

Application to Amend Order Case No. PU-07-776

Informal Hearing (Case No. PU-23-366)

January 24, 2024



Case No. PU-07-776

- The central issue of the rate case was energy policy
 - Company operates a single, multistate, and integrated system of generation and transmission facilities – corresponding allocation of costs to ND
 - Must comply with the energy goals and policies of the states it serves
- ND PSC and the Company agreed to regulatory procedures to ensure appropriate Commission involvement and oversight to determine how best to meet needs of ND customers and recover system-wide cost of providing service
 - ADP requirement
 - File MN IRP and “North Dakota version” on an informational basis
- Intent of the obligation to file ADPs was to increase transparency and engage the Commission regarding significant resource acquisitions in advance of general rate proceedings

ADP Requirement

In accordance with N.D.C.C. § 49-05-16 the Company agrees to file for an ADP finding from the Commission for all proposed new construction, rehabilitation, or acquisition of an energy conversion facility, renewable energy facility, transmission facility or proposed energy purchase in which:

- 1. The Company proposes to allocate all or part of the related costs to the North Dakota jurisdiction for recovery in electric rates; and*
- 2. The capacity of the generation facility or purchase is at least 50 MW; and/or the length of the transmission facility is at least 50 miles long.*

The Company will identify its proposed cost- allocation methodology in the ADP petition as an item for which a determination of prudence by the Commission is requested.

ADP Requirement

- Case No. PU-12-59 - Company committed to filing ADP applications within fourteen days of seeking similar approvals from the MPUC
- We currently have 5 open ADP dockets
 - PU-23-064 - Monticello Nuclear Extension
 - PU-23-142 - 345 kV Transmission Line (Lyon County to Sherburne County)
 - PU-23-182 - Sherco Solar 3 Project
 - PU-23-295 - Brookings Second Circuit Project
 - PU-23-329 - 345 kV Big Stone South – Alexandria – Big Oaks
- Could be several more ADP applications in the near future
 - 3 ADPs from 800 MW Firm Dispatchable proceeding in Minnesota
 - LRTP4 Wilmarth-North Rochester-Tremval
 - Prairie Island Nuclear extension
 - Resources connecting to Lyon County to Sherburne County Line

New Resource Plan Requirement

- Utilities must identify the resources to meet forecasted capacity and energy needs over a horizon of at least fifteen years
- Must include reliability and resource adequacy assessments using quantitative metrics
- Must describe and select resources representing the least-cost plan for providing reliable service consistent with ND energy policy
- Must include information on how the electric public utility intends to reconcile potential jurisdictional differences in resource selection
- Forward looking, proactive, and holistic - better forum for the Commission to assess and influence a utility's plan for power plant additions and retirements

New Resource Plan Requirement

Except as otherwise required by law or by order of the commission, the North Dakota preferred plan may not select resources based on a carbon cost, greenhouse gas reduction goals, renewable energy standards, emissions goal, or other externalities.

During an investigation, an electric public utility may request a commission determination on any issue related to the resource plan. Approval, rejection, or modification of a resource plan, or a commission determination may be presented as prima facie evidence in other proceedings.

The Commission can request any additional information related to how an electric public utility intends to provide sufficient electric generation service for use by retail customers within the state over the planning period.

North Dakota IRP

- To be filed in March 2024
 - Reliability will be key topic
 - Extension of Prairie Island (20 years) and Monticello (10 years)
- Information Exchange on February 23, 2024 between the Commission and the Company
 - Introduce new NSPM President – Ryan Long
 - Preview the ND IRP
- Holistic review
 - Many similarities between MN and ND
 - With formal IRPs and corresponding outcomes - will be able to see where there are divergences between different jurisdictions

Amendments Sought

- Remove the requirement to submit an ADP
 - The proposed Amended Settlement includes language that the Company may submit an ADP at its discretion pursuant to NDCC Section 49-05-16
 - Company would be in same position as two other ND IOUs
- After discussions between the Company and Commission Advocacy Staff, the Company has agreed to provide an annual notification of new PPAs of any size to be included in the Company's FCR
 - Was a requirement of the Comprehensive Settlement Agreement in Case No. PU-12-813
- Three-month extension for filing any ADPs

PSC Involvement and Oversight

- New formal IRP process
- Transmission Cost Rider (TCR)
- Renewable Energy Rider (RER)
- New PPA notification commitment
- Rate Case
- **ADP?**

