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power talk
A SUPPLEMENT TO *MICHIGAN COUNTRY LINES*

GREAT LAKES ENERGY

A Closer Look at the **Cost of Recovery**

Shaun Lamp
President &
Chief Executive Officer

As fall gives way to the chill of November, our cooperative reaches a necessary milestone in our ongoing recovery from the devastating March ice storm that struck our service area.

For the past several months, we have worked diligently to be transparent about the massive costs incurred to rebuild our severely damaged electric and fiber grid and how those costs affect you.

Starting with November bills, the rate adjustments GLE's Board of Directors approved in September will take effect.

As we've shared previously, **GLE's initial storm rebuilding and recovery cost was about $155 million.** That's more than **40 times** what we typically experience in annual storm restoration costs.

The work included replacing more than 3,100 utility poles and more than 4,200 miles of line. These unprecedented ice storm-related costs come at a time when our industry is already experiencing significant increases in the costs associated with providing you with safe and reliable electric service.

Because we are a member-owned not-for-profit electric cooperative, we don't have investors. All our costs must be covered through the rates we charge to our members. Although we are eligible for federal assistance through FEMA for up to 75% of many expenses, we have no guarantee of funding, and we need immediate revenue to pay for the storm expenses. In addition, the federal government denied Category F, Public Utilities, for reimbursement, despite an appeal from the State of Michigan; thus, some expenses will not qualify for FEMA at all.

We've approached these needed rate changes with **two key principles** in mind:

Ensuring the co-op's long-term financial and operational stability and **developing rates that spread the costs as fairly as possible across our membership.**

In the spirit of continued transparency, I'd like to share some additional information about the cost and rate impacts.

The approximate **$155 million in storm costs** doesn't tell the whole story. To pay those expenses, we must rely on emergency loans, which come with significant long-term interest costs that are not eligible for FEMA reimbursement.

For residential and seasonal members, **we have split the rate changes between our monthly charge and the per-kWh rates** in an effort to spread the cost fairly. Remember, the amount of electricity you consume is a personal choice and does not impact our fixed costs that are recovered through the monthly charge.

On average, **the rate increases are about 10%** across all rate classes.

Storm-related costs aren't the only drivers behind the rate changes. Of the 10% increase, **about 7% is tied to storm costs.** The remainder is related to other rising distribution and power costs.

Even if we ultimately do receive some FEMA funding, our rates won't decrease, but **future rate increases may be mitigated to some degree.**

Despite this year's challenges, we remain committed to your cooperative's stability and providing you with reliable service at the best possible value.
We appreciate your understanding and support.

ACT NOW!

ENERGY WISE CHANGES TAKE EFFECT JAN. 1

For many years, Great Lakes Energy has helped members make their homes and businesses more energy efficient through our Energy Optimization program, called Energy Wise. The program changed over time in response to both our members' needs and state legislation mandates.

GLE first offered its Energy Optimization program in 2009 in response to Michigan's Clean, Renewable, and Efficient Energy Act (PA 295), which provided incentives for energy- and cost-saving upgrades. Over the years, the law has changed, most recently amended in 2023 by Public Act 229.

In response to the most recent amendments to the law, **GLE must meet stricter energy-saving requirements**, which means we must make significant changes to the Energy Wise program. **These changes will take effect on Jan. 1, 2026.**

The added costs of meeting these stricter requirements are also the driving force behind an upcoming increase in the Energy Optimization Surcharge our members pay. Starting in January, the surcharge will increase by $0.00118 to $0.00316 per kWh—about $1 per month for an average residential member using 800 kWh per month.

ENERGY WISE CHANGES

Many Energy Wise incentives will end or change on **Jan. 1, 2026**. Here are a few examples:

Rebates to be discontinued:

- EV chargers
- All electric lawn and garden tools

Rebate changes:

- Mini split heat pump rebates will be reduced from $900 to $500 per outdoor unit
- Many appliance rebates will be modified, some reduced and some increased

Members who wish to take advantage of current Energy Wise incentives must purchase and/or have the qualifying product or system installed by Dec. 31, 2025.

To claim your rebate, you must complete the online application within 60 days of product installation and/or purchase.

Scan the QR code or visit **gtlakes.com/energy-wise** to learn more about the Energy Wise program including:

- Current rebate offerings
- How to apply for a rebate
- Changes that take effect on Jan. 1

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Headquarters:
1323 Boyne Avenue,
Boyne City, MI 49712

gtlakes.com
facebook.com/greatlakesenergy

truestreamfiber.com
facebook.com/jointruestream

(888) 485-2537
glenergy@glenergy.com