation, resilience, teamwork, and cooperation. We, along with our cooperative members across nine states, follow a set of seven strong cooperative principles. These principles are simple, but that does not mean they are easy in practice.

The principle of democratic member control gives people a voice, and therefore power. To have a say in how your electricity is generated and what your power supplier does with its revenue is a privilege not enjoyed by most people in our nation. But cooperative members serve on the boards of their local electric cooperatives and help make decisions that shape the future of their area's energy service. That's an important responsibility for those who wish to hoist it on their shoulders.

Nearly 60 years ago, the farmers and ranchers who were cooperative leaders chose to use abundant, local lignite coal as the fuel for their first power plant. The Leland Olds Station, Basin Electric's first power plant, located near Stanton, North Dakota, was the largest lignite coal-based power plant in the Western Hemisphere when it became operational. What a tremendous feat of engineering and tenacity!

This summer, the Basin Electric board made the decision for the first time in its history to buy solar generation on a large scale to serve its membership. Nearly 300 megawatts of solar generation will be commercial by 2023. The decision was made in part as a response to our members' desire for more economical renewable generation in our portfolio.

This step toward solar energy extends our legacy of not only reliable, affordable energy, but also environmental stewardship. We reclaimed coal mine land before it was required by law; we built the largest wind projects owned solely by a cooperative twice, first in North Dakota and then in South Dakota.

Think of the courage behind these moves and decisions which started as ideas, championed and bubbled up through the boardrooms in your communities, hundreds of miles away from Basin Electric's boardroom in Bismarck, North Dakota.

How have many of us thanked our local electric cooperative board members for the hours of service they give to the co-op every month? That is a job of commitment and accountability – to spend hours in a board meeting is one thing; to schedule family vacations or home improvement projects around the responsibility of the job is something you may not consider until you're in that seat.

People drive our cooperatives, and in turn, the entire electric cooperative system. People with kids, grandkids, pets, and sometimes even livestock. People who have likely worried about their bills at some point in their lives, and people who have worried about their family's future.

Our story is people. Think of why they made the choices they did 60 years ago and how those choices impact the decisions we must make today.

And then think about how the decisions we make today will affect the people who sit on our boards and in our workforce for the decades to come. What story will we tell?

What is the most important thing in the world?

It is the people, it is the people, it is the people.

~ Maori proverb

A handwritten signature in black ink, appearing to read 'Paul Sukut', with a stylized, flowing script.

Paul Sukut, CEO and general manager

Basin Electric directors vote to return money to members

Basin Electric directors authorized the retirement of \$31.7 million in patronage capital credits during their November board meeting.

The capital credit retirement represents 1/30th of the cooperative's total undistributed margins of approximately \$950.3 million.

After this patronage retirement, since the year 2000, Basin Electric will have returned over \$720 million to the membership via patronage capital retirements, bill credits, and power cost adjustments.



<http://bit.ly/BECapitalCredits2019>

Wyoming ITC welcomes first tenant at Dry Fork Station

The Wyoming Integrated Test Center welcomed TDA Research, Inc. (TDA) as the first tenant of the facility on Oct. 15. TDA develops cutting-edge chemical processes, materials, and hardware for customers in the defense, aerospace, energy, and chemical industries.

Over the winter, TDA will test a novel hybrid carbon capture system, which incorporates membrane and solid sorbent technologies to remove carbon dioxide from flue gas.



Basin Electric's Dry Fork Station near Gillette, Wyoming, serves as host for the Wyoming ITC, a research test facility where researchers will test carbon capture utilization and sequestration technologies. The ITC is only the second research and test facility of its kind at an operating power plant in the U.S., and one of only a handful of such facilities in the world.



<http://bit.ly/ITCFirstTenant>

Basin Electric board of directors authorizes purchase of solar energy

For the first time in history, Basin Electric will buy solar generation on a large scale to serve its membership. Basin Electric's board of directors authorized in its September board meeting the purchase of up to 300 megawatts of solar energy.

Paul Sukut, Basin Electric chief executive officer and general manager, said the board's decision to add economically priced solar generation to Basin Electric's diverse resource portfolio is in response to members' desire to secure economic alternatives to meet future power supply needs.



<http://bit.ly/BasinElectricSolar>

Court ruling officially ends Clean Power Plan

On Sept. 17, the D.C. Circuit Court of Appeals dismissed the Clean Power Plan (CPP), ending the rule's four-year-long litigation.

In 2015, Basin Electric, along with 26 states and many other utilities, filed petitions for review of the rule in the D.C. Circuit Court of Appeals and requested a stay of the rule pending the outcome of litigation. The D.C. Circuit denied the request for stay, but upon emergency petition to Supreme Court Chief Justice John Roberts, the stay was granted.

At the direction of President Donald Trump, the EPA repealed the CPP and replaced it with the Affordable Clean Energy rule, which was finalized in June. At that point, the CPP litigation became moot.



<http://bit.ly/CourtRulingEndsCPP>

On the web

Did you know that we feature clips from our monthly Board Report videos to YouTube each month? Find them at youtube.com/BasinElectric.



Basin Electric ranked in nation's top 100 co-ops list

Basin Electric was recently ranked among the nation's top cooperatives by the National Cooperative Bank in its annual Co-op 100® list, which names the nation's top 100 revenue-earning cooperative businesses.

According to the report, these businesses posted revenue totaling approximately \$222.2 billion.

Basin Electric was ranked #16 overall.

