




Cass County Electric Cooperative

Your Touchstone Energy® Partner 

June 11, 2009

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Executive Secretary
Public Service Commission
600 East Boulevard Avenue-Dept 408
Bismarck, ND 58505-0480

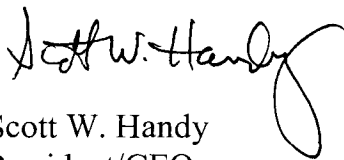
PUBLIC SERVICE COMMISSION

Re: Renewable Energy Objective Report

Executive Secretary:

Enclosed is an original and seven copies of Cass County Electric Cooperative's filing of its renewable energy objective annual report. This report is required under Chapter 49-02-34 of the North Dakota Century Code. Please contact me with any questions you may have.

Sincerely,



Scott W. Handy
President/CEO

1 **PU-09-328** Filed: 6/12/2009 Pages: 3
2008 Renewable Energy Objective Annual Report

Cass County Electric Cooperative Inc.

2008 North Dakota Renewable Energy Objective Report (North Dakota Century Code 49-02-34)

**Reported to:
North Dakota Public Service Commission**

**Reported by:
Cass County Electric Cooperative Inc.
491 Elm St.
Kindred, ND 58051
June 11, 2009**

Cass County Electric Cooperative Inc. (CCEC) is an electric distribution cooperative chartered under North Dakota Century Code 10-15. CCEC was incorporated in 1937 and served 33,526 electric accounts in parts of ten counties in southeast North Dakota at the end of 2008. CCEC is an all-requirements member of Minnkota Power Cooperative (Minnkota.)

| | | |
|--|--------------------|------------|
| Total retail sales in calendar 2008: | 936,577,708 | kWh |
| Hydro electric (WAPA) generation*: | 91,186,000 | kWh |
| Net non-hydro retail sales: | 845,391,708 | kWh |
| Qualifying renewable electricity delivered: | 2,129,800 | kWh |
| Percent qualifying renewable electricity delivered: | 0.26 | % |

The qualifying renewable electricity delivered consisted of 1) voluntary subscriptions to Minnkota's Infinity wind energy program, under which CCEC retail members voluntarily pay an additional amount/100 kWh/month for energy generated by Minnkota's wind energy facilities; and 2) green tags purchased from CCEC (and ultimately from Minnkota) by CCEC commercial retail members to indicate their support for renewable energy.

Steps taken to meet the objective:

During the legislative activities establishing the renewable energy objective in 2007 CCEC had the understanding that its wholesale power supplier, Minnkota Power Cooperative (Minnkota) would make available to CCEC sufficient green tags to make incremental progress towards meeting this objective. In early 2008 Cass requested that Minnkota reserve from sale a quantity of green tags from Minnkota's wind energy purchases sufficient to match 1.25% of CCEC's 2008 non-hydro retail sales. This would have provided the first of 8 equal increments of 1.25% to make progress towards the 10% renewable energy objective in 2015.

** Under NDCC 49-02-34 retail sales are net of hydroelectric generation.*

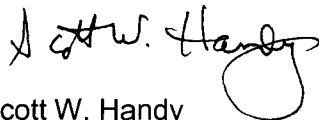
Challenges or barriers encountered in meeting the objective:

Minnkota declined to reserve green tags for this purpose, choosing instead to sell them in the green tag market and to use them to meet a renewable energy requirement for its members in Minnesota.

Additional comments:

1. Minnkota maintains it will reserve sufficient green tags for the reporting year 2015 and thereafter and that the legislative intent of NDCC 49-02-34 does not suggest or require that incremental progress be made in prior years.
2. Minnkota has signed long term contracts to purchase wind energy from facilities located in North Dakota, now totaling over 250 megawatts of capacity. These wind facilities generate energy in excess of 20% of the energy Minnkota sells to its members, and have accomplished the goal of establishing wind energy as a significant source of generation within North Dakota for the Minnkota Power system.
3. In the absence of green tags provided by its power supplier, CCEC evaluated whether to purchase green tags on its own to make incremental progress towards the ND objective. CCEC ultimately decided against this, due to budgetary constraints as well as the fact that CCEC is already subsidizing the provision of green tags to Minnkota's Minnesota members to meet the Minnesota renewable energy requirements. It was deemed to be unfair to CCEC's members to add the cost of additional green tags to meet North Dakota's objective on top of the costs already being paid to meet the Minnesota requirement.

Respectfully submitted,



Scott W. Handy
President/CEO
Cass County Electric Cooperative Inc.