

## -Info-Public Service Commission

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**From:** Scott Handy <shandy@kwh.com>  
**Sent:** Monday, October 27, 2014 8:11 AM  
**To:** -Info-Public Service Commission  
**Subject:** Cass County Electric Comments on EPA's proposed carbon regulations  
**Attachments:** CCEC comments on EPAs proposed carbon regulations.pdf

Good morning.

Attached please find Cass County Electric Cooperative's comments on the EPA's proposed carbon regulations. I would be pleased to respond to any questions you may have.

Scott Handy

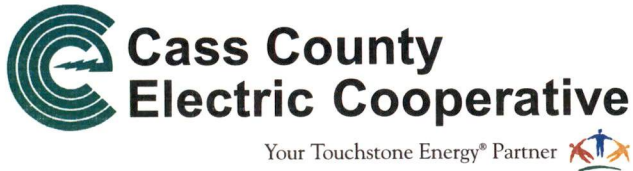
**Scott Handy**  
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America needs an "ALL-OF-THE-ABOVE" strategy to keep electric bills affordable  
Visit [www.Action.coop](http://www.Action.coop) today! Tell the EPA to reconsider its "all-but-one" approach!



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October 27, 2014

North Dakota Public Service Commission  
600 E. Boulevard Ave., Dept. 408  
Bismarck, ND 58505

Re: Request for Comments on EPA's Proposed Carbon Regulations

Dear Commissioners,

Thank you for this opportunity to comment on EPA's Clean Power Plan, which proposes to achieve a 30% reduction in carbon dioxide emissions from existing US electric generation by 2030.

Cass County Electric Cooperative is a member-owned provider of retail electricity in all or parts of ten counties in southeast North Dakota. We serve over 41,000 electric accounts ranging from remote rural areas to the growing metro area of Fargo and West Fargo, very small users to very large users and every size in between. Our members rely on affordable, reliable electricity not only to support the robust energy needs of our service area, but at times just to survive in this harsh environment.

Cass County Electric purchases all its energy from Minnkota Power Cooperative, headquartered in Grand Forks, ND. At present about 60% of the energy supplied to Cass County Electric by Minnkota is generated using North Dakota lignite coal converted right here in our state. The Clean Power Plan, as proposed, will likely have a direct impact on the cost of this 60% portion of our energy mix. This is significant to us because over 73% of our total revenue is used to purchase wholesale power. A significant increase in the cost of coal generation, a likely outcome of the Clean Power Plan, will translate into a significant increase in the cost of the electricity on which our members rely. Early estimates by Minnkota Power indicate that its annual cost increase by 2030 to meet the plan requirements will range between \$10 million and \$50 million. Cass County Electric's members would be on the hook to pay for over 30% of those increased costs.

We concur with comments filed by Minnkota Power and others that the Clean Power Plan will also likely impact the reliability of our region's (and nation's) electric power grid. A large number of coal generation is projected to be retired in the near future due to the Clean Power Plan and other recent EPA regulations. There is great risk in assuming this retiring coal capacity will be easily replaced with natural gas generation. This past winter's Polar Vortex provided solid evidence that natural gas delivery to electric generators in extreme peak load conditions is not guaranteed. (Please refer to the NERC Polar Vortex report filed with Minnkota Power Cooperative's comments.)

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Finally, and perhaps most disturbingly, the Clean Power Plan breaks from EPA's longstanding regulatory model by proposing several compliance measures that are "outside the fence." In other words, these measures, or building blocks, do not address emissions at power plants at all but delve into areas such as requiring energy efficiency improvement mandates at the point of use. By point of use I mean your house, your place of business, your farm.

In summary, Cass County Electric Cooperative is very concerned about the impact the Clean Power Plan will have on our members and on the economy. We are concerned that our members will no longer enjoy the benefits of the affordable energy we've provided for 77 years. We are concerned they will suffer from reduced reliability at a time when reliability is more important than it has ever been. And we are concerned about the potential intrusion into our members' private lives through rules restricting how they will use electricity on their own property.

We fully concur with the entirety of the filing made by Minnkota Power Cooperative in this matter, and incorporate it here by reference.

Sincerely,

A handwritten signature in black ink that reads "Scott W. Handy". The signature is written in a cursive style with a large, looping flourish at the end of the name.

Scott W. Handy  
President/CEO