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MRES Today

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MISSOURI RIVER
ENERGY SERVICES

Sen. Thune visits MRES office

Each year the American Public Power Association (APPA) holds a legislative rally in Washington, D.C., to make members aware of decisions happening at the federal level, to prepare resolutions, and to plan outreach activities to federal legislators and federal agencies. The rally is held in late February or early March, and Missouri River Energy Services (MRES) typically sends a delegation of executive staff and board members to meet with federal legislators from all four member states.

This year, however, the MRES board of directors decided to hold local, individual meetings with federal legislators rather than attend the APPA Legislative Rally in person due to COVID-related issues and other scheduling concerns.

MRES has several meetings lined up with federal legislators in the coming months, but was able to kick off this year's meeting schedule with a visit from South Dakota Sen. John Thune (R) on Feb. 4 at the MRES office in Sioux Falls. Thune spent more than an hour talking with MRES President and CEO Tom Heller, senior staff, member policymakers and MRES board members.

Those in attendance were Brookings Municipal Utilities General Manager Steve Meyer and Tim Harvey, Brookings

Board of Trustees; Watertown Municipal Utilities General Manager Steve Lehner; and Vermillion City Manager John Prescott. Attending virtually from Pierre were Municipal Utilities Director Brad Palmer, Mayor Steve Harding and City Administrator Kristi Honeywell. Meyer, Lehner and Palmer also serve on the MRES board of directors.

The conversation started with the Gregory County Pumped Storage Project. Western Minnesota Municipal Power

Agency, the financing affiliate of MRES, holds the permit from the Federal Energy Regulatory Commission to study the feasibility of a pumped storage project in Gregory County, South Dakota, which aligns with a strategic priority of MRES to create a cleaner, more resilient energy future.

Heller explained that the proposed 1,800-megawatt (MW) project will provide increased energy resiliency and grid reliability while also integrating intermittent energy generated by wind and solar. Transmission facilities would provide paths for renewable

energy from GCPSP to flow toward larger load centers and existing regional transmission infrastructure, enhancing the reliability of the electric grid throughout the upper Midwest.

In addition to discussion on GCPSP, the meeting also



Sen. John Thune (R-South Dakota) visited with MRES leadership about several issues on Feb. 4 when he stopped at the MRES office. MRES will continue meeting with federal legislators from each of the four member states throughout the spring and summer months.

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Sen. Thune visits MRES office *(continued)*

covered three other topics the MRES board identified as federal legislative priorities in 2022:

Regulatory Certainty Needed on Carbon Emissions

As part of its strategic priority to create a cleaner and more resilient energy future, MRES emphasizes the need for regulatory certainty and the principles that Congress must consider to ensure reliability and affordability in energy and carbon-reduction legislation.

Massive Transmission Needed for the Nation's Future and Reliability

As the country relies on an ever-growing and more diverse generation resource mix, additional transmission needs to be built to accommodate new resources, to accommodate "back up" power, to transport generation from one load center to another, to react to both over-generation and curtailments, and to account for shifting load peaks. MRES supports appropriate efforts to advance investments in the nation's transmission grid in an expedited manner and urges Congress to focus on those policies that encourage an efficient regional transmission network: comparable

tax incentives as investor-owned utilities, planning, joint ownership and federal siting.

Protecting the Federal Power Program, specifically WAPA

MRES continues to urge lawmakers to protect WAPA and other power market administrations from proposals that would privatize their transmission systems or would otherwise undermine the customers who have continued to pay all the costs (including construction, upgrades, maintenance and operation) of the federal power system, plus interest. Fifty-nine of the 61 MRES members receive clean, renewable hydroelectric power from WAPA.

Position papers on these four topics covered in the meeting with Thune were approved during the MRES board's January meeting and will continue to be brought before federal legislators in upcoming meetings.

