

Energy



**GREAT RIVER ENERGY**

2010  
SOCIAL RESPONSIBILITY REPORT

Great River

Great River Energy

## INTRODUCTION:

**Great River Energy:**

**The power behind your electric cooperative**

Great River Energy is a not-for-profit electric cooperative owned by 28 member distribution cooperatives. The organization generates and transmits electricity for its members across Minnesota and part of Wisconsin, from the outer-ring suburbs of the Twin Cities to the Arrowhead region of Minnesota and to the farming communities in the southwest part of the state.

Great River Energy is member-controlled and governed by a democratically elected board of directors who are electric cooperative members themselves. Board members establish rates and develop policies in the best interest of Great River Energy, its members and the communities it serves.

Each of Great River Energy's member cooperatives is a responsible and visible member of its respective community. As their wholesale power provider, Great River Energy feels the same connection to cooperative members across the state and their communities.

Great River Energy's more than 850 employees are dedicated to serving member cooperatives with integrity and accountability in an environmentally sensitive manner. The organization is owned by its members and strives to reflect cooperative values in all that it does.

## CONTENTS

4	GREAT RIVER ENERGY AND SOCIAL RESPONSIBILITY
5	THE COOPERATIVE WAY
8	ENVIRONMENTAL STEWARDSHIP
17	A COMMITMENT TO EMPLOYEES
20	SERVING THE COMMUNITY

## Great River Energy and social responsibility

This is Great River Energy's third social responsibility report. Last year's report set goals for 2010 to challenge the organization to improve in several areas. Great River Energy is proud to report that it has met all of its 2010 goals.

While this report will look back at the organization's progress and establish future ambitions, it is important to understand that social responsibility is not a goal in itself. Rather, it is a consideration with every business decision. Great River Energy carefully analyzes the implications of its actions on the communities it serves and society.

An organization's pursuit of social responsibility is never complete. For that reason, it is necessary to regularly assess an organization's efforts to ensure it continues to mature as a corporate citizen. Great River Energy is currently and intends to remain a responsible company, and this report will measure its success and evaluate how social responsibility influences all of its business practices.

Great River Energy works to achieve a balance between economic, social and environmental responsibility to its members. The organization has adopted a decision making process that gives consideration to its highest priorities: affordable rates, reliable energy and environmental stewardship. Great River Energy will not deploy strategies affecting rates and reliability without also assessing the environmental implications. Likewise, it will not initiate environmental strategies without fully considering the impact on rates and reliability. These considerations help Great River Energy conduct business in a way that benefits both sustainability and the bottom line.

Great River Energy believes that a solid financial footing is a part of being a socially responsible company. It is the organization's responsibility to manage costs for the benefit of its members and to provide stable jobs for its employees and communities.



*Great River Energy employees are dedicated to serving the communities in which they work and live.*

### **Striving to be better**

Great River Energy employees are invested in the process of making the organization financially stable. There is an active business improvement program that encourages employees to identify cost-saving measures with regular and careful examination of expenditures and processes.

A business improvement may be the result of a process change, cost reduction, revenue enhancement, environmental improvement, safety measure or reliability improvement.

Great River Energy's 2010 business improvement efforts amounted to an impressive \$11 million in savings. Employees submitted 186 approved business improvement ideas, far exceeding the 2010 program goal of 100. Great River Energy members save through cost reductions, and employees save through work efficiencies, increased ownership and accountability.

### **The cooperative model**

As a cooperative business, Great River Energy is owned by those member cooperatives for which it provides electricity. Those cooperatives are, in turn, owned by their member-consumers. Great River Energy is governed by a democratically elected board of directors made up of representatives from its member cooperatives' own boards of directors.

The board of directors' key responsibilities include, but are not limited to, hiring Great River Energy's president and CEO, approving company budgets and spending, and helping develop company strategy.

Democratic member control is one of the principles of any cooperative business. That structure ensures that each member-consumer can influence the decisions of the cooperative. Elected directors are accountable to the membership.

### **Great River Energy's social responsibility guiding principle**

**Great River Energy pursues its business as part of a responsible cooperative family, rooted in its vision, mission, values and cooperative principles, bringing together members, employees and partners to benefit the local communities and society.**

## The seven cooperative principles

Great River Energy, like all cooperative businesses, is guided by a set of principles that influence its business practices.

### 1 - Voluntary and open membership

Cooperatives are voluntary organizations, open to all persons able to use their services and willing to accept the responsibilities of membership, without gender, social, racial, political or religious discrimination.

### 2 - Democratic member control

Cooperatives are democratic organizations controlled by their members, who actively participate in setting their policies and making decisions. Men and women serving as elected representatives are accountable to the membership.

