

# MRES TODAY

February 2025

A NEWSLETTER OF  MISSOURI RIVER ENERGY SERVICES

## FACILITY PERMIT APPROVED FOR S.D. PORTION OF NEW TRANSMISSION LINE

On Jan. 28, 2025, the South Dakota Public Utilities Commission approved a facility permit for the South Dakota portion of the Big Stone South to Alexandria (BSSA) 345-kilovolt transmission line. Otter Tail Power Company and Western Minnesota Municipal Power Agency (WMPMA), represented through its agent Missouri River Energy Services (MRES), will co-own the approximately 100-mile transmission line.

The companies filed the facility permit application for the 3.5-mile South Dakota portion of the line on April 15, 2024. Otter Tail Power is leading the BSSA transmission line development and construction.

“We’re pleased to reach this significant milestone. The Commission’s approval of this essential project highlights our commitment to maintaining a robust and reliable regional energy grid,” the utilities said in a joint statement. “This transmission line is an important infrastructure improvement that demonstrates our dedication to meeting the growing energy needs of our customers in a cost-effective manner.”

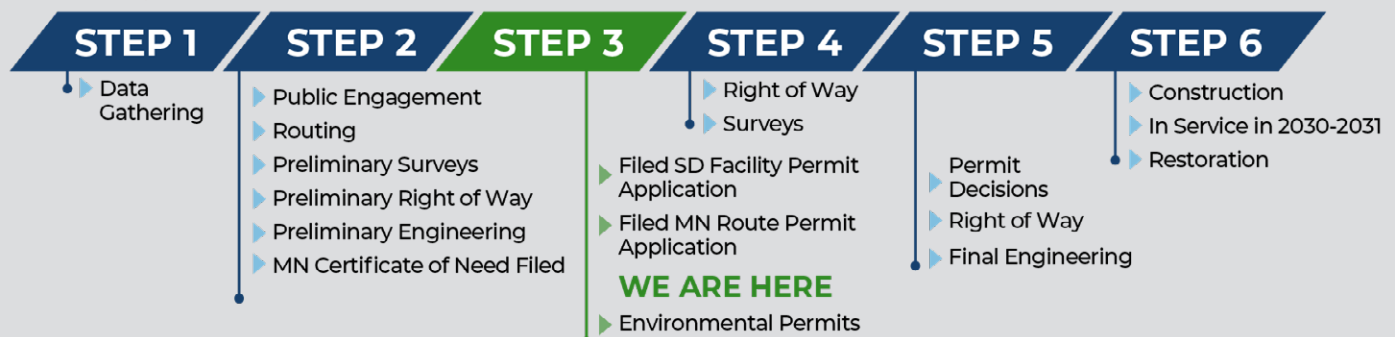
BSSA is designed to ensure continued electric reliability, enhance resilience to extreme weather events, reduce transmission congestion and increase access to low-cost energy. It will connect Otter Tail Power’s existing substation near Big Stone City, South Dakota, with WMPMA’s existing substation near Alexandria, Minnesota.

Otter Tail Power and MRES filed a route permit application with the Minnesota Public Utilities Commission (MPUC) on Oct. 22, 2024, for the Minnesota portion of the project. The companies anticipate a decision from the MPUC in mid-2026 and are currently targeting an in-service date for the project by the end of 2030.

**BSSA**  
Big Stone South  
to Alexandria

▶ For more information about BSSA, visit [bigstonesouthtoalexandria.com](https://bigstonesouthtoalexandria.com).

### BSSA TIMELINE & ENGAGEMENT OPPORTUNITIES



# DEMAND-SIDE MANAGEMENT SHAVES NEARLY 4 MEGAWATTS OF PEAK LOAD IN 2024

The Bright Energy Solutions® (BES) program cut about 4 megawatts (MW) of peak load in 2024, with a total program cost of \$655 per kilowatt (kW). Since 2008, BES has reduced peak demand by almost 96 MW, averaging about \$567 per kW.

