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TMR ES Today

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**MISSOURI
RIVER**
ENERGY SERVICES

WMMPA board approves solar project in Marshall, Minnesota

In November the Western Minnesota Municipal Power Agency's (WMMPA) board of directors (board), following a recommendation by the Missouri River Energy Services (MRES) board, approved moving forward with the Marshall Solar Plus (MSP) project, a 10-megawatt (MW) capacity solar farm and 5-MW battery-storage facility.

WMMPA is expected to work with US Solar to develop and build the project on 78 acres of land MRES owns on the northern outskirts of the member community of Marshall. US Solar develops, owns and operates solar generation and

storage projects with a focus on emerging markets and community solar programs.

The solar facility is expected to cover approximately 57 acres and includes an estimated 26,000 panels. It will be owned by WMMPA and operated by MRES. Site-grading work has already been completed in anticipation of the project, which is expected to go online in late 2024. When complete, it will connect to a substation owned by Marshall Municipal Utilities (MMU).

"Solar power is a carbon-free, renewable resource that will be an important part of our evolving power supply mix as we work to create a clean and maintain a resilient energy future," said Terry Wolf, vice president of power supply and operations for MRES. "The Marshall site was chosen, in part, for its close proximity to the substation where the project will interconnect to the MMU distribution system."

Solar power on its own is not dispatchable, meaning it's not like other, more traditional resources that can be turned on or off. That's why a 5-MW battery energy storage system with controls will be installed to allow MRES to store or inject energy into the grid based on what conditions call for at any given time.

"The batteries will add reliability to the project, moving electrical production into times of the day when it is often needed the most," Wolf explained.

WMMPA and MRES have a power supply agreement under which WMMPA sells to MRES all of the output of its generating and transmission facilities. MRES provides all administrative services for WMMPA.

For more information, please contact Vice President of Member Services and Communications Joni Livingston at 605-338-4042 or email her at info@mrenergy.com.



The Marshall Solar Plus project is projected to be a 10-MW capacity solar farm and 5-MW battery-storage facility located on a quadrangular-shaped property MRES owns on the northern outskirts of Marshall, Minnesota. The solar facility will cover approximately 55 acres and will feature single-axis solar panels that follow the sun from east to west. Note: This graphic is for illustrative purposes only.



2023 state-by-state legislative outlook

The general election of 2022 was the first election after redistricting occurred due to the 2020 census. Due to both elections and redistricting, there will be many new faces at the various state capitol buildings. The government relations team at MRES will be busy not only educating new lawmakers about the value of public power, but also keeping our members informed of relevant legislative activities.

With that in mind, here is a short preview of key issues that could affect our members during the upcoming state legislative sessions:

IOWA

Iowa's session convenes Monday, Jan. 9.

On the energy front, the Legislature will likely debate a bill restricting utility-scale solar development in certain agricultural areas. Two counties have already established moratoriums on permitting new utility-scale solar.

Additionally, legislation restricting eminent domain for pipelines is expected as widespread concern over carbon-dioxide pipelines continues to mount. It is also highly likely that a bill will be introduced to repeal the transmission right of first refusal (ROFR). This right provides that whenever federal regional transmission organizations (RTOs) plan a new, large transmission line, utilities that own the existing interconnection infrastructure will have the first opportunity to own the new line. Finally, as the federal Infrastructure Investment and Jobs Act (IIJA) is rolled out, lawmakers may introduce legislation that provides matching state funds for certain programs.

MINNESOTA

The Minnesota Legislature convenes Tuesday, Jan. 3. In prior years, the split between the GOP-controlled Senate and the DFL-controlled House created limited deal-making, the complete blocking of bills and unfinished business. This year, however, a DFL trifecta (House, Senate and Governor's office) is in place, which means energy policy will take on a new spin.

