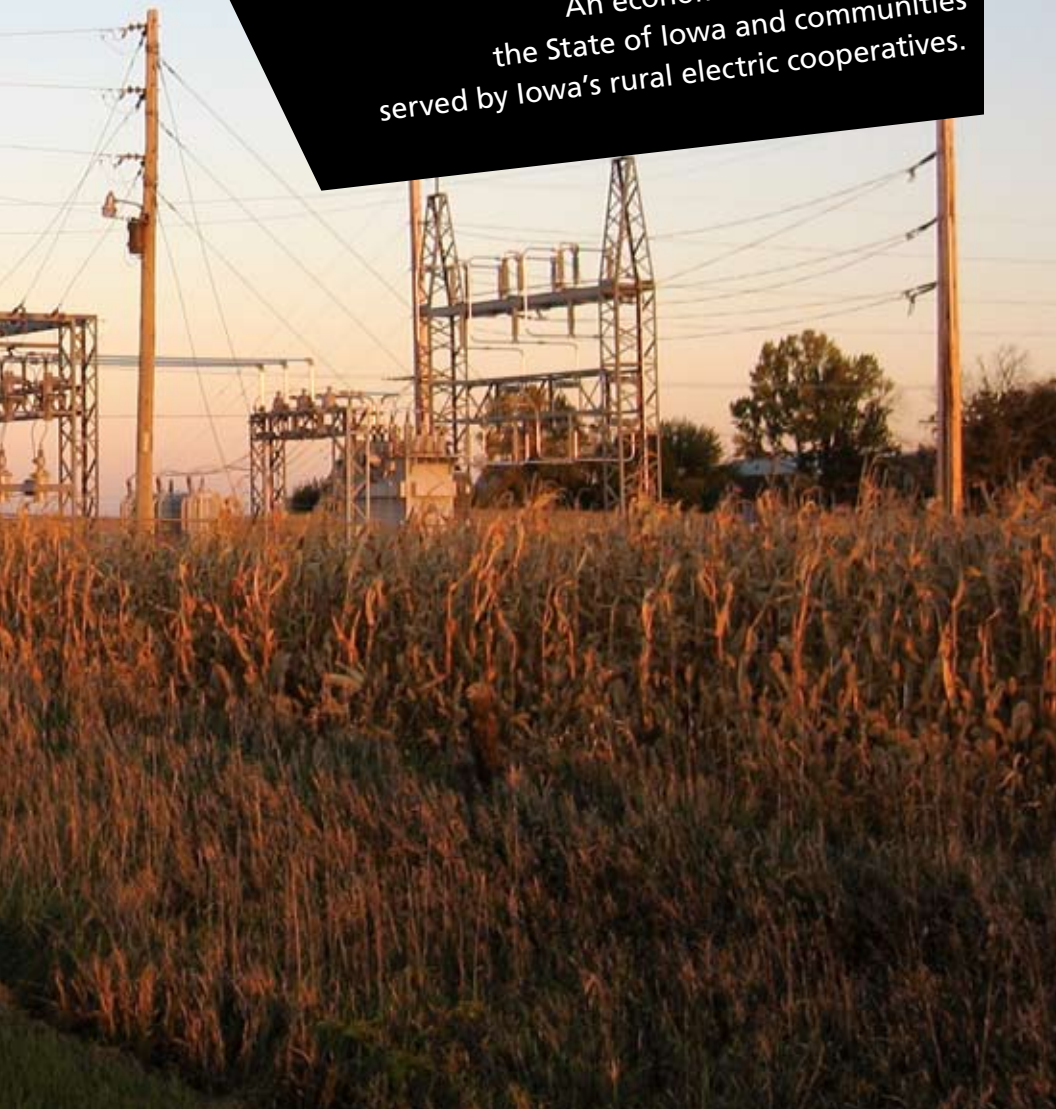


# Powering Iowa ...

An economic impact study on  
the State of Iowa and communities  
served by Iowa's rural electric cooperatives.





## Iowa's Rural Electric Cooperatives



Providing power that is safe, reliable, environmentally responsible and affordable in all of Iowa's 99 counties.