Additional information on these four position papers is available on mrenergy.com. To learn more on how MRES works to guide federal legislation, please contact Vice President of Government Relations Deb Birgen at 605-338-4042 or deb.birgen@mrenergy.com.

MRES sustainability report available online

MRES recently released a new Sustainability Report that details our efforts to protect the environment through a diverse portfolio of generation resources, energy efficiency and beneficial electrification programs, a voluntary green energy program, and investment in clean energy technologies. The report also includes the social engagement and governance aspects of our sustainability efforts.

The report is meant to be shared with staff, policymakers, customers, legislators and other stakeholders in MRES member communities. Hard copies of the report were mailed to member utilities in late January, and a PDF version of the report can be downloaded from the MRES website, mrenergy.com.

For more information or if you would like additional hard copies of the report, please contact Vice President of Member Services and Communications Joni Livingston at joni.livingston@mrenergy.com or 605-338-4042.



BES program finishes close to 2021 goals

The Bright Energy Solutions® (BES) program cut about 5.2 megawatts (MW) from the peak load of MRES in 2021 — up 16% from 2020 results, but still just short of the MRES Integrated Resource Plan (IRP) savings goal of 5.4 MW.

These demand savings were achieved at a cost of \$563 per kilowatt (kW). Since 2008, BES has reduced peak demand by more than 80 MW, spending about \$560 per kW.

Commercial and industrial (C&I) programs were responsible for 90% of the 2021 peak demand savings, and 78% of total incentives. Lighting projects made up just over half of C&I demand savings and incentives, while heating and cooling programs accounted for 28% of C&I savings and 24% of C&I incentives.

Residential programs accounted for 10% of demand savings and 22% of incentives. Among all residential programs, heating and cooling accounted for 74% of residential demand savings and 82% of incentives.

Beneficial electrification incentives totaled just over \$35,000, adding 6,243 lifetime megawatt-hours (MWh) of load. Heat pumps produced 85% of the added load and required 63% of the incentives. BES rebated 13 ChargePoint home electric vehicle (EV) chargers and paid six \$50 rebates for completing EV owner surveys.

Since the inception of the BES program in 2008, MRES has processed over 52,870 applications for BES projects, reducing electric demand by over 80 MW and paying over \$25.9 million in rebates.

Rebate changes for 2022

BES provides rebates encouraging members' utility customers to make wise use of electricity, which can help save money, increase production, improve comfort and protect the environment. The BES incentive program

includes some updates to both business and residential rebates that took effect Jan. 1. Here's a quick look at some of the changes:

- Quality Installation was incorporated into the existing HVAC application forms, and forms were simplified to eliminate duplication of data entry.
- These rebates were added for businesses:
 - Single-package vertical air conditioners and heat pumps;
 - Q-sync fan motors used in walk-in and reach-in coolers and freezers;
 - Strip curtains in doorways of refrigerated warehouses, and walk-in coolers and freezers;
 - Design Lights Consortium (DLC) listed horticulture lights for greenhouses with 100% artificial light
- Networked lighting controls have been removed from the Lighting – New Construction Program, as lighting controls are now often required by code.



BES cost-share opportunities available

Members who participate in the BES program are encouraged to take advantage of the advertising and event cost-share program, where members can be reimbursed up to 50% for eligible expenses. BES offers cost-share opportunities for print or online advertising, home shows, expos, newsletters, and even promotional or giveaway items.

To learn more or to see the full list of rebates or download rebate forms, visit brightenergysolutions.com. For more information on the BES cost-share program, please contact Director of Energy Services Shannon Murfield at shannon.murfield@mrenergy.com.

MRES hosts annual South Dakota Power Lunch in Pierre

As part of Missouri River's South Dakota Power Lunch on Feb. 2, utility managers and staff met with state legislators to discuss important issues and priorities of public power. It was also an opportune time to promote how MRES and the municipal electric systems in a dozen South Dakota communities work together to provide clean, affordable and reliable energy.

The event was held at the state Capitol in Pierre as part of Municipal Government Day at the Legislature.

