

MRES TODAY

February 2024

A NEWSLETTER OF  MISSOURI
RIVER
ENERGY SERVICES

MRES INCREASES RATES FOR INSTALLING MEMBER GENERATION



During its January meeting, the Missouri River Energy Services (MRES) Board of Directors (Board) increased the lump sum it pays members to install behind-the-meter generation — typically diesel generators — through reserved capacity agreements (RCAs). The lump-sum bonus was increased to \$4 per kilowatt (kW) monthly for 10 years, starting in June 2025.

RCAs have proved to be economical, efficient ways for MRES and its members to meet capacity needs and enhance reliability locally and regionally. Missouri River has RCAs with 19 members for 156 megawatts (MW) of member-owned generation through 2052. This represents a significant share of Missouri River's generation portfolio that is specifically used to help meet resource adequacy requirements in the Southwest Power Pool (SPP) and Midcontinent Independent System Operator (MISO) markets. SPP and MISO are the two regional transmission organizations (RTOs) that serve MRES members.

The lump-sum bonus structure was added in 2023 to incentivize new generation, and this increase is the latest of several adjustments the Board has made to RCAs in recent years. In 2021, the RCAs were updated to better align with RTO rules, and in January 2022, MRES increased the RCA rate for installed generation from \$2-\$3 to \$5 kW per month.

“Grid reliability remains a top concern for MRES and its members, and RCAs are a win-win deal for participating members and Missouri River,” said MRES Vice President of Power Supply and Operations Terry Wolf. “Significant inflation and evolving market conditions are making it more expensive to install generation, and this move significantly increases Missouri River's portion of cost share and more accurately reflects our goal to cost share with the members on new member generation to about 70-90%. We believe this increase is reasonable due to the added local reliability benefits RCAs provide and recent material inflation, and we hope this move will continue to encourage more participation in the program.”

For more information on Missouri River's member generation programs, contact Wolf at **605-338-4042** or info@mrenergy.com.

MRES BOARD WELCOMES NEW MEMBER, FORMALIZES COMMITTEE ASSIGNMENTS

During its January meeting, the MRES Board welcomed Matt Van Schouwen as its newest member. Van Schouwen is the public works director at Orange City (Iowa) Municipal Utilities. He was appointed to the Board to replace Jim Hoye, of Rock Rapids, Iowa, who retired in December 2023 after serving on the Board for over 20 years.

In addition to welcoming a new member, the Board also finalized the committee appointments for 2024. Here are the boards and committees as of January 2024.



Matt Van Schouwen



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, *WMPMA Member*
- Travis Schmidt, *WMPMA Member*
- Vernell Roberts, *Ex-officio*

NOMINATING COMMITTEE

- Steve Lehner, Chair
- Dave Carlsrud
- Murray Hulstein
- Rory Weis
- Vernell Roberts, *Ex-officio*

PERSONNEL COMMITTEE

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



WMPMA 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



MRES President and CEO Matt Schull (left) and Board Chair Vernell Roberts participate in a recent Board meeting.

MRES PREPARES FEDERAL POSITION PAPERS

Each year MRES staff prepares federal position papers to inform and educate federal congressional members and their staff about public power issues. Here is a brief rundown of the five position papers the MRES Board finalized during its January meeting:

▶ PROTECTING RESOURCE ADEQUACY

This document points out the growing need for resource adequacy and reliability, and it urges congressional support for commonsense regulation that accounts for resource adequacy and impacts to ratepayers. It also asks for extensive review of proposed regulations or legislation to determine their impact on reliability.

▶ PROTECTING SUPPLY CHAIN

The utility industry is currently facing critically low stocks of distribution transformers and other fundamental components of the electrical grid. To complicate matters, the Department of Energy has proposed new efficiency standards for transformers that would increase lag times and exacerbate the supply chain problem. Bills have been introduced in the U.S. House of Representatives (H.R. 4167) and the U.S. Senate (S. 2036) to delay implementation of this proposed rule, and MRES asks for congressional support for these bills.

▶ PERMIT REFORM

Currently, the transmission permitting process is slow and cumbersome and does not always protect consumers from unnecessary rate increases. This document calls for a more streamlined permitting process for planning, siting, approving and paying for new transmission projects.

▶ MUNICIPAL TAX ISSUES

This position paper reminds legislators that continued access to tax-exempt financing and reinstatement of advanced refunding is critical for municipal electric utilities.

▶ PROTECTING GRID SECURITY

As Congress continues to examine grid security, this position paper encourages legislators to adhere to already approved models to avoid confusion and conflicting requirements. This paper addresses protecting the grid's physical infrastructure, as well as keeping the grid cybersecure.

LEARN MORE:

To view all five of Missouri River's position papers in detail, go to mrenergy.com and click on the "Legislative & Regulatory" tab.