First and foremost, DFL leadership is touting a bill to mandate "100% clean energy in the state's electricity sector by 2040." The details on this bill have not been released, so there is uncertainty about what constitutes "clean" or carbon-free energy. Lawmakers may also debate whether size limitations on hydroelectric power should be eliminated, whether mixed municipal solid waste or

refuse-derived fuel should be considered, and whether nuclear power should be permitted in Minnesota.

While some say the state's \$17.6 billion budget surplus could pay for some of this transition, there remains deep concern with the bill's potential impact on resource adequacy. The bill may also house mini-mandates, including: a solar energy standard with a certain percentage coming from small, behind-the-meter generation; a battery storage mandate; and a solar garden mandate. Legislators also may increase the Solar For Schools program funding, implement a solar on public buildings program and provide state matching funds for IIJA grants.

NORTH DAKOTA

Session convenes Tuesday, Jan. 3. Various state agencies are working on obtaining IIJA money, so legislation on matching funds is expected. It's also likely that committees will continue exploring the need for resource adequacy and whether North Dakota can leverage IIJA funds to support generation resources and transmission.

Like other states in the Upper Midwest, eminent domain will be on the agenda, although the issue will not likely see the passion it has invoked in other states. Gov. Burgum has also announced a sweeping tax reform plan that will garner much attention this session.

SOUTH DAKOTA

Session convenes Tuesday, Jan. 10.

This year's session will likely focus on eminent domain and property owner rights, driven partly by anti-carbon pipeline sentiment and potentially by the Gregory County Pumped Storage Project, which MRES and MidAmerican Energy are currently studying. Several parties from both sides of these eminent domain issues are expected to weigh in with their support or opposition.

Other anticipated issues that will likely see considerable debate in Pierre this session include marijuana proposals, county jails, expansion of the women's prison, abortion, Medicaid and tax reform.

WYOMING

Session convenes Tuesday, Jan. 10. During the Wyoming Legislature's interim session, a committee heard draft legislation, called the "Deregulated Industrial Power Zones Act" that would allow large industrial customers to go directly to the RTOs

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MRES member survey reveals four top concerns

for power. The investor-owned utilities, rural electric associations and municipal utilities have already come out against these proposals. Although MRES has no member utilities in Wyoming, staff will monitor these “dereg” lite measures, for if they gain traction in one state, they can gain traction elsewhere.

Also, as Wyoming’s budget woes continue, MRES will monitor tax bills to determine any impact on Laramie River Station (LRS). WMPMA owns 16.7% of LRS, which uses coal to generate electricity.

MRES member benefits, Part 7: Legislative advocacy

First and foremost, MRES is an energy supplier to its 61 members in Iowa, Minnesota, North Dakota and South Dakota. However, MRES also provides a variety of energy-related services that help support our members and 19 associates.

In this month’s issue, we’ll take a look at the legislative advocacy MRES provides for its members at both the state and federal levels.

Advocating for members

MRES serves as an advocate for its members and continuously monitors legislative and regulatory activity at the federal level and in the four states we serve.

At the federal level, energy-related issues continue to remain a focus at our nation’s capital, and our staff closely monitors pending federal legislation relevant to MRES and its members. Working with our congressional delegation and other key policymakers is an integral part of our work agenda. In 2022, MRES prepared legislative fact sheets on several topics — municipal tax issues, resource adequacy and protecting the federal power program — which were used by MRES staff and member policymakers throughout the year in discussions with federal legislators.

At the state level, MRES continues to build relationships with lawmakers and policymakers who represent our member districts, and we make sure we keep in touch with them so that they are informed about our initiatives and issues.

In even-numbered years MRES conducts an in-person member survey to examine challenges members face and better understand how they use MRES programs and services.

Prior to the survey, MRES staff develops questions with input from all departments. In past years the survey often included more than 30 questions, but this year it was whittled down to 13 questions that focused primarily on the top challenges faced by members. The survey results revealed four main concerns.

As indicated by the table below, members cited grid reliability as a top concern. This is in large part due to the lasting effect of the polar vortex in February 2021, as well as energy emergency alerts and notices throughout the year from both the Midcontinent Independent System Operator (MISO) and the Southwest Power Pool (SPP) footprints. Twenty-eight MRES members are in MISO, and 33 members are in SPP.

