

January 2023

MRES Today

A NEWSLETTER OF



MRES member utilities perform well during Winter Storm Elliott

Over the Christmas weekend, Winter Storm Elliott sent an arctic blast through the nation, causing customer demand for electricity to rise to unprecedented levels. A combination of low temperatures, high customer electrical usage, and unplanned or forced outages of power plants resulted in energy emergencies across much of the U.S. Several utilities in the southeast part of the U.S. were forced to implement controlled rotating outages to protect the electric grid. This was the fifth major winter event in the past 11 years.

Closer to home, the effects of Winter Storm Elliott were also felt by municipal utilities served by Missouri River Energy Services (MRES). Southwest Power Pool (SPP), which coordinates the flow of electricity across all or part of 14 states, including Iowa, Minnesota, North Dakota and South Dakota, set a record for winter electric use on Dec. 22. The organization issued an Energy Emergency Alert-1 (EEA-1) twice on Dec. 23. The alert notified utilities with local generation that they must be prepared to run that generation, but the emergency did not escalate further.

The Midcontinent Independent System Operator (MISO) declared a Maximum Generation Event/EEA-2 starting at 5 p.m. on Dec. 23 “due to unplanned generation outages and higher-than-expected consumption.” Declaring an EEA-2 involves multiple steps, including a call for utilities to operate their local generation and load management systems, as well as asking electric customers to reduce energy usage. MISO manages electricity across all or part of 15 states, including most of Minnesota and Iowa, parts of North Dakota, and the Canadian province of Manitoba.

MRES member utilities in the MISO footprint quickly responded to the MISO alert. Ten members successfully ran local generation and provided nearly 90 megawatt-hours (MWh) of energy to support the grid. Those members were Adrian, Alexandria, Benson, Lakefield, Melrose, St. James, Westbrook, Willmar and Worthington in Minnesota, and Hillsboro, North Dakota. Pella, Iowa, also was called upon to run generation on Dec. 24, and the utility supported the grid with 293 MWh over a period of about 12 hours.

An additional five MRES members operated their load management systems to reduce customer usage by cycling electric water heaters and electric heat off and on, resulting in a reduction of approximately 1 MW of load. These members participate in the MRES Coordinated Demand Response program, which allows MRES to start and stop load control on behalf of the member. The participating members were Detroit Lakes, Lake Park, St. James, Sauk Centre and Wadena, Minnesota. In addition, many MRES member utilities issued public service announcements and social media posts asking customers to reduce electricity use.

MRES and its members have worked diligently to develop energy emergency plans, communications materials and alert systems since the polar vortex in February 2021 forced rotating outages in some MRES member communities. Those plans paid off in December when they were successfully put to the test by another severe winter storm.

Continued on Pg. 2



MRES member utilities perform well during Winter Storm Elliott *(continued)*

“MRES is working hard to enhance the reliability of member utilities and the regional grid by promoting a coordinated demand response program and offering new incentives for the installation of local generation,” said Vice President of Power Supply and Operations Terry Wolf. “There are lessons learned from this event that we will use to further improve our processes and programs.”

MRES and its partner, MidAmerican Energy Company, are also studying a large-scale, long-duration pumped-storage hydroelectric project. If built, the project would act as a huge battery that stores energy until it is needed when other resources aren’t available, which would substantially contribute to the reliability of the entire region.

Wholesale time-of-use energy rates implemented Jan. 1

Missouri River’s wholesale time-of-use (TOU) rate structure took effect Jan. 1, 2023. The new rate structure will provide greater transparency into when energy prices are higher and when they are lower throughout the day and season. This will give members valuable information, which can enable them to shift electricity use away from higher-cost hours and take advantage of lower-cost hours to save money. In turn, these efforts will help MRES better manage wholesale power costs, too. The overall goal is to create a “win-win” for MRES and its members.

The process began in 2017 when the MRES Board of Directors (Board) first approved moving to a wholesale TOU rate structure. The transition period that followed was intentional to allow members adequate time to install the required smart-grid technologies, which included advanced metering infrastructure, a meter data management system and a customer information system capable of billing TOU rates.