LEGISLATIVE RALLY

FEBRUARY 26 - 28, 2024
WASHINGTON, DC

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

DEMAND-SIDE MANAGEMENT SHAVES NEARLY 5 MW IN 2023

The Bright Energy Solutions® (BES) program cut about 4.9 MW of peak load in 2023 — down slightly from the 2022 results of 5 MW and coming in at 90% of the MRES Integrated Resource Plan (IRP) savings goal of 5.4 MW. These demand savings were achieved at \$580 per kW, which was split almost evenly between rebates and administrative costs.

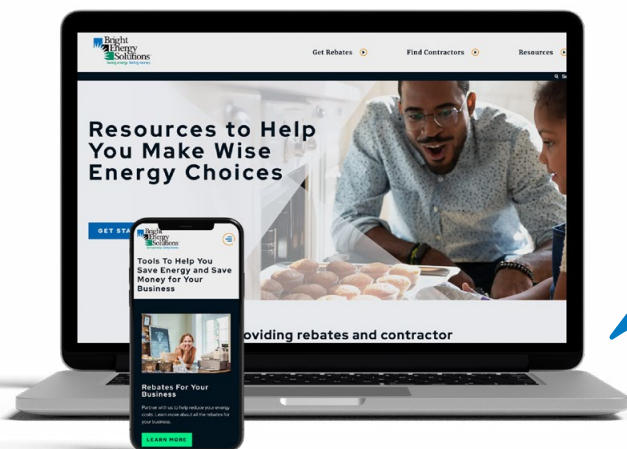
Like previous years, commercial and industrial (C&I) programs accounted for 90% of peak demand savings and 79% of total incentives. Lighting projects made up about 67% of C&I demand savings, while heating and cooling measures accounted for 17% of C&I savings.

Residential programs accounted for 10% of total demand savings and 21% of incentives. Heating and cooling measures

carried the residential side of BES with 69% of residential peak demand savings and 80% of incentives paid. ENERGY STAR® appliances were responsible for the remaining residential savings and incentives.

Beneficial electrification incentives totaled \$87,000 in 2023, an increase of 18% over 2022. The electrification program added about 16,000 megawatt-hours of load over the lifetime of the equipment installed. Air-source heat pumps and electric forklifts accounted for about 54% and 25%, respectively. BES paid rebates for 26 ChargePoint home (EV) chargers in 2023, compared to 17 rebates in 2022.

Since 2008, BES has reduced peak demand by almost 92 MW at a total program cost of about \$563 per kW. In total, MRES has processed about 57,000 rebate applications and paid about \$29 million in rebates to members' retail customers since the program's inception.



For more information on the BES program and to check out the redesigned website, go to brightenergysolutions.com.

LINEWORKER, UNDERGRAD SCHOLARSHIP APPLICATIONS DUE MARCH 15

The March 15 deadline to apply for this year's MRES scholarship program is quickly approaching.

This year, five \$1,000 scholarships are available for high school seniors enrolling this fall in a full-time undergraduate program at an accredited two- or four-year college, university or technical school. These scholarships can be renewed up to three times, making them worth up to \$4,000.

Graduating high school seniors planning to enroll in a full-time powerline or lineworker program at an eligible technical college could earn a \$2,000 scholarship. MRES offers seven scholarships, which are one-time only and not renewable.

Please note that certain eligibility requirements are in place for each scholarship.

For more information or to apply online, go to www.mrenergy.com and click on the link for "Scholarships" or scan the QR code below.



The MRES scholarship program is administered by Kaleidoscope, and awards are granted without regard to race, color, creed, religion, sexual orientation, age, gender, disability or national origin.

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, some 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 the Community Leader Award and the Maurice A. TePaske Public Official Award.

The Community Leader Award is for active service to the candidate's utility and local public power promotion. The 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 local governing boards.

The deadline to submit nominations for this year's awards is March 15. The awards will be presented at the MRES® Annual Meeting on May 8 in Sioux Falls, South Dakota. For more information or nomination forms, please contact Vice President of Member Services and Communications Tim Blodgett at **605-338-4042** or info@mreenergy.com.

MRES® 59th ANNUAL MEETING

MAY 8-9, 2024
SIoux FALLS, SOUTH DAKOTA

Mark your calendars for Missouri River's 59th Annual Meeting, slated for **May 8-9** 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 **\$144 plus taxes**; the room reservation **deadline is April 15**.

Call the Sheraton Sioux Falls at **605-331-0100** to make your room reservations or go to mreenergy.com/events. Please mention the MRES block for the special rate.



IOWA MEMBER COMMUNITIES RECEIVE GRANT FUNDING

The MRES member communities of Denison and Lake Park were among grant winners recently announced by the Enhance Iowa Program.

DENISON

Denison was awarded \$1 million toward the construction of the Crawford County Recreation and Wellness Center. When it's complete, the \$18 million project will include an indoor walking track, one full-sized basketball/volleyball/pickleball court, two full-sized indoor soccer/football fields, a workout space, an aerobics room and a community meeting room.