Many members once again indicated that impending retirements, employee recruitment and retention, and providing competitive salaries were ongoing challenges they face. Members also cited workforce issues in the 2020 member survey.

Other member concerns included ongoing supply chain issues and the significant costs associated with infrastructure and system upgrades.

Results from the member survey have been shared with MRES staff, who will address these top concerns and provide input for the MRES board to consider during its July strategic planning session. From there, MRES will work on these issues and make any adjustments to services offered to members. Next summer, a member satisfaction survey will be conducted to ensure MRES programs and services are keeping pace with the demands of its members.

For more information, please contact Vice President of Member Services and Communications Joni Livingston at 605-338-4042 or email her at info@mrenergy.com.

TOP CONCERNS OF MRES MEMBERS

Challenges	# of Responses
Grid reliability	33
Work force issues	33
Supply chain issues and rising costs	20
Infrastructure and system upgrades	18



Board member profile – Dave Schelkoph, Marshall Municipal Utilities

Dave Schelkoph started his role as general manager at Marshall Municipal Utilities (MMU) on July 31, 2020. Then, in August 2020, Schelkoph automatically assumed a seat on the WMMPA board, as the organization's bylaws require a representative from its four largest members — Marshall, Moorhead, Willmar and Worthington — to serve on the board.

Schelkoph grew up in the MRES member community of Valley City, North Dakota, and immediately after graduating from high school he joined the U.S. Air Force.

"I was only 17 so my parents had to sign a waiver that allowed me to enter the service, and in 1978 I went active duty in the Air Force for eight years," Schelkoph says. "After that I went to school full-time in Fargo at North Dakota State University — go Bison! — where I earned my electronic and electrical engineering degree."

Schelkoph's career path started in northern Iowa where he spent a decade at an investor-owned utility (IOU), followed by a time as a CEO with a rural electric cooperative (REC) in central North Dakota. Schelkoph then returned to his hometown of Valley City, where he served as utility manager and city administrator for eight years before taking the job in Marshall.

"Throughout my career I've worked for all three types of utilities — an IOU, an REC and a municipal utility — and in my opinion, municipal utilities are the most reactive, responsive and friendly to their customers," he says. "You don't get any closer to the customer than we are. We live here, so when they call us, we're able to address and correct the problem as quickly as possible. There's a tremendous amount of value in that."

But in order for customers to appreciate the full value of a locally owned, locally controlled municipal electric utility, Schelkoph believes they first need to understand the distinction between different types of utilities.

"IOUs, for example, have a corporate structure with investors to answer to, and that's far different from a municipal utility, where our sole responsibility is to the customer," he says. "That leads to a different attitude and a



Dave Schelkoph

different focus for us as a utility because we're here to support the community."

As a testament to his staff's customer-driven focus, Schelkoph says MMU recently experienced a 14-month stretch followed by a 12-month stretch of no reported outages on its electrical distribution system.

"We have a great team here at MMU, not just on the electric side, but also on the water side of things," he says. "We have a great group of employees who

are experienced and knowledgeable, and they're committed to the people they serve."

From his broader perspective as a board member, Schelkoph says that same type of service-oriented commitment and emphasis on value and reliability are what the MRES and WMMPA boards strive to provide for member utilities. Schelkoph says he is very proud of the work MRES is currently doing as it looks to the generation and capacity needs of the future.

"MRES is taking the lead when it comes to renewables and storage," he contends. "One example is the Marshall Solar Plus project the boards just approved that's adding battery storage to the solar facility. Another example is the Gregory County Pumped Storage Project. Whether MRES moves forward with that project or not, it takes leaders to create change in a given environment. We have to impress on our neighbors — the IOUs and the RECs — that we can't keep building renewable energy sources without building storage, as storage is how you make renewable energy reliable."