With smart grid technology in place, MRES members will now have the option to offer TOU retail rates to their customers. However, MRES members are not required to offer TOU retail rates to their customers, as implementing TOU energy rates for some or all retail customers will remain a local decision.

From July 2021 through June 2022, MRES provided members with 12 months of “shadow bills” comparing their current power supply costs to projected costs under the TOU rate structure. MRES has also taken a number of actions over

the years to appropriately reflect the cost of service, promote efficiency and provide opportunities to reduce costs. For example, in 2011 the Board approved phasing in seasonal-demand rates to encourage peak-demand reductions. In 2016 the Board reviewed several new rate-structure concepts in response to fluctuating market prices.

TOU rate periods

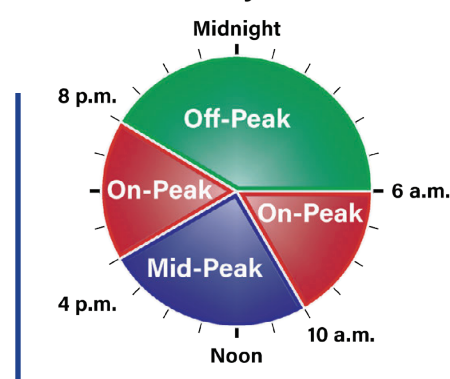
MRES wholesale TOU rates are based on time of day and season. During summer and winter, there will be on-peak pricing hours, mid-peak hours and off-peak hours. During the spring and fall seasons, there will only be mid-peak and off-peak hours. The charts to the right show the current on-, mid- and off-peak pricing hours during all three current TOU time periods.

Most important, however, is the organization’s rate policy that guides the Board and its decisions regarding the S-1 wholesale power rates charged to members. MRES rates are already approximately 10% lower than the average rate of 12 other comparable wholesale providers in the region.

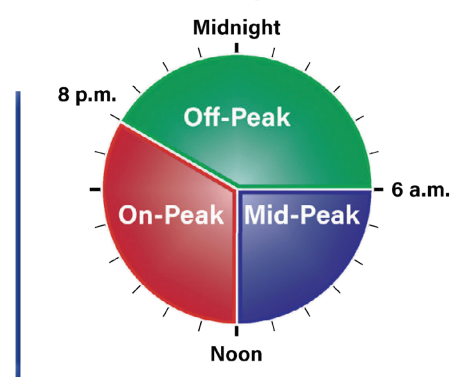
Wholesale TOU rates and time periods will be determined annually during the MRES budgeting process, and members will be notified by Dec. 1 each year of new rates for the following year. MRES rate analysts can help members with the design of retail TOU rates to address specific member situations.

For more information, contact Director of Rates Tim Miller at 605-338-4042 or info@mrenergy.com.

