



August 8, 2021

Members,

We are in a time of rapid change in the energy industry, and change often brings challenges. Incorporating local Distributed Generation (“DG”) into the traditional utility model is one such challenge. Members can now be both loads and generators. Over the past few years, DG systems such as solar installations at homes, businesses (including Bayfield Electric), and local government have become more common in our communities.

Compensation for power fed back into the grid from renewable energy and DG systems is set by Board Policy 300.11. In February of 2020, the Board revised Policy 300.11 which significantly reduced the compensation paid to DG producers. The board acknowledges this policy change was made without input, communication, or feedback from the membership.

The Board has decided to revisit Policy 300.11. However, this time we will do it with a process incorporating the membership. The process will gather needed information and, most importantly, informing and listening to the membership all along the way. Our intent is to establish a policy that will equitably balance the production DG resources and operating costs among all members as important step to position Bayfield Electric and its members for success in our evolving energy world.

We have laid out a plan for this effort. The process is outlined with *tentative* dates in Attachment A. The tentative schedule has the policy revision being adopted in the first quarter of 2022. However, our top priority is to do this with the input and feedback of the membership, so we will take the time is needed to engage the membership and make the best decision we can for all members.

In an effort to improve communication for this effort, as well as for other communication needs such as outage notifications, Bayfield Electric would like to communicate as much as possible via electronic means. Electronic communication and information sharing is a huge shift in how Bayfield Electric, and everyone, “does business” today. If you have not done so already, please provide email and cell phone information by updating your account information on our website at bayfieldelectric.com, your Smart Hub account, or calling us at (715) 372-4287. Some of our membership may still prefer non-electronic communication, so we will use a variety of methods to engage with

you about this policy revision process - and about other co-op matters in the future. Letters like this one and the center pages of the monthly Wisconsin Energy Co-op News magazine will inform you via the printed page. We will also provide much greater detail via a DG area on our website.

I look forward to working with you as we start this important process. If you have questions or comments, please feel free contact either me at (715) 372-7527, or your Bayfield Electric board representative.

Sincerely,

Christopher Kopel
Chief Executive Officer