



# MONTANA-DAKOTA UTILITIES CO.

North Dakota Public Service Commission

Application for Badger Wind Project ADP and CPCN

Case No. PU-25-075

Case No. PU-25-076

September 9, 2025

39 PU-25-75 Filed 09/11/2025 Pages: 13  
MDU Exhibit 11 - Darcy J. Neigum Opening Statement  
Montana-Dakota Utilities Co.

## EXHIBIT 11

33 PU-25-76 Filed 09/11/2025 Pages: 13  
MDU Exhibit 11 - Darcy J. Neigum Opening Statement  
Montana-Dakota Utilities Co.

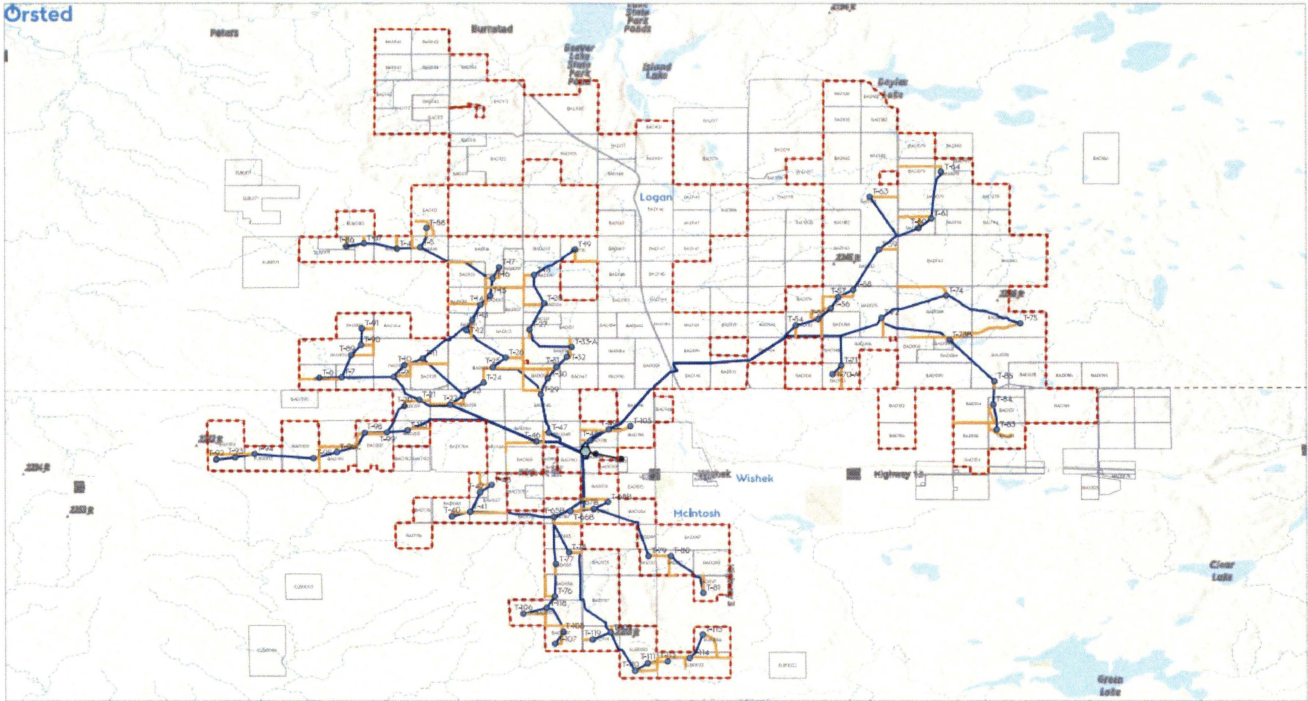
# Advance Determination of Prudence (ADP) & Certificate of Public Convenience (CPCN)

- Public Service Commission (PSC) Issued a Notice of Opportunity for Consolidated Hearing on June 4, 2025
- Three Issues Identified:
  1. Is Montana-Dakota Utilities Co.'s (MDU) proposed Badger Wind Project resource addition prudent?
  2. Whether public convenience and necessity will be served by the construction and operation of the facilities?
  3. Whether the applicant is technically, financially, and managerially fit and able to provide service?

# Badger Wind Project

- Sited and fully permitted wind project located near Wishek, ND in Logan and McIntosh County
- Project consists of 92 General Electric 2.82 megawatt (MW) wind turbines with 250 MW total net output
- Substation designed and built for 250 MW total project size connecting to MDU's 230 kilovolt (kV) Wishek NW Substation
- Badger Wind Project began construction in 2024 and expected to be completed in December 2025.
- Projected 35-year life

