

**STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION**

**Public Service Commission
Federal 2007 EISA Standards
Investigation**

Case No. PU-09-20

**ORDER OPENING INVESTIGATION
AND
NOTICE OF WORKSHOP AND PAPER HEARING**

January 14, 2009

On December 19, 2007 the federal Energy Independence and Security Act of 2007 (EISA) was enacted. The Act amends the Public Utility Regulatory Policies Act of 1979 (PURPA) to require each state regulatory authority to consider adopting suggested energy policy standards.

Section 532 of the EISA amends PURPA Section 111(d) to require that states conduct an investigation and issue a decision whether to adopt two new electric policy standards regarding (1) integrated resource planning and (2) rate design modifications to promote energy efficiency investments.

Section 532 also amends PURPA Section 303(b) to require consideration of two natural gas policy standards regarding (1) energy efficiency and (2) rate design modifications to promote energy efficiency investments.

Section 1307 requires consideration of two new PURPA electric policy standards regarding (1) consideration of smart grid investments and (2) smart grid information.

Section 374 of EISA requires consideration of a non-PURPA standard regarding additional incentives for recovery use and prevention of industrial waste energy. This standard differs from the PURPA standards in that the Commission may defer consideration until six months after receiving a request from a project.

The Commission is not obligated to adopt any of these seven standards. The Commission may decline to implement any or all of the standards or adopt different or modified standards from those included in the Act. In choosing whether to adopt these standards, the Commission should consider whether implementing the standards is necessary to further the purposes underlying the original PURPA standards, which are:

1. Conservation of energy supplied by electric utilities;
2. Optimal efficiency of electric utility facilities and resources and
3. Equitable rates for electric consumers

On November 19, 2008, in Case No. PU-08-884, the Commission opened a rulemaking proceeding regarding energy efficiency and load management. A workshop was conducted on January 5, 2009.

Order

Without conceding that the federal Act can require states to consider adopting certain energy policy standards, the Commission orders on its own volition that an investigation is opened to consider whether to propose rules to adopt any or all of the new standards suggested by the EISA.

Notice of Workshop and Paper Hearing

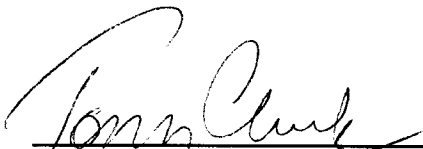
A workshop will begin **on May 11, 2009 at 1:30 p.m. CDT** in the Commission Hearing Room, 12th floor, State Capitol, Bismarck, ND 58505. The issues to be considered are:

1. Whether the Commission should adopt any or all of the standards suggested by the Act;
2. Whether the Commission should adopt different or modified standards from those described in the Act; and,
3. What compensation, if any, should be made available to consumers under PURPA section 122 for their reasonable expenses incurred by participating or intervening in this proceeding.


The Commission will conduct a "paper hearing" consisting of an opportunity for those interested to **comment in writing by May 1, 2009**. Prior written comments will not be required to participate at the workshop. Formal intervention is not necessary to participate in this proceeding, but anyone wishing to become a formal party must file a petition to intervene with the Commission prior to the workshop. Consumers should be aware that, under certain conditions, compensation for expenses incurred by participation or intervention in this proceeding may be available under PURPA section 122.

For more information contact the Public Service Commission, State Capitol, Bismarck, North Dakota 58505, 701-328-2400; or Relay North Dakota 1-800-366-6888 TTY. If you require any auxiliary aids or services, such as readers, signers, or Braille materials please notify the Commission.

PUBLIC SERVICE COMMISSION



Tony Clark
Commissioner



Kevin Cramer
President



Brian P. Kalk
Commissioner