



Central Power Electric Cooperative, Inc.

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May 20, 2014

Darrell Nitschke
Executive Secretary
North Dakota Public Service Commission
600 E. Boulevard, Dept. 408
Bismarck, ND 58505-0480



RE: Central Power Electric Cooperative, Inc. – North Dakota Renewable Energy and Recycled Objective Report

Dear Mr. Nitschke:

Enclosed are the 2012 and 2013 North Dakota Renewable Energy and Recycled Objective Reports per ND Century Code Chapter 49-02-34.

Central Power Electric Cooperative (**Central Power**) is a Class A Member of Basin Electric Power Cooperative, Inc. (**Basin**). Central Power holds a Federal Hydro Power allocation from the Western Area Power Administration, and has an all requirements contract for all supplemental power over and above the federal hydro allocation with Basin. Central Power is a wholesale power and transmission provider to six North Dakota rural electric distribution cooperatives, each of which has an all-requirements contract with Central Power.

Central Power and its member distribution systems are very proud that the nation’s first cooperative owned wind farm is located in North Dakota, just south of Minot. A lot of time, effort and grassroots coordination made this large 82 machine project a reality, and part of Basin’s generation portfolio that serves Central Power and its members. North Dakota cooperatives have been instrumental in the implementation of small scale renewable projects for years with projects like solar water pumping lease programs and individual wind machines that are interconnected at the distribution level.

This report is for two years, 2012 and 2013, due to Central Power “dropping the ball” when Basin decided it was no longer appropriate for them to perform the report filing with the North Dakota Public Service Commission. Central Power and its members hold both the laws enacted by the state legislature and the important work done by the Public Service Commission in the highest regard, and by no means was the failure to meet the 2012 reporting requirements an act of malicious intent or disrespect to the laws enacted and enforced.

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2012 & 2013 Renewable energy objective report

This report is filed on behalf of the following Central Power member distribution systems operating in North Dakota:

- Capital Electric Cooperative, Inc.
- Dakota Valley Electric Cooperative, Inc.
- McLean Electric Cooperative, Inc.
- North Central Electric Cooperative, Inc.
- Northern Plains Electric Cooperative, Inc.
- Verendrye Electric Cooperative, Inc.

If you have any questions regarding this report, please feel free to contact me at (701)852-4407, or email me at mickk@centralpwr.com.

Sincerely,

A handwritten signature in blue ink, appearing to read "Michael J. Kossan", with a long horizontal flourish extending to the right.

Michael J. Kossan, CPA
Manager of Accounting and Finance

Cc:

Lars Nygren, Capital Electric Cooperative, Inc.

Jay Jacobson, Dakota Valley Electric Cooperative, Inc., and Northern Plains Electric Cooperative, Inc.

Marty Dahl, McLean Electric Cooperative Inc.

Wayne Martian, North Central Electric Cooperative, Inc.

Bruce Carlson, Verendrye Electric Cooperative, Inc.

Central Power Electric Cooperative, Inc.
North Dakota Renewable Energy Objective Report
May 20, 2014

I. Introduction

North Dakota Century Code Chapter 49-02-34 (2009) provides that, "Commencing on June 30, 2009 retail providers shall report annually on the provider's previous calendar year's energy sales. This report must include information regarding qualifying electricity delivered and renewable energy and recycled energy certificates purchased and retired as a percentage of annual retail sales and a brief narrative report that describes steps taken to meet the objective over time and identifies any challenges or barriers encountered meeting the objective. The last annual report must be made on June 30, 2016. Retail providers shall report to the public service commission, which shall make data and narrative reports publicly available and accessible electronically on the Internet. Distribution Cooperatives may aggregate their reporting through generation and transmission **(G&T)** cooperatives."

In both 2012 and 2013, Central Power Electric Cooperative, Inc. **(Central Power)** provided power to the following member distribution cooperatives in North Dakota, and have elected to have Central Power report on their behalf:

- Capital Electric Cooperative, Inc.
- Dakota Valley Electric Cooperative, Inc.
- McLean Electric Cooperative, Inc.
- North Central Electric Cooperative, Inc.
- Northern Plains Electric Cooperative, Inc.
- Verendrye Electric Cooperative, Inc.

II. Sales

Reporting Period:	<u>2012 MWh Sales</u>	<u>2013 MWh Sales</u>
Capital Electric Cooperative, Inc.	293,313.4	323,930.6
Dakota Valley Electric Cooperative, Inc.	569,724.9	615,825.2
McLean Electric Cooperative, Inc.	117,604.6	133,443.4
North Central Electric Cooperative, Inc.	254,162.7	274,346.3
Northern Plains Electric Cooperative, Inc.	435,204.9	446,526.3
Verendrye Electric Cooperative, Inc.	<u>531,275.7</u>	<u>571,758.3</u>
 Total Central Power Member Sales:	 2,201,286.2	 2,365,830.1

In 2012, 14.9% of the energy sold above was sourced from the Western Area Power Administration **(WAPA)** with power that was generated from renewable hydroelectric facilities in the Upper Midwest. The remaining 85.1% was sourced from Basin Electric Power

Cooperative, Inc. (**Basin**) under Central Power's supplemental power all requirements contract. In 2013, 13.8% of the energy sold was sourced from WAPA, and the remaining 86.2% was sourced from Basin.

III. Steps Taken To Meet Objectives

In 2012, Basin had renewable generation in its resource mix that included wind, recovered energy (waste heat) and flare gas equal to 15.3% of Basin's member and retail sales. If you factor out the retail sales (including the Great Plains Synfuels plant, various government entities and non-member surplus power sales), and the renewable generation percentage to electric cooperative member systems was 16.2%. Total renewable generation in the Basin system in 2012 was 3,031,756 MWH's.

In 2013, Basin had renewable generation in its resource mix that included wind, recovered energy (waste heat) and flare gas equal to 13.5% of Basin's member and retail sales. If you factor out the retail sales (including the Great Plains Synfuels plant, various government entities and non-member surplus power sales), and the renewable generation percentage to electric cooperative member systems was 14.2%. Total renewable generation in the Basin system in 2013 was 2,890,693 MWH's.

In addition to the renewable generation noted above, Basin also earned renewable attributes which were allocated to its member systems including Central Power. These attributes were then allocated to the Central Power member systems in the same manner. Central Power and its member systems have chosen to have Basin market these allocated attributes on their behalf.