Similar to previous years, commercial and industrial (C&I) programs accounted for 90% of peak demand savings and 80% of total incentives. Lighting programs made up about 68% of C&I demand savings, followed by the custom program at 18%. The compressed-air program made up about 15% of C&I demand savings, as did heating and cooling.

Residential programs accounted for 10% of total demand savings and 20% of incentives. Heating and cooling measures carried the residential side of BES with 88% of residential peak demand savings and 87% of incentives paid. ENERGY STAR® appliances were responsible for the remaining residential savings and incentives.

Since the inception of the BES program in 2008, MRES has processed about 59,000 rebate applications and paid nearly \$30 million in rebates to members' retail customers.



Beneficial electrification incentives totaled \$68,000 in 2024, a drop of 18% from 2023. Electrification measures added more than 13,000 megawatt-hours of load over the lifetime of the equipment. About 63% of electrification incentives went toward air-source heat pumps, while 27% was for home electric vehicle (EV) chargers. BES rebated 52 EV home chargers in 2024, double the number rebated in 2023.

## NEW LANGUAGE IN WRDA INCLUDES COST SAVINGS FOR PREFERENCE POWER CUSTOMERS

In early January President Biden signed the Water Resources Development Act (WRDA) of 2024, which focuses on improving the nation's ports, inland waterways and other critical water infrastructure. Since 2014, Congress has consistently passed WRDA every two years, enabling the U.S. Army Corps of Engineers (USACE) to work on locally driven projects that boost the economy, strengthen the supply chain, and provide flood and storm protection.

Included in the 2024 bill is new language that substantially reduces cost exposure for preference power customers of the Western Area Power Administration (WAPA) for safety upgrades USACE has planned for three of the Missouri River's mainstem dams. For starters, repairing Garrison Dam's spillway is expected to cost \$1.9 billion. Following the traditional cost split, 43.78% of that cost would have been passed along to power customers. However, the new language directs the USACE to apply the 1986 Dam Safety Assurance Authority methodology for cost sharing, effectively reducing the power customers' share to about 6.6% — from \$832 million to \$125 million.

Going forward, the legislation directs the USACE to apply the same cost-sharing process to safety projects planned for the Oahe and Fort Peck dams. While still significant, the updated cost split for these projects will be much more in line with the benefit our members and their communities receive from these repairs.



It's important to note that the Mid-West Electric Consumers Association (MECA) drafted and advocated for the additional language that led to these major cost savings. MECA is a WAPA oversight group made up of municipal utilities and electric co-ops from nine states in the Missouri River Basin. MRES is actively involved in MECA and is thankful for its advocacy efforts to promote and protect the interests of preference power customers, including 59 MRES member utilities that receive hydropower allocations from WAPA.

For more information, please contact Vice President of Member Services and Communications Tim Blodgett at **605-338-4042** or [info@mrenergy.com](mailto:info@mrenergy.com).



# MRES PREPARES FEDERAL POSITION PAPERS

Each year MRES prepares position papers to inform and educate federal congressional members and their staff about public power issues. Here is a brief rundown of this year's position papers that the MRES board of directors finalized during its January meeting.

## MUNICIPAL TAX ISSUES

**Tax-Exempt Financing:** The generation, transmission and distribution of electricity are highly capital-intensive undertakings. In the 119th Congress, there may be efforts to eliminate or reduce the attractiveness of tax-exempt bonds. Doing so would increase borrowing costs for MRES and for all levels of government. Given the current condition of most state and local budgets, these cost increases could delay, scale back or even shelve many critical projects. MRES is urging opposition to any effort that restricts tax-exempt financing or reduces the federal tax exemption on bond interest.

**Reinstating Tax-Exempt Advance Refunding Bonds:** Regrettably, prior federal legislation eliminated the ability to issue the advance refunding (or refinancing) of municipal bonds. Recovering this ability would provide substantial savings to taxpayers throughout the country, allowing state and local governments to refinance outstanding bonds at lower interest rates and, as a result, realize considerable debt-service savings. The issuance of advance-refunding bonds to take advantage of market conditions would reduce the cost of financing worthy infrastructure projects. MRES and its member communities support reinstating this important economic development tool.