# Badger Wind Project Location



## Badger Wind

February 2025



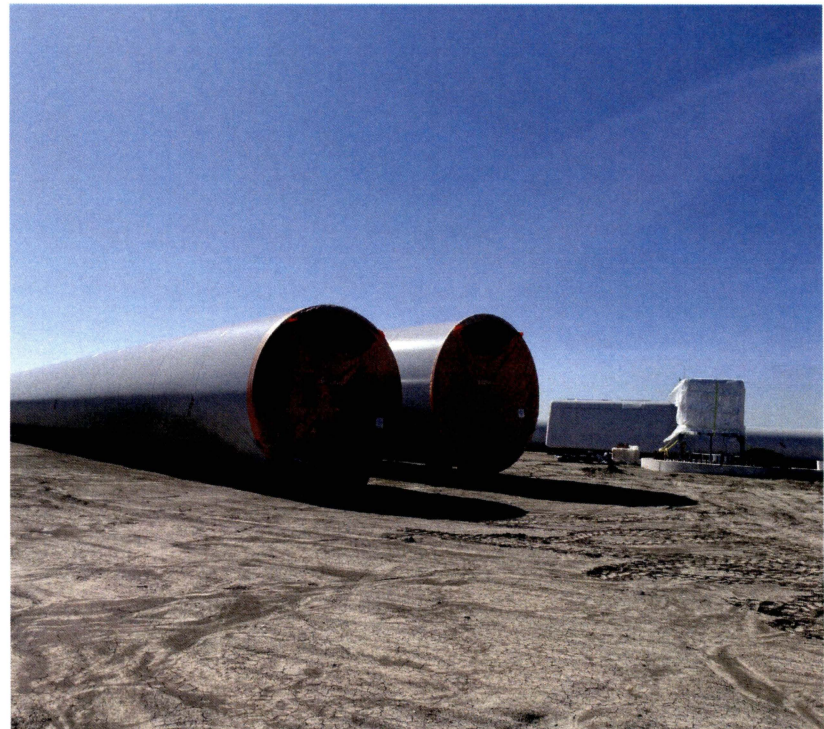
- Primary Turbines
- Substation
- Collection Lines
- Transmission Line
- Access Roads
- ▭ Project Area as adopted in ND PSC Case No. PU-24-87

# Badger Wind Project Opportunity

- On May 12, 2022 MDU signed a generator interconnection agreement with Badger Wind, LLC
- Early 2024, Badger Wind, LLC entered into a Midcontinent Independent Systems Operator (MISO) facility service agreement with MDU, signaling that Badger Wind, LLC was moving forward with the Project development
- In March 2024, MDU reached out to Orsted (parent of Badger Wind, LLC) about off-take arrangements
  - Led to the 150 MW power purchase scenario (New Wind Opportunity) in MDU's 2024 Integrated Resource Plan (IRP)

# Badger Wind PPA

- 20-year Power Purchase Agreement (PPA):
  - Signed on November 4, 2025
  - 150 MW output purchase from the 250 MW project
  - Flat energy price includes all capacity and renewable energy credits
  - Contained 49 percent undivided interest purchase option



# 2024 Integrated Resource Plan (2024 IRP)

- Expiration of the Minnkota Power PPA on May 31, 2026
  - Unable to extend
  - 75 MWs of energy and 30 MWs of capacity
- MDU included Badger Wind Project as a single sensitivity run in all four cases labeled “New Wind Opportunity” in original 2024 IRP modeling
  - In all four cases the New Wind Opportunity had a lower Net Present Value (NPV) over the fifty-year study period
- Only one sensitivity was run, as the Badger Wind Project opportunity was presented late to MDU in the 2024 IRP process

# Additional Analysis

- A supplemental analysis was done after the filing of the 2024 IRP including Badger Wind ownership option (122.5 MW) with remainder PPA (27.5MW) in base case and all sensitivities
- In all four study cases the ownership option plus remainder PPA was selected in the modeling as a least cost option
  - In the Summer Direct Loss of Load (DLOL) the ownership option was selected in all the sensitivities and the PPA option was selected in all except for the low market and low market/low natural gas price
  - In the Winter DLOL the ownership option was selected in all the sensitivities and the PPA option in all but the increase of renewables by fifty percent and increase of demand response by ten percent

# Badger Wind Ownership Option

- 49% or 122.5 MW undivided ownership interest
- PPA reduced from 150 MW to 27.5 MW
- \$295.5 million target purchase price (122.5 MWs)
  - \$2,400 per kW plus \$1.5 million for owner's costs including legal fees
- Purchase project at Commercial Operation Date (COD)
- Condition Precedent if ADP and CPCN not approved MDU will be bound to 20-year 150 MW PPA

# Additional Badger Wind Project Information

- Signed a long-term maintenance service agreement with turbine manufacturer which includes all maintenance and replacement parts
- Project qualifies for full Federal Production Tax Credit (PTC) including 10 percent domestic content adder
- Project on track to be completed in December 2025 and at target purchase price



# Badger Wind Ownership Option

- Ownership option provides \$121.5 million in 50-year NPV savings over the least cost sensitivity (New Wind Opportunity) in the original 2024 IRP
- Ownership option provides \$233 million in 50-year NPV savings over the original base case in the 2024 IRP
- Ownership option provides \$30 million in NPV savings over the 35-year project life and \$14.2 million in NPV savings over the initial 20-year project life compared to MISO energy market purchases used in the 2024 IRP

# Settlement Agreement

- Entered into Settlement Agreement in ADP and CPCN cases (Settlement Agreement) with PSC Staff on September 3, 2025
- Terms of Settlement Agreement
  - Demonstration of Badger Wind need and prudent investment at a total capital expenditure of \$295.5 million (Badger Wind Authorized Amount)
  - Normalization of Badger Wind PTCs consistent with past precedent
  - Establishment of a Production Sharing Amount (\$285,000) to Company's annual revenue requirement if three-year rolling production output is below Production Threshold (42% capacity factor)

# Conclusion

- Company requests approval of the Badger Wind Project ADP and CPCN applications including Settlement Agreement
  - Meets all requirements for an ADP and CPCN
  - Prudent long-term investment
  - Low cost generating resource as demonstrated through Company's 2024 IRP and additional analysis
  - Helps Company meet future energy needs of its customers
  - Reduces dependency of market purchases and provides market energy price protection