

MRES TODAY

January 2024

A NEWSLETTER OF  MISSOURI
RIVER
ENERGY SERVICES

2024 STATE-BY-STATE LEGISLATIVE OUTLOOK

The arrival of the new year means the 2024 state legislative sessions are right around the corner. The state legislatures in Iowa and South Dakota convened in early January, while Minnesota and Wyoming will not convene until February. North Dakota's General Assembly does not meet in even-numbered years (unless a special session is called). However, North Dakota legislators will continue to take deep dives into various topics in their joint interim committees.

IOWA

IOWA: Iowa's session convened on Monday, Jan. 8. On the energy front, carbon dioxide (CO₂) pipelines and eminent domain continue to be at the top of constituent concerns. As such, bills are likely to be introduced to do something on eminent domain — particularly as it pertains to carbon pipelines. This is a difficult issue for legislators, as some constituents see the pipelines as a vehicle to enhance the ethanol industry, while others do not want the pipelines in the state at all. And yet, legislators are aware they need to balance these concerns with the rare use of eminent domain to expand infrastructure such as roads, utilities and transmission for the public good. Missouri River Energy Services (MRES) will be deeply engaged on this issue, as it could impact transmission and generation siting.

Also, there may be a bill to reestablish the transmission right of first refusal (ROFR), after Iowa courts found the 2020 ROFR law unconstitutional. This ROFR right provides that whenever a federal regional transmission organization plans a new, large regional transmission line, utilities owning the existing infrastructure will have the first opportunity to own the new line. MRES takes the position that if a ROFR were to pass in Iowa, it should allow utilities (and their customers) the opportunity to invest and hedge those costs as they will be financially impacted by the new transmission line.

Finally, it is also expected that bills will be introduced to require integrated resource planning (IRP), at least for investor-owned utilities (IOUs). MRES is concerned as IRPs can, over time, become a vehicle for third parties to mandate utilities undertake certain projects.

The Iowa Association of Municipal Utilities (IAMU) will host its annual Energy Conference Feb. 21-23 in Ankeny. Please consider attending as it is a great event and includes a reception with state legislators. MRES is one of the co-sponsors of the legislative reception.

MINNESOTA: Last year was a busy year in Minnesota, as the State Legislature passed a renewable energy standard (RES) of 55% by 2035, and a carbon-free standard (CFS) of 100% by 2040 (60% carbon-free by 2030 for municipals and cooperatives; 90% carbon-free by 2035). In addition, the Legislature also expanded the solar on schools program; created a solar on public buildings program for all utilities that was only funded for Xcel territory this year; established a Green Bank; required utility energy benchmarking for large customers (metro area and Rochester); required utility diversity reporting

MINNESOTA

(Continued on Page 2.)

for IOUs; required cumulative impact analysis for certain air permits in the seven-county metropolitan area, Rochester and Duluth; and mandated a study on electric energy storage that is due to the Legislature in January. This list is not all-inclusive as there are many programs, changes and components that state agencies and utilities will be implementing.

For the 2024 session, which convenes on Monday, Feb. 12, all signs point to Democratic-Farmer-Labor (DFL) members of the House Climate and Energy Committee pushing to adopt a storage mandate. Last year's proposal called for 3,000 megawatts (MW) of storage by 2033. Additionally, in the aftermath of the RES and CFS, lawmakers are starting to understand the vast network of transmission build-out that would be needed to even begin to meet those mandates. As a result, many lawmakers are touting permit reform to speed up the build-out of transmission and renewable generation.

MRES also expects many competing ideas on permit reform. As the permit reform debate goes forward next year, the use of prime agricultural land may come into the debate. In 1982, Minnesota adopted what is known as the prime farmland rule, which restricts the development of large electric power generation on land deemed as "prime farmland." It was originally designed to address large facilities such as nuclear, gas and coal, but some now claim it is hampering solar development and are calling for reform.

The Minnesota Municipal Utilities Association's Legislative Conference will be held March 19-20 in St. Paul.

NORTH DAKOTA

NORTH DAKOTA: As noted, North Dakota's General Assembly does not meet in regular session in even-numbered years. However, various interim committees are studying a number of topics ahead of the 2025 session.

Those topics include examining the impacts of electric vehicles on the state, mitigating the impacts of generation or transmission to wildlife, and assessing future electricity demands in the state. The joint interim Energy Development and Transmission Committee (EDTC) is also looking at the technology of advanced nuclear energy. Finally, the North Dakota Public Service Commission and the EDTC continue to express concerns about resource adequacy and how to protect customers.

