

# MONTANA-DAKOTA UTILITIES CO.

Energy and Telecommunications Interim Committee

September 12, 2013

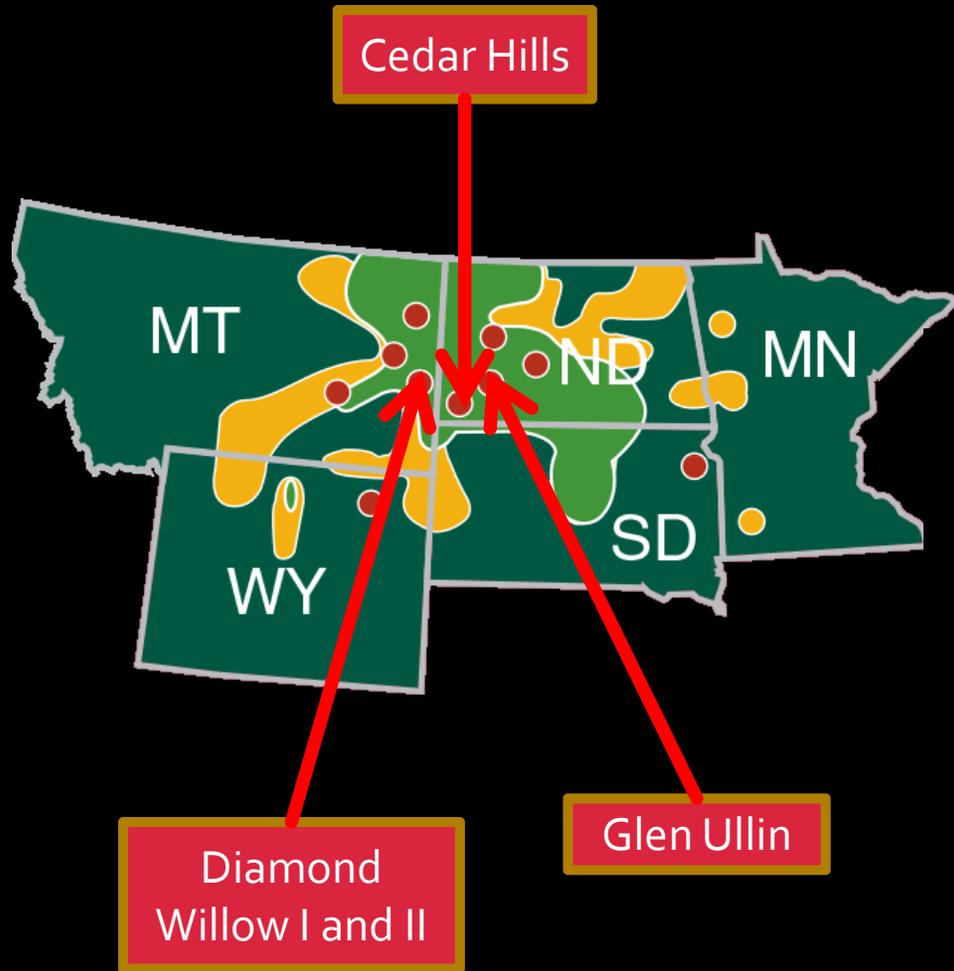
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to Serve®*

# Montana-Dakota Electric & Natural Gas Utilities



## Electric Utility

- 132,000 customers
- 3,100 miles of transmission lines
- 4,700 miles of distribution lines

## Generation totals

- Owned:
  - 392 MW Coal Fired – 56%
  - 98 MW Gas Turbines – 14%
  - 54 MW Renewable Power – 7%
  - 544 MW Total – 77%
- Purchased:
  - 159 MW – 23%

- Electric utility areas
- Natural gas utility areas
- Electric generating stations
- States of operations



# Diamond Willow I

**19.5 MW wind project**

**Baker, Montana**

**Built and operated by Montana-Dakota  
Commercial operation – February 2008**

**\$39.4 million**

**Land leases –**

**Fallon County  
and one private  
land owner**



# Glen Ullin Heat Recovery

**7.5 MW heat recovery project**

**Glen Ullin, North Dakota**

**Connected to Northern Border natural gas  
compressor station**

**Built and operated  
by Ormat Tech.**

**Comm. Operation**

**– July 2009**

**\$16.7 million**



# Cedar Hills

**19.5 MW wind project**

**Rhame, North Dakota**

**Built and operated by Montana-Dakota**

**Commercial operation – June 2010**

**\$47.4 million**

**Land leases – two  
private land  
owners**



# Diamond Willow II

**10.5 MW Wind Project**

**Baker, Montana**

**Built and operated by Montana-Dakota  
Commercial Operation – June 2010**

**\$25.4 million**

**Land lease with  
Fallon County**



# MDU Renewable Investments

Least cost resource expansion modeling

Aware of renewable mandates and objectives

Competitive with other new sources of generation

Provided diversification of fuel sources

Minimal transmission system impacts

Favorable treatment for wind regulation under  
Midwest ISO Tariff



# Montana RPS Requirements

**Renewables provide 7% of Montana-Dakota's customer energy requirements**

**Meet MT RPS with MT customer share of RECs from Diamond Willow I/II and Cedar Hills and purchase of RECs from ND and SD share of projects.**

**Sufficient RECs to meet MT RPS through 2018 if available to purchase from ND and SD**

**RECs from Glen Ullin do not qualify for MT RPS**



# Montana CREP Requirements

**Issued two Requests for Proposals (RFPs) for Montana Community Renewable Energy Projects (CREPs)**

**A. First RFP resulted in no bids**

**B. Second RFP resulted in several bids which were cost prohibitive**

**Montana customer share of Diamond Willow I, Diamond Willow II, and Cedar Hills qualify as Montana CREP resources**



# Employment

**Six months of temporary employment during construction (10 – 20 people per project)**

**Two permanent employees at Diamond Willow I/II**

**Two permanent employees at Cedar Hills**

**Zero permanent employees at Glen Ullin  
Operations and Maintenance Contract**



# Development Experience

**Positive project experience**

**Good wind resources**

**Strong local and landowner support**

**Favorable tax incentives**

**Qualified skilled labor and contractors**



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