This year, 44 of the 70 House members and 29 of the 35 Senate members attended the annual event.



Over 70 legislators attended the annual MRES Power Lunch Feb. 2 at the Capitol in Pierre. From left: Sen. Mary Duvall (R-Pierre), MRES board member Brad Palmer (Pierre), MRES Vice President of Government Relations Deb Birgen, MRES board member Steve Meyer (Brookings) and MRES board member Steve Lehner (Watertown).

MRES hires new vice president and CFO

MRES recently announced that Chris Olson has accepted the position of Vice President and Chief Financial Officer (CFO) for the organization. He will start March 7, 2022, and will replace Senior Vice President and CFO Merlin Sawyer, who will retire in May after 35 years of service to MRES.

Olson served as Finance Manager at ALP Utilities in Alexandria, Minnesota, for over 10 years and also as assistant general manager for more than three of those years. At ALP, Olson managed the utility's financial and billing functions, including budgets, general ledger accounting, bonding, investments and cash activities. He spearheaded the preparation of presentations to bond rating agencies, including Moody's Investors Service and Fitch Ratings,



Chris Olson

successfully achieving upgraded bond ratings for ALP. Olson also attained two multimillion-dollar revenue bond issues for undergrounding the ALP electric distribution system.

ALP Utilities is a long-time member of MRES, and as such, Olson is well acquainted with the MRES staff and organization. He is also a past board member of the Minnesota Municipal Utilities Association.

"We are very fortunate to have Chris joining the MRES team," said Tom Heller, MRES president and CEO. "His broad knowledge of the electric industry and expertise in utility finances will provide great value to MRES and its members. We are excited for the opportunity to work with him."

Olson is originally from Thief River Falls, Minnesota, and received his bachelor's in accounting from Minnesota State University Moorhead. He is married to wife Christine. His interests include running, hiking and other outdoor activities.

Events Calendar

Scholarship applications due March 15

MRES has established a successful scholarship program that awards up to a dozen scholarships to college-bound high school seniors and those planning to enroll in a powerline/lineworker program at an eligible technical college this fall.

Five \$1,000 scholarships will be awarded to graduating high school seniors who enroll in a full-time undergraduate course of study at an accredited two- or four-year college, university or technical school. Students planning to pursue courses of study related to the energy industry — engineering, electrician, electrical technician, power plant operator, energy management, business management, accounting and many more — will be given preference for these scholarships. These awards may be renewed for up to three additional years.

MRES will award up to seven \$1,000 scholarships to students who enroll no later than Fall 2022 in a full-time powerline/lineworker program at eligible technical colleges in the Upper Midwest. Powerline/lineworker scholarships are one-time only and not renewable.

Missouri River's scholarship program is administered by Scholarship America®, and awards are granted without regard to race, color, creed, religion, sexual orientation, age, gender, disability or national origin. MRES, its staff and its members are not part of the selection process.

Scholarship applications are due **March 15**. For more information or to apply online, visit mrenergy.com.

To have your event listed, please send the event's date, name, location and contact information to Director of Communications Valerie Larson-Holmes at 605-338-4042 or valerie.larson-holmes@mrenergy.com. To be considered for print, information must be submitted at least eight weeks prior to the event.

Please visit mrenergy.com/events to see a full listing of calendar events for MRES and its members.

March 9-13

North Dakota Winter Show
Valley City, North Dakota
northdakotawintershow.com
800-437-0218

April 30

Siouxperman Triathlon
Sioux Center, Iowa
siouxperman.com
712-449-5259

May 19-21

81st Annual Tulip Festival
Orange City, Iowa
octulipfestival.com
712-707-4510

May 19-21

24th Annual Festival of Birds
Detroit Lakes, Minnesota
visitdetroitlakes.com/events
218-847-9202

May 27-29

Tivoli Fest
Elk Horn and Kimballton, Iowa
danishmuseum.org



Nominations sought 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, there are always individuals who 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 Maurice A. TePaske Public Official Award and the Community Leader 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 18. The awards will be presented at the MRES Annual Meeting reception on May 11 in Sioux Falls, South Dakota.

