South Dakota's Renewable, Recycled and Conserved Energy Objective

Report for Calendar Year 2009

Submitted to the Legislature
December 29, 2010

Background

PURPOSE OF THIS REPORT

South Dakota Codified Law (SDCL) 49-34A-101 through 106 established South Dakota's Renewable, Recycled and Conserved Energy Objective (RRCEO) in 2008.[1] As part of the RRCEO, utilities are required to report annually to the South Dakota Public Utilities Commission (commission) on their progress toward meeting the RRCEO of 10 percent by 2015. SDCL 49-34A-105 specifically requires the commission to compile those reports and submit that data to the Legislature. This report satisfies that requirement.

The 2008 report[2] included a detailed discussion of utilities in South Dakota, generation sources, renewable portfolio standards and objectives, renewable energy credits (RECs), REC tracking systems, the RRCEO and commission rules. We encourage those seeking a deeper background on this topic to find that report on our website at http://puc.sd.gov/energy/reo.aspx.

Findings

UTILITY REPORTS

Each retail provider has submitted a report to the commission. These reports are attached in alphabetic order in Appendix A. Prior to last year's reporting, the commission requested specific data from the reporting entity for each retail provider via a short spreadsheet, found in Appendix B. The results can be found in Appendix C.

All utilities are procuring renewable energy generation, either through power purchase agreements (PPAs) or direct ownership. In 2009, continued progress was made on this front, with three large-scale wind projects totaling 126.4 megawatts (MW) coming online. However, most utilities are still not retiring RECs for South Dakota's RRCEO. MidAmerican Energy Co. retired 1,759 RECs making up less than 1 percent of its retail sales, and Missouri River Energy Services (MRES) retired 5,811 RECs making up 1 percent of its retail sales. The small amount of credits retired is not surprising and reflects the fact that retiring RECs for the South Dakota RRCEO is not cost effective when providers can sell those credits to bring down their cost of service in the state. However, most utilities report they are making a good faith effort to meet the RRCEO by procuring renewable generation and banking and/or selling credits until 2015, at which time they will begin retiring enough credits to meet the 10 percent goal. In contrast, MRES created

[1] Conserved Energy was added during the 2009 Legislative Session
[2] http://puc.sd.gov/commission/Energy/REO/2009-12-232008RRCEOReport1stRevision.pdf

their own incremental goal, retiring 1 percent in 2009 and ramping up to 10 percent in 2015. All but one utility were required to retire credits in other states and did so.

Utilities are also becoming more familiar with renewable distributed generation. Small-scale wind and solar generators have become much more popular with recently available federal tax incentives. In 2009, the commission approved a set of interconnection rules that standardizes how these independent generators connect with the utility. These rules apply only to investor-owned utilities, but cooperatives and municipalities have indicated their intent to use them as a model for their own interconnection procedures. In addition, many of our state's utilities are participating in the Wind for Schools program, donating either in-kind services or funds to place a small wind turbine at a school. This has given the utility hands-on experience with the turbines and familiarity with all aspects of the process.

Last year utilities continued to make energy efficiency a priority resource, reporting increased savings nearly across the board. The commission expects this trend to continue as generation costs continue to rise and efficiency efforts becomes more cost-effective.

BARRIERS TO DEVELOPMENT

Although utilities are reporting positive results, they identified a number of challenges facing renewable development including the variability of wind, environmental compliance, lack of incentives, financing and transmission. Wind's inherent variability makes it a unique generation source. It is not dispatchable in the way most generation is, so it can't be counted on ahead of time. As projects are built, they must go through local, state and federal siting processes. At the federal level, concerns for bats, migratory birds and contiguous grasslands have created significant hurdles for new projects in South Dakota. Also, some federal incentives don't apply to non-profit organizations such as municipalities, cooperatives and tribes, making it more difficult for these entities to own their own generation.

Although these represent significant hurdles, the most often mentioned barrier to increased development is a lack of transmission. As excess capacity on the current transmission system is used, new lines will be needed to export power outside the state. Transmission expansion is currently held up by a lack of financing, cost allocation uncertainty and siting difficulties. South Dakota is likely to see a pause in development if these major issues are not resolved at a national level before existing capacity is completely exhausted.

COMMISSION RULES

In last year's report, it was mentioned the commission was drafting formal rules to make reporting requirements more transparent and homogenous. That process is being carried out in rulemaking docket RM09-002, and the commission's rules are close to being finalized.

Appendix A

Utility Reports (in alphabetical order)

BASIN ELECTRIC POWER COOPERATIVE

1717 EAST INTERSTATE AVENUE
BISMARCK, NORTH DAKOTA 58503-0564
PHONE 701-223-0441
FAX: 701/224-5336

June 29, 2010

Ms. Patricia Van Gerpen
Executive Director
South Dakota Public Utilities Commission
500 East Capital
Pierre, SD 57504-5070

Re: Basin Electric Power Cooperative – South Dakota Renewable Energy Objective Report

Dear Ms. Van Gerpen:

Enclosed please find Basin Electric Power Cooperative's Renewable Energy Objective Report per SDCL 49-34A-105. The format for this report is an Excel spreadsheet provided by the PUC Staff. This report is filed on behalf of the following members within South Dakota:

- Grand Electric
- Rosebud Electric
- Rushmore Electric and their members (Black Hills Electric Cooperative, Butte Electric Cooperative, Cam Wal Electric Cooperative, Cherry Todd Electric Cooperative, Lacreek Electric Association, Moreau Grand Electric Cooperative, West Central Electric Cooperative and West River Electric Association).

Should you have any questions regarding this report, please feel free to contact me at (701) 557-5413 or cjacobson@bepc.com.