National Cooperative Bank, a financial services company specializing in cooperatives, has produced the NCB Co-op 100® list for 30 years. It's the only annual report of its kind to track cooperative revenues and success of cooperative businesses in the United States.



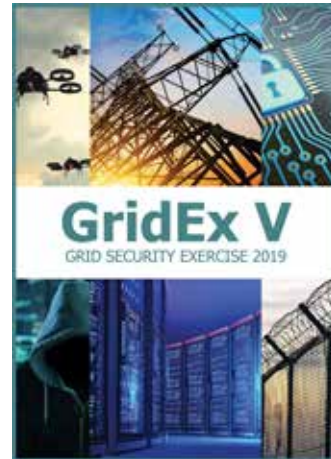
<http://bit.ly/BasinElectricTop100>



Basin Electric participates in NERC's GridEx V

Basin Electric employees were part of GridEx V, a continent-wide security exercise held Nov. 13-14.

Sponsored and administered by North American Electric Reliability Corporation (NERC), the biennial exercise is designed to enhance the coordination of cyber and physical security resources and practices within the industry, as well as communication with government partners and other stakeholders, including those in Canada and Mexico. GridEx gives participants the opportunity to self-assess their emergency response and recovery plans through simulated exercises that take place across North America.



Basin Electric employees from several departments, as well as the cooperative's state and federal partners, took part in scenarios including compromised corporate computer systems, malware on operational technology systems, physical attacks, and copycat attacks on the grid.



<http://bit.ly/BasinElectricGridExV>

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SAUER RETIRES AFTER 30-YEAR CAREER AT DAKOTA GAS

By Joan Dietz

Dave Sauer, Dakota Gasification Company's senior vice president and chief operating officer, retired after 30 years of service to both Dakota Gas and Basin Electric.

Sauer began working at the Great Plains Synfuels Plant in August 1989 as a rotating equipment engineer. Over the course of his career, he held various positions at the Synfuels Plant, including plant engineering supervisor, maintenance manager, and process operations manager. In 2011, he accepted the position of senior vice president of administration at Basin Electric, and in May 2012, Dakota Gas vice president and plant manager. In June 2013, Sauer was named Dakota Gas senior vice president and chief operating officer, the position he held when he retired.

Sauer held multiple positions within the company throughout his career, and says, "I enjoyed them all, as each one had its own set of challenges. The common theme, though, that made them enjoyable were the hard working, dedicated people I worked with in those positions."

When asked about a memorable moment, Sauer says, "There are too many to mention!" Working on the expansion projects, major outages, and black plant outages top the list, though, he says.

While challenges at the Synfuels Plant did exist during his tenure, and still do today, Sauer says everyone always pulled together to solve the problems and challenges. "I couldn't be prouder of a group than I am of the employees at the Synfuels Plant," he says. "The innovation and tenacity of the workforce has and always will get Dakota Gas through the tough times and on to a brighter future."

Human Resources Manager Erica Petrowitz says she enjoyed working with Sauer and gained valuable knowledge from him over the years. "Dave was a great mentor," she says. "He is honest, hard-working, and looks out for the best interests of Dakota Gas and its employees. He was always someone I could count on when I needed advice, especially when

working through different employee situations. I will miss Dave and our conversations."

"Dave was a great leader and role model for Basin Electric and Dakota Gas, as well as for me personally," says Trinity Turnbow, process operations and assistant plant manager. "This business can be tough; but through Dave's leadership, Dakota Gas is in a better position to succeed in the future. Dave's path from engineer to chief operating officer proves that working hard with a positive attitude during challenging times, along with accepting opportunities when they arise, results in a very successful career. I will miss our talks and his advice on how to handle almost any situation. He should be proud of the legacy he left."

Vice President and Synfuels Plant Manager Dale Johnson says he and Dave spoke almost every day, and often multiple times per day. "Dave had a long history with the plant and was well versed, particularly in the mechanical aspects of the plant," Johnson says. "We were able to work through challenges at the plant, and took time to celebrate the victories. Dave can certainly look back at his career and be proud of the accomplishments we have made at the plant."

Even as the years passed and employees retired, Sauer says he was always impressed with the new generation of employees. "I have no doubt that the new group of leaders at the Synfuels Plant and Basin Electric will help guide the company into a prosperous future," he says. "They are a very talented group that demonstrate great teamwork."

Sauer plans to spend time with family and friends in his retirement. "I now have the time to watch my grandkids grow and can be a part of their lives better than I did with my own kids," he says. Sauer also plans to travel and work on completing a project list that he says is a mile long.

"Thinking back, it's hard to believe the job I came to in 1989 for a few years turned into a 30-year career," Sauer says.



Dave Sauer, Dakota Gasification Company's senior vice president and chief operating officer, retired after 30 years of service to both Dakota Gas and Basin Electric.

MEMBERSHIP APPROVES CHANGE TO BYLAWS AT ANNUAL MEETING

A change to Basin Electric's bylaws was approved by the membership at Basin Electric's 2019 Annual Meeting.

Prior to the change, the bylaws required that notice of any special meeting be delivered by written notice, either personally or mailed to the director's last known address. The change allows for notification via email.

"At the board's request, this change was made to all the subsidiary bylaws last December, but changing Basin Electric's bylaws requires member approval, so it was proposed and voted on at the Annual Meeting," says Mark Foss, Basin Electric senior vice president and general counsel.

The Bylaw Review Committee met July 24 to review the proposed amendment, voting to recommend the revision to the membership. The committee is made up of one manager and one director from each of Basin Electric's 11 districts.