### 3 - Member economic participation

Members contribute equitably to, and democratically control, the capital of their cooperative. At least part of that capital is usually the common property of the cooperative. Members allocate surpluses for any or all of the following purposes: developing their cooperative, possibly by setting up reserves; benefiting members in proportion to their transactions with the cooperative; and supporting other activities approved by the membership.

### 4 - Autonomy and independence

Cooperatives are autonomous, self-help organizations controlled by their members. If they enter into agreements with other organizations, including governments, or raise capital from external sources, they do so on terms that ensure democratic control by their members and maintain their cooperative autonomy.

## Great River Energy's vision

Keep cooperative energy competitive.

## Great River Energy's mission

Provide members with reliable energy at affordable rates in harmony with a sustainable environment.

## **5 - Education, training and information**

Cooperatives provide education and training for their members, elected representatives, managers and employees, so they can contribute effectively to the development of their cooperatives. They inform the general public - particularly young people and opinion leaders - about the nature and benefits of cooperation.

## **6 - Cooperation among cooperatives**

Cooperatives serve their members most effectively and strengthen the cooperative movement by working together through local, national, regional and international structures.

## **7 - Concern for community**

Cooperatives work for the sustainable development of their communities through policies approved by their members.

## **Policies and code of conduct**

While social responsibility is interwoven with Great River Energy's culture, the cooperative has established a series of policies that ensures it complies with federal, state and local laws and adheres to its mission, vision and values.

The organization's success depends on maintaining a culture of integrity and demonstrating ethical business conduct. Great River Energy has identified the following key policies which are reviewed on a regular basis to ensure employees conduct business legally, ethically and in a respectful manner:

- Code of ethics
- Business conduct
- Inappropriate conduct, discrimination and harassment
- Problem resolution
- Conflict of interest
- Equal employment opportunity
- Computers and electronic communications
- Alcohol and drug free work environment
- Whistle blower
- Environment



*Great River Energy hosts a peregrine falcon nesting box at its Elk River Energy Recovery Station. Since 2007 more than 10 peregrine falcons have hatched from the nesting box. This falcon is being banded by members of the Raptor Resource Project.*

## **Environmental stewardship:**

Great River Energy has an ongoing commitment to manage the environmental aspects of its operations in a way that minimizes its impact to the environment. This dedication is demonstrated by the inclusion of environmental sustainability in the organization's mission statement, various stewardship activities and maintenance of the International Organization for Standardization (ISO) 14001 registration of its generation and transmission facilities.

In 1999, Great River Energy established an environmental policy which is reviewed annually and continues to guide employee conduct. This environmental policy is an integral part of the Great River Energy culture.

## **Great River Energy's environmental policy:**

- Maintain a management system with defined objectives designed to minimize the environmental impacts of business activities.
- Continuously improve environmental management systems through periodic audits, management review and corrective action.
- Conserve resources through environmental stewardship, pollution prevention, waste minimization, recycling and reuse.
- Comply with the spirit, intent and letter of environmental laws, regulations and other requirements to which Great River Energy subscribes.
- Support research and public policymaking.
- Provide outreach to the communities in which Great River Energy's facilities are located and with which the company has a direct relationship through our operations, products and services.
- Communicate this policy to all employees.
- Make this policy accessible to the public.

### **ISO 14001 registered facilities**

In 2009, Great River Energy obtained ISO 14001 registrations for all existing generation and transmission operations. The ISO 14001 registration demonstrates conformance to a voluntary international standard around superior environmental management practices.

Great River Energy is the only electric cooperative in the nation with International Organization for Standardization (ISO) 14001 registration of all its operating generation and transmission facilities.

Great River Energy has developed an Environmental Management System (EMS) for each of its registered facilities. An EMS is a system of analyzing environmental aspects, identifying regulatory requirements and procedures, evaluating compliance, and focusing on continuous improvement. The benefits of an EMS include: standardized operational procedures, consistent performance, decreased risk of environmental harm, and a comprehensive program to prevent non-compliance, which can result in civil or criminal penalties.

To obtain ISO 14001 registration, an EMS must be evaluated through a series of audits that verify compliance and measure progress. Great River Energy's system was built one plant at a time starting at Coal Creek Station in 1998 and has since expanded to include the organization's transmission assets, the Arrowhead Emergency Generation Station, Lakefield Junction Station, Pleasant Valley Station, Elk River Energy Recovery Station, Elk River Peaking Station, Stanton Station, and the Cambridge, Maple Lake, Rock Lake and St. Bonifacius combustion turbine stations.