SOUTH DAKOTA: The 99th South Dakota Legislative Session convened on Tuesday, Jan. 9, and legislators will primarily focus on eminent domain issues.

With ongoing concern over carbon pipelines, the Legislature wants to do "something" for landowners potentially impacted by the proposed pipelines. Like Iowa, legislators must find the balance between protecting impacted landowners while advancing technology and infrastructure for the needs of the public, along with economic development opportunities. MRES will be closely engaged in this debate as legislation has the potential to impact siting and routing studies and transmission surveys.

There was a summer study on county funding and services. As some counties struggle to bring in sufficient revenue to provide resident services and maintain infrastructure, there may be some interplay between the potential economic value a carbon pipeline or other infrastructure may bring to a county and the push against such projects.

SOUTH DAKOTA

SAVE THE DATE — MRES POWER LUNCH

Wednesday, Feb. 7, 2024

11 a.m. to 1 p.m.

**President's & Speaker's Lobbies
South Dakota State Capitol • Pierre**

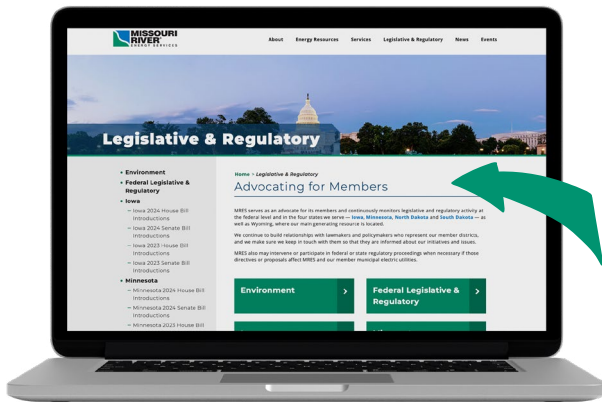
MRES will host a box lunch for lawmakers, who often stop by and spend time with representatives from municipal electric communities.



Wyoming: The Wyoming Legislature convenes on Monday, Feb. 12. This is a Budget Session, which typically lasts 20 legislative days. Except for the budget bill, all other bills require a two-thirds vote from the House and Senate for introduction during a Budget Session. With recent IOU-proposed rate increases, lawmakers are concerned with whether the build-out of renewables is contributing to rising energy costs for consumers.

WYOMING

MRES TRACKS STATE LEGISLATION



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 legislation MRES tracks on behalf of its members can be viewed online at mrenergy.com.

The website includes descriptions of bills proposed by legislators for each state, and a brief breakdown of the bill, current hearing schedule and actions taken. Links to each bill number are also provided to guide viewers to each state's official legislative website for more information.

To see the list of bills MRES is currently tracking, head to mrenergy.com and click on the “Legislative & Regulatory” tab.

LONGTIME MRES BOARD MEMBER ANNOUNCES RETIREMENT

In late November, Jim Hoyer announced his plans to retire from the MRES Board of Directors (Board), effective Dec. 31, 2023. He joined the Board in 2000 and has served in various offices, most recently as first vice chair. Hoyer has been the general manager of Rock Rapids (Iowa) Municipal Utilities (RRMU) since 1998 and had previously announced his plans to retire from the utility, as well.

In addition to his leadership roles at RRMU and MRES, Hoyer served nine years on the IAMU Board of Directors, including a term as president in 2007. He is also a longtime board member and served as treasurer of the Lewis & Clark Regional Water System from July 2019 to September 2023.

During his time at RRMU, Hoyer spearheaded the utility's efforts to pursue and receive grants that resulted in three generators, a street lighting upgrade, a 69-kilovolt transmission line and the first public electric vehicle charging station in Rock Rapids. He also guided RRMU through four major disasters — two floods, an ice storm and a polar vortex — leading the utility's recovery efforts and helping with community needs.



Jim Hoyer and Vernell Roberts

The Board accepted Hoyer's resignation during its Dec. 7 meeting and adopted a resolution of commendation and appreciation for his decades of loyal, dedicated service.

MRES Board Chair Vernell Roberts praised Jim's contributions during Board meetings, highlighting his unique perspective as a representative of smaller MRES members.

“Jim's input during Board meetings has been invaluable, and his patience, quiet demeanor and infectious laugh will be missed,” Roberts said. “We all wish him a long, happy retirement.”

Jim and his wife Michelle (Mick) have two grown children. Their future plans include traveling, moving closer to their kids, and spoiling their grandchildren.