Sincerely,

Casey J. Jacobson
Attorney, Office of General Counsel
Basin Electric Power Cooperative

cjj/ds
enclosure

cc by e-mail:
Ed Anderson, South Dakota Rural Electric Association
Jerry Reisenauer, Grand Electric
Gary Clayton, Rosebud Electric
Vic Simmons, Rushmore Electric
Daniel Hutt, Black Hills Electric
Kenneth Wetz, Butte Electric
Jeff Bonn, Cam Wal Electric
Timothy Grablander, Cherry-Todd Electric
Wayne Sterkel, Lacreek Electric
Melissa Maher, Moreau-Grand Electric
Steven Reed, West Central Electric
Dick Johnson, West River Electric
Wayne Backman
Dave Raatz
Zane Zuther
Becky Kern

Please provide a value in each of the boxes below with an "X" in it.

Company:
BASIN ELECTRIC POWER COOPERATIVE

Calendar Year 2009 RREO Report	Value	Comments
Retail Sales		
Total - All States (MWh)	14,973,000	Member Sales
SD (MWh)	173,274	Rosebud & Grand
	867,570	Rushmore
Generation Capacity Owned		
Total - All States (MW)	2,748	
SD (MW)	256	
Renewable Generation Capacity Owned		
Total - All States (MW)	351	2.6 MW owned, 225.8 MW long-term purchased power agreement
Wind		122.6 MW PrairieWinds (subsidiary of Basin Electric)
Solar	X	
New Hydro	X	
Old Hydro	X	
Hydrogen	X	
Biomass	X	
Geothermal	X	
Recycled	44	0 MW owned, 44 MW long-term purchased power agreement
Total - All States (MW)	**395**	owned, purchased and through subsidiary
SD (MW)		
Wind	43.4	2.6 owned, 40.8 MW long-term purchased power agreement
Solar	X	
New Hydro	X	
Old Hydro	X	
Hydrogen	X	
Biomass	X	
Geothermal	X	
Recycled	16.5	0 MW owned, 16.5 MW long-term purchased power agreement
Total SD (MW)	**59.9**	
Renewable Energy Credits Retired for SD		
Total - Generated In All States (MWh)		
Wind	x	
Solar	X	
New Hydro	X	
Old Hydro	X	
Hydrogen	X	
Biomass	X	
Geothermal	X	
Recycled	X	
Total - All States (MWh)	**x**	
Generated in SD (MWh)		
Wind	x	
Solar	X	
New Hydro	X	
Old Hydro	X	
Hydrogen	X	
Biomass	X	
Geothermal	X	
Recycled	X	
Total SD (MWh)	**x**	

Renewable Energy Credits Retired for Other States		
Total - Generated In All States (MWh)		
Wind	3,483	
Solar	X	
New Hydro	X	
Old Hydro	X	
Hydrogen	X	
Biomass	X	
Geothermal	X	
Recycled	X	
Total - All States (MWh)	**3,483**	
Generated In SD (MWh)		
Wind	3,483	
Solar	X	
New Hydro	X	
Old Hydro	X	
Hydrogen	X	
Biomass	X	
Geothermal	X	
Recycled	X	
Total SD (MWh)	**3,483**	
Conserved Energy & Capacity		
Conserved Energy (MWh)		
Total - All States	X	
SD	X	
Conserved Capacity (MW)		
Total - All States	X	
SD	X	

Chris Kilpatrick
Director of Rates- Electric Regulation
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June 24, 2010

Ms. Patricia Van Gerpen
Executive Director
South Dakota Public Utilities Commission
500 East Capitol
Pierre, SD 57504-5070

Re: Black Hills Power, Inc. – South Dakota Renewable Energy Objective Report

Dear Ms. Van Gerpen:

Pursuant to SDCL 49-34A-105, Annual Reports Concerning Renewable and Recycled Energy Objective, following is a status of Black Hills Power's renewable energy program.

Black Hills Power does not currently own any renewable generation, however, Black Hills Power has a purchase power agreement for old hydro and a purchase power agreement for wind energy.

In 2009, renewable resources accounted for 4.0% of South Dakota retail energy sales and none of those renewable energy credits were retired for Black Hills Power. Black Hills Power will continue to pursue prudent renewable energy generation and purchase opportunities that will achieve environmental improvements at the lowest reasonable cost to customers and a fair return to shareholders. Some of Black Hills Power's challenges are due to the physical location of our system and quality of renewable opportunities. In addition, if renewable energy generation is not connected to our transmission, the price to deliver the energy becomes difficult to overcome. The final barrier to renewable energy generation at a reasonable cost to customers is the ability to dispatch the energy. If the renewable energy is not firm, the cost of firming this energy becomes a significant barrier.

Feel free to contact me if there are any questions related to this report.

Sincerely,

Chris Kilpatrick

Please provide a value in each of the boxes below with an "X" in it.