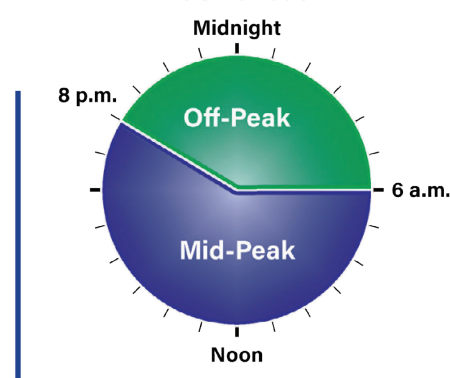
Winter Weekday TOU Periods



Summer Weekday TOU Periods



All Spring/Fall & Weekend/Holiday TOU Periods

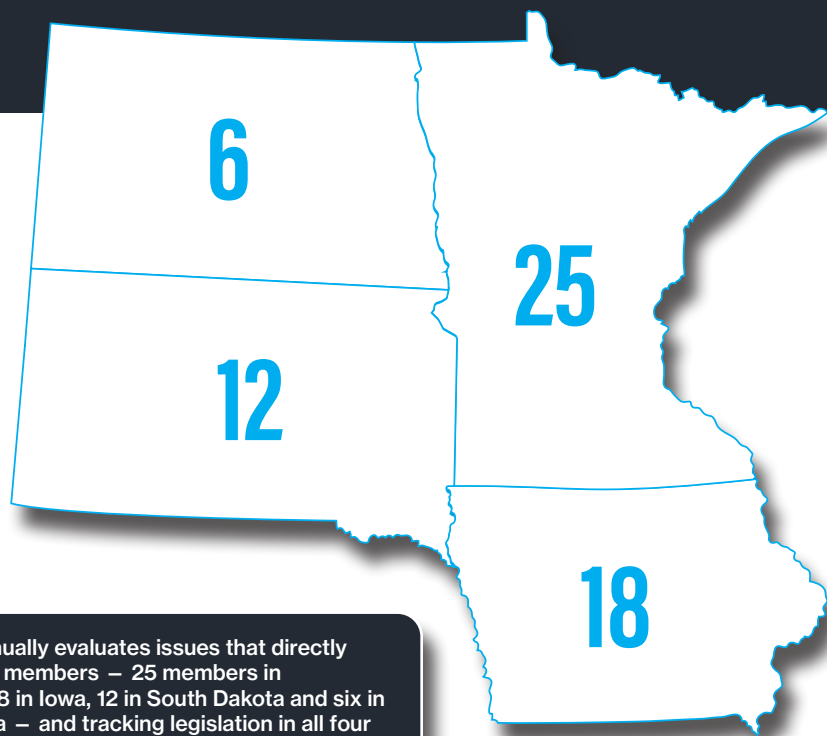


MRES tracks state legislation

MRES serves as an advocate for its members and monitors legislative and regulatory activity at the federal level and in the four states it serves — Iowa, Minnesota, North Dakota and South Dakota — as well as Wyoming, where our main generating resource is located.

With state legislatures now in session, bills and other legislative measures MRES tracks can be viewed online at mrenergy.com. The website includes bill descriptions for proposals MRES is tracking in each individual state. Each description includes a brief breakdown of the bill, current hearing schedule and actions taken. Individual links for each bill number are also provided to guide users to each state's official legislative website for more bill-specific information.

Head to mrenergy.com and click on the "Legislative & Regulatory" tab to see the list of bills MRES is currently tracking.



MRES continually evaluates issues that directly impact its 61 members — 25 members in Minnesota, 18 in Iowa, 12 in South Dakota and six in North Dakota — and tracking legislation in all four state legislatures helps spearhead that effort.

Grant-writing webinars available on MRES website

MRES recently hosted a webinar series focusing on federal grants that will be available through the Infrastructure Investment and Jobs Act (IIJA) and how to apply for those grants. MRES partnered with The Ferguson Group to host the webinars to help members understand the federal grant process and the types of projects that will qualify. The Ferguson Group is headquartered in Washington, D.C., and specializes in assisting public entities to build strong and vibrant communities.

The webinars were recorded and are available for download in the members-only section of mrenergy.com. In addition to the recordings, members can also download the PowerPoint slide decks from each webinar. Here is a breakdown of the three webinars from the series:

- **Grants 101 Training:** This session includes an overview of the federal grants landscape, required registrations, searching for federal grants and strategically positioning projects ahead of a solicitation.
- **Grant Writing:** This session includes an overview of common grant narrative elements, as well as tips and tricks for writing and submitting a competitive grant application.
- **IIJA Deep Dive:** This session includes an overview of IIJA, highlights relevant programs and discusses common grant elements required by IIJA.

A key component of successful grant writing is having a documented planning process that includes, but is not limited to, strategic planning and capital improvement plans. To that end, MRES offers a guided strategic planning process that can not only help utilities prepare for applying for grants, but also can help public power managers and governing officials envision a desired future for the utility and translate this vision into strategic priorities with measurable goals.