During the Bylaw Review Committee meeting, members re-elected Vic Simmons, general manager of Rushmore Electric Power Cooperative, as chairperson.



Vic Simmons, chairman of the Bylaw Review Committee, presented the proposed change to the membership at Basin Electric's 2019 Annual Meeting.

The 2019 Resolutions Committee is made up of, left to right, Dwight Rossow, Tom Wagner (board representative), Gary Bachman, Scott Stecher, Clarence Keller, Sheri Haugen-Hoffart, David Sigloh, Jim Erk, Louis Reed, Jack Finnerty, and David Hansen. Not pictured is Philip Habeck.



MEMBERS APPROVE ELECTRIC VEHICLE RESOLUTION AT ANNUAL MEETING

A resolution in support of members' policies and investments to develop and deploy electric vehicle programs and charging infrastructure within the cooperative's service territory was approved by the membership at Basin Electric's 2019 Annual Meeting. The framework of the resolution includes policies that remain favorable to cooperatives regarding the sale of energy, utility rate development, and appropriate fees that recoup lost gas tax revenues for road infrastructure and maintenance.

"We are seeing legislation and regulatory cases popping up around our member states related to electric vehicle policy," says Jean Schafer, Basin Electric senior legislative representative. "We want to be supportive of those efforts, but would like that support to be within the general framework that we outlined in the resolution."

The Basin Electric Resolutions Committee, made up of directors from each of Basin Electric's 11 districts and a Basin Electric board member, reviewed the resolution during its annual review meeting on Sept. 9. The committee also re-elected David Sigloh, director of Upper Missouri Power Cooperative, as its chairperson, as well as reviewing the cooperative's existing resolutions.

STRATEGIC PLANNING MEETINGS: THE START AND HEART OF EVERY PLAN

By Tammy Langerud

Every solid plan begins with a goal and many questions. What do we hope to achieve? What is our timeline? Who are the players that will assist? What has been done in the past that worked, or not, and why? What are the steps needed to produce a desired result? How will we measure success? At Basin Electric, the question that lingers and is the start and heart of every plan we craft, is this: How will this goal and result affect our member-owners?

That question is the reason the board of directors, which represents our members, participates in regular strategic planning discussions.

Quarterly strategic planning sessions include directors, senior staff members, and other staff presenters. The most recent meeting was held Sept. 8-9 at Basin Electric's Headquarters in Bismarck, North Dakota.

Andrew Buntrock, director of strategic planning and communications, says Basin Electric hosts these meetings to have ongoing conversations as the utility industry evolves, disseminate timely information, and be as transparent as possible with the membership.

In 2019, Basin Electric set the strategic goal of "stability" in its strategic planning meetings, to stabilize the rates and the cooperative. That goal is upheld by three pillars that contain the strategic objectives of "member and employee focus," "continuous improvement," and "strategic direction/forward look."

"These strategic objectives are accomplished through department initiatives," Buntrock says. "For example, the Member Services and Administration group has a department initiative to help enhance member and employee communications. It is doing this, in part, by helping to facilitate the expanded board report that is sent to members each month. In turn, this helps fulfill the strategic objective of member and employee focus. Coming full circle, this helps fulfill the strategic goal of stability, because it increases communication with our member-owners."

Each department within Basin Electric has specific goals and initiatives that support the strategic goal.

Strategic planning is a continuous and changing journey. In 2019, meetings were held in January, April, June, and September. The next meeting is scheduled for January 2020.

During September's session, participants discussed a number of topics including:

- Dakota Gasification Company's benefits to the membership, financial impacts associated with operational changes, scenarios for the financial forecast, and the domino effects on coal;
- Continued load growth in the Bakken and options for providing electric service;
- Opportunities with the 45Q tax credit relating to carbon capture and sequestration; and
- Power supply and resource strategy, and the importance of capacity.

The session also noted several outside groups that are attacking the cooperative business model. With an anti-carbon ideology, these small-but-vocal groups are erroneously questioning co-op values, governance, and transparency and creating seeds of doubt about prices and generation mix. Buntrock says the discussion was a reminder that education is a continuous and changing journey, and that it is every cooperative's role to provide facts to show the many proactive ways we are doing business.

"We are focusing on education and messaging to increase engagement with members, statewides, and national co-op associations, while strengthening relationships with regulators and legislators at the state and federal levels," he says.

Until 2019 comes to a close, Basin Electric and its strategic planning members will continue to seek answers to the questions it asked in developing the goal of stability and fueling the plan.

In the meantime, at the Basin Electric annual meeting in November, speakers talked about how department initiatives addressed and met the strategic objectives and goal, reflecting on what has been done and how the pillars have evolved.

For 2020, directors and senior staff have named "powering together" as the overall goal with the strategic objectives of member and employee focus, continuous improvement, and strategic direction/forward look. These objectives will be met through initiatives developed by each individual department.

BASIN ELECTRIC'S FIRST NERC CIP AUDIT COMPLETED

By Tammy Langerud

Basin Electric's first-ever compliance audit for Critical Infrastructure Protection (CIP) was conducted by the Midwest Reliability Organization (MRO) in August.

The audit looked at the cyber and physical security initiatives Basin Electric has in place, focusing on five North American Electric Reliability Corporation (NERC) reliability standards and 18 of the 39 NERC CIP requirements.

The audit covered the following areas:

- Cyber security,
- Physical security,
- System security management,
- Change management, and
- Transmission substation physical security.