In 2011 Great River Energy will begin the process to obtain ISO 14001 registrations for two newly acquired facilities and Spiritwood Station, a combined heat-and-power plant currently under construction. Through this process employees will evaluate the facilities' operations and identify potential significant aspects. Staff will identify key environmental and operational procedures and work to ensure they are captured and standardized. It is anticipated that Great River Energy will formally seek ISO 14001 registration for one or all of these facilities over the next couple years.

### **LEED certified facilities**

Great River Energy's Big Lake, Minnesota service center was awarded LEED (Leadership in Energy and Environmental Design) certification from the U.S. Green Building Council (USGBC) in April 2010. LEED is the nationally accepted rating system for buildings that demonstrate energy efficiency and sustainability.

LEED certification is awarded based on a point system; the Big Lake service center received 29 LEED points – three more than are needed to achieve LEED certification. Many of the points were awarded in the "Optimize Energy Performance" category, largely as a result of efficient heating and cooling. The geothermal system uses the relatively constant underground temperature to both heat and cool the space. The vehicle areas and perimeter office space are heated with in-floor radiant heat from the geothermal heat pump. The facility also uses a heat recovery system to recycle heat rather than exhaust it from the building.



*Great River Energy's Big Lake service center is a 41,500-square-foot facility, which opened in May 2008. The building features several energy efficient features, including geothermal heating and cooling. In addition, 34 percent of building materials came from recycled sources, and 24 percent were manufactured locally.*

### **Other Great River Energy facilities to achieve LEED certification include:**

- Great River Energy headquarters in Maple Grove, Minnesota (Platinum)
- an office facility in Bismarck, North Dakota (Gold)
- a service center in Grand Rapids, Minnesota (Certified)
- a maintenance facility in Elk River, Minnesota (Certified)

Great River Energy is currently pursuing certification for its service center located in Wadena, Minnesota.

The Great River Energy headquarters facility is one of the most energy-efficient and sustainable buildings in the state. It is part of a promise to practice, as well as promote, energy efficiency and conservation in Minnesota. The building is a showcase of the latest in energy efficiency and sustainable features, and provides an excellent learning opportunity for anyone interested in efficient technology and conservation.

Great River Energy conducts tours of its Maple Grove headquarters building to educate and inform cooperative members, industry professionals, teachers and students on energy efficiency, conservation and sustainability. Since the facility opened in early 2008, Great River Energy has hosted approximately 600 tour groups – nearly 12,000 people.

### Protecting a renewable energy source

When the fuel source for one of Great River Energy's longest running power plants was threatened, employees proposed a solution that benefited Great River Energy, its member cooperatives and the community.



*The purchase of the Elk River Resource Processing Plant allowed Great River Energy to continue operating one of its longest running power plants. Here, Elk River Resource Processing Plant staff work to ensure that Elk River Energy Recovery Station is supplied with refuse-derived fuel.*

In April 2010, Great River Energy finalized the purchase of the Elk River Resource Processing Plant, a facility that creates refuse-derived fuel (RDF) from municipal solid waste. The RDF is used to power Great River Energy's Elk River Energy Recovery Station, a 33-megawatt (MW) facility with the capacity to convert up to 1,000 tons of RDF into electricity each day. The acquisition of the processing facility allowed Great River Energy to continue operating the power plant and preserved jobs during an economic downturn.

As part of the acquisition, Great River Energy also purchased an ash landfill in Becker, Minnesota, which has received the ash from the Elk River Energy Recovery Station for the past 20 years and only contains ash from the plant. This 86-acre facility has sufficient space to receive the plant's ash for another 40 years.

This acquisition helps Great River Energy meet Minnesota's Renewable Energy Standard, which requires the state's electric utilities to generate 25 percent of their power with renewable energy sources by the year 2025. Elk River Energy

Recovery Station's continued use of RDF meets Minnesota's definition of biomass fuel, in order to qualify as renewable energy.

### Energy from the wind

Great River Energy currently purchases the output from a number of wind farms. The organization projects that it has sufficient renewable resources in place to exceed Minnesota's renewable energy standard milestones through 2020. Great River Energy also expects to comply with subsequent tiers of Minnesota's renewable energy standard by utilizing its supply of banked renewable energy certificates through 2025.

In 2010, Great River Energy signed a 30-year power purchase agreement with NextEra Energy Resources to purchase 51 MW of output from the Ashtabula II Wind Energy Center in Griggs and Steele counties in eastern North Dakota. Great River Energy began receiving power from the facility in August.

Great River Energy and its member cooperatives offer the popular Wellspring Renewable Energy Program. Through the program, customers may choose to buy additional wind energy for a nominal monthly fee. More than 6,600 cooperative members purchase Wellspring renewable energy.

