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SIOUX VALLEY ENERGY RECEIVES \$4 MILLION IN STIMULUS FUNDS TO INSTALL SMART GRID TECHNOLOGY

Colman, S.D. – The U.S. Department of Energy announced today that Sioux Valley Energy, a non-profit rural electric cooperative, will receive up to \$4-million in federal stimulus funds to implement smart grid technology throughout its service territory. Sioux Valley Energy distributes electricity to more than 20,000 member-owners in Minnehaha, Lake, Moody, Brookings and a portion of Kingsbury counties in South Dakota and Rock and Pipestone counties in Minnesota.

Sioux Valley Energy plans to utilize the stimulus funding to install 23,000 “smart” meters. This new technology will allow the cooperative to implement dynamic pricing models such as critical peak pricing and time of use rates. A two-way communications link between the consumers’ meter and the cooperative will send price signals to consumers providing them with individualized energy use information. This will help consumers better understand how they use and conserve energy. The “smart” meters will also improve outage response and restoration time providing instantaneous outage alerts to the cooperative. The total estimated cost of the project is \$8 million.

“The federal funding couldn’t have come at a better time. Our current metering system is at the point of needing to be replaced and the stimulus funds will allow our members the opportunity to have the latest technology available to them,” General Manager and CEO, Don Marker, said. He added “Smart grid technology essentially puts more control in the hands of our member-owners. It will give them detailed information on their energy use, which will help them make informed choices of how and when they use electricity.”

Smart grid technology will help reduce metering costs, individual member electrical use, and peak demand which may help off-set the need to build additional generation in the future. Avoided generation and infrastructure costs could result in an estimated cost savings of up to \$4-million a year.