This was Basin Electric's first CIP audit, because prior to 2016 the co-op had not identified any "critical" CIP assets, says Dave Rudolph, manager of NERC compliance.

Basin Electric's CIP team was notified about the audit in May. The notification also outlined the timeline of data deliverables leading up to the onsite audit.

Various level one and level two data requests were due to auditors in June and early August for their review before coming onsite to Basin Electric. Leading up to the onsite audit, auditors also conducted interviews with Basin Electric subject matter experts and requested additional data.

The onsite audit included tours of Basin Electric Headquarters,

substations, and a backup data center. The onsite portion concluded with auditors presenting their findings.

Results

"Overall, Basin Electric's CIP team did a great job," Rudolph says. "For being our first audit and having heard stories from other entities, it went as well as can be expected."

The audit identified the following results:

- Two issues of potential non-compliance. Lower risk non-compliance with mitigation strategies are already being developed; and
- One area of concern.

Internal CIP audit team reaches co-op wide

The CIP audit is broad and touched many areas in Basin Electric.

Several areas within Basin Electric participated in the MRO CIP Compliance Audit.

- NERC compliance (transmission compliance division of Transmission, Engineering, and Construction)
- Information systems and telecommunications (operational technology, network, and telecom divisions of finance/information systems, and telecommunications)



- Security and response services-physical security
- Transmission system maintenance

Senior Vice President of Operations John Jacobs served as the designated CIP senior manager.

“This was a broad-reaching audit,” Rudolph says. “In the months leading up to it, all of the employees involved spent a significant amount of time outside of normal business hours – weekends and evenings – to prepare.”

Aside from the months of preparation leading up to the audit, Basin Electric’s CIP team has been meeting regularly for the past six years to prepare the program.

Next steps

Basin Electric received the draft audit report on Oct. 3 and the final audit report Oct. 29.

The MRO will begin the process of reviewing the identified issues of potential non-compliance and determine the next steps, either financial penalty (with formal mitigation) or a compliance exception. This process may take up to one year to complete.

Rudolph says the MRO will also inform Basin Electric within the next six months to one year about the timing of future audits, which he anticipates happening more frequently.



Dave Rudolph, manager
of NERC compliance

FROM FIELD TO FOAM

CRAFT BREWING INDUSTRY TAPS GROWTH IN UPPER MIDWEST

By Tracie Bettenhausen

What do you think about when you're driving down a rural road?

Do you look at the sky and imagine who is on the planes gliding through the clouds?

Look at the cattle and imagine what is going through their heads?

Scan fields of grain, and wonder where all that golden silkiness will land?

The farmers you see on those roads think about harvest, or next year's planting, or their children's futures. Many of them dream of a day when rain comes at the perfect time, hail never falls, and prices are fair.

Then there are the farmers who dream just a little more craftily.

That would be the Stobers.

John and Donovan Stober are a father-son farming team near Goodrich, North Dakota, and Jared is a son living in Bismarck, North Dakota. John and Donovan are members of Verendrye Electric Cooperative, a Basin Electric Class C member. When the kids were growing up, the family was getting out of grain farming and into exotic animals, such as bison. Later, the family took up flax and sold products in 16,000 retail locations across the country.

Around 2015, the Stobers got that itch to start something new again. Where would they take their farming business next; what would be their next value add?

The craft brewing industry was taking off around that time, and hops were the first thing to come to mind. Jared starting looking into it, but the work to grow and harvest hops was tedious, and the competition was pretty fierce.

The Stobers stopped and looked around. "The barley aspect was literally being grown in our backyard," Jared Stober says. "So we put two and two together and started looking into what it takes."

They had the fields to grow barley, and they had enough know-how to determine what was needed on the farm — some dedicated grain bins, augers, and trucks so there would be no cross-contamination.

The Stobers were in good company. Lots of farmers in the upper Midwest grow barley for beer.

But the Stobers went a step further and started Two Track Malting.

Two Track Malting uses barley, wheat, or rye, grown either on the Stober farm, or more recently, grown on another family farm near Belfield, North Dakota, to create malt for craft brewers.

Greg Kessel, a partner in Two Track Malting, also serves as vice chair of the National Barley Growers Association and the North Dakota Barley Growers Association. He says 95% of the barley grown in the United States goes to the beer industry. In North Dakota, the total acreage devoted to barley has fluctuated between 400,000 acres to more than 1 million acres over the last eight years. In 2019, Montana was the top barley grower, followed by North Dakota, and then Idaho.

The malting operation is located in Lincoln, North Dakota, and is a member of Capital Electric Cooperative, a Basin Electric Class C member headquartered in Bismarck, North Dakota. “We were fortunate enough to find someone to be the brains behind the operation (Chris Fries),” says Jared Stober, chief executive officer for Two Track Malting. “We scaled up a smaller system to our system, and then crossed our fingers on a few things we engineered ourselves and had fabricated, that luckily worked. We were up and running fairly quickly.”

Chris Fries is Two Track Malting’s chief operating officer and head maltster. Today, Two Track Malting sends malt to about 75 brewers in 25 states. Some of the brewers are home brewers, many are craft breweries such as Laughing Sun Brewery in Bismarck, and Knuckle Brewing Company in Sturgis, South Dakota. Fries ships malt as far as New Jersey and Florida.

“You can’t make beer without malt. Our goal was to give breweries a story behind their craft beer,” Fries says. “They already have a story when it’s local beer, but now they can make it more local. ... Even the breweries that are

outside our region, they can tell customers, ‘We talked to the farmers and maltsters, we get these flavors because of this or that.’”

