



Keeping the lights on and supporting the communities we serve

by Jared Echternach, president and CEO

RELIABILITY REQUIRES INVESTMENT

As your local power provider, Beltrami Electric Cooperative's mission has always been simple: keep the lights on and support the communities we serve. But behind every switch, every warm home and every business that opens its doors is a complex system that requires constant care. Reliable electricity doesn't happen by accident. It requires ongoing investment in our local grid — through system repairs, maintenance, line upgrades and the integration of new technologies that help us operate smarter and more efficiently.

The bottom line:

Reliable electricity does not happen by chance. It takes ongoing investment, careful planning and forward thinking to keep power dependable for our members and communities.

Why it matters:

Every flip of a switch relies on a complex system working behind the scenes. Poles, wires, transformers and substations must operate safely and efficiently every day. Keeping that system strong requires regular maintenance, timely repairs and strategic upgrades.

The reality of an aging grid:

Much of today's electric infrastructure was built decades ago. While it continues to serve us well, all equipment has a lifespan. Routine maintenance extends that life, but replacement and modernization are eventually necessary. These proactive investments help minimize outages, shorten restoration times and strengthen the system that serves our growing communities.

Growing demand means new challenges:

Electric use is changing. Advanced HVAC systems, smart appliances and new commercial development all place added demand on the local distribution system. To meet those needs, the grid must evolve. These are good things. Distribution upgrades and overhead-to-underground conversions help ensure we can deliver safe and reliable power today and well into the future.

Technology that works smarter:

New tools are transforming how we operate. Advanced metering infrastructure, fault indicators, trip savers and oil circuit reclosers allow us to detect problems faster and respond more effectively. These technologies help isolate issues, reroute power and provide real-time data that improves maintenance planning and outage response.

The result:

The result is a stronger, more resilient grid that supports economic growth, improves service quality and enhances safety for our crews and communities.

Our commitment:

Reliability is more than infrastructure. It is a responsibility to the members we serve. Every repair, upgrade and technology investment supports your daily life, from homes and farms to businesses and schools.

Looking ahead:

Powering our communities means preparing for what is next. By investing in our local grid today, we are building a reliable foundation for tomorrow and ensuring the electricity you depend on is there when you need it most.

2026 BUDGET AND RATE UPDATE

Your board of directors set the 2026 budget and rates at a special meeting held Jan. 9. The budget includes a 6.2% rate change in April. Minnkota Power Cooperative is our wholesale power supplier and will increase rates by 4.1% in April. Minnkota will also apply a per-kilowatt-hour surcharge. While the exact amount of that surcharge has not yet been finalized by Minnkota, Beltrami Electric will pass it through on retail bills under the existing Purchased Power Adjustment line item on your bill. The surcharge is primarily the result of extended plant outages in 2025 that required significant market purchases to keep the lights on and is needed to help Minnkota meet minimum margin and loan covenant requirements.

Wholesale power accounts for roughly 70% of our costs, so changes in wholesale rates have a significant impact on our operation. The remaining 30% of our costs are internal. Some of these are controllable, some are not. Your board of directors and employees have done an excellent job of keeping controllable costs within budget, yet prices continue to increase for materials, equipment, insurance, labor and other items essential to operating your cooperative.

The monthly access fee for residential, small commercial and large commercial rate classes will remain unchanged. The energy rate for those classes will increase 0.75 cents per kilowatt-hour. The demand charge and load management rates will remain unchanged. Overall, the average rate increase will be approximately 6.2% with the Purchased Power Adjustment. This will vary depending on rate class and how you use electricity.

While none of us like a rate change, the change is needed for your cooperative to remain financially stable. More information will be included in future issues of *Northern Lights*, including tips on how to most efficiently use electricity and cost-saving measures you can implement to save money.