### **Energy conservation**

The state of Minnesota has challenged utilities to help consumers conserve energy. Known as the Conservation Improvement Program (CIP), Minnesota has set an ambitious goal that every electric and gas utility in the state reduce energy consumption by 1.5 percent of their annual retail energy sales. Up to one third of the goal can come from energy-efficiency improvements to a utility's system such as generation, transmission and distribution improvements, but the bulk of the energy savings must come from encouraging changes by consumers.

To accomplish this challenging goal Great River Energy worked with its member cooperatives to create a catalog of programs and incentives to help consumers save energy. Utilities were given credit for each installation of energy-efficient equipment in consumers' homes, farms and businesses. Projects ranged from large installations, such as ground source heat pumps, to upgrading to energy-efficient LED holiday lights.

In the summer of 2010, Great River Energy and its members conducted the Fridge Farewell program, an effort to help meet the CIP goal by getting rid of the most inefficient appliance in the home — the spare refrigerator or freezer. Too often when consumers buy a new refrigerator they move the older model to the garage or basement, which can add \$150 to a home's annual energy costs. By offering a \$35 bounty on inefficient refrigerators, the Fridge Farewell program resulted in the removal of more than 3,700 refrigerators and 1,300 freezers, for an annual energy savings of more than 3.7 million kWh.

In 2010 Great River Energy and its member cooperatives surpassed the state goal by helping consumers save more than 167 million kilowatt-hours (kWh) – or the annual electricity needs of more than 15,000 households.

## Employee innovation improves fuel supply

In June 2010, Great River Energy dedicated the first installation of an innovation developed and owned by Great River Energy that will make power plants cleaner and more efficient. Known as DryFining™, the system improves fuel quality by simultaneously drying and refining lignite coal. DryFining was designed to reduce fuel input into boilers, increase power plant efficiency and reduce emissions. The DryFining facility at Great River Energy's Coal Creek Station is reducing emissions of sulfur dioxide and mercury by more than 40 percent, nitrogen oxides by more than 20 percent and carbon dioxide by 4 percent.

The concept for the DryFining technology stems back to 1997 when Great River Energy plant engineers began brainstorming ideas for efficiency improvement. The obvious resolution was to add on to existing emissions control equipment, which would incur high capital and operating expenses. Instead, engineers explored ways to improve fuel quality by drying lignite to improve efficiency and mechanically remove some of the impurities prior to combustion. The pilot-scale equipment demonstrated that lignite particles habitually separated by density during the drying process. The higher density compounds (i.e., those containing higher concentrations of sulfur and mercury) could be removed from the coal stream prior to combustion.

The DryFining project was widely recognized in 2010, receiving several awards for its innovation. Charlie Bullinger, senior principal engineer, Coal Creek Station, was named North Dakota's Outstanding Innovator as part of the Governor's Choice Awards for Economic Development. The awards program is sponsored by the North Dakota Department of Commerce and the Economic Development Association of North Dakota. Bullinger received the award for his leadership role in the development of the DryFining technology.

Great River Energy's DryFining process was awarded Best Coal-Fired Project of the year by Power Engineering magazine. DryFining was also nominated for North Dakota's Outstanding Project in 2010.



*The entire North Dakota Congressional delegation joined industry and company leaders at Great River Energy's Coal Creek Station power plant to dedicate the DryFining system in June 2010, including (left to right) Gov. John Hoeven; Dr. Joseph Strakey, U.S. Department of Energy; Great River Energy President and CEO David Saggau; Rep. Earl Pomeroy; Sen. Kent Conrad; and Sen. Byron Dorgan.*

## **Compliance**

In addition to other management tools, Great River Energy proactively conducts audits to assess its compliance and operational controls with a goal of continual environmental improvement. Regulatory agencies also periodically inspect Great River Energy facilities. The organization's auditing program is a substantive review and check of the effectiveness of its environmental management program.

In 2010, a third-party auditor completed an air quality audit of requirements associated with continuous emission monitors, Title V air quality permit compliance and the recently issued Mandatory Reporting of Greenhouse Gases Rule.

The final audit report noted that Great River Energy's power plants have good procedures and practices in place to ensure that permit requirements are met and tracked. Great River Energy uses audits to continue to ensure compliance and the integrity of our environmental program.

## **Emissions**

Great River Energy continuously strives to reduce the air emissions from its power plants. Emission control efforts over the past decade at Great River Energy's baseload power plants have reduced sulfur dioxide emissions by approximately 14 percent and nitrogen oxides emissions by approximately 10 percent. In 2010, the DryFining system provided further significant reductions in Coal Creek Station emissions.

## **Research**

Great River Energy is an active participant in industry research. Facing a future of growing energy demand, utilities must examine new and innovative ways to generate electricity and minimize the environmental impact of energy production.