**Build America Bond Payments:** MRES, through WMMPA, issued Build America Bonds (BABs) in 2010, relying on the government's promise to pay. Since then, sequestration has reduced BAB payments to issuers like MRES/WMMPA, costing \$1 million to date and potentially \$4.4 million over the bonds' term. This undermines the government's original commitment

when the bonds were issued. MRES urges Congress to protect BAB payments and honor federal commitments.

## PROTECTING THE FEDERAL POWER PROGRAM

Fifty-nine MRES members receive hydropower allocations from Missouri River dams, which is administered through WAPA, a federal power marketing administration (PMA). Every few years, misguided proposals surface to reduce the federal budget deficit by altering the ownership, structure or rates of the federal PMAs, or to use PMAs to advance policy objectives unrelated to their core mission.

Proposals to privatize PMAs, including WAPA, or shifting to market-based rates threaten affordable power access and equity for municipal utilities. WAPA customers pay all system costs, including infrastructure upgrades, with no taxpayer subsidies. Privatization or market-based rates would raise costs and negate long-standing customer investments. MRES opposes privatization of WAPA assets and market-based rate changes.

## TRANSMISSION REFORM AND PERMITTING CHALLENGES

As the U.S. faces growing energy demands and the need for a resilient electric grid, transmission reform and permitting issues are at the forefront. Rising transmission costs and slow permitting processes present challenges, particularly for local power utilities that aim to expand infrastructure efficiently without overburdening consumers with rate increases. However, some transmission reform proposals have included language that would increase the Federal Energy Regulatory Commission's (FERC) jurisdiction over municipal electric utilities. While MRES supports transmission project development and permitting reform, MRES and its members oppose expanding FERC's jurisdiction over municipal utilities.

▶ To view this year's position papers in detail, go to [mrenergy.com](http://mrenergy.com) and click on the "Legislative and Regulatory" tab.

## APPA HOSTING ANNUAL LEGISLATIVE RALLY

MRES annually leads a contingent of public power professionals and policymakers to the American Public Power Association's (APPA) Legislative Rally in Washington, D.C. The rally is intended for APPA member utilities, joint action agencies and state association members, and it is the perfect time for public power communities to make their voices heard at the federal level.

This year's event will be Feb. 26-28, and MRES will have representatives from all four member states in attendance to meet with their respective congressional delegations. During these meetings they'll discuss the position papers outlined above, as well as state-specific issues.

▶ For more information on the APPA's Legislative Rally, please visit [publicpower.org](http://publicpower.org).



# SAVE THE DATE: MRES® 60<sup>th</sup> ANNUAL MEETING IS MAY 7-8

Mark your calendars to attend this year's MRES® Annual Meeting on May 7-8 at the Sioux Falls Convention Center.

A block of rooms has been set aside for MRES guests at the Sheraton Sioux Falls, which is connected to the convention center. The special rate is \$148 plus taxes, and the deadline to make room reservations is April 10.

▶ To make room reservations, **call the Sheraton Sioux Falls at 605-331-0100** or go to **[mrenergy.com/events](https://mrenergy.com/events)**. If you call the hotel directly, please mention the MRES block for the special rate.



## ***Nominate utility and community leaders for annual MRES awards***

MRES has always been fortunate to have progressive member utilities and communities, and most of the credit for this belongs to local policymakers who serve on city councils, utility commissions and other civic boards.

Among our member policymakers, certain individuals stand out in serving their municipal utility, in promoting public power and in serving beyond the boundaries of their local community. To recognize these dedicated individuals, MRES encourages members to submit nominations for both the **Community Leader Award** and the **Maurice A. TePaske Public Official Award**.

The **Community Leader Award** is for active service to the candidate's local utility and the local promotion of public power. The **Maurice A. TePaske Public Official Award** recognizes outstanding individuals who are active in their support of MRES and the promotion of public power throughout the state and region, such as serving on outside boards or committees in addition to their local governing board.