Company:
Black Hills Power

Calendar Year 2009 RREO Report	Value	Comments
Retail Sales		
Total - All States (MWh)	2,285,491	
SD (MWh)	1,430,800	
Generation Capacity Owned		
Total - All States (MW)	434	
SD (MW)	175	
Renewable Generation Capacity Owned		
Total - All States (MW)		Black Hills Power (BHP) currently does not own any renewable generation, however, it has
Wind	-	purchase power agreements for Old Hydro and wind energy. In September 2008, the Happy Jack
Solar	-	portion of the wind project became operational and Black Hills Power began purchasing energy.
New Hydro	-	The Silver Sage portion of the wind project became operational in October 2009. Based on a a full
Old Hydro	-	year of operation from the Happy Jack wind project, three months of Silver Sage operation, and the
Hydrogen	-	current output from the Old Hydro, these renewable resources served approximately 4.0% of the
Biomass	-	total retail sales for Black Hills Power in 2009.
Geothermal	-	
Recycled	-	
Total - All States (MW)	-	
SD (MW)		
Wind	-	
Solar	-	
New Hydro	-	
Old Hydro	-	
Hydrogen	-	
Biomass	-	
Geothermal	-	
Recycled	-	
Total SD (MW)	-	
Renewable Energy Credits Retired for SD		
Total - Generated In All States (MWh)		
Wind	-	
Solar	-	
New Hydro	-	
Old Hydro	-	
Hydrogen	-	
Biomass	-	
Geothermal	-	
Recycled	-	
Total - All States (MWh)	-	
Generated in SD (MWh)		
Wind	-	
Solar	-	
New Hydro	-	
Old Hydro	-	
Hydrogen	-	
Biomass	-	
Geothermal	-	
Recycled	-	
Total SD (MWh)	-	
Renewable Energy Credits Retired for Other States		
Total - Generated In All States (MWh)		
Wind	-	
Solar	-	
New Hydro	-	
Old Hydro	-	
Hydrogen	-	
Biomass	-	
Geothermal	-	
Recycled	-	
Total - All States (MWh)	-	
Generated In SD (MWh)		
Wind	-	
Solar	-	
New Hydro	-	
Old Hydro	-	
Hydrogen	-	
Biomass	-	
Geothermal	-	
Recycled	-	
Total SD (MWh)	-	
Conserved Energy & Capacity		
Conserved Energy (MWh)		
Total - All States		BHP does not currently track Conserved Energy, but is in the process of
SD		establishing a tracking method for all states including SD.
Conserved Capacity (MW)		
Total - All States		BHP does not currently track Conserved Energy, but is in the process of
SD		establishing a tracking method for all states including SD.

60th Anniversary nineteen-fifty two-thousand ten
EAST RIVER ELECTRIC POWER COOPERATIVE
A Touchstone Energy® Cooperative

121 SE First Street | PO Box 227
Madison, SD 57042-0227

Telephone: (605) 256-4536
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June 29, 2010

Ms. Patricia Van Gerpen, Executive Director
South Dakota Public Utilities Commission
500 East Capitol
Pierre, SD 57504-5070

RE: East River Electric Power Cooperative – South Dakota Renewable Energy Objective Report

Dear Ms. Van Gerpen:

Enclosed please find East River Electric Power Cooperative's Renewable Energy Objective Report per SDCL 49-34A-105. This report is filed on behalf of the following members within South Dakota:

Bon Homme-Yankton Electric Association, Inc.
Central Electric Cooperative, Inc.
Charles Mix Electric Association, Inc.
City of Elk Point
Clay Union Electric Corporation
Codington-Clark Electric Cooperative, Inc.
Dakota Energy Cooperative, Inc.
Douglas Electric Cooperative, Inc.
FEM Electric Association, Inc.
H-D Electric Cooperative, Inc.
Kingsbury Electric Cooperative, Inc.
Lake Region Electric Association, Inc.
Northern Electric Cooperative, Inc.
Oahe Electric Cooperative, Inc.
Sioux Valley Energy
Southeastern Electric Cooperative, Inc.
Traverse Electric Cooperative, Inc.
Union County Electric Cooperative, Inc.
Whetstone Valley Electric Cooperative, Inc.

Please do not hesitate to contact me if you have any questions.

Sincerely,

Robert K. Sahr

Robert K. Sahr
General Counsel

RKS/sl

Enc.

East River Electric Power Cooperative
South Dakota Renewable Energy Objective Report
July 1, 2010

In accordance with SDCL 49-34A-105, East River Electric Power Cooperative, Inc. ("East River") files this Renewable Energy Objective Report on behalf of its nineteen South Dakota members:

East River South Dakota Members	Location
Bon Homme-Yankton Electric Association, Inc.	Tabor, South Dakota
Central Electric Cooperative, Inc.	Mitchell, South Dakota
Charles Mix Electric Association, Inc.	Lake Andes, South Dakota
City of Elk Point	Elk Point, South Dakota
Clay Union Electric Corporation	Vermillion, South Dakota
Codington-Clark Electric Cooperative, Inc.	Watertown, South Dakota
Dakota Energy Cooperative, Inc.	Huron, South Dakota
Douglas Electric Cooperative, Inc.	Armour, South Dakota
FEM Electric Association, Inc.	Ipswich, South Dakota
H-D Electric Cooperative, Inc.	Clear Lake, South Dakota
Kingsbury Electric Cooperative, Inc.	DeSmet, South Dakota
Lake Region Electric Association, Inc.	Webster, South Dakota
Northern Electric Cooperative, Inc.	Bath, South Dakota
Oahe Electric Cooperative, Inc.	Blunt, South Dakota
Sioux Valley Energy	Colman, South Dakota
Southeastern Electric Cooperative, Inc.	Marion, South Dakota
Traverse Electric Cooperative, Inc.	Wheaton, Minnesota
Union County Electric Cooperative, Inc.	Elk Point, South Dakota
Whetstone Valley Electric Cooperative, Inc.	Milbank, South Dakota

These East River members have elected to aggregate their REO resources and have East River report on their behalf.

I. EAST RIVER'S RENEWABLE ENERGY PORTFOLIO

As member owners of Basin Electric, East River and its members possess a sizeable, diverse, and growing renewable energy portfolio. This portfolio includes large wind projects; small locally-owned wind projects; waste heat recovery units; solar power generation; and methane digesters with several more renewable energy projects, large and small, in the works. These projects include:

- ***Large Scale Wind Energy Generation: 452 MW***
- ***Recycled Energy Generation: 44 MW***
- ***Methane Digesters: 475 kW***
- ***Solar Generation: 2 kW***
- ***Missouri River Hydroelectric Resources***

During 2009, Basin Electric significantly increased the amount of new wind generation and recycled energy generation. Basin Electric should report these resources on its spreadsheet as they are either under contract or owned by Basin on behalf of its members including East River, Rushmore Electric, and the South Dakota distribution cooperatives. East River has reported its member sales and the green tag retirement on the attached spreadsheet.