## Powering Iowa ... Iowa's Rural Electric Cooperatives

Across Iowa, in each of the state's 99 counties, Iowa's electric cooperatives make a significant economic impact. Electric cooperatives are bringing new businesses to Iowa, helping existing businesses to expand, creating jobs, investing in a reliable power infrastructure, developing their communities, and as a result, enhancing the quality of life in Iowa. Cooperatives work together to grow and develop the regions we serve and aggressively participate in economic development activities that assist power customers in securing property locations, financing and incentives. Cooperatives have strength in numbers and the economic impact of those efforts is helping to Power Iowa.

In Iowa, Iowa's electric cooperatives have generation, distribution and transmission assets that have a value of \$1.2 billion.



## Summary of Economic Impact



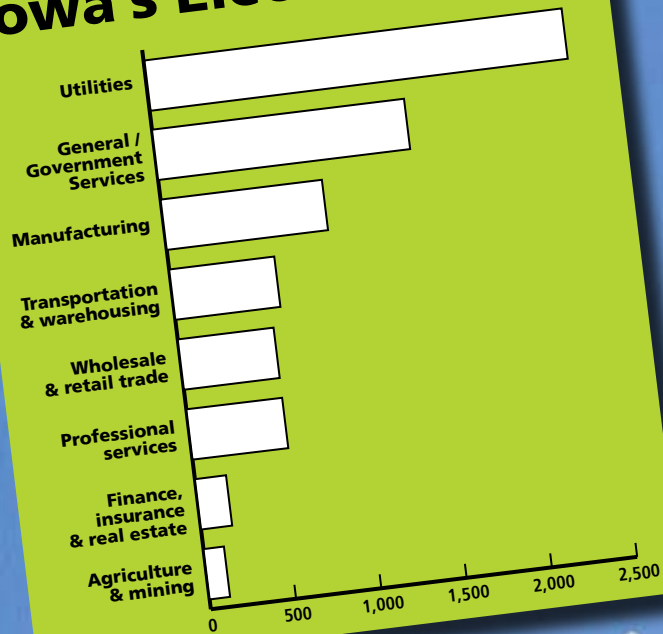
generated about  
\$1.1 billion of  
output in the  
Iowa economy

Up 23 percent from the level reported for 2003.

Helping the communities in which they serve to achieve economic growth and prosperity, while enhancing overall quality of life, is a fundamental part of the cooperative way of doing business. In 2006, Iowa's electric cooperatives added nearly \$1.1 billion in economic output to their local economies, through the increased value of all goods, services and labor within their territories because of the cooperatives' economic activity. At the state level, this represents the growth that occurred in Iowa's Gross Domestic Product, just from the electric cooperatives.

**RELCO Locomotives** is an extraordinary train locomotives company that refurbishes and remanufactures damaged train engines. A 100,000 sq. ft. facility with 50-foot ceilings has five rail lines coming in and out of the facility with nearly two miles of railroad spur surrounding this unique facility in southern Iowa. RELCO Locomotives employs nearly 90 people and receives its power from **Chariton Valley Electric Cooperative**.

## Jobs Impacted by Iowa's Electric Co-ops



**managed  
a \$679 million  
business that  
directly affects the jobs  
of 6,900 and generates  
\$176 million in local income**

Demonstrating the cooperative principle of concern for community, the cooperatives also impacted more than 6,900 jobs through business operations, community development and investment activities. The impact of these jobs rippled through nearly every sector of the economy. While about 35% of the jobs that Iowa's electric cooperatives affected in 2006 were jobs in the utility industry, 14% of the jobs were in the manufacturing sector, and 9% were in transportation and warehousing sectors. Professional services and retail and wholesale trade each accounted for 8% of the jobs impacted. The remaining jobs included those in professional services, finance, insurance, real estate, agriculture, mining, general and government services.