Schelkoph and his wife, Renee, will celebrate their 37th anniversary in February, and they have three adult children who are all married. The Schelkophs also enjoy visiting their three grandchildren, who all live in Ohio.

Events Calendar

Jan. 4-6

Dakota Farm Show

Vermillion, South Dakota
dakotafarmshow.com

Jan. 14-Feb. 25

Frostival

Moorhead, Minnesota
frostival.com
701-282-3653

Feb. 10-26

Polar Fest

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

Feb. 11

24th Annual Frostbite Four Road Race

Beresford, South Dakota
facebook.com/frostbitefour

March 8-12

86th Annual Winter Show

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

April 29

Siouxperman Triathlon

Sioux Center, Iowa
siouxperman.com

May 10-11

MRES 58th Annual Meeting

Sioux Falls, South Dakota
mrenergy.com/events

May 18-20

82nd Annual Tulip Festival

Orange City, Iowa
octulipfestival.com
712-707-4510

May 18-20

26th Annual Festival of Birds

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

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.

MRES employees raise over \$800 for veterans

In November the MRES Well-Being Committee organized a Veterans Day penny war challenge to raise money for veterans experiencing homelessness in and around Sioux Falls, South Dakota.

Six teams of MRES employees at the Sioux Falls office competed in the challenge. Pennies and dollars counted as positive points, and silver coins counted as negative points. At the end of the contest, a total of \$836 was handed to Paul Miller, director of veteran services at the Berakhah House in Sioux Falls, South Dakota.

Established in 2010 as a true community partnership to help address the growing need to serve veterans, the Berakhah House is a Volunteers of America project that provides emergency shelter, meals, supportive services and group activities to veterans in the Sioux Falls area.



Wes Pfaff (left) and Andy Berg (right), MRES transmission engineers who serve on the MRES Well-Being Committee, recently delivered \$836 to Paul Miller (center), director of veteran services at the Berakhah House.



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Member profile — Sioux Center, Iowa

Located in the heart of Sioux County in the northwest corner of Iowa, Sioux Center is known for its prominent Dutch heritage and heavy emphasis on agribusiness and rural life. Sioux Center is also home to Dordt University, a private Christian liberal-arts college that enrolls nearly 1,800 students.

Sioux Center offers many activities to keep its residents and visitors busy. For starters, the All Seasons Center, which features both the Siouxnami Waterpark and Vernon Arena, is a mixed-use facility open to local residents and students of Dordt University. With indoor and outdoor water slides, an aqua zip line, lazy river, climbing wall and ice rink, this state-of-the-art facility has plenty for people to enjoy.

Other outdoor activities also abound in Sioux Center. The Ridge Golf Course features a challenging, professional

18-hole course, and the Sandy Hollow campground offers campsites and swimming, as well as an outdoor sporting complex with an archery range and fishing ponds. The community also has beautiful parks and a walking/bike path that leads visitors through the Dordt Prairie, a laboratory for students and a serene nature-filled space for all to enjoy.

Sioux Center Municipal Utilities (SCMU) was established in 1949, thanks in large part to the town's then mayor, Maurice TePaske, who pushed not only for the establishment of a municipal electric system, but also for Sioux Center to receive its fair share of hydroelectric power from the dams on the Missouri River. TePaske's vision didn't stop there, however, because in the early 1960s TePaske helped lead the effort to

officially form the Missouri Basin Municipal Power Agency (now known as MRES) as a means of helping other municipalities that operated their own electric systems to work together in planning for future power supply needs and in solving other mutual problems.

Today, SCMU provides electric, water, wastewater and gas services to the town's 8,200 residents and more than 500 commercial customers. Along with being the official representative to MRES, Utility Manager Murray Hulstein serves on the MRES board. Assistant Utility Manager Adam Fedders is the alternate representative to MRES.



The weekend of Dec. 8-10 Sioux Center hosted its inaugural Hometown Holidays, a community event to gather and enjoy the Christmas season. The event included a lighted parade, a tree lighting, caroling, cookie decorating and a lighted town square.

CITY OF SIOUX CENTER