Two Track Malting partnered with Greg (mentioned earlier) and Stacey Kessel of Arrow K Farms in Belfield, North Dakota, members of Roughrider Electric Cooperative, a Basin Electric Class C member. The Kessels developed a proprietary hard white wheat variety for malting, called AKF - Astro. “It has a hazy quality. Gives the beer a good mouthfeel, good flavor,” Fries says. They are also working with North Dakota State University on a barley variety called AKF - Brewski, which is also grown at Arrow K Farms.

But how does the unique story behind Two Track Malting’s product make it to the beer drinker? Fries brought his malting skills to the table, but he brought his web technology background, as well.

Every bag of malt is printed with a QR code that identifies the specs, all the way down to the exact field where the grain was grown. And Two Track provides their breweries with posters, coasters, and table tents, so beer drinkers can scan the code with their smartphone and read all about their beer’s origin story at Two Track.

Jared Stober says the traceability is one of their best selling points with brewers. “My brother (Donovan) tracks everything. He can pinpoint where the barley came from, what was put on that barley, when it was planted and harvested. That’s information that can get lost when you’re growing barley for a large malthouse. You become one number of 10,000 for a supplier,” Jared Stober says.

The farmer grows the barley, but is usually the least recognized in the process. Two Track Malting changes that. “It’s a sense of pride, because you spend all that time growing and harvesting,” Jared Stober says. “So you know [your barley] is going into some beer, and with our operation, you know exactly which beer it’s going into.”



Chris Fries, left, chief operating officer and head maltster and Jared Stober, chief executive officer of Two Track Malting.



Beaver Creek Brewery, Wibaux, Montana

If you spin your wheels down Interstate-94 in Montana and stop in Wibaux at just the right time of year, there is a chance you can get a taste of Beaver Creek Brewery's most popular seasonal beer, Chokecherry Wheat. But the chance is slim.



Sandy Stinnett, head brewer, says he brewed 40 kegs of Chokecherry Wheat in 2019, and it sold out within 60 hours, or 16 retail days at the brewery. The beer is made using chokecherries that locals bring in by the gallon-bag or even five-gallon bucket. In return, the pickers get a gift certificate for some free beer or merchandise.

Beaver Creek opened in 2008 after an 18-month renovation of an abandoned grocery store in town. At the time, there were 16 craft breweries in Montana. Today, there are nearly 100.

Stinnett says the ancillary businesses growing around the craft beer industry have been interesting to watch. For example, there are now "ma and pop" distributors catering to craft beer. "You'll get those phone calls, say, from Fargo, North Dakota, and they'll tell you they're coming along and picking up kegs of craft beer and move them to bars, restaurants," he says.

"Creates a lot of opportunity in Montana. Not only for the brewers, but for the taprooms that hire individuals in small towns," Stinnett says. "Then there's glass; I get my growlers and logoed pint glasses from a small town, Stevensville, Montana. That feller opened up when he saw the brewery industry starting to grow early on. He enjoys a booming business right now, so much so that he can't keep up with all the breweries in Montana."

John Sokoloski, Goldenwest Electric Cooperative, a Basin Electric Class C member located in Wibaux, says of the brewery and its adjacent restaurant and music venue, "We live in a pretty small town, about 400 people, and for us to have access to this caliber of food and drink is so appreciated," Sokoloski says. "We know people travel from miles around to come to the brewery, but our members and employees are able to visit right here in their own community. In fact, we held our employee Christmas party there this year."



Malty margins



According to the 2018 Economic Impact Report released by the Brewers Association, small and independent craft brewers contributed \$79.1 billion to the U.S. economy in 2018, which is a 4% increase from 2017. The calculation is derived from the total impact of beer brewed by craft brewers as it moves through a system comprised of breweries, wholesalers, and retailers, as well as all non-beer products such as food and merchandise sold in brewpub restaurants and brewery taprooms.

According to the report, in 2018, the craft brewing industry provided 559,545 total jobs, with 150,055 jobs directly at breweries. In addition, more than \$5 billion in wages and benefits were provided to brewery employees through 2018.

Want to see stats from your state? Log on to basinelectric.com and search "field to foam."

TractorLift Brewery, Humboldt, Iowa

Larry Beilke's love for good beer goes all the way back to his military days. The 21-year veteran was stationed in Germany in the late 1980s. "When I came back to the United States, I thought, 'Why don't we have beer here, like they do in Germany?'"

Fast forward many years to a Christmas party where Beilke received a Mr. Beer kit. "I spent all winter in my basement reading and learning to make beer," he says.

He kept brewing at home, upgrading from the beer kit to all-grain brewing, earning a few blue ribbons at the Iowa State Fair and the admiration of his friends.

Several more years later, a group of friends in Humboldt, Iowa, were looking to buy a local restaurant that was for sale. "They came to me and said, 'Hey we think your beer is pretty good, what do you think about opening a brewery and making beer for the restaurant?'"

Beilke, whose full-time job is as a Midland Power Cooperative member service representative, sold his first beer from TractorLift Brewery in 2016. "I am strictly a wholesale producer, so I only have four customers," he says. The customers are two bars and two restaurants, all located in Humboldt. "The end goal would be to have a taproom of my own," he says.

His time working for the co-op means his brewery is energy efficient. "We have an air source heat pump and use a high-efficiency water heater," Beilke says. "We're conservative with our water. The cold water that comes into the brewery is used to chill the nearly completed batch of beer. As it is pulls the heat off the beer, it is gradually warming the once-cold water to be used in the next batch of beer. Doing it this way allows me to use both less energy and less water."