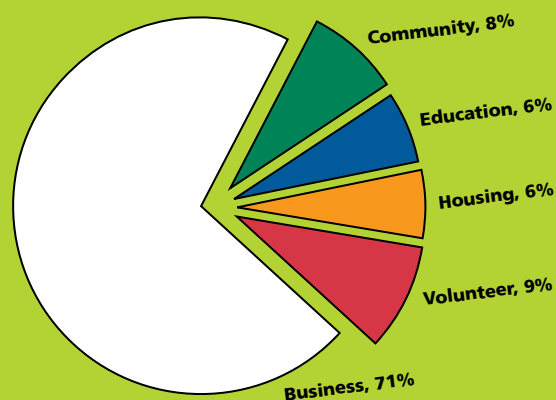


**Central Iowa Power Cooperative and East-Central Iowa REC** teamed up to provide equipment, financing and support to **L&M Radiator**, an international manufacturer of heavy-duty radiators and heat exchangers. Located in Independence, the company will employ 60 people.

"The Ice Cream Capital of the World" is found in Le Mars, Iowa. Construction of the new 177,000 sq. ft. **Wells Dairy** corporate headquarters, is a testament to the growing dairy industry in Iowa. The all-electric facility is served by **North West REC**.



## 2006 Business and Community Development Spending



## contributed \$17 million to the development of their communities

In addition to delivering safe, reliable, environmentally responsible and affordable electric service, Iowa's electric cooperatives provided a substantial civic and economic development benefit to their communities. For each resident, cooperatives returned an average of about \$37.50 in community, education, housing and development activities for a total of \$17 million to these programs.

On average, Iowa's electric cooperatives committed more than \$448,000 of their resources to local business and community development programs in 2006.

**Paid more than \$11.7 million in local property taxes and generated more than \$66 million in state income and sales taxes as a result of economic activity.**

While the mix of programs and the share of contributions varied with each cooperative, the dedication to local area betterment was distinctive.

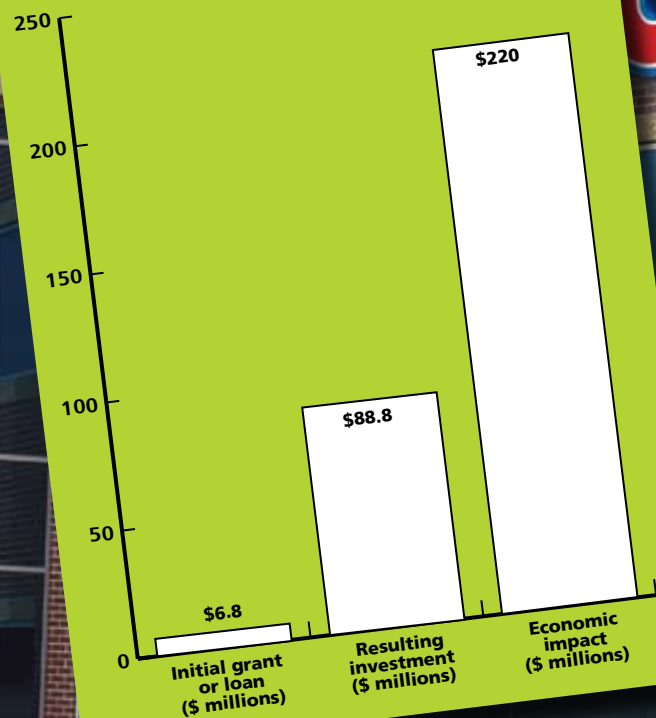
During 2006, the employees of Iowa's cooperatives volunteered more than 45,000 hours of their free time to community and civic projects – an average of nearly 1,200 hours per cooperative. The value of that time in the workplace would have been worth nearly \$1.6 million.

Cooperatives do even more. After the cooperatives pay all bills each year and after they invest the necessary funds in buildings and other capital expenditures, the money that remains is the 'margin.' In a traditional business, economists call this 'profit.' Cooperatives return this money to their members in proportion to their previous electric service usage. In 2006, the cooperatives in Iowa returned \$16.2 million to their individual members.

One example of **Prairie Energy Cooperative's** "commitment to community" is found in **Clarion's new Aquatic Center**. The new aquatic center, bursting with water and color, opened this past summer. Hundreds of Clarion residents utilize the facility each day.