By the end of 2011, Basin Electric expects to add up to 281 MW of new wind resources in North Dakota and South Dakota to its portfolio. Basin Electric will own and operate the 101 turbine, 151.5 MW SD PrairieWinds 1 project near Crow Lake, South Dakota. Scheduled for competition in early 2011, this project will be the largest cooperative-owned wind project in the United States.

Basin also has committed to buying the output of two community wind projects--the 10.5 MW South Dakota Wind Partners project to be constructed adjacent to the Crow Lake wind project and the 20 MW Harvest Wind project to be constructed near Strandburg, South Dakota.

In 2009, Union County Electric and Dakota Valley School District partnered on a Wind for Schools project at North Sioux City, South Dakota. South Dakota's first Wind for Schools site, a partnership between Central Electric and Sanborn Central School District established in 2008, continues to operate. In 2010, East River members plan to expand the Wind for Schools program to other schools within their service areas. We thank the Commission for their leadership and support of the Wind for Schools program.

East River is also assisting Mitchell Technical Institute in developing an application for federal funding to help purchase a commercial-size wind turbine to use in its windsmith training program.

Taken together, these projects put into action the aggressive renewable energy goals voluntarily set by Basin Electric members including East River in 2005. Regardless of whether or not a state renewable energy objective or standard exists, Basin Electric and its members agreed to achieve 10% renewables by 2010. We are well on our way to exceeding this goal.

II. CONSERVED ENERGY

Commission-led changes to the South Dakota REO during the 2009 South Dakota State Legislature added the opportunity to count conserved energy towards the Objective. East River will file comments in the pending rule-making docket. While we intend to suggest some changes, our initial take on the draft proposed rules is very positive.

East River and its members are very proud of their long track records in promoting smart energy choices, energy efficiency, and conservation. This has been achieved through substantial investment in marketing programs, public education and one of the most successful load management programs in this country. We hope that any administrative rules implementing the REO acknowledge the ongoing conservation achieved because of these past investments.

East River coordinates a joint marketing program on behalf of our 21 all-requirements member systems. In 2009, this program focused on the installation of Energy Star heat pump systems and

energy efficient water heaters. All told East River members installed 1,237 Energy Star heat pump units and 1,605 energy efficient water heaters during the year.

During 2009, utilization of East River's load management system avoided a total of approximately 789,982 kW of wholesale power supply capacity requirements. We urge the Commission to recognize load management as a key component to its future REO administrative rules.

III. REO OBSTACLES ENCOUNTERED

East River identifies three major barriers to renewable energy expansion in South Dakota:

1. Environmental Compliance
2. Transmission
3. Wind Energy Costs.

As to the first point, while an important part of any major projects, environmental reviews are taking more time and becoming more costly. If reviews unnecessarily stretch projects past important deadlines or become so expensive as to affect the financial viability of projects, this could have a chilling effect on wind development in this state and region. Secondly, as more projects tap existing transmission opportunities, there becomes an increasing need for new transmission solutions to enable future projects. And it has been noted that the Integrated System, owned and operated by Basin Electric and Western Area Power Administration, is reaching a point where it is becoming more difficult to integrate increased intermittent resources. Finally, the cost dynamics of wind energy, even with the assistance of federal tax incentives, still leave many potential wind farms unable to competitively price their projects.

Please provide a value in each of the boxes below with an "X" in it.

Company:
East River Electric Power Cooperative, Inc.

Calendar Year 2009 RREO Report	Value	Comments
Retail Sales		
Total - All States (MWh)	**3,022,692**	**EREPC Sales to ALL Members**
SD (MWh)	**2,667,934**	**EREPC Sales to SD Members**
Generation Capacity Owned		
Total - All States (MW)	0	
SD (MW)	0	
Renewable Generation Capacity Owned		
Total - All States (MW)		
Wind	0	
Solar	0	
New Hydro	0	
Old Hydro	0	
Hydrogen	0	
Biomass	0	
Geothermal	0	
Recycled	0	
Total - All States (MW)	**0**	
SD (MW)		
Wind	0	
Solar	0	
New Hydro	0	
Old Hydro	0	
Hydrogen	0	
Biomass	0	
Geothermal	0	
Recycled	0	
Total SD (MW)	**0**	
Renewable Energy Credits Retired for SD		
Total - Generated In All States (MWh)		
Wind	0	
Solar	0	
New Hydro	0	
Old Hydro	0	
Hydrogen	0	
Biomass	0	
Geothermal	0	
Recycled	0	
Total - All States (MWh)	**0**	
Generated in SD (MWh)		
Wind	0	
Solar	0	
New Hydro	0	
Old Hydro	0	
Hydrogen	0	
Biomass	0	
Geothermal	0	
Recycled	0	
Total SD (MWh)	**0**	
Renewable Energy Credits Retired for Other States		
Total - Generated In All States (MWh)		
Wind	**3,591**	**Source: FPL Energy South Dakota Wind LLC - Hyde County Wind Project and Pipestone Wind Project**
Solar	0	
New Hydro	0	
Old Hydro	0	
Hydrogen	0	
Biomass	0	
Geothermal	0	
Recycled	0	
Total - All States (MWh)	**3,591**	**2009: MN 1% REO/RES = 3,556 RECs, MN PrairieWinds Marketing Program = 35 RECS**
Generated In SD (MWh)		
Wind	0	
Solar	0	
New Hydro	0	
Old Hydro	0	
Hydrogen	0	
Biomass	0	
Geothermal	0	
Recycled	0	
Total SD (MWh)	**0**	
Conserved Energy & Capacity		
Conserved Energy (MWh)		
Total - All States	X	
SD	X	
Conserved Capacity (MW)		
Total - All States	X	
SD	X	

HEARTLAND
CONSUMERS POWER DISTRICT
432 SE 12th Street
PO Box 248
Madison, SD 57042
(800) 520-4746