“It has been a pleasure working with the MRES staff, both past and present, over the years. They have been the ultimate professionals,” Hoyer said. “I have also enjoyed being part of a Board whose members have been so willing to share their many talents and wisdom. I will cherish the bonds and friendships I have made with these folks, and I'll be cheering the Board and staff on as they go on to accomplish future successes.”

BRIGHT ENERGY SOLUTIONS UPDATES SEVERAL REBATES FOR 2024

Several changes to the Bright Energy Solutions® (BES) incentive program took effect on Jan. 1. Some of the more notable changes to the residential program are listed below.



A \$25 rebate for ENERGY STAR® dishwashers has been added, and domestic hot-water circulators with variable-speed ECM motors now qualify for rebates between \$75 and \$900 depending on size.



The \$500 rebate for ChargePoint Level 2 electric vehicle (EV) chargers remains unchanged, but a \$150 rebate for other qualifying Level 2 EV chargers has been added.



Changes were also made to several HVAC-related measures, including the requirements and rebate amounts for split-system air conditioners, mini-split air conditioners and heat pumps, and dual-fuel split-system air-source heat pumps.

The rebate for screw-in LED bulbs has been removed from the program, and rebates for ENERGY STAR LED recessed can lights and retrofit kits are now \$2 each.

As a reminder, BES program availability may vary and can change anytime. For more information on all the BES rebates for residential and commercial customers, please check with your local utility or visit the newly redesigned brightenergysolutions.com.

NINE MRES EMPLOYEES EARN POWER AWARDS

Nine 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 Dec. 7, 2023, at the Holiday Inn City Centre in downtown 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 their co-workers and the MRES Board.

Paralegal **Tasha Altmann** was awarded for auditing and updating Missouri River's record-keeping content management system.

Government Relations Liaison **Kersten Johnson** was recognized for her effort to coordinate and meet with landowners, tribal members, state legislators and more while MRES explored the potential of a pumped-storage hydroelectric project in Gregory County, South Dakota.

Tony Knapp and **Devon Meyer**, operations and maintenance technicians at Exira Station in Audubon County, Iowa, were awarded for a number of upgrades and repairs they completed while being short a staff member for a large part of the year.

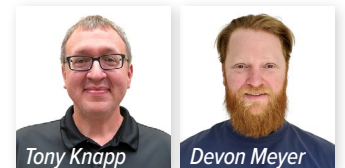
Director of Communications **Valerie Larson-Holmes**, Energy Services Field Supervisor **Lisa Fischer** and Energy Services Field Representative **Beth Omanson** were awarded for developing and launching the new BES website.

Senior Transmission Engineer **John Weber** was recognized for leading the effort to pursue approval by the Federal Energy Regulatory Commission for transmission rate incentive filings.

Leadership Development and Strategic Planning Manager **Marcy Douglas** was awarded for researching, developing and launching Missouri River's Supervisor Essentials course.



Left to Right: John Weber, Beth Omanson, Lisa Fischer, Marcy Douglas, Valerie Larson-Holmes, Kersten Johnson, Tasha Altmann



Tony Knapp

Devon Meyer

SIOUX CENTER EARNS NATIONAL COMMUNICATIONS AWARD



Sioux Center Municipal Utilities (SCMU) was one of 67 public power utilities nationwide that was recently recognized by the American Public Power Association (APPA). APPA presented its annual Excellence in Public Power Communications Awards during the Customer Connections Conference in San Antonio, Texas.

SCMU earned the Award of Merit for its welcome booklet for new customers. The publication not only welcomes new residents and businesses to the community, but its theme of “Progress Through Cooperation” also explains how the community-owned municipal utility has helped shape Sioux Center’s strong history.

Congratulations on a well-deserved award, SCMU!



MOORHEAD PUBLIC SERVICE RECOGNIZED AS SMART ENERGY PROVIDER

In November, Moorhead Public Service (MPS) was honored with the Smart Energy Provider (SEP) designation by APPA at the Customer Connections Conference in San Antonio, Texas. MPS was awarded the designation for a second time, joining Detroit Lakes Public Utilities in representing Minnesota on the national list of designees.

The SEP designation recognizes public power utilities for demonstrating leading practices in four key disciplines: smart energy program structure; energy efficiency and distributed energy programs; environmental and sustainability initiatives; and customer experience. Utilities hold the SEP designation for two years.

More than 90 public power utilities nationwide are recognized as SEPs. Congratulations to MPS!