## Economic Impact of Investment Programs



**leveraged  
\$6.8 million  
in grants and loans  
into a \$220 million  
impact on local  
business investment**

### **Creating or retaining nearly 1,800 jobs!**

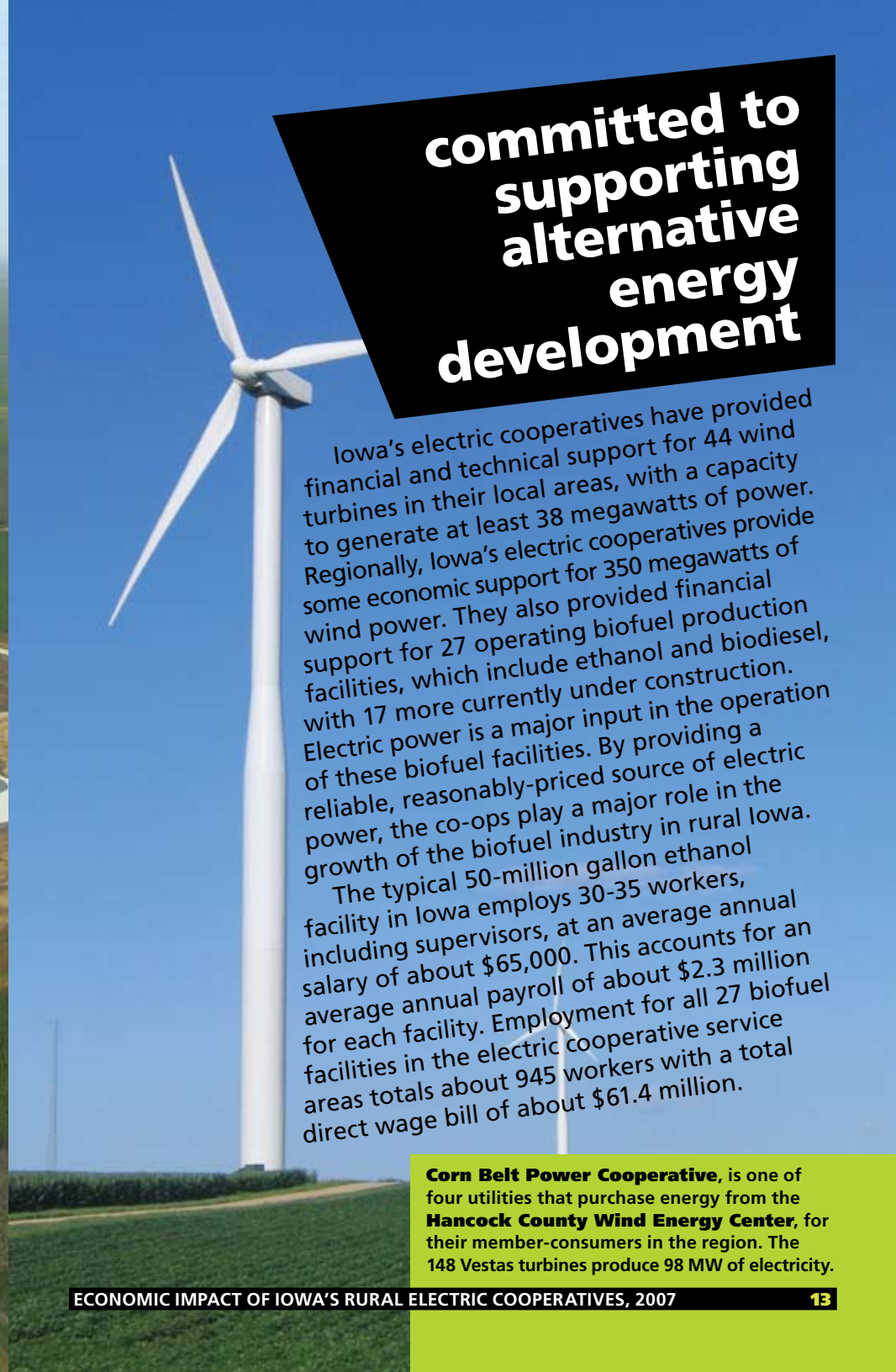
The U.S. Department of Agriculture provides grants and loans to rural electric co-ops and through those co-ops to local businesses. The local electric cooperatives often provide matching funds for those grants and loans. Over the past 17 years, these programs have brought \$58.7 million into Iowa, matched by \$4.5 million of local funding. As a result, the investment has created or retained a total of 15,480 local jobs. On average, during the past five years, the investments accounted for \$6.8 million of loans and grants, resulting in the completion of \$88.8 million in local projects and creating or retaining nearly 1,800 jobs. The past ten years, Iowa's rural electric co-ops also invested nearly \$10 million in the construction of spec buildings and \$6.4 million in industrial parks. In addition to the grants and loans program above, co-ops provided another \$20.8 million in grants and loans to local businesses the past ten years.