Public Document

July 1, 2010

Ms. Patricia Van Gerpen, Executive Secretary
South Dakota Public Utilities Commission
Capitol Building, 1st floor
500 East Capitol Avenue
Pierre, SD 57501-5070

RE: HCPD Renewable Energy Objective Progress Report

Dear Ms. Van Gerpen:

Heartland Consumers Power District (HCPD) submits this Renewable Energy Objective (REO) Progress Report on behalf of its South Dakota Customers, nineteen municipal utilities, one cooperative utility, and one State agency, pursuant to SDCL 49-34A-101 and SDCL 49-34A-105. This report is filed on behalf of the following HCPD Customers in South Dakota: Arlington, Aurora, Bryant, Colman, Estelline, Groton, Hecla, Howard, Langford, Madison, McLaughlin, Miller, Northern Electric, Parker, Plankinton, Sioux Falls, State of South Dakota, Tyndall, Volga, Wessington Springs, and White. This report outlines a twelve month period from January 1, 2009 through December 31, 2009.

If you have any questions regarding this report, please contact me at 605-256-6536 or njones@hcpd.com.

Respectfully submitted,

Nate Jones
Market Operations Manager
Heartland Consumers Power District

Copy via e-mail:
Amiel Redfish, Arlington Municipal Utilities
Andy Studer, Aurora Municipal Utilities
Garry Ladwig, Bryant Municipal Utilities
Brent Nelson, Colman Municipal Utilities

HEARTLAND
CONSUMERS POWER DISTRICT
432 SE 12th Street
PO Box 248
Madison, SD 57042
(800) 520-4746

Dan DeWitt, Estelline Municipal Utilities
Terry Herron, Groton Municipal Utilities
Dennis Shelton, Hecla Municipal Utilities
Alan Adler, Howard Municipal Utilities
Blair Healy, Langford Municipal Utilities
Dennis Poppen, Madison Municipal Utilities
Lornie Hach, McLaughlin Municipal Utilities
Bill Lewellen, Miller Municipal Utilities
Jim Moore, Northern Electric Cooperative
Rob Buller, Parker Municipal Utilities
Vern Hill, Plankinton Municipal Utilities
Mike Burkard, Sioux Falls Municipal Utilities
Michele Farris, State of South Dakota
Larry Chester, Tyndall Municipal Utilities
Steve Meyer, Volga Municipal Utilities
Roger Larson, Wessington Springs Municipal Utilities
Dan DeYoung, White Municipal Utilities
Tom Marvin, SD Municipal Electric Association

Heartland Consumers Power District
South Dakota Renewable Energy Progress Report

July 1, 2010

Pursuant to South Dakota Codified Law, Chapter 49-34A-101 outlines a state renewable and recycled energy objective (REO) that ten percent of all electricity sold at retail within the stat by the year 2015 be obtained from renewable energy and recycled energy sources. The objective shall be measured by qualifying megawatt hours delivered at retail or by certificates representing credits purchased and retired to offset non-qualifying retail sales. This objective is voluntary, and there is no penalty or sanction for a retail provider of electricity that fails to meet this objective. The objective applies to each retail provider of electricity in the state, regardless of the ownership status of the electricity retailer. Any municipal or cooperative utility that receives wholesale electricity through a municipal power agency or generation and transmission cooperative may aggregate its renewable and recycled energy objective resources to meet this objective.

South Dakota Codified Law, the amended Chapter 49-34A-105 establishes a requirement that annual reports concerning the REO commence on July 1, 2009 and that each retail provider shall annually report to the Public Utilities Commission on the provider's energy sales during the twelve month period ending on the preceding December thirty-first. This report shall include information regarding qualifying electricity delivered and renewable energy and recycled energy certificates purchased and retired as a percentage of annual retail sales, the amount of conserved energy as a percentage of annual retail sales, and a brief narrative report that describes steps taken to meet the state renewable and recycled energy objective over time and identifies any challenges or barriers encountered in meeting the objective.

Given the power supply relationship between HCPD and its Customers, HCPD has assumed the responsibility for the REO and the associated reporting requirements on behalf of its South Dakota Customer communities. The following South Dakota entities, nineteen municipal utilities, one cooperative utility, and one State agency, are Customers of HCPD:

- Arlington
- Aurora
- Bryant
- Colman
- Estelline
- Groton
- Hecla
- Howard
- Langford
- Madison
- McLaughlin
- Miller
- Northern Electric
- Parker
- Plankinton
- Sioux Falls
- State of South Dakota
- Tyndall
- Volga
- Wessington Springs
- White

HCPD acquires its renewable energy through a power purchase agreement (PPA) with Wessington Springs Wind Energy Center, LLC, a subsidiary of NextEra Energy Resources. The PPA entitles HCPD to purchase the entire 51 MW of nameplate wind capacity and own all of the environmental attributes associated with such generation from the Wessington Springs Wind Energy Center. (10 MW's of the project are committed to another wholesale power supplier, and beginning in 2010, 5 MW's of the project are committed solely to one of HCPD's Minnesota Customers.) As was outlined in past reports, HCPD plans to meet both the Minnesota Renewable Energy Standard (RES) and the South Dakota Renewable Energy Objective (REO) through its participation in the Wessington Springs Wind Energy Center project. A copy of the most recent REO progress reports has been included for your reference.

The attached spreadsheet report outlines HCPD's 2009 retail sales, generation capacity owned, renewable generation capacity owned, renewable energy credits (RECs) retired, and conserved energy and capacity. For the period from January 1, 2009 – December 31, 2009, HCPD's South Dakota retail load served was 191,034 MWh. HCPD's SD Customers conserved 65.416 MWh of energy equaling 0.03% of HCPD's SD 2009 retail sales. To comply with the MN RES for 2009, HCPD retired 4,967 of its remaining 5,549 vintage 2008 RECs corresponding to 1% of HCPD's 2009 MN retail load served (496,686 MWh). Per an agreement between the State of South Dakota and HCPD to provide the South Dakota State Universities with 100% renewable energy, HCPD retired 1,804 vintage 2009 RECs corresponding to the energy supplied by HCPD to South Dakota State University (1,803,236 kWh); HCPD didn't supply any energy to Northern State University or the University of South Dakota in 2009. To date, HCPD has not retired any RECs corresponding to any other 2009 SD retail load served by HCPD.