Great River Energy is one of 12 utilities contributing to PRISM 2.0, a follow up to the Electric Power Research Institute's (EPRI) 2007 PRISM and MERGE analyses. The first PRISM and MERGE analyses provided a comprehensive assessment of potential carbon dioxide (CO<sub>2</sub>) reductions in eight key electricity technology areas, but did not take into account regional differences in technologies, policies and economic costs.

PRISM 2.0 will help to present a picture of a carbon-constrained future for electric utilities, including projections of the cost of electricity and analysis of the viability of different fuel sources, depending on technological advancements and geographical differences. By projecting many variables, PRISM 2.0 will help Great River Energy respond to changes in the utility environment and plan for the future. The first phase results of PRISM 2.0 will be available in late 2011.

## **Fly ash**

Another way Great River Energy minimizes the environmental impact of its operations is through the reuse of fly ash produced at its coal-fueled generation facilities. Fly ash is the fine ash produced when coal is burned in power plants. High-quality fly ash is used throughout the Upper Midwest to replace a portion of Portland cement in concrete production. Replacing one ton of Portland cement with fly ash can reduce up to one ton of greenhouse gas emissions.

Fly ash has chemical and physical properties that improve the characteristics of concrete, improving its strength and making it more resistant to water infiltration and extreme temperatures.

Great River Energy markets a significant amount of the fly ash that it generates at Coal Creek Station and Stanton Station for beneficial uses. In 2010, more than 400,000 tons of fly ash were sold from Great River Energy power plants.

Of the 400,000 tons, nearly 12,000 tons of Coal Creek Station fly ash were used in the biggest road project in Minnesota's state history — the Crosstown construction project just south of downtown Minneapolis.

Because Great River Energy's fly ash is marketed for beneficial uses, it doesn't have to be stored in landfills, reducing operational costs, conserving resources and preserving land for higher value uses.

## **Recycling and waste reduction**

Great River Energy maintains a comprehensive recycling program that is designed to collect and track the recycling of many different waste materials across its locations. In 2010, the organization recycled more than 2.8 million pounds of materials.

Great River Energy and Center for Energy and Environment were recognized in 2010 as Recycler of the Year by the Recycling Association of Minnesota (RAM). This award is presented annually to an individual, group, business, public entity or organization that has demonstrated outstanding service as a recycling service provider or advocate.

Great River Energy was recognized for its efforts around compact fluorescent light bulb (CFL) recycling awareness and the free recycling program with a home improvement chain. Great River Energy partnered with the retailer to allow residential customers to drop off expired CFLs at any of its stores located in Minnesota. This was the first recycling program of its kind in the state.

Great River Energy continued the CFL recycling program in 2010. Since the program began in 2008, more than 130,000 CFLs have been collected and recycled.

## Great River Energy's 2010 Recycling Totals

Material	Pounds Recycled
Beverage containers	14,856
Fiber products (paper)	85,098
Organics (compost)	36,192
Fluorescent lamps	4,952
Mercury-containing equipment	2
Batteries	2,269
Scrap metal	2,617,885
Electronics	7,366
<b>Total</b>	<b>2,717,728</b>

### Employees committed to the environment

Great River Energy employees believe in minimizing the organization's – and their personal – environmental impact.

In 2010, Great River Energy conducted an employee tree sale. Approximately 150 trees were purchased by employees in Minnesota and North Dakota. This voluntary program was offered to support employee landscaping efforts in a cost effective manner. Trees were ordered from a wholesale nursery, providing value to employees and to the environment.

Employees at Great River Energy celebrate Earth Day each year by participating in clean-up efforts around the organization's facilities. Great River Energy sponsors Adopt-A-Highway and Adopt-A-Lake clean up events at several locations in Minnesota and North Dakota. These events are held throughout the year to keep trash out of the environment.

In an effort to minimize waste during the holiday season, employees at Great River Energy decided to eliminate paper holiday greetings and instead shared electronic holiday cards with friends, vendors and stakeholders.

For the past four years, Great River Energy has played host to a peregrine falcon family at its Elk River Energy Recovery Station. The site is a perfect location for a peregrine falcon nesting box because it lies within a migratory flyway. The nesting box, beside the Mississippi River, is an ideal location because the birds prefer to nest in high locations near water. In recent history, power plants have had the best peregrine production rates in the Midwest.

In 2010, a new nest box was constructed for the power plant by a local boy as a 4-H project. The box was installed more than 100 feet high atop Elk River Energy Recovery Station. Four healthy eyasses hatched and fledged from the box. Local students from the Journey Home School Co-op followed the peregrine falcon family via Great River Energy's Birdcam; they also attended a banding and helped choose names for the eyasses.

Since 2007, thirteen peregrines have been fledged from the Elk River Energy Recovery Station nesting site.