**Pella Cooperative Electric** and **IADG** helped **Co-Line Welding** secure a USDA Rural Development pass-through loan for an 80,000 sq. ft. plant expansion. Co-Line now fabricates metal parts for Ford Motor Company, Chrysler and Mitsubishi, and manufactures a heavy-duty latch for farm gates which is distributed internationally. They have grown from the original 4,000 sq. ft. facility to more than 200,000 sq. ft. and employ nearly 100 people.





**Horizon Ethanol**, served by **Midland Power Cooperative** and located near Jewell, produces 60 million gallons of ethanol each year. The new plant was built by the Poet Company who specializes in technology development, production, management and marketing within the ethanol industry. Horizon Ethanol also produces a high-quality Dakota Gold brand livestock feed for regional, national and international markets. Horizon Ethanol employs more than 30 people at the Jewell facility.



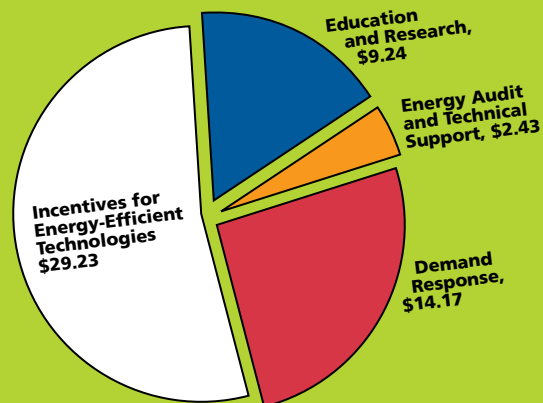
## committed to supporting alternative energy development

Iowa's electric cooperatives have provided financial and technical support for 44 wind turbines in their local areas, with a capacity to generate at least 38 megawatts of power. Regionally, Iowa's electric cooperatives provide some economic support for 350 megawatts of wind power. They also provided financial support for 27 operating biofuel production facilities, which include ethanol and biodiesel, with 17 more currently under construction. Electric power is a major input in the operation of these biofuel facilities. By providing a reliable, reasonably-priced source of electric power, the co-ops play a major role in the growth of the biofuel industry in rural Iowa.

The typical 50-million gallon ethanol facility in Iowa employs 30-35 workers, including supervisors, at an average annual salary of about \$65,000. This accounts for an average annual payroll of about \$2.3 million for each facility. Employment for all 27 biofuel facilities in the electric cooperative service areas totals about 945 workers with a total direct wage bill of about \$61.4 million.

**Corn Belt Power Cooperative**, is one of four utilities that purchase energy from the **Hancock County Wind Energy Center**, for their member-consumers in the region. The 148 Vestas turbines produce 98 MW of electricity.

## 2006 Average Investment in Energy Efficiency per REC Customer = \$55.07



**invested \$11.7 million in energy efficiency programs and services and saved member-consumers more than \$18 million**

The kilowatt-hour savings through these programs and services was enough to power nearly 12,000 rural homes for one year – the equivalent of powering all of the homes in a community the size of Mason City, Clinton or Marshalltown. Iowa's electric cooperatives are leaders in the installation of geothermal energy systems, using energy from the earth to heat and cool homes and businesses; air-source heat pumps; and provide high-efficiency electric water heaters. The cooperatives offer the first web-based do-it-yourself energy audit tool. Recently, the Federal Energy Regulatory Commission (FERC) conducted an assessment of demand response and advanced metering and found that electric cooperatives lead the electric utility industry in deploying advanced, energy-saving automatic meter reading technology.