Beilke sees huge value in using local suppliers whenever possible, which includes growlers, pint glasses, t-shirts, tap handles, and logo design and printing. Aside from those services, his daughters help with bookkeeping and marketing. "On occasion I can talk one of them into helping fill kegs," he says. He works in the brewery in the evenings and weekends, spending roughly 20 hours a week there.

"People are always asking for what's new, and being smaller like I am gives me the flexibility to change beers regularly," Beilke says. His most unique brew? A blueberry stout. His most popular? The cream ale.



On the web

Watch head maltster Chris Fries explain how he malts grain at Two Track Malting. <http://bit.ly/BasinTodayTwoTrackMalting>

Watch Sandy Stinnett at Beaver Creek Brewery talk about how he helps other brewers pour their own perfect pint. <http://bit.ly/BasinTodayTwoTrackMalting>



Powering Together

Annual Meeting

20

19

BASIN ELECTRIC MEMBERS PLAN FOR GROWTH AT 2019 ANNUAL MEETING

Basin Electric's 2019 Annual Meeting of its membership brought in nearly 900 member cooperative employees, directors, public officials, and utility representatives, and featured several updates on complex issues and developments.

The meeting's theme, "Powering Together," was chosen to represent the diversity and unity of its members, qualities which make the cooperative stronger. Presentations throughout the meeting shared how Basin Electric is evolving to meet members' energy needs in the ever-changing energy industry.

For more information, including reports, video, and social media feeds, visit basinelectric.com/about-us/annual-meeting.



The Annual Meeting is a great opportunity to connect with other Basin Electric members and business partners. This year, nearly 900 people attended.



North Dakota Gov. Doug Burgum kicked off the meeting by sharing his insights on challenges and opportunities in North Dakota's energy industry.



Basin Electric CEO and General Manager Paul Sukut spoke in depth about the recent rate decrease and how it has affected Basin Electric's members. He shared that the board also approved a \$31.7 million patronage retirement.



Vendors from Basin Electric, other co-ops, and business partners had booths at this year's Annual Meeting. The booths were an opportunity to learn more about one another to create even stronger working relationships.



The Optimizing Operations panel discussed outages, projects, safety, production, and other aspects of operations. The panel was moderated by Doug Hardy (pictured left), general manager of Central Montana Electric Power Cooperative. Panelists were (left to right), John Jacobs, senior vice president of Operations; Dale Johnson, vice president and Dakota Gas plant manager; and Gavin McCollam, vice president of Engineering and Construction.



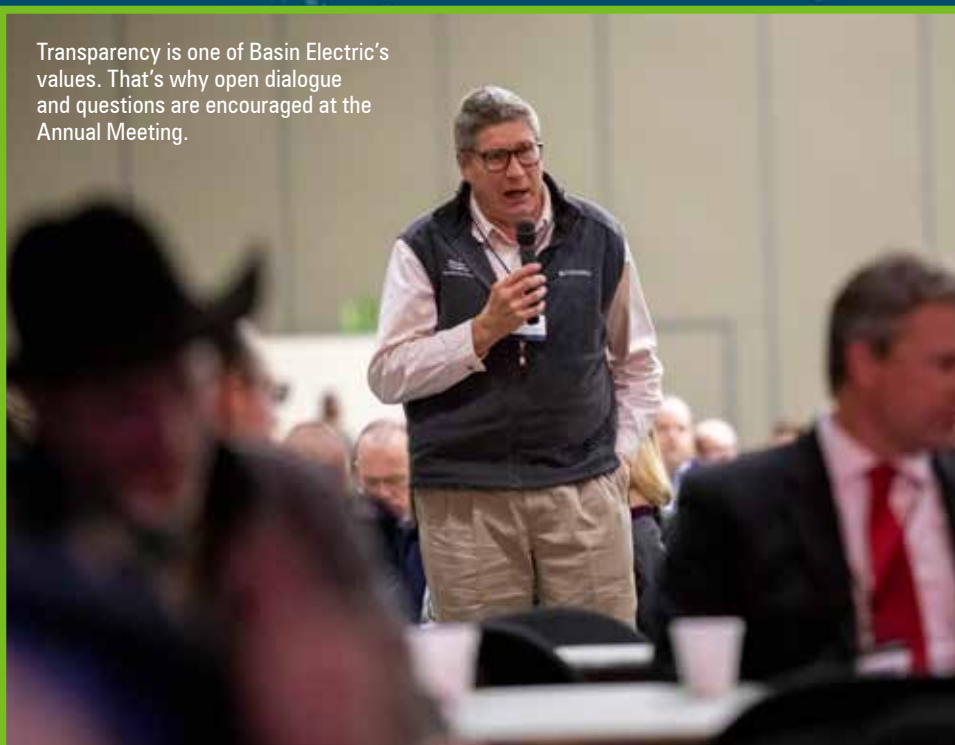
The Serving Our Members and Markets panel discussed load growth in Basin Electric's service area, renewable resources, rate initiatives, and many other marketing-related topics. Matt Washburn, executive vice president and general manager of Northwest Iowa Power Cooperative (pictured left) served as the moderator. The panel included (left to right) Dave Raatz, senior vice president of Asset Management, Resource Planning, and Rates; Tom Christensen, senior vice president of Transmission, Engineering, and Construction; and Daniel Schaaf Gallagher, manager of Commodity Sales and Trading.