### **Committed to employees:**

Great River Energy strongly believes in taking good care of its greatest asset – employees. Great River Energy strives to create a safe work environment that promotes teamwork and a sense of employee ownership. Each employee is valued and recognized for his or her accomplishments.

### **Inspiring healthy lifestyles**

Another way in which Great River Energy demonstrates its commitment to employees is by offering programs and benefits that help ensure their health and well-being. Great River Energy offers a broad range of medical plans for employees, their spouses or domestic partners, and dependents, and pays a significant portion of the cost to ensure all employees receive affordable and comprehensive health care.

Great River Energy also helps employees manage health care costs by offering healthy lifestyle education opportunities. The lifestyle choices employees make affect their health and quality of life – both today and in the future. Better lifestyle choices also affect the amount Great River Energy and its employees spend on health care costs.

Great River Energy's wellness committees work to educate and inspire employees on health and wellness issues. The groups regularly sponsor wellness events for employees. Events in 2010 included: an onsite bike tune-up, a Biggest Loser contest, company walks, and education opportunities. Wellness centers are located at many of Great River Energy's facilities to encourage employees and their dependents to get regular exercise.



*Great River Energy's transmission operations achieved an accident incident rate of 0.80 for 2010 – far better than the goal of 3.5. That means that there were two recordable accidents for half a million hours worked.*

Great River Energy also offers employees a health management program which involves completing an employee health risk questionnaire and participating in educational and wellness events. The program includes a health management incentive. These tools reward individuals who actively manage their health by getting regular preventive care, being knowledgeable about their health and maintaining a healthy lifestyle. Great River Energy employees actively participate in this program; 85 percent of eligible employees and their spouses/domestic partners participated in the program in 2010.

These wellness efforts were recognized in 2010 when the *Minneapolis-St. Paul Business Journal* honored Great River Energy with the “Healthiest Employer” award.

### **Safety is a top priority**

Generating and delivering electricity can be a dangerous business, so Great River Energy ensures safety is paramount at all of its facilities.

Great River Energy’s two peaking stations in southern Minnesota – Lakefield Junction Station, near Trimont, and Pleasant Valley Station, near Dexter – completed their first 10 years of operation without a single lost-time injury. Between the two facilities, employees totaled more than 250,000 hours without a lost-time injury, and Lakefield Junction Station was operated for those 10 years without an Occupational Safety and Health Administration (OSHA) recordable injury.

Stanton Station completed registration for Occupational Health and Safety Assessment Series (OHSAS) 18001 certification. OHSAS 18001 is an international occupational health and safety management system specification that establishes and controls safety documentation and record-keeping. Annual audits will be completed to ensure that the system is maintained and continues to be effective. Stanton Station is the second Great River Energy facility to receive OHSAS 18001 registration; Coal Creek Station was registered in 2006.

Great River Energy’s transmission operations achieved an incident rate of 0.80 for 2010 – far better than the goal of 3.5. That means that there were two recordable accidents for half a million hours worked.

These safety efforts haven’t gone unnoticed. The Lignite Energy Council recognized Great River Energy’s Coal Creek Station in 2010 with a Distinguished Safety Award for outstanding safety achievement in 2009. The Minnesota Safety Council awarded the Governor’s Safety Award to Great River Energy’s Minnesota operations for superior performance in workplace safety and health.

### **Employee voice**

Great River Energy has a unique goal-setting process – one that seeks the input of employees at all levels of the organization. The Connect the Dots program seeks employee input on the organization’s strategic imperatives. Through a careful interview process, employees have the opportunity to provide feedback on draft strategies.

The goal is to learn if employees believe the strategies are achievable, if anything was overlooked, or if they have any other comments or concerns on the strategies. Employee feedback is incorporated into strategies before the board of directors’ strategic planning process.

### **An engaged workforce**

Every other year Great River Energy surveys its employees to measure their satisfaction with their jobs and Great River Energy as a company. In 2010 survey results showed that 92 percent of respondents are proud to work for Great River Energy, while 79 percent rated Great River Energy as a favorable place to work compared to other companies – that’s 24 percentage points above the national norm. In addition, more than 80 percent of respondents said they would recommend Great River Energy to others as a great place to work.

The survey also showed that Great River Energy has an engagement index of 81 percent, which demonstrates that employees are satisfied and have a clear understanding of the organization’s direction. This index is an important measure of employees’ commitment to their work and shows whether they know how their jobs contribute to the organization’s success. It is also one of Great River Energy’s corporate measures of success.

