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April 18, 2022

Steve Kahl  
Executive Secretary  
North Dakota Public Service Commission  
600 East Boulevard, Dept 408  
Bismarck, ND 58505-0480

**RE: In the Matter of the Commission requesting Comments regarding the  
Infrastructure Investment and Jobs Act  
Case No. PU-22-143  
Comments**

Dear Mr. Kahl:

Please find enclosed Otter Tail Power Company's Comments in the above-referenced docket. An original and seven (7) copies have been sent to you via USPS. Please feel free to contact me at 218-739-8956 or [cstephenson@otpc.com](mailto:cstephenson@otpc.com) with any questions.

Sincerely,

/s/ *CARY STEPHENSON*  
Associate General Counsel

kaw  
Enclosures  
By electronic filing

**STATE OF NORTH DAKOTA  
BEFORE THE  
NORTH DAKOTA PUBLIC SERVICE COMMISSION**

**Public Service Commission  
Infrastructure Investment and  
Jobs Act Investigation**

**Case No. PU-22-143  
  
COMMENTS**

## **I. BACKGROUND**

On November 15, 2021, President Biden signed the 2,702-page \$1.2 trillion bipartisan Infrastructure Investment and Jobs Act (IIJA) into law. The IIJA promises to fund infrastructure investments in transportation, broadband, and water and energy systems over the next five years, with approximately \$550 billion for new or enhanced infrastructure programs and \$650 billion for existing infrastructure. The IIJA provides over \$60 billion in energy and transmission related funds to U.S. Department of Energy (DOE) for infrastructure investments relevant to electric utilities. Key components include \$7.5 billion for alternative fuel corridors and to build out EV charging infrastructure; \$65 billion for climate change-related grid reliability and resiliency and the creation of a grid development authority; \$65 billion for broadband, of which \$42.45 billion would be grants to states for deployment and \$1 billion for broadband middle mile grants for which electric utilities are eligible; and \$47.2 billion for resiliency, including cybersecurity, flood and wildfire mitigation, and weatherization.

On March 9, 2022, the Commission issued an order requesting comments from North Dakota investor-owned gas and electric utilities. The Commission noted that the IIJA provides opportunities to participate in, and capture the benefits of, financing, contracts, grants, loans, private-public partnerships, and cooperative agreements in the following areas:

- *Energy Efficiency Improvements and Weatherization*
- *Alternative Fueling Infrastructure*
- *Build a Better Grid Initiative and Grid Modernization*
- *Clean Energy Demonstration Projects (i.e., energy storage, carbon capture, etc.)*
- *Preventing Outages and Enhancing the Grid to Ensure Reliability and Resilience*
- *Transmission Development*
- *Energy Improvements in Remote and Rural Areas*

- *Improve Reliability of Transmission and Distribution Systems, Optimize Systems to Avoid Costs of Replacing/Upgrading Infrastructure, Provide Ancillary Services for Grid Stability and Management*
- *Cybersecurity and Protection of Critical Infrastructure*
- *Preservation of Electric Grid or Natural Gas Operations*

Finding that it was in the public interest for investor-owned utilities to fully consider the opportunities that the IJJA may provide, the Commission sought comments concerning the following:

- a. Opportunities to capture benefits of IJJA financing, contracts, grants, loans, private-public partnerships, cooperative agreements;
- b. Entities with which coordination may be necessary to access available funding, financing, and opportunities;
- c. Current and anticipated coordination with State agencies to access available funding, financing, and opportunities;
- d. Which actions are appropriate for North Dakota gas and electric investor-owned public utilities to take to access available funding, financing, and opportunities;
- 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
- f. Other information impacts that the Commission should be award of because of the IJJA.

## **II. COMMENTS**

Otter Tail Power Company (Otter Tail) is closely monitoring the IJJA and the opportunities it may provide the Company and its customers. As part of this effort, we have formed a cross functional team to track IJJA the progress of IJJA implementation at the federal and state level and to identify and prioritize opportunities that are consistent with our mission to produce and deliver electricity as reliably, economically, and environmentally responsibly as possible to the balanced benefit of customers, shareholders, and employees and to improve the quality of life in the areas in which we do business. We are also working with trade groups such as the Edison Electric Institute to understand and evaluate IJJA opportunities.

Since the IJJA was only recently signed into law, federal and state programs implementing the IJJA are still being developed. Consequently, it is difficult to provide anything but generalized comments at this time. We expect to learn more in the coming months about the process and programs the DOE, other federal agencies, and state agencies will use to select and manage IJJA projects. We anticipate these programs may provide utilities access to grants and low-cost financing, thereby reducing cost burdens and mitigating rate increases. We also anticipate that access to these funds will come with conditions that must be weighed and evaluated through multiple lenses, taking into consideration the expectations of the communities we serve, our state

regulatory commissions, regional transmission operators, and other entities with which we routinely coordinate on significant projects.

Since state and federal programs implementing the IJJA are under development, it is difficult to assess what actions may be appropriate for the Commission. In general, we anticipate that opportunities provided by the IJJA may require Commission support for processes that allow utilities to qualify for IJJA funding. Utility participation in IJJA funding may also require flexible cost recovery mechanisms.

### **III. CONCLUSION**

Otter Tail can update its assessment of IJJA opportunities as requested by the Commission as more information becomes available. We also welcome the opportunity to regularly discuss these matters with Commission staff. Thank you.

Dated: April 18, 2022

Respectfully submitted,

OTTER TAIL POWER COMPANY

By: /s/ CARY STEPHENSON  
Cary Stephenson  
Associate General Counsel  
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