Understanding the 2026 Rate Increase – Member Q&A

BASIN ELECTRIC POWER COOPERATIVE
A Touchstone Energy® Cooperative

What are the primary drivers behind the rate increase?

Growth in traditional load, commodity price variability, increased planning reserve margins, and continued investments in reliability.

What factors are NOT behind the rate increase?

While large loads (data centers, crypto mining, AI, etc..) are a hot topic across the nation, they are not behind the 2026 rate increase. In collaboration with its membership, Basin Electric developed a Large Load Program designed to insulate our existing members from the costs and risks associated with serving new large electric loads.

How was member input used to make this rate decision?

After months of communication with the members, Basin Electric carefully evaluated feedback from members and market conditions before deciding to implement a multi-year phased approach.

How will this rate increase help ensure reliable electricity for members in the future?

A rate increase helps provide the resources needed to invest in infrastructure, technology, and maintain and upgrade equipment. These investments ensure the system stays strong and reliable, providing members with dependable electricity for their homes and businesses.

What if actual results are better than the budgeted rate increase in ‘26 or beyond?

Basin Electric has a history of pulling a variety of levers in situations when results are better than expected, including providing bill credits in 2021 and 2022; implementing rate decreases in 2020 and 2023; and adding to the rate stability fund to offset the financial impact of unexpected events that would otherwise result in rate increases.

How has inflation impacted Basin Electric?

Rising costs from inflation have made it more expensive to build and maintain infrastructure. Our current generation fleet has an average cost on our books of approximately $800/kW, with future costs predicted to be $2,700/kW. Likewise, our current transmission has an average cost on our books of approximately $400,000/mile of line, with future costs predicted to be $2 million/mile of line.

Why are higher margins necessary?

Basin Electric is growing, and part of the money for new projects must come directly from its members. This is similar to the concept of homeowner’s equity in that a homeowner is required to provide a certain level of equity in their home to secure a mortgage at acceptable and reasonable interest rates.