For more information on MRES strategic planning services, go to mrenergy.com and click on the "Services" tab and then choose the "Strategic Planning & Team Building" option.

Members can also contact Leadership Development and Strategic Planning Manager Marcy Douglas at 605-338-4042 or info@mrenergy.com.



Application period open for Smart Energy Provider program

The American Public Power Association's (APPA) Smart Energy Provider (SEP) program is a best-practices designation for utilities that shows commitment and proficiency in energy efficiency, distributed generation, renewable energy, environmental initiatives, effective communication and customer experience.

Currently, two MRES member utilities hold this designation — Moorhead Public Service (MPS) and Detroit Lakes Public Utilities (DLPU), both based in Minnesota. MPS and DLPU earned their SEP designations in 2021 and 2022, respectively. SEP designations last for two years, and utilities that wish to maintain their SEP status must reapply every two years. In addition to MPS and DLPU, more than 100 public power utilities across the nation are SEP providers.

Applications must be submitted online through APPA's website at publicpower.org/smart-energy-provider. The cost to apply is \$250 for utilities serving under 5,000 customers, \$500 for utilities serving 5,000-30,000 customers and \$750



SMART ENERGY PROVIDER

American Public Power Association

for large utilities with more than 30,000 customers.

The 2023 registration period is open until April 30, and each application is reviewed during the summer by an expert panel of public power representatives. Each fall, utilities earning the SEP designation are announced during the APPA Customer Connections Conference, which will be held Nov. 12-15 in San Antonio, Texas, this year.

Six MRES employees earn POWER awards

Six employees were recently recognized with Peer Ovation With Earned Recognition (POWER) awards. Given once a year, the POWER award is Missouri River's highest form of employee recognition. The awards were presented during a board-employee luncheon on Dec. 15, 2022, at the Hilton Garden Inn in downtown Sioux Falls, South Dakota.

Here is a list of the award winners for 2022, along with a brief description of why they earned a POWER award.

Operations Supervisor Wendy Solheim was awarded for training new energy schedulers and filling extra shifts to cover for a number of resignations and retirements in the scheduling

area. The award also recognized Solheim's work to help implement a new MRES alternate operations site.

Energy Scheduler Clinton Storm was awarded for optimizing generation at the Red Rock Hydroelectric Project, as well as for training new staff and covering for resignations and retirements in the scheduling area.

Director of Generation Resources Brent Moeller was recognized for serving as project manager for, and supporting the completion of, the Preliminary Application Document for the Gregory County Pumped Storage Project.

Member Services Representative Jody Peck received the award for leading the development of the new Omni member information database.

Journey Lineworker Alex Klovstad, who works on the distribution maintenance (DM) line crew in Barnesville, Minnesota, was recognized for his volunteer work providing mutual aid in Florida in the wake of Hurricane Ian, as well as for supporting three members with supplemental DM services.

Transmission Engineer III Wes Pfaff was presented the award for developing a process to more accurately account for distribution transformer losses. Pfaff's work saved members approximately \$170,000 on energy losses in member-owned transmission.



From left: Jody Peck, Wendy Solheim, Brent Moeller and Clinton Storm received POWER awards during the board-employee luncheon on Dec. 15.



Klovstad



Pfaff



Peer Ovation With Earned Recognition

2023 scholarship applications due March 15



MRES is gearing up to award another round of scholarships, and the deadline to apply is March 15.

The MRES scholarship program is administered by Kaleidoscope and provides scholarships to high school seniors pursuing educational programs related to the electric industry. This year, a total of 12 scholarships in two different categories will be awarded.

There are five \$1,000 scholarships available for graduating high school seniors who plan to enroll in a full-time undergraduate course of study at an accredited two- or four-year college, university or technical school. These scholarships may be renewed for up to three additional years, making them worth up to \$4,000.

Eligibility requirements for this scholarship opportunity include attending a participating high school and residing in a household receiving electric service from one of the 61 MRES member utilities. Preference will be given to students pursuing courses of study related to the electric industry, such as accounting, engineering, communications, math and plenty of other related fields.