HCPD doesn't anticipate encountering any obstacles to meet South Dakota's REO with the execution of the Wessington Springs Wind Energy Center PPA.

In conclusion, HCPD currently has an adequate amount of renewable resource available and a plan to utilize the resource to meet the South Dakota REO of 10% by 2015 as part of its overall renewable energy goals for Customers in Minnesota, Iowa, and South Dakota.

Respectfully submitted this 1st day of July, 2010.

HEARTLAND CONSUMERS POWER DISTRICT

Nate Jones
Market Operations Manager
Heartland Consumers Power District
432 SW 12th St
Madison, SD 57042
(605) 256-6536
njones@hcpd.com

Please provide a value in each of the boxes below with an "X" in it.

Company:

Heartland Consumers Power District on behalf of its South Dakota Customers.

Calendar Year 2009 REO Report	Value	Comments
Retail Sales		
Total - All States (MWh)	692,307	
SD (MWh)	191,034	Arlington, Aurora, Bryant, Colman, Estelline, Groton, Hecla, Howard, Langford, Madison, McLaughlin, Miller, Northern Electric, Parker, Plankinton, Sioux Falls, State of South Dakota, Tyndall, Volga, Wessington Springs, White.
Generation Capacity Owned		
Total - All States (MW)	55	Laramie River Station and Wessington Springs Diesel Generating Units 1 and 2.
SD (MW)	4	Wessington Springs Diesel Generating Units 1 and 2.
Renewable Generation Capacity Owned		
Total - All States (MW)		
Wind	-	HCPD has contracted via a PPA with NextEra Energy Resources for the entire output from the Wessington Springs Wind Energy Center project: 51 MW project with 34 turbines.
Solar	-	
New Hydro	-	
Old Hydro	-	
Hydrogen	-	
Biomass	-	
Geothermal	-	
Recycled	-	
Total - All States (MW)	-	
SD (MW)		
Wind	-	HCPD has contracted via a PPA with NextEra Energy Resources for the entire output from the Wessington Springs Wind Energy Center project: 51 MW project with 34 turbines.
Solar	-	
New Hydro	-	
Old Hydro	-	
Hydrogen	-	
Biomass	-	
Geothermal	-	
Recycled	-	
Total SD (MW)	-	
Renewable Energy Credits Retired for SD		
Total - Generated In All States (MWh)		
Wind	-	
Solar	-	
New Hydro	-	
Old Hydro	-	
Hydrogen	-	
Biomass	-	
Geothermal	-	
Recycled	-	

Total - All States (MWh)	-	
Generated in SD (MWh)		
Wind	-	
Solar	-	
New Hydro	-	
Old Hydro	-	
Hydrogen	-	
Biomass	-	
Geothermal	-	
Recycled	-	
Total SD (MWh)	-	
Renewable Energy Credits Retired for Other States		
Total - Generated In All States (MWh)		
Wind	4,967	REC's generated in South Dakota from the Wessington Springs Wind Energy Center project and retired for HCPD's Minnesota Customers as required for the Minnesota RES (1% of 2009 load).
Solar	-	
New Hydro	-	
Old Hydro	-	
Hydrogen	-	
Biomass	-	
Geothermal	-	
Recycled	-	
Total - All States (MWh)	**4,967**	
Generated In SD (MWh)		
Wind	4,967	REC's generated in South Dakota from the Wessington Springs Wind Energy Center project and retired for HCPD's Minnesota Customers as required for the Minnesota RES (1% of 2009 load).
Solar	-	
New Hydro	-	
Old Hydro	-	
Hydrogen	-	
Biomass	-	
Geothermal	-	
Recycled	-	
Total SD (MWh)	**4,967**	
Conserved Energy & Capacity		
Conserved Energy (MWh)		
Total - All States	82	Conservation for Madelia, Truman, Lake Crystal, Marshall, Grove City not included.
SD	65	Doesn't include those listed above as well as Akron, IA and Tyler, MN.
Conserved Capacity (MW)		
Total - All States	78	Conservation for Madelia, Truman, Lake Crystal, Marshall, Grove City not included.
SD	62	Doesn't include those listed above as well as Akron, IA and Tyler, MN.

HEARTLAND
CONSUMERS POWER DISTRICT

P.O. BOX 248
203 WEST CENTER STREET
MADISON, SOUTH DAKOTA 57042-0248
PHONE: 605-256-6536
FAX: 605-256-2990
www.hcpd.com

June 22, 2009

Ms. Patricia Van Gerpen, Executive Secretary
South Dakota Public Utilities Commission
Capitol Building, 1st floor
500 East Capitol Avenue
Pierre, SD 57501-5070

RE: HCPD Renewable Energy Objective Progress Report

Dear Ms. Van Gerpen:

Heartland Consumers Power District (HCPD) submits this Renewable Energy Objective (REO) Progress Report on behalf of its South Dakota Customers, nineteen municipal utilities, one cooperative utility, and one State agency, pursuant to SDCL 49-34A-101 and SDCL 49-34A-105. This report is filed on behalf of the following HCPD Customers in South Dakota: Arlington, Aurora, Bryant, Colman, Estelline, Groton, Hecla, Howard, Langford, Madison, McLaughlin, Miller, Northern Electric, Parker, Plankinton, Sioux Falls, State of South Dakota, Tyndall, Volga, Wessington Springs, and White. This report outlines a twelve month period from January 1, 2008 through December 31, 2008.