▶ **The deadline to submit nominations for this year's awards is March 14.** The awards will be presented during the Annual Meeting on May 7 in Sioux Falls, South Dakota. To request more information or nomination forms, please contact Tim Blodgett at **605-338-4042** or **[info@mrenergy.com](mailto:info@mrenergy.com)**.

## **RRHP CONTINUES YEAR-OVER-YEAR PRODUCTION**

The Red Rock Hydroelectric Project (RRHP) began commercial production in June 2021 as a retrofit of the existing USACE dam on the Des Moines River near the MRES member community of Pella, Iowa. MRES built the hydroelectric facility to add to its members' renewable resource portfolio. Despite ongoing drought conditions and low water levels in recent years, RRHP has provided clean, reliable hydropower to Pella and the surrounding region.

During its first calendar year of operation in 2022, RRHP operated 245 days and produced 105,830 MW of power. The following year, RRHP operated 198 days and produced 91,960 MW. In 2024, RRHP ran 280 days — operating at 100% for 121 of those days — and generated 138,590 MW. In fact, the facility provided the city of Pella with nearly 100% of its power last year during May, June, July and part of August.



*RRHP has a rated capacity of 43.1 MW, but the project is capable of generating up to 55 MW when water is plentiful. It is the second-largest hydropower facility in the state of Iowa.*



# MRES BOARD FORMALIZES COMMITTEE ASSIGNMENTS

During its January meeting, the MRES Board finalized its committee appointments for 2024. Here are the boards and committees as of January 2025.



**MISSOURI  
RIVER®**  
ENERGY SERVICES

## MRES BOARD OF DIRECTORS

- Chair: **Vernell Roberts**, Detroit Lakes, Minnesota
- First Vice Chair: **Steve Meyer**, Brookings, South Dakota
- Second Vice Chair: **Scott Hain**, Worthington, Minnesota
- Third Vice Chair: **Rory Weis**, Denison, Iowa
- Fourth Vice Chair: **Dave Carlsrud**, Valley City, North Dakota
- Secretary/Treasurer: **Steve Lehner**, Watertown, South Dakota
- Director: **Ted Cash**, Alexandria, Minnesota
- Director: **Murray Hulstein**, Sioux Center, Iowa
- Director: **Brad Palmer**, Pierre, South Dakota
- Director: **John Prescott**, Vermillion, South Dakota
- Director: **Guy Swenson**, Barnesville, Minnesota
- Director: **Matt Van Schouwen**, Orange City, Iowa
- Director: **Rob Wolfington**, Benson, Minnesota

## FINANCE COMMITTEE

- **Steve Meyer**, Chair
- Murray Hulstein
- Steve Lehner
- Rory Weis
- Rob Wolfington
- Vernell Roberts, Ex-officio

## MEMBER TECHNOLOGY COMMITTEE

- **Rory Weis**, Chair
- Steve Lehner
- Brad Palmer
- Guy Swenson
- Matt Van Schouwen
- David Schelkoph, WMMPA Member
- Travis Schmidt, WMMPA Member
- Vernell Roberts, Ex-officio

## NOMINATING COMMITTEE

- **Scott Hain**, Chair
- Murray Hulstein
- John Prescott
- Ted Cash
- Vernell Roberts, Ex-officio

## PERSONNEL COMMITTEE

- **Scott Hain**, Chair
- Dave Carlsrud
- Ted Cash
- Brad Palmer
- John Prescott
- Vernell Roberts, Ex-officio



**Western Minnesota  
Municipal Power Agency**

## WMMPA BOARD OF DIRECTORS

- President: **Scott Hain**
- Vice President: **Guy Swenson**
- Secretary: **Ted Cash**
- Treasurer: **Rob Wolfington**
- Director: **Vernell Roberts**
- Director: **David Schelkoph**, Marshall, Minnesota
- Director: **Travis Schmidt**, Moorhead, Minnesota

## BES SUCCESS STORIES: LARGE REBATE AWARDED IN WORTHINGTON

Worthington (Minnesota) Public Utilities (WPU) recently took advantage of rebates available through the BES program.

