

Montana-Dakota Witness Duane Steen

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Summary

New Baseload Power Supply

Reason for a new baseload power supply

- Primary driver was the loss of 66.4 MW of baseload power purchase agreement with Basin Electric Power Cooperative in 2006.
 - Represented approximately 20% of Montana-Dakota's capacity.
- Meeting future customer power requirements

Alternatives

- Request for Proposals (RFPs)
 - Issued RFPs in both 2004 and 2006 for baseload capacity and energy.
 - Bids received did not meet all of Montana-Dakota's requirements.
- Lignite Vision 21 Program

Lignite Vision 21

- Partnership with Westmoreland Coal
- Located at Gascoyne
- Initially studied 500 MW unit
- Plant size reduced to 175 MW unit
- No longer cost effective as compared to participation in Big Stone II

Capacity Expansion Modeling Analysis

- PA Consulting Group, Inc.
- Evaluated an overall optimal resource plan for Montana-Dakota
- Determined Big Stone II as the lowest-cost baseload resource expansion option