## Dedicated to the community:

### Making a habit of helping, it's the cooperative way



*Sixteen Great River Energy employees spent a workday at the YMCA Camp Manitou in Monticello, Minnesota for an employee volunteer outing in May.*

Cooperatives are sustained by the communities they serve, and no other cooperative principle expresses this more visibly than “concern for community.” At the heart of this principle is a focus on the sustainable development of cooperative communities. Great River Energy, its employees and leaders are always looking for ways to improve the lives of cooperative members and communities in Minnesota.

Great River Energy’s commitment to the communities in which it serves is ingrained in everything it does. Through various donation

events throughout the year, Minnesota and North Dakota employees generously donated coats, food, blood and toys through drives, as well as participated in annual community giving campaigns.

### Employees giving their time and talents

In 2010, Great River Energy provided employees a greater opportunity to share their talents within the communities in which they work and live. A new policy grants Great River Energy employees up to 12 hours of paid time off each year for volunteer efforts. True to cooperative fashion, employees embraced the opportunity to strengthen communities by clocking more than 500 volunteer hours in 2010.

In early May, a crew of employees rolled up their sleeves and partnered with Habitat for Humanity to complete work on a St. Paul, Minnesota home. The group spent a full day installing tar paper and shingles, replacing fascia, siding and insulation and painting trim.

A second group of employees spent an afternoon sprucing up YMCA’s Camp Manitou in Monticello, Minnesota. From the first moment, employees jumped into the list of projects that needed work. According to YMCA Day Camp Manager Kathy Marker, “Life is good because of the hard work from Great River Energy employees.”

### Supporting cooperative communities

Throughout the year, Great River Energy is dedicated to giving back to the communities it serves.

During the holiday season, many employees partnered with organizations in the community by participating in adopt-a-family programs. Employees from the information technology group adopted two families for the holidays through Sherburne County Social Services. This adoption was funded by personal donations, as well as by funds raised through cooking and serving a hot turkey sandwich lunch to a group of employees.

Another group of employees partnered with Rivers of Hope, a family violence advocacy organization, to adopt a family of four.

When Great River Energy's employee cafeteria located in Elk River, Minnesota closed, the business operations team looked for ways to help others with the leftover supplies. All of the extra food and cafeteria equipment was donated to area charities. A truckload of food was delivered to Community Action Elk River (CAER), and all small house wares such as silverware, plates and glasses, were donated to Mary's Place, a transitional housing complex operated by the nonprofit organization Sharing and Caring Hands.

Each year, Great River Energy partners with organizations that have a positive impact on its communities and member consumers through sponsorships. As a responsible corporate citizen, Great River Energy recognizes its impact on the communities it serves beyond a business purpose.

In doing so, Great River Energy was involved in many sponsorship opportunities in 2010: the Living Green Expo, Minnesota Bicycle Festival, Lewis & Clark Fort Mandan Foundation, Mesabi Trail Tour, Two Harbors Kayak Festival and Maple Grove Relay for Life.

Great River Energy offers several scholarship opportunities to help young people in its communities further their education. In 2010 Great River Energy provided nine \$1,000 scholarships and two \$500 scholarships to North Dakota high school graduates in



*During the holiday season Great River Energy employees, board members and member managers donated more than 340 toys to Minnesota's Toys for Tots. In North Dakota, employees collected more than 500 toys to donate to local charities.*

McLean, Mercer and Oliver counties who are pursuing a four-year or vocational-technical degree at a North Dakota college. Great River Energy provided additional scholarships for students at Minnesota high schools near its Elk River and Maple Grove facilities. Great River Energy's annual scholarship program targets students who could someday have a direct or indirect career impact in the energy industry.

The Great River Energy Employee Memorial Scholarship provides scholarships to children of Great River Energy employees. This scholarship program was started in 1991 by an employee to honor deceased Great River Energy employees and family members of employees.

As a result of a fall food drive, Great River Energy employees and contractors donated a ton of food to help local food pantries stock their shelves. Across the company, more

than 2,200 pounds of food was collected and delivered to food pantries in Minnesota and North Dakota. In addition to the food collected, 600 birthday bags were also assembled and donated to Cheerful Givers. Cheerful Givers provides birthday gift bags to children through homeless shelters and food pantries.

Great River Energy was presented with the Minnesota Computers for Schools (MCFS) "Making the Difference Award" at their annual 2010 Donor Appreciation Event. In 2010, Great River Energy donated more than \$36,000 worth of computer equipment, which MCFS then refurbished and distributed to schools and educational nonprofit organizations. Equipment donated to MCFS is refurbished by inmate workers at the Minnesota Correctional Facility in Stillwater, Minnesota before it is given to educational facilities across the state. Since the

program began, more than 295,000 Minnesota students – nearly a third of the state's student body – have been touched by MCFS.