This year's keynote speaker was Robert "RJ" Johnston, executive advisor and managing director of Global Energy and Natural Resources for the Eurasia Group. His message focused on the implications for U.S. trade and energy. Listen to Johnston's entire presentation at basinelectric.com/about-us/annual-meeting/annual-meeting-video-gallery.



Transparency is one of Basin Electric's values. That's why open dialogue and questions are encouraged at the Annual Meeting.



GOING BACK TO SCHOOL WITH A MESSAGE TO PREVENT FIRES

By Tammy Langerud

One day during Fire Prevention Week, Justin Feil, training coordinator at Antelope Valley Station, heads back to elementary school.

As a volunteer firefighter with the Beulah Rural Fire Department, Feil and other Beulah firefighters educate elementary students at Beulah Public Schools about fire prevention and safety. This outreach effort, which he's done for eight-plus years, is part of National Fire Prevention Week, commemorated annually in October.

"It's fun," Feil says. "I like being a firefighter, and sharing the fire safety message is important to me."

Just a few of the key fire safety messages Feil shares with the kids include: don't play with fire, know how to get out of your house, know your home address, and the classic, "stop, drop, and roll."

Well before National Fire Prevention Week arrives, Feil is busy developing different demonstrations about fire safety that appeal to students in kindergarten through fourth grade.

One year he made a small, glass house out of clear plexiglass and sprayed fake smoke into it.

"The kids get to see the smoke rising, which ultimately sets off the fire alarm," he says. "Their reaction is great because they say, 'Whoa!'"

But the best reactions of the week come from the kids who are selected to ride to school in one of the fire trucks.

The Beulah Rural Fire Department randomly selects one student from each grade level per section to ride in either a grassfire truck or structure engine truck each day during the week.

The night before, the fireman calls parents to let them know their child was selected, and some parents want it to be a surprise for their child until morning.

"You can't even describe the look on kids' faces when we pick them up at their homes in the morning," Feil says. "It's priceless. Some kids scream; some kids are just speechless."

The travel route includes a trek down Beulah's Main Street, where they blast the siren a few times. One block away from school, they turn on the lights and sirens again and drive by the playground.

"All of the kids on the playground run up to the fence to watch the fire trucks drive by," Feil says. "It's a blast. Overall, I bet I get just as excited for the week as the kids do."

Feil also says, "There are about 35 volunteer firefighters between Antelope Valley Station, Leland Olds Station, and Dakota Gasification Company that serve on Beulah, Golden Valley, Hazen, Pick City, Stanton, and Zap's fire departments.



Justin Feil made a small, glass house out of clear plexiglass and sprayed fake smoke into it so kids can see how smoke rises during a fire.

Bryce Brady, a fellow Beulah firefighter and a lab technician at Dakota Gasification Company, poses with Beulah Elementary School student Jacob Sperry, who won the honor of riding to school in a fire truck.



New employees



Juwaun Speed started work at the Great Plains Synfuels Plant Aug. 19 as a field technician. Speed has an associate degree in process plant technology from Bismarck (North Dakota) State College. He previously worked for Oasis Petroleum in Watford City, North Dakota, as an operator.



Robb Moore started work Aug. 26 at the Great Plains Synfuels Plant as a senior rotating equipment engineer. He was employed at the Synfuels Plant previously, as well as with Dakota Prairie Refinery in Dickinson, North Dakota. Moore has a bachelor's degree in engineering from South Dakota School of Mines & Technology in Rapid City, South Dakota.



Nicole Gaab, marketing analyst, started work at Headquarters Sept. 3. She has a bachelor's degree in mathematics from Dickinson (North Dakota) State University. Gaab previously worked at North Dakota Workforce Safety & Insurance as a loss control consultant.



Kristi McDonald, field technician, started work at the Great Plains Synfuels Plant Sept. 16. She has a bachelor's degree in biology from the University of Mary in Bismarck, North Dakota.



Cody Schoonover, real-time trader, started work at Headquarters on Sept. 23. He previously worked as a wealth advisor at Starion Bank. The Bismarck-Mandan, North Dakota, native earned a bachelor's degree in banking and financial management from the University of Mary in Bismarck. Schoonover is also an enlisted member of the North Dakota Army National Guard.



Brittney Koch started work as a registered nurse at the Great Plains Synfuels Plant on Oct. 7. She was previously employed at Jacobson Memorial Hospital in Elgin, North Dakota. Koch is originally from Rialto, California.



Timothy Ollenburger was hired Oct. 7 as a buyer at Headquarters. The Bismarck native previously worked as a customer service representative/warehouse manager at Distribution International.



Tammy Gullickson was hired Oct. 14 as a facilities technician I at Headquarters. Before joining the cooperative, the Bismarck-Mandan, North Dakota native was a bartender at Last Call Bar.



Robert Hopkins, operations and maintenance supervisor, started work at Culbertson Generation Station on Oct. 14. He previously worked as a senior operations and maintenance technician at Northern Border Pipeline/TC Energy. Hopkins is originally from Poplar, Montana, and served in the United States Air Force.



Lorraine Kohler, administrative assistant/travel coordinator, started at Headquarters on Oct. 14. Before joining the co-op, the Bismarck native worked as a bill and journal room supervisor for the North Dakota Legislative Council's 66th session. She previously co-owned Kohler's Home Improvement and Wheels Wings-N-Hobbies.