To request more information or nomination forms, contact Joni Livingston at joni.livingston@mrenergy.com or 605-338-4042.

WAPA power output at Missouri River dams below average in 2022

Electric power generation at the Missouri River's six upstream dams fell below average in 2021, forcing the Western Area Power Administration (WAPA) to buy electricity on the open market.

Purchasing power to fulfill contracts is not unusual for WAPA, which has spent \$1.5 billion since 2000 to fulfill contracts due to shallow river levels caused by drought. And in fiscal 2021, WAPA bought \$18 million of electricity on the open market to make up for the energy production shortfall.

Historically, the Missouri River dams are WAPA's second-largest producer of energy, and they have generated an average of about 9.4 billion kWh of electricity since 1967, including a high of 14.6 billion in 1997. During the driest years this century, power plant output dwindled below 5 billion kWh in 2007 and 2008.

Mike Swenson, a U.S. Army Corps of Engineers engineer in Omaha, Nebraska, said in a news release that energy production from the dams in Montana and the Dakotas was

below average because water was kept in reservoirs to make up for drought conditions. As a result, energy production totaled 8.6 billion kilowatts (kW) of electricity in 2021, down from 10.1 billion kW in 2020. A billion kilowatt-hours (kWh) of power is enough to supply about 86,000 homes for a year.

The Oahe Dam near Pierre, South Dakota, and the Garrison Dam in North Dakota are typically the biggest power producers in the Missouri River system. Swenson said Oahe Dam generated 2.4 billion kWh last year, down from the long-term average of 2.7 billion kWh. He also said Garrison Dam generated 2 billion kWh of electricity last year, down from a long-term average of 2.3 billion kWh.

Currently, the water storage level of the six upstream reservoirs is about 48 million acre-feet, which is about 15% below the ideal level, Swenson said. Based on runoff estimates for 2022, the Corps has forecast 7.4 billion kWh of electricity this year, or about 15% below 2021.



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Member profile — Sanborn, Iowa

Located about 70 miles southeast of Sioux Falls, South Dakota, the city of Sanborn first sprang up in the 1870s as a railroad town on the heels of the Chicago, Milwaukee and St. Paul Railway, which was more commonly known as the Milwaukee Railroad. According to the city's official website, the town was named for George W. Sanborn, who was the first superintendent of the Iowa and Dakota division of the Milwaukee Railroad.

Today, Sanborn offers a wealth of recreational facilities to the 1,400 people who call the area home. The Miller Park and Golf Course is a 125-acre park and recreation complex, consisting of a 90-acre golf course and 35 acres of park facilities that include playgrounds, softball and soccer fields, picnic facilities, a new campground facility, and a shelter house. A separate downtown park includes an outdoor aquatic center, playground and picnic facilities.

Sanborn Municipal Utilities (SMU) was first established in 1947 and celebrates its 75th anniversary this year. SMU joined MRES in 1965, and today SMU provides electric, water, wastewater, gas, phone, cable and internet services to the town's residents and businesses.

In addition to providing a full slate of services, SMU has long been committed to helping make Sanborn a better place to live and work. Here are a few examples from just the past decade, taken from the city's website:



1. Invested in land purchases for housing and industrial development
2. Built utility infrastructure for housing and industrial development areas
3. Developed a new aquatic center and public library
4. Contributes each year to Sanborn Improvement for Economic Development
5. Added 11 additional camping sites at Miller Park
6. Added nine holes to the disc golf course
7. Invested in renovations at the municipal golf course
8. Added a 2.3-mile nature trail at Miller Park

City Administrator Jim Zeutenhorst serves as the official representative to MRES, while city trustee Josh Rydberg serves as the alternate.