Year after year, the generosity of Great River Energy employees continues to grow. During the 2010 community giving campaign, employees set records in participation and dollars raised. More than 145 North Dakota and Minnesota employees made a contribution to local non-profit organizations through the community giving campaign. In total, those employees raised more than \$70,000 — including a company match. Employees generously responded to a holiday toy drive making the season a little brighter for children in need.



*Stacey Pfligerm (left), McLean County Family Resource Center, accepts boxes of food from Alyson Teigen (right), Coal Creek Station during the fall food drive. More than a ton of food was collected at Great River Energy locations and donated to local charities.*

Great River Energy provides financial support to many nonprofits in its service territories through a contributions program. In 2010, more than \$200,000 were distributed to organizations like the Boys & Girls Clubs of Elk River, the American Red Cross, various food shelves in Minnesota and North Dakota, local fire and police departments and the Toys for Tots holiday drive.

When tragedy struck Haiti in early 2010, the Great River Energy contributions team made a \$2,000 donation to the National Rural Electric Cooperative Association (NRECA) International Foundation's fundraising effort for earthquake relief in Haiti. Funds will be used to rebuild Port-Au-Prince's electrical infrastructure.

Electric cooperatives have long been involved in providing aid to Haiti. The most visible effort has been setting up an entire electric system in the city of Pignon. The Pignon project began through the efforts of one employee from Great River Energy's member cooperative Minnesota Valley Electric Cooperative and has since involved cooperatives across Minnesota and the country. The city now has the first electric cooperative in Haiti, known as the Cooperative Electrique de Pignon.

Great River Energy is proud to be recognized as a Minnesota Keystone company. The Minnesota Keystone Program recognizes and honors companies that donate at least 2 percent of their pre-tax earnings to the community.

### **Great River Energy aids in rural economic development**

Great River Energy represents its member cooperatives in economic development activities ranging from the municipal to federal level. Most electric cooperatives don't have staff to dedicate to economic development, but Great River Energy can provide them with a resource and a voice for their interests.

Great River Energy provides advocacy for rural economic development among its member cooperatives, consultation to its member cooperatives and local communities, and independently operates several loan programs that provide financial incentives for rural economic activity.

The support extends into North Dakota as well. Great River Energy's Charlie Bullinger, senior principal engineer, Coal Creek Station, was named North Dakota's Outstanding Innovator as part of the Governor's Choice Awards for Economic Development. The awards program is sponsored by the North Dakota Department of Commerce and the Economic Development Association of North Dakota. Bullinger received the award for his leadership role in the development of the Great River Energy's DryFining™ technology at Coal Creek Station.

### **Giving thanks to those who give**

In 2010 Great River Energy introduced a new award for employees to recognize employees who embody the cooperative principle of concern for community through leadership, volunteering, fundraising or other community efforts.

Jodell Geroncin was the winner of Great River Energy's inaugural Community Connection Award. For more than five years, Geroncin has raised awareness about autism and raised thousands of dollars for medical research through the organization Autism Speaks. She has become a fixture at the "Walk Now for Autism Speaks" event as a participant, fundraiser and champion for the cause of autism research and awareness. More recently, she has helped children with severe disabilities build confidence, forge friendships and have fun through her support of the Special Olympics.

Geroncin is a great ambassador of the cooperative spirit and a deserving recipient of the Community Connection Award.

## **A solid foundation to build upon**

Great River Energy has built a solid foundation on which to grow its social responsibility efforts but the work is not done. The organization continues to minimize its environmental impact, support the communities it serves and provide employees with the tools they need to be healthy and successful. As previously discussed Great River Energy is committed to serving its members with integrity and accountability in an environmentally sensitive manner. The accomplishments of 2010 remain ongoing responsibilities for Great River Energy and future goals will guide additional efforts.

### **2011 social responsibility goals**

- Commence a procedural framework and document control efforts for Spiritwood Station as it moves through commissioning in late 2011 and 2012 in preparation for development of an Environmental Management System and ISO 14001 registration.
- Perform environmental audit of storage tank and spill prevention, control and countermeasure (SPCC) requirements.
- Continue public outreach about energy efficiency and conservation.
- Further efforts to implement a diversity plan to enhance the employee experience.
- Continue to seek opportunities to support economic development in partnership with our members and enable new member-consumers to benefit from cooperative electric supply.
- Increase by 20 percent employee participation in company volunteer activities.
- Maintain Great River Energy's participation in the Minnesota Keystone Program with contributions of money, time and materials totaling 2 percent of pretax income to non-profit organizations.
- 2011 sulfur hexafluoride (SF<sub>6</sub>) emissions from transmission operations not to exceed 1,000 lbs.; a 9 percent decrease from 2010 goal.

**[greatriverenergy.com](http://greatriverenergy.com)**

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