



229 Highway 51 ■ PO Box 715
Postville, IA 52162-0715

Phone: (563) 864-7611 ■ (888) 788-1551
Fax: (563) 864-7820

E-mail: rwagner@acrec.coop

A Touchstone Energy® Cooperative 

June 17, 2022

Dear Member,

As you may have seen or read, there have been warnings in the news of rolling blackouts this summer. I would like to take a moment to explain why this is, and how Allamakee-Clayton Electric Cooperative has prepared a response.

For example, on May 12, 2022, the regional electric grid, managed by Midcontinent Independent System Operator (MISO) was strained with high electricity demand and limited generation resources, due to above-normal temperatures and transmission and generation outages for scheduled maintenance. During these times, MISO uses Max Gen procedures to help address grid constraints. In some circumstances, system conditions during a Max Gen scenario will call for electricity demand reduction measures, such as the use of our load management program, Peak Alert program, and load shedding.

Experiencing a Max Gen Warning so early in the season could be a sign of things to come. A press release from MISO in late April and the short-term outlook from the U.S. Energy Information Administration this spring warn of an expected shortage of available generation resources during peak electricity demand this summer.

Some reasons why this is happening include:

- Higher, volatile natural gas prices in the United States,
- Coal-fired and nuclear power plant retirements outpacing the installation of new generation resources,
- A significant amount of new generation resources coming online are wind and solar, which are intermittent and not always available when needed, and
- Electricity consumption continues to return to pre-Covid-19 pandemic patterns, increasing in the commercial and industrial sectors.



MAXIMUM GENERATION EVENT

Electricity supplies are critical. Please reduce all non-essential electricity use as soon as possible.

About Midcontinent Independent System Operation (MISO): Dairyland Power Cooperative is a member of **MISO**, which is one of the nation's largest regional transmission organizations. MISO is a not-for-profit member-based organization that ensures reliable, cost-effective delivery of electricity across all or parts of 15 U.S. states and Manitoba, Canada.




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In the event we are called upon to shed load or establish controlled outages, the cooperative has a procedure in place that we practice annually. If load shedding is put into place, all 16 of ACEC's substations will alternate shutting off two circuits at a time, in two-hour increments, until we receive notice that things have stabilized, and load shedding is no longer necessary.

The chance of this happening this summer is small, but as Dairyland's CEO Brent Ridge stated, "the chance of this happening is no longer zero".

This information intends to communicate and inform our members, certainly not to scare anyone. Please feel free to call with any questions or visit our website at acrec.com/max-generation for current information.

Sincerely,

Ryan Wagner
Manager, Member Services