WPU was presented a check for more than \$18,000 for installing energy-efficient lighting, HVAC equipment, variable-frequency drives and air compressors in the city's new wastewater treatment facility.

Through the BES program, member utilities and their customers can access valuable rebates and incentives for energy-efficient upgrades. This initiative supports cost savings for utilities and promotes sustainability and environmental stewardship within the community.

Visit [brightenergysolutions.com](https://brightenergysolutions.com) or contact your local utility for more information about BES incentives.



From left: Energy Services Technical Specialist Darlene Weber-Scott, WPU Wastewater Superintendent Jeremy Braaksma, WPU Utility Coordinator Eric Roos and WPU Customer Service Supervisor Vida Iten.

## CYBERSECURITY CORNER

### Survey shows 40% of respondents never received cybersecurity training from employer *By KnowBe4*

In October 2024, Yubico, a cybersecurity company specializing in multi-factor authentication (MFA), released a survey involving 20,000 participants from 10 countries. The survey revealed that 40% of respondents had never received cybersecurity training from their employer. Additionally, 70% said they've been exposed to cyberattacks in their personal lives within the past 12 months, and 50% faced cyberattacks at work.

According to the survey, the gaps in personal cybersecurity practices not only pose risks to individuals, but they also expose workplaces to vulnerabilities. As more employees work remotely or use personal devices for work-related tasks, the line between personal and professional cybersecurity has become blurred. This integration can inadvertently open doors for cybercriminals to access corporate networks through compromised personal accounts.

In the survey Yubico notes that all employees should receive training, because an attacker only needs access to one account in order to gain a foothold within an organization. This data indicates that while training can be effective, it is not reaching everyone and there is room for improvement in how it is delivered and reinforced.

Moreover, cybersecurity training must be consistent across all levels of the organization, from entry-level employees to senior executives. Junior employees, in particular, should

not be overlooked. Enterprises should also regularly update employees on the latest cybersecurity threats, especially those related to AI-driven attacks. The importance of MFA should be clearly communicated to ensure employees understand how to implement it for both work and personal accounts.

The findings emphasize the importance of a comprehensive cybersecurity approach that covers both home and work environments. Key elements include phishing-resistant authentication, ongoing employee training, and integrating advanced security measures to protect data and organizations.

### Missouri River Energy Services **CYBERSECURITY SERVICES**

MRES launched its Cybersecurity Services program in 2022 to help MRES members identify cybersecurity risks, determine costs and establish steps to mitigate them, all at a discounted rate.

For more information or to schedule a cybersecurity assessment for your utility, please contact MRES Cybersecurity Architect John Bade at **605-338-4042** or [info@mrenergy.com](mailto:info@mrenergy.com).

# MRES SCHOLARSHIP APPLICATIONS DUE MARCH 14

The deadline for submitting applications for this year's MRES scholarship program is fast approaching. As a reminder, the application deadline is March 14.



**THERE'S STILL TIME!**  
Missouri River Energy Services  
**SCHOLARSHIP PROGRAM**  
COLLEGE/UNDERGRAD SCHOLARSHIPS  
LINEWORKER/POWERLINE SCHOLARSHIPS  
**APPLY NOW!**  
Deadline to Apply **MARCH 14, 2025**

This year, five \$1,000 scholarships are available for current high school seniors enrolling this fall in a full-time undergraduate program at an accredited two- or four-year college, university or tech school. There are also seven \$2,000 scholarships available for high school graduates planning to enroll in a full-time powerline or lineworker program at an eligible technical college. Please note that eligibility requirements are in place for each kind of scholarship.

Visit [mrenergy.com](http://mrenergy.com) and click on "Scholarships" to learn more about our scholarship program and apply online.

## MRES TECHNICIAN COMPLETES ADVANCED TRAINING

Tyler Bass, an energy services technician on the MRES Proactive Maintenance Team, recently completed an intensive five-day ultrasound training program at the U.S. Steel plant in Fairfield, Alabama.