**Achieving economic growth while encouraging the wise use of energy.**

At a total cost of \$5.3 million and 52,520 total square feet, **Allamakee-Clayton Electric Cooperative's** new office headquarters in Postville provided an economic boost to the area. The facility also features many energy-efficient technologies including geothermal for heating and cooling, an Energy Recovery Ventilator to reclaim waste heat for re-use within the office area, and highly efficient lighting.



## Iowa's Electric Cooperatives

### Distribution

Access Energy Cooperative	Mount Pleasant	<a href="http://www.accessenergycoop.com">www.accessenergycoop.com</a>
Allamakee-Clayton Electric Cooperative	Postville	<a href="http://www.acrec.com">www.acrec.com</a>
Boone Valley Electric Cooperative	Renwick	<a href="mailto:bvec@speednet.com">bvec@speednet.com</a>
Butler County REC	Allison	<a href="http://www.butlerrec.coop">www.butlerrec.coop</a>
Calhoun County REC	Rockwell City	<a href="http://www.calhounrec.coop">www.calhounrec.coop</a>
Chariton Valley Electric Cooperative	Albia	<a href="http://www.cvrec.com">www.cvrec.com</a>
Clarke Electric Cooperative	Osceola	<a href="http://www.clarkeelectric.org">www.clarkeelectric.org</a>
Consumers Energy	Marshalltown	<a href="http://www.consumersenergy.net">www.consumersenergy.net</a>
East-Central Iowa REC	Urbana	<a href="http://www.ecirec.coop">www.ecirec.coop</a>
Eastern Iowa Light & Power Cooperative	Wilton	<a href="http://www.easterniowa.com">www.easterniowa.com</a>
Farmers Electric Cooperative	Greenfield	<a href="http://www.farmersrec.com">www.farmersrec.com</a>
Farmers Electric Cooperative	Kalona	<a href="http://www.feckalona.com">www.feckalona.com</a>
Franklin REC	Hampton	<a href="http://www.franklinrec.coop">www.franklinrec.coop</a>
Glidden REC	Glidden	<a href="http://www.gliddenrec.coop">www.gliddenrec.coop</a>
Grundy County REC	Grundy Center	<a href="http://www.grundycountyrecia.org">www.grundycountyrecia.org</a>
Guthrie County REC	Guthrie Center	<a href="http://www.guthrie-rec.coop">www.guthrie-rec.coop</a>
Harrison County REC	Woodbine	<a href="http://www.hcrec.coop">www.hcrec.coop</a>
Hawkeye REC	Cresco	<a href="http://www.hawkeyerec.com">www.hawkeyerec.com</a>
Heartland Power Cooperative	Thompson	<a href="http://www.heartlandpower.com">www.heartlandpower.com</a>
Humboldt County REC	Humboldt	<a href="http://www.humboldtrec.coop">www.humboldtrec.coop</a>
Iowa Lakes Electric Cooperative	Estherville	<a href="http://www.ilec.coop">www.ilec.coop</a>
Linn County REC	Marion	<a href="http://www.linncountyrec.com">www.linncountyrec.com</a>
Lyon REC	Rock Rapids	<a href="http://www.lyonrec.coop">www.lyonrec.coop</a>
Maquoketa Valley Electric Cooperative	Anamosa	<a href="http://www.mvec.coop">www.mvec.coop</a>
Midland Power Cooperative	Jefferson	<a href="http://www.midlandpower.com">www.midlandpower.com</a>
Nishnabotna Valley REC	Harlan	<a href="http://www.nvrec.com">www.nvrec.com</a>
North West REC	Orange City	<a href="http://www.nwrec.com">www.nwrec.com</a>
Osceola Electric Cooperative	Sibley	<a href="http://www.osceolaelectric.com">www.osceolaelectric.com</a>
Pella Cooperative Electric Association	Pella	<a href="http://www.pella-cea.org">www.pella-cea.org</a>
Pleasant Hill Community Line	Webster City	
Prairie Energy Cooperative	Clarion	<a href="http://www.prairieenergy.coop">www.prairieenergy.coop</a>
Sac County REC	Sac City	<a href="http://www.sarec.coop">www.sarec.coop</a>
Southern Iowa Electric Cooperative	Bloomfield	<a href="http://www.southerniowarec.coop">www.southerniowarec.coop</a>
Southwest Iowa Rural Electric Cooperative	Corning	<a href="http://www.swiarec.coop">www.swiarec.coop</a>
T.I.P. REC	Brooklyn	<a href="http://www.tiprec.com">www.tiprec.com</a>
Western Iowa Power Cooperative	Denison	<a href="http://www.wipco.com">www.wipco.com</a>
Woodbury County REC	Moville	<a href="http://www.woodburyrec.com">www.woodburyrec.com</a>

