



KEM Electric Cooperative, Inc.

107 S. Broadway • P.O. Box 790 • Linton, ND 58552-0790
Phone 701-254-4666 • Fax 701-254-4975

May 2nd, 2016

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

RE: KEM Electric Cooperative, Inc. - North Dakota Renewable Energy and Recycled Objective Report

Dear Mr. Nitschke:

Enclosed you will find KEM Electric Cooperative's 2015 North Dakota Renewable Energy and Recycled Objective Report per ND Century Code Chapter 49-02-34.

KEM Electric Cooperative, Inc. is a Class "A" Member of Basin Electric Power Cooperative, Inc. (Basin). KEM Electric Cooperative, Inc. 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.

This report is filed on behalf of KEM Electric Cooperative, Inc. for the year 2015.

Please contact me with any questions or comment on this issue at 701-667-4430 or by email at rkelly@iea.coop.

Thank You.

Robert Kelly, P.E.
Manager of Engineering Services
KEM Electric Cooperative, Inc.

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2015 Renewable Energy Objective Report
KEM Electric Coop Inc.
Robert Kelly, P.E.

KEM Electric Cooperative, Inc.
North Dakota Renewable Energy Objective Report
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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."
- Prior to 2012, Basin Electric Power Cooperative provided all reporting for NDCC 49-02-28 and 34 on behalf of their member cooperatives. In 2012, Basin opted out of the reporting responsibilities and shifted them to the member cooperatives themselves. KEM Electric Cooperative, Inc. is not a member of an intermediate G&T and therefore must report on their own behalf. KEM Electric Cooperative, Inc. has previously reported renewables data for 2012, 2013, and 2014. We would like to provide the following report for the year 2015.
- Basin has previously reported to its members that the power deliveries from them consist of renewable generation with the percentages listed below:
 - 2015 - 15.3 %

This percentage is applied in the calculations that follow.

KEM Electric Cooperative, Inc.

II. SALES REPORT

2015	<u>kWh</u>	<u>%</u>
Total kWh Purchased	85,440,857	
Minus residential wind gen.	16,213	
Adjusted total	<u>85,424,644</u>	
Total purchased from Basin: kWh, %	<u>52,758,639</u>	61.8%
Total Retail kWh Sold	77,623,387	
Minus residential wind gen.	16,213	
Adjusted total	<u>77,607,174</u>	
Basin share of retail kWh sold (total X Basin %)	47,930,535	
Basin Renewable % (from pg 1.)	15.3%	
Basin renewables	7,333,372	
Plus residential wind gen	16,213	
Total Renewable Retail kWh Sales	7,349,585	

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III. STEPS TAKEN TO MEET OBJECTIVES

Over the years, Basin has added renewable generation in its resource mix that included wind, recovered energy (waste heat) and flare gas. If you factor out the retail sales (including the Great Plains Synfuels plant, various government entities and non-member surplus power sales), the renewable generation percentage to electric cooperative member systems has been substantial. These percentages are listed in the introduction of this form

In addition to the renewable generation noted above, Basin also earned renewable attributes which were allocated to its member systems including KEM Electric Cooperative, Inc. KEM has chosen to have Basin market these allocated attributes on their behalf.

KEM Electric Cooperative, Inc. has one member owned wind generation facility providing renewable energy available for resale to the other members. The output of this renewable is included in the calculations in the sales report section of this document.

KEM Electric Cooperative, Inc. is actively seeking partners for small solar and wind generation projects in the area and is making plans for a small community owned solar farm in the near future.