



UTILITIES CO.

A Subsidiary of MDU Resources Group, Inc.

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April 15, 2022

Executive Secretary  
North Dakota Public Service Commission  
600 East Boulevard Ave. Department 408  
Bismarck, ND 58505-0480

Re: Case No. PU-22-143  
Infrastructure Investment and  
Jobs Act

## Comments

Pursuant to the North Dakota Public Service Commission's ("Commission") March 9, 2022 Order ("March 9 Order") Requesting Comment Regarding the Infrastructure Investment and Jobs Act ("IIJA") signed into law on November 15, 2021, Montana-Dakota Utilities Co. ("Montana-Dakota" or "Company") herewith electronically files comments addressing potential funding for IIJA projects.

The IIJA is a significant piece of legislation with significant funding coming from the U.S. Department of Energy ("DOE") and covers a broad spectrum of energy and infrastructure categories. The DOE program appropriation covers a five-year period and the details of exactly what is expected to be funded is not fully determined as the DOE is still developing the funding criteria.

Montana-Dakota's preliminary research and investigation, including informal discussions with other utilities in the Company's service territory, has determined the IIJA lacks specificity and direction upon which Montana-Dakota is able to make a determination of projects that will qualify, the appropriate avenue to obtain funding, and the requirements associated with any funding received. Therefore, while the Company may be interested in participating, much more work must be done to determine how Montana-Dakota can leverage these dollars.

In its desire to better understand the various programs and funding sources available through the IIJA and seek out additional information, the Company recently became aware of industry groups that have established implementation workrooms to inform members of opportunities and provide information on seeking funding. The industry groups typically have dedicated personnel to

research and provide assistance that Montana-Dakota can take advantage of through its membership. For instance, the Edison Electric Institute (EEI) has established a workroom for its members to collaborate and leverage the knowledge of the EEI and its members. Subject matter experts from the Company intend to actively participate in the EEI workroom to gain a better understanding of IIJA programs and funding opportunities that may be a good fit for Montana-Dakota and benefit its customers.

Generally, Montana-Dakota has identified possible opportunities that fall under the IIJA in the following areas, which may have a potential to benefit customers:

- Energy Efficiency – gas and electric operations
  - Rebates and audits
  - Benefit customers via lower energy bills
  - Low-income programs/weatherization
- Air Conditioner Cycling Program
  - Utilize to lower peak demand
  - Promotes grid resiliency
  - A potential new demand response program
- Electric transmission and distribution grid infrastructure, resilience, and reliability
- Electric Vehicle Charging Infrastructure
  - Potential to own charging stations
  - Electric distribution system upgrades to support charging station infrastructure build-out
- Community Solar Projects
  - Offset capital costs of infrastructure
  - Assist low-income participants who may not otherwise be able to participate
- Utility Generation Solar
  - Additional option within the Company's generation mix
  - Reduce emissions and improve renewable fuel mix
- Utility Battery Storage
  - Pilot project for battery storage located to leverage renewable and system capabilities
- Physical and Cyber Security
  - Upgrades at substations and power plants in the form of updated fencing, security cameras, and access detection
  - Install or upgrade cyber security for the Company's electric and gas operations
- Renewable Natural Gas/Hydrogen Projects
  - Pilot project to provide a new source of gas for customers
- Natural Gas Expansion
  - Expand natural gas to change fuel source from coal
  - Expand natural gas to unserved communities

- Lower overall emissions and environmental impacts

The questions identified by the Commission in its March 9 Order are addressed below:

**A. Opportunities to capture benefits of IIJA financing, contracts, grants, loans, private-public partnerships, and cooperative agreements;**

As noted above, Montana-Dakota has researched and identified a number of possible opportunities to utilize funding through the IIJA. Specific avenues for the funding have not yet been identified and more information is expected in the coming months.

**B. Entities with which coordination may be necessary to access available funding, financing, and opportunities;**

It is Montana-Dakota's understanding that the DOE is the primary entity with which coordination will be necessary. In addition, state and/or private partnerships may enhance the chances of funding. As an example, Montana-Dakota is aware other states have created 'match' funding which has the potential to increase the likelihood of a project receiving funding under certain criteria. Within the IIJA, some of the programs require public and/or company matching funds as a precedent to participation.

**C. Current and anticipated coordination with State agencies to access available funding, financing, and opportunities;**

To the extent the IIJA provides funding to the states, Montana-Dakota expects to actively engage with the appropriate state agencies. At this time, the Company is not aware of any specific funding or financing available through state agencies.

**D. Which actions are appropriate for North Dakota gas and electric investor-owned public utilities to take to access available funding, financing, and opportunities;**

As noted above, program details are limited; however, Montana-Dakota has begun identifying projects that may be eligible for funding under IIJA and has been actively engaging with other organizations to gather information to as it becomes available.

**E. Actions that may be appropriate for this Commission to consider ensuring receipt and deployment of funding or financing for the benefit of the State or ratepayers; and**

Montana-Dakota may need Commission approval for certain projects and/or funding mechanisms that fall outside of the Company's normal business practices. Also, other states have implemented matching programs that may help secure funding. The Company expects that Commission support of such a mechanism would enhance its creation by the legislature.

**F. Other information or impacts that the Commission should be aware of because of the IIJA.**

Montana-Dakota is not aware of any other information that the Commission should be aware of because of the IIJA.

Montana-Dakota appreciates the opportunity to share this information with the Commission and welcomes the opportunity to meet with the Commission and other stakeholders to leverage available funding to the benefit of its electric and gas customers.

Please contact me at 701.222.7855 or [travis.jacobson@mdu.com](mailto:travis.jacobson@mdu.com) if you have questions.

Sincerely,

***/s/ Travis R. Jacobson***

Travis R. Jacobson  
Director of Regulatory Affairs