### Generation & Transmission

Basin Electric Power Cooperative	Bismarck, N.D.	<a href="http://www.basinelectric.com">www.basinelectric.com</a>
Central Iowa Power Cooperative	Cedar Rapids	<a href="http://www.cipco.net">www.cipco.net</a>
Corn Belt Power Cooperative	Humboldt	<a href="http://www.cbpower.coop">www.cbpower.coop</a>
Dairyland Power Cooperative	La Crosse, Wi.	<a href="http://www.dairynet.com">www.dairynet.com</a>
Northeast Missouri Electric Power Cooperative	Palmyra, Mo.	<a href="http://www.northeast-power.coop">www.northeast-power.coop</a>
Northwest Iowa Power Cooperative	Le Mars	<a href="http://www.nipco.coop">www.nipco.coop</a>

### Other Affiliates

Iowa Area Development Group	West Des Moines	<a href="http://www.iadg.com">www.iadg.com</a>
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**"If you build it, they will come." Iowa Lakes Electric Cooperative** has built six spec buildings in communities in northwestern Iowa. Five of those buildings are now occupied with thriving businesses. This building is the latest spec building in the Spencer Tech Park North property.



**Touchstone Energy Cooperatives**  
*The power of human connections®*

Many of Iowa's electric cooperatives are Touchstone Energy Partners. Touchstone Energy is a national alliance made up of more than 640 local, consumer-owned electric cooperatives in 46 states. Touchstone Energy co-ops collectively deliver power and energy solutions to more than 30 million members every day.

Survey completed by **Strategic Economics Group**. Strategic Economics Group (SEG), based in Des Moines, Iowa, was founded in 2001 by Harvey Siegelman and Dan Otto. Siegelman served as Iowa's State Economist for 20 years. Otto is a professor of economics at Iowa State University and senior economist with SEG.





## marketed Iowa through strategic trade shows

Trade shows have been a strategic element of the electric cooperatives marketing efforts for many years. Business-to-business linkages at these events bring our economic development services and cooperative service territories directly to the marketplace. Key trade shows include these industries:

- Agriculture
- Biotechnology
- Dairy
- Manufacturing
- Poultry


**Dykstra Dairy**, a 3,500-head operation, has helped build milk production numbers in Iowa. It's located near Le Mars and served by **North West REC**. The buildings on the site cover 453,000 sq. ft. or approximately 10.5 acres. The entire site with milking parlor, feed storage, other buildings and lagoons required 70 acres.







**Iowa Association of  
Electric Cooperatives**

\* A Touchstone Energy\* Cooperative 

**Iowa Association  
of Electric Cooperatives**

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800-798-7037 • 515-276-5350  
Fax: 515-276-7946  
e-mail: [info@iowarec.org](mailto:info@iowarec.org)  
Web site: [www.iowarec.org](http://www.iowarec.org)

The Iowa Association of Electric Cooperatives, based in Des Moines Iowa, represents 37 distribution and 6 generation and transmission cooperatives in Iowa.

**IOWA AREA  
DEVELOPMENT  
GROUP**

**Iowa Area  
Development Group**

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Web site: [www.iadg.com](http://www.iadg.com)

The Iowa Area Development Group was organized in 1985 to serve businesses interested in expanding within the member-owned and municipal electric service areas of Iowa.