LAKE PARK

Lake Park will benefit from a \$200,000 grant to upgrade the trail system in Iowa's Great Lakes region. This \$1.1 million project includes the construction of 2.5 miles of trail that will provide Lake Park with direct access to the Spine Trail and West Okoboji Trail.

The Enhance Iowa Program provides financial incentives to communities to construct recreational, cultural, educational or entertainment facilities that enhance the quality of life in Iowa. To date, the program has awarded 136 grants totaling over \$46 million.



MINNESOTA CERTS SEED GRANTS FUND PROJECTS IN MRES MEMBER COMMUNITIES

Minnesota's Clean Energy Resource Teams (CERTs) announced seed grants for 45 community-based clean energy projects earlier. The grants will help pay for various energy efficiency and renewable energy projects across Minnesota. At the same time, the projects are intended to save energy, grow jobs and build more resilient communities.

Since 2006, CERTs seed grants have been awarded to 509 projects, totaling over \$1.98 million in grant monies. This year, CERTs awarded funds to projects in two MRES member communities:

DETROIT LAKES

The City of Detroit Lakes received an \$8,000 grant for a library lighting upgrade. This grant will help the city keep working toward its goal of becoming more energy efficient by converting the library lighting to LEDs.

WILLMAR

A \$3,500 grant was announced for Willmar to remove gas-powered equipment from the Willmar Civic Center's sports fields and install LED light scoreboards to reduce energy costs and eliminate localized pollution fumes and noise.



BES CHECK PRESENTED TO READINESS CENTER

In December, a BES rebate check for \$10,000 was presented to the Department of Military Affairs at the newly constructed National Guard Readiness Center in Luverne, Minnesota.

The 46,000-square-foot facility will serve as the new training center for members of National Guard units previously based in Luverne and Pipestone. It will also provide space for community activities and act as an emergency storm shelter.



Energy Services Field Rep Wade Sand hands a BES rebate check for more than \$10,000 to Lt. Col. Adam Riedel, as Mayor Pat Baustian looks on from the podium.

DECLUTTER YOUR MAILBOX, GO PAPERLESS



Reduce your mailbox clutter by going paperless! You now have the option to receive the MRES Today newsletter via email each month and opt out of your paper copy. Email info@mrenergy.com or click the “Go Digital” button below to sign up for your electronic copy. You can also contact Lisa Korthals at **605-338-4042**.

GO DIGITAL!

EVENTS CALENDAR

**FEB
9-25**

POLAR FEST
Detroit Lakes, Minnesota
visitdetroitlakes.com

**FEB
17**

**VINTAGE SNOWMOBILE RALLY
AND SWAP MEET**
Detroit Lakes, Minnesota
visitdetroitlakes.com

**FEB
21-23**

IAMU ENERGY CONFERENCE
Ankeny, Iowa
members.iamu.org

**FEB
26-28**

APPA LEGISLATIVE RALLY
Washington, D.C.
publicpower.org

**MAR
19-20**

**MMUA LEGISLATIVE
CONFERENCE**
St. Paul, Minnesota
mmua.org

**MAY
8-9**

MRES® ANNUAL MEETING
Sioux Falls, South Dakota
mrenergy.com/events

To have your event listed, send the event's date, name, location and contact information to info@mrenergy.com.

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



MRES Events

MEMBER PROFILE – REMSEN, IOWA

Located in the rolling hills of northwest Iowa, Remsen is a thriving community with a rich history. Before Europeans came to Iowa, Native American tribes lived in the area near Remsen. Archaeological evidence suggests the land was used for hunting and gathering for thousands of years and that the area's first settlements were established over 1,000 years ago, around 800 A.D.

By the 1850s, the draw of the region's fertile soil had lured European settlers to the area. Interestingly, Remsen was settled mostly by immigrants from Germany and Luxembourg who left their native land to escape religious persecution, economic limitations and even military conscription. A few decades later, Remsen was officially platted by the Iowa Falls and Sioux City Railroad Town Land and Lot Company in 1876 and was incorporated as a city in the spring of 1889.

Local lore insists that the town was named after Dr. William Remsen Smith, a prominent Sioux City physician and landowner in the area. Initially, the town was going to be named Smithville, but Dr. Smith felt that there were already too many Smiths in the world and instead chose to give the town his middle name.

Today, Remsen is home to more than 1,600 people, and the community prides itself on its hospitality and strong sense of community and family. Since 1973, Remsen has held its annual Oktoberfest celebration on the last Saturday in

October. The event's mission is to carry on the community tradition of the Luxembourgian and German heritage while celebrating the end of harvest.



Remsen Municipal Utilities was established in 1933 and joined MRES in 1966. The utility provides Remsen's residents and businesses with electric, water and wastewater services. Electric Superintendent Craig Reiter is the official representative to MRES, while Public Works Superintendent Mike Wurth is the alternate.

To learn more about Remsen, visit the city's official website at remseniowa.org.