Lucas Erickson started work May 28 at the Great Plains Synfuels Plant as a rotating equipment engineer. He has a bachelor's degree in mechanical engineering from North Dakota State University in Fargo.



Jessica Simpson, business intelligence architect, started work at Headquarters Oct. 21. Before joining Basin Electric, she worked as a project manager for the North Dakota Office of the Attorney General. She has a bachelor's degree in computer information systems from the University of Mary in Bismarck. Simpson is originally from Sherwood, North Dakota.

EMPLOYEE HIGHLIGHTS



Randy Banning started work as superintendent at Montana Limestone company on Oct. 21. Previously, Banning worked as a plant manager at Pete Lien & Sons. The Powell, Wyoming, native has a bachelor's degree in mining engineering from South Dakota School of Mines and Technology.



Chris Atwood joined the Laramie River Station team as a laborer on Oct. 28. Previously, he worked as a site supervisor for Freedom Terminal Services. Atwood has an associate's degree in process plant technology and is originally from Guernsey, Wyoming.



Tyler Tillman began work Oct. 28 as a laborer at Laramie River Station. The Wheatland, Wyoming, native previously worked as a welder/mechanic with Cloud Peak Energy.



Kalli Senske, staff writer/editor, started at Headquarters Oct. 28. A Bismarck native, she previously worked at Starion Bank as a marketing specialist. Senske graduated from Minnesota State University Moorhead with a bachelor's degree in communication studies.



Janene Pudwill, multimedia specialist III/senior graphic designer, joined the team at Headquarters on Oct. 14. She graduated from Bismarck State College with an associate's degree in commercial art. Pudwill is a native of Kensal, North Dakota, and previously worked as a senior art director at KK Bold.



Jade Murray, service dispatcher, started at Headquarters on Nov. 25. The Mercer, North Dakota, native previously worked for the U.S. Postal Service as a rural carrier associate. She earned an associate's degree and is currently working toward degrees in digital arts and vet tech.



Landon Tyson started as a laborer at Laramie River Station on Oct. 28. He was previously employed as an equipment operator at Schlumberger and is from Wheatland, Wyoming.



Kenny Philips, alarm monitor/service dispatcher, began work at Headquarters on Nov. 4. Originally from California, Philips previously worked as a correctional officer for the Department of Corrections in Bismarck, North Dakota.



Kevin Collins began work as an electrician at Laramie River Station on Nov. 12. Before joining the co-op, Collins was a maintenance electrician with Microsoft. He earned a journeyman electrical license from the State of Wyoming. He is a native of Laramie, Wyoming.



Joshua Evans started as a laborer at Laramie River Station on Nov. 12. He previously worked as an operator for Cert Operation. Evans has associate's degrees in welding and dein machine tooling. He is from Wheatland, Wyoming.



Logan Rietveld, apprentice substation electrician, started work at Transmission System Maintenance-Williston on Nov. 12. Rietveld previously worked as a substation technician with East River Electric. He is originally from Mitchell, South Dakota.



Bill Kernan began work Oct. 28 as a laborer at Laramie River Station. The Wheatland, Wyoming, native was previously self-employed as a contractor.



Scott Johnson started work as director of tax at Headquarters on Nov. 25. A licensed CPA, Johnson previously worked at MDU Resources as senior tax analyst. He is originally from Moorhead, Minnesota.

Service awards



Byron Berger
35 years
shift supervisor-utilities
Dakota Gasification Company



Randy Binstock
35 years
field technician
Dakota Gasification Company



Troy Borud
35 years
manager, fertilizer section
Dakota Gasification Company



Arnold Charging
35 years
field technician
Dakota Gasification Company



Don Doll
35 years
operations coordinator
Dakota Gasification Company



John Helm
35 years
field technician
Dakota Gasification Company



David Knudson
35 years
superintendent, planning
Dakota Gasification Company



Kurt Kordonowy
35 years
field technician
Dakota Gasification Company



Craig Mattheis
35 years
field technician
Dakota Gasification Company



Tim McEvers
35 years
shift supervisor—utilities
Dakota Gasification Company



Jamie Zacher
35 years
instrument—lead
Antelope Valley Station



Larry Collins
30 years
supervisor-mechanics
Laramie River Station



Greg Dahmus
30 years
senior network security analyst
Headquarters



Joe Fiedler
30 years
operations superintendent ND/WY/MT
Distributed Generation
Pioneer Generation Station



Leon Grosz
30 years
senior enterprise storage administrator
Dakota Gasification Company



Steven Haider
30 years
control room operator
Leland Olds Station



Dale Niezwaag
30 years
vice president, government relations
Headquarters



Steven Pouliot
30 years
manager, utilities section
Dakota Gasification Company



Owen Price
30 years
control room operator
Leland Olds Station



Sherry Wolff
30 years
administrative assistant III
Dakota Gasification Company



Kezia Zander
30 years
business systems analyst
Headquarters



Gregory McCarthy
25 years
senior chemist
Dakota Gasification Company



Randy Brown
20 years
instrument lead
Laramie River Station



Jason Doerr
20 years
manager, RTO/delivery service
Headquarters

Retirement



Todd Dutoit
20 years
field technician
Dakota Gasification Company



Derrick Freese
20 years
communications technician lead
Transmission System Maintenance—Huron



Rodger Vigil
20 years
machinist I
Laramie River Station



Donald Miller, maintenance technician at the Great Plains Synfuels Plant, retired in August after 36 years of service. He started working at the Synfuels Plant in 1983. He was a field technician until the time of his retirement.



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