MRES ENERGY SERVICES TECH EARNS CEM DESIGNATION

Congratulations
DARLENE WEBER-SCOTT
Energy Services Technical Specialist



Congratulations to MRES Energy Services Technical Specialist **Darlene Weber-Scott**, who has earned the designation of Certified Energy Manager® (CEM) from the Association of Energy Engineers (AEE). Obtaining this credential required Weber-Scott to complete 33 hours of coursework and a four-hour test.

According to the AEE website, a CEM optimizes the energy performance of a facility, building, or industrial plant. CEMs also help develop and implement their organizations’ energy management strategies.

NORTH DAKOTA ELECTED TO LEAD NATIONAL UTILITIES GROUP

North Dakota Public Service Commissioner Julie Fedorchak was recently chosen to lead the National Association of Regulatory Utility Commissioners (NARUC). NARUC, which has been active since 1889, is a trade group representing the interests of state public utility commissions at the federal level. Its members include utility regulators from all 50 states, Washington, D.C, Puerto Rico and the U.S. Virgin Islands.

According to a news release from NARUC, Fedorchak was elected as the new president during the group's 135th annual meeting this past November in La Quinta, California. Fedorchak's presidency comes at a critical time for the utility industry, as it faces increasing reliance on natural gas for electricity generation, and during the meeting she announced NARUC's Gas-Electric Alignment for Reliability initiative. This program will bring together regulators and industry leaders from the gas and electric sectors to address coordination issues arising from the increased dependence on natural gas.

Since 2013, Fedorchak has served on the North Dakota Public Service Commission, a three-member board that oversees the state's regulation of utilities, telecommunications companies, railroads, coal mining, pipeline siting and more. She strongly advocates for a sustainable transition of the electricity industry, prioritizing both reliability and affordability for consumers.



MRES MEMBERS SHOW OFF HOLIDAY SPIRIT

MRES members showcase their holiday spirit by sending us photos of the lights and other holiday decorations their community had on display during the holiday season.



ST. JAMES CELEBRATES 50 YEARS WITH MRES

Congratulations to St. James (Minnesota) Public Utility on its 50-year anniversary with MRES. The utility was first established 130 years ago in 1894, and MRES has been the proud energy partner of St. James since Jan. 16, 1974. Congratulations!



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.

To sign up for your electronic copy, send an email to info@mrenergy.com or contact Lisa Korthals at 605-338-4042.



GO DIGITAL!

EVENTS CALENDAR

**JAN 13 -
FEB 24**

FROSTIVAL
Moorhead, Minnesota
frostival.com

**FEB
7**

MRES POWER LUNCH
South Dakota State Capitol
Pierre, South Dakota
mrenergy.com/events

**FEB
10**

FROSTBITE 4
Beresford, South Dakota
facebook.com/frostbitefour

**FEB
9-25**

POLAR FEST
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

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



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MEMBER PROFILE – WORTHINGTON, MINNESOTA

In the 1830s, the French explorer Joseph Nicolas Nicollet was among the first Europeans to set eyes on the prairies of southwestern Minnesota when he mapped the area between the Mississippi and Missouri rivers. Nicollet initially called the region Sisseton Country, which recognized the Sisseton band of Dakota Indians who lived in the area.

It wasn't long after that when the region's rich farmland and the beauty of Lake Okabena — a name that means "nesting place of herons" in the Dakota language — caught the attention of homesteaders. However, it was the arrival of the St. Paul & Sioux City Railroad in 1871 that truly set the foundation for the city's growth. Worthington's population was 35 in 1861, but by 1880, the city had increased to more than 4,400 people and had been named the Nobles County seat.



Today, Worthington is a well-rounded, diverse community that's home to more than 13,700 people. Businesses focusing on agriculture and food processing are the main economic

drivers and largest employers, but Worthington also has a wide range of small, locally owned shops and restaurants. In addition to its strong business sector, Worthington also has a technical college, a regional hospital and several specialty clinics.



Worthington Public Utilities (WPU) was established in 1895 and joined MRES 50 years ago in 1974. Today, WPU provides electric, water and wastewater services to more than 4,600 residential and 850 commercial meters.

WPU General Manager Scott Hain is the official representative to MRES, while Pat Demuth serves as the alternate. Hain is also the second vice chair of the MRES Board and currently serves as president of the Western Minnesota Municipal Power Agency, which finances the construction and acquisition of generation and transmission facilities for MRES.

To learn even more about Worthington, visit the city's website at www.ci.worthington.mn.us.