There are also seven \$2,000 scholarships available for graduating high school seniors who plan to enroll in a full-time powerline or lineworker program at an eligible technical college. Applicants for this scholarship do not need to reside in a household receiving electric service from an MRES member utility. However, they must enroll no later than fall 2023 at a full-time program at one of seven eligible technical colleges in the Upper Midwest. These scholarships are one-time only and not renewable.

Visit mrenergy.com and click on “Scholarships” to find more information or to apply online.

MRES recognized for its support of the Sioux Empire United Way



Sioux Empire United Way

MRES recently earned the Sioux Empire United Way's Distinction Award, the second-highest level of recognition the non-profit organization offers. To qualify for the award, a minimum of

75% of MRES employees living in the Sioux Falls area must participate and contribute an average gift of \$390 annually.

During the 2022 campaign, MRES employee participation was at a record level of 77%, and that same mark was set as the baseline participation goal for the 2023 campaign. When the campaign wrapped up in late November, 82% of the MRES employees who live within the SEUW footprint pledged financial support in 2023, far surpassing the goal of 77% participation.

MRES also set a goal of adding two Heart Club members (donors who pledge \$500 or more). Five employees stepped up their giving, raising the number of Heart Club members to 29 — nearly half of all MRES employees in the SEUW footprint.

In addition, seven more employees joined the Rising Heart Club, which means they pledged at least \$250 this year with the intent of donating at least \$500 annually within five years.

In total, MRES employees pledged \$39,791 with an average gift of \$686 for the 2023 campaign.

MRES is a proud sponsor of SEUW, which supports 80 local programs through 39 agencies in Minnehaha, Lincoln, McCook and Turner counties in southeastern South Dakota. More than 90% of donations go directly toward these programs that assist children, vulnerable adults and people in crisis.

Events Calendar

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

Jan. 14-Feb. 25

Frostival

Moorhead, Minnesota
frostival.com
701-282-3653

Feb. 11

24th Annual Frostbite Four Road Race

Beresford, South Dakota
facebook.com/frostbitefour/

Feb. 10-26

Polar Fest

Detroit Lakes, Minnesota
visitdetroitlakes.com/events
218-847-9202

March 8-12

86th Annual Winter Show

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



P.O. Box 88920

Sioux Falls, South Dakota 57109-8920

Phone: 605-338-4042 | Fax: 605-978-9360

© 2023, Missouri River Energy Services. All rights reserved.
No portion of this publication may be copied or duplicated in any format
without the expressed permission of MRES.

Member Profile — Barnesville, Minnesota

Located on the southeastern edge of the Red River Valley, Barnesville was founded as a railroad town in 1877 after James J. Hill, the man who built the Great Northern Railroad, completed the first track to the city.

Around the same time, George I. Barnes built a store just outside of town. A few years later, another rail line to the growing city was established, and Barnes moved his store inside city limits. The town was platted in 1882 and was named after Barnes.

Barnesville is the proud home of two annual summer events that are central to the community. For starters, the Clay County Fair has been held in Barnesville every July since 1914.

Barnesville also celebrates Potato Days every August. This celebration of the potato-growing heritage — the land surrounding the community is said to have some of

the best potato-producing soil in the country — features potato picking and peeling contests, a Miss Tator Tot Pageant, a large menu of potato-based favorites, mashed-potato sculpting contests, and more. These events embody the essence of Barnesville and its fun, family-friendly community.

Barnesville Municipal Utilities (BMU) was established in 1898 and will celebrate its 125th year as a utility this year. In addition, this month also marks 50 years since BMU joined MRES in January 1973.

Today, over 2,600 people call Barnesville home, and BMU provides electric, water, wastewater, phone, cable TV and internet services to almost 1,200 residential and 129 commercial meters. Along with being the official representative to MRES, TEC Manager Guy Swenson also serves on the MRES board and as vice president of the Western Minnesota Municipal Power Agency board.



Whisky Creek
Barnesville, Minnesota