The training included four days of hands-on instruction and one day of testing, covering topics such as airborne and structure-borne ultrasound sound theory, procedures and techniques for compressed-air leak detection, electrical inspection, valve and steam trap inspection, and mechanical system evaluation. Participants in the training had the unique opportunity to test live equipment in the steel mill, gaining practical experience with bearings, gearboxes, pumps, hydraulic systems and more.

Tyler completed the exam Dec. 13, 2024, passing with 100% accuracy. **Congratulations, Tyler!**



Tyler Bass

## EVENTS CALENDAR

FEB  
7-23

**POLAR FEST**  
Detroit Lakes, Minnesota  
[visitdetroitlakes.com](http://visitdetroitlakes.com)

FEB  
14-16

**11<sup>th</sup> ANNUAL FROST FEST**  
Brookings, South Dakota  
[visitbrookingsd.com](http://visitbrookingsd.com)

FEB  
18-20

**IAMU ENERGY CONFERENCE**  
Ankeny, Iowa  
[members.iamu.org/events](http://members.iamu.org/events)

FEB  
24-26

**APPA LEGISLATIVE RALLY**  
Washington, D.C.  
[publicpower.org](http://publicpower.org)

MARCH  
15

**CELTIC FESTIVAL**  
Moorhead, Minnesota  
[cityofmoorhead.com](http://cityofmoorhead.com)

MAY  
3

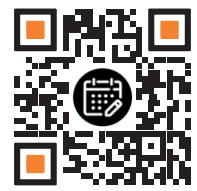
**SIOUXPERMAN TRIATHLON**  
Sioux Center, Iowa  
[siouxperman.com](http://siouxperman.com)

MAY  
7-8

**MRES ANNUAL MEETING**  
Sioux Falls, South Dakota  
[mrenergy.com/events](http://mrenergy.com/events)

To have your event listed, send the event's date, name, location and contact information to [info@mrenergy.com](mailto:info@mrenergy.com).

Visit [mrenergy.com/events](http://mrenergy.com/events) to see a full listing of calendar events for MRES and its members.



 MRES Events



## 9 EMPLOYEES RECEIVE POWER AWARDS

Nine MRES employees were recently recognized with Peer Ovation With Earned Recognition (POWER) awards. Given once a year, the POWER Award is the highest form of employee recognition at MRES. The awards were presented during a board-employee luncheon Jan. 16 at the Hilton Garden Inn Downtown in Sioux Falls, South Dakota.

Here is a list of this year's award winners, along with a brief description of why they were chosen for the awards by the MRES Executive Team.

Senior Economist **Eric Carl** was recognized for his work to implement resource planning improvements, including the addition of multi-draw modeling runs and comprehensive documentation on the resource planning process.

Plant Supervisor **Vern Cochran** was honored for coordinating tours for 150 people at the Red Rock Hydroelectric Project. The tours were part of the National Hydropower Association's Midwest Regional Meeting held in Des Moines, Iowa, last spring.

Director of Transmission Services **Richard Dahl**, Senior Transmission Engineer – Facilities **Brian Zavesky** and Senior Regulatory and Contracts Counsel **Derek Bertsch** were awarded for the leadership and dedication they showed during the submission process for the Big Stone Substation to Alexandria Substation route permit.

Resource Engineer Supervisor **Nick Fanning** was awarded for his leadership of the designing, bidding, building and commissioning of the Marshall Solar Plus project.



Vern Cochran



Richard Dahl



From left: Nick Fanning, Eric Carl, Derek Bertsch, Marcy Douglas and Brian Zavesky.

Leadership Development and Strategic Planning Manager **Marcy Douglas** and Member Programs Coordinator **Amy Collins** were recognized for their exceptional work in coordinating, managing and handling a majority of the tasks involved in developing and submitting numerous state and federal grant applications.

Director of Rates **Tim Miller** was recognized for discovering an error in a rate increase proposal from WAPA and bringing it to WAPA's attention. Correcting the error resulted in a lower proposed rate increase.



Amy Collins



Tim Miller