If you have any questions regarding this report, please contact me at 605-256-6536 or njones@hcpd.com.

Respectfully submitted,

Nate Jones
Market Operations Manager
Heartland Consumers Power District

Copy via e-mail:
Amiel Redfish, Arlington Municipal Utilities
Andy Studer, Aurora Municipal Utilities
Garry Ladwig, Bryant Municipal Utilities
Brent Nelson, Colman Municipal Utilities
Dan DeWitt, Estelline Municipal Utilities
Terry Herron, Groton Municipal Utilities
Dennis Shelton, Hecla Municipal Utilities
Alan Adler, Howard Municipal Utilities

Blair Healy, Langford Municipal Utilities
Dennis Poppen, Madison Municipal Utilities
Lornie Hach, McLaughlin Municipal Utilities
Bill Lewellen, Miller Municipal Utilities
Jim Moore, Northern Electric Cooperative
Rob Buller, Parker Municipal Utilities
Vern Hill, Plankinton Municipal Utilities
Mike Burkard, Sioux Falls Municipal Utilities
Michele Farris, State of South Dakota
Larry Chester, Tyndall Municipal Utilities
Steve Meyer, Volga Municipal Utilities
Roger Larson, Wessington Springs Municipal Utilities
Dan DeYoung, White Municipal Utilities
Tom Marvin, SD Municipal Electric Association

Heartland Consumers Power District
South Dakota Renewable Energy Progress Report

June 22, 2009

Pursuant to South Dakota Codified Law, Chapter 49-34A-101 outlines a state renewable and recycled energy objective (REO) that ten percent of all electricity sold at retail within the stat by the year 2015 be obtained from renewable energy and recycled energy sources. The objective shall be measured by qualifying megawatt hours delivered at retail or by certificates representing credits purchased and retired to offset non-qualifying retail sales. This objective is voluntary, and there is no penalty or sanction for a retail provider of electricity that fails to meet this objective. The objective applies to each retail provider of electricity in the state, regardless of the ownership status of the electricity retailer. Any municipal or cooperative utility that receives wholesale electricity through a municipal power agency or generation and transmission cooperative may aggregate its renewable and recycled energy objective resources to meet this objective.

South Dakota Codified Law, the amended Chapter 49-34A-105 establishes a requirement that annual reports concerning the REO commence on July 1, 2009 and that each retail provider shall annually report to the Public Utilities Commission on the provider's energy sales during the twelve month period ending on the preceding December thirty-first. This report shall include information regarding qualifying electricity delivered and renewable energy and recycled energy certificates purchased and retired as a percentage of annual retail sales, the amount of conserved energy as a percentage of annual retail sales, and a brief narrative report that describes steps taken to meet the state renewable and recycled energy objective over time and identifies any challenges or barriers encountered in meeting the objective.

Given the power supply relationship between HCPD and its Customers, HCPD has assumed the responsibility for the REO and the associated reporting requirements on behalf of its South Dakota Customer communities. The following South Dakota entities, nineteen municipal utilities, one cooperative utility, and one State agency, are Customers of HCPD:

- Arlington
- Aurora
- Bryant
- Colman
- Estelline
- Groton
- Hecla
- Howard
- Langford
- Madison
- McLaughlin
- Miller
- Northern Electric
- Parker
- Plankinton
- Sioux Falls
- State of South Dakota
- Tyndall
- Volga
- Wessington Springs
- White

HCPD acquires its renewable energy through a power purchase agreement (PPA) with Babcock & Brown, LLC. The PPA entitles HCPD to purchase the entire 51 MW of nameplate wind capacity and own all of the environmental attributes associated with such generation from the Wessington Wind I Project. (10 MW of the project are committed to another wholesale power supplier.) As was outlined in a preceding report for the period of October 1, 2007 through September 30, 2008 dated January 21, 2009 and titled HCPD Renewable Energy Objective Progress Report, HCPD plans to meet both the Minnesota Renewable Energy Standard (RES) and the South Dakota Renewable Energy Objective (REO) through its participation in the Wessington Wind I project. The January 21, 2009 report has been attached for reference.

The attached spreadsheet report outlines HCPD's 2008 retail sales, generation capacity owned, renewable generation capacity owned, renewable energy credits (RECs) retired, and conserved energy and capacity. For the period from January 1, 2008 – December 31, 2008, HCPD's South Dakota retail load served was 203,560 MWh. HCPD's SD Customers conserved 93 MWh of energy equaling 0.05% of HCPD's SD 2008 retail sales. The Wessington Wind I commercial operation date was February 25, 2009, however, it produced a total of 10,505 vintage 2008 RECs. To comply with the MN RES, HCPD retired 4,956 vintage 2008 RECs corresponding to 1% of HCPD's 2008 MN retail load served (495,517 MWh). To date, HCPD has not retired any RECs corresponding to its 2008 SD retail load.

HCPD doesn't anticipate encountering any obstacles to meet South Dakota's REO with the execution of the Wessington Wind PPA.

In conclusion, HCPD currently has an adequate amount of renewable resource available and a plan to utilize the resource to meet the South Dakota REO of 10% by 2015 as part of its overall renewable energy goals for Customers in Minnesota, Iowa, and South Dakota.

Respectfully submitted this 22nd day of June, 2009.

HEARTLAND CONSUMERS POWER DISTRICT

Nate Jones
Market Operations Manager
Heartland Consumers Power District
203 W Center St
Madison, SD 57042
(605) 256-6536
njones@hcpd.com

Please provide a value in each of the boxes below with an "X" in it.

Company:
Heartland Consumers Power District on behalf of its South Dakota Customers.

Calendar Year 2008 RREO Report	Value	Comments
Retail Sales		
Total - All States (MWh)	703,882	
SD (MWh)	203,560	Arlington, Aurora, Bryant, Colman, Estelline, Groton, Hecla, Howard, Langford, Madison, McLaughlin, Miller, Northern Electric, Parker, Plankinton, Sioux Falls, State of South Dakota, Tyndall, Volga, Wessington Springs, White.
Generation Capacity Owned		
Total - All States (MW)	55	Laramie River Station and Wessington Springs Diesel Generating Units 1 and 2.
SD (MW)	4	Wessington Springs Diesel Generating Units 1 and 2.
Renewable Generation Capacity Owned		
Total - All States (MW)		
Wind	-	HCPD has contracted via a PPA with Babcock & Brown for the entire output from the Wessington Wind I project: 51 MW project with 34 turbines.
Solar	-	
New Hydro	-	
Old Hydro	-	
Hydrogen	-	
Biomass	-	
Geothermal	-	
Recycled	-	
Total - All States (MW)	-	
SD (MW)		
Wind	-	HCPD has contracted via a PPA with Babcock & Brown for the entire output from the Wessington Wind I project: 51 MW project with 34 turbines.
Solar	-	
New Hydro	-	
Old Hydro	-	
Hydrogen	-	
Biomass	-	
Geothermal	-	
Recycled	-	
Total SD (MW)	-	
Renewable Energy Credits Retired for SD		
Total - Generated In All States (MWh)		
Wind	-	
Solar	-	
New Hydro	-	
Old Hydro	-	
Hydrogen	-	
Biomass	-	
Geothermal	-	
Recycled	-	
Total - All States (MWh)	-	

Generated in SD (MWh)		
Wind	-	
Solar	-	
New Hydro	-	
Old Hydro	-	
Hydrogen	-	
Biomass	-	
Geothermal	-	
Recycled	-	
Total SD (MWh)	-	
Renewable Energy Credits Retired for Other States		
Total - Generated in All States (MWh)		
Wind	4,956	REC's generated in South Dakota from the Wessington Wind I project and retired for HCPD's Minnesota Customers as required for the Minnesota RES (1% of 2008 load).
Solar	-	
New Hydro	-	
Old Hydro	-	
Hydrogen	-	
Biomass	-	
Geothermal	-	
Recycled	-	
Total - All States (MWh)	**4,956**	
Generated In SD (MWh)		
Wind	4,956	REC's generated in South Dakota from the Wessington Wind I project and retired for HCPD's Minnesota Customers as required for the Minnesota RES (1% of 2008 load).
Solar	-	
New Hydro	-	
Old Hydro	-	
Hydrogen	-	
Biomass	-	
Geothermal	-	0.05%
Recycled	-	
Total SD (MWh)	**4,956**	
Conserved Energy & Capacity		
Conserved Energy (MWh)		
Total - All States	107	Conservation for Madelia, Truman, Lake Crystal, Marshall, Grove City not included.
SD	93	Doesn't include those listed above as well as Akron, IA and Tyler, MN.
Conserved Capacity (MW)		
Total - All States	101	Conservation for Madelia, Truman, Lake Crystal, Marshall, Grove City not included.
SD	88	Doesn't include those listed above as well as Akron, IA and Tyler, MN.

HEARTLAND
CONSUMERS POWER DISTRICT

P.O. BOX 248
203 WEST CENTER STREET
MADISON, SOUTH DAKOTA 57042-0248
PHONE: 605-256-6536
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www.hcpd.com

January 21, 2009

Ms. Patricia Van Gerpen, Executive Secretary
South Dakota Public Utilities Commission
Capitol Building, 1st floor
500 East Capitol Avenue
Pierre, SD 57501-5070

RE: HCPD Renewable Energy Objective Progress Report

Dear Ms. Van Gerpen:

Heartland Consumers Power District (HCPD) submits this Renewable Energy Objective (REO) Progress Report on behalf of its South Dakota Customers, nineteen municipal utilities, one cooperative utility, and one State agency, pursuant to SDCL 49-34A-101 and SDCL 49-34A-105. This report is filed on behalf of the following HCPD Customers in South Dakota: Arlington, Aurora, Bryant, Colman, Estelline, Groton, Hecla, Howard, Langford, Madison, McLaughlin, Miller, Northern Electric, Parker, Plankinton, Sioux Falls, State of South Dakota, Tyndall, Volga, Wessington Springs, and White. This report outlines a twelve month period from October 1, 2007 through September 30, 2008.

If you have any questions regarding this report, please contact me at 605-256-6536 or njones@hcpd.com.

Respectfully submitted,

Nate Jones
Market Operations Manager
Heartland Consumers Power District

Copy via fax:
Amiel Redfish, Arlington Municipal Utilities
Andy Studer, Aurora Municipal Utilities
Garry Ladwig, Bryant Municipal Utilities
Brent Nelson, Colman Municipal Utilities
Dan DeWitt, Estelline Municipal Utilities
Terry Herron, Groton Municipal Utilities
Dennis Shelton, Hecla Municipal Utilities
Alan Adler, Howard Municipal Utilities

[redacted]

Blair Healy, Langford Municipal Utilities
Dennis Poppen, Madison Municipal Utilities
Lornie Hach, McLaughlin Municipal Utilities
Bill Lewellen, Miller Municipal Utilities
Jim Moore, Northern Electric Cooperative
Rob Buller, Parker Municipal Utilities
Vern Hill, Plankinton Municipal Utilities
Mike Burkard, Sioux Falls Municipal Utilities
Michele Farris, State of South Dakota
Larry Chester, Tyndall Municipal Utilities
Steve Meyer, Volga Municipal Utilities
Roger Larson, Wessington Springs Municipal Utilities
Dan DeYoung, White Municipal Utilities

Copy via e-mail:

Tom Marvin, SD Municipal Electric Association

Heartland Consumers Power District
South Dakota Renewable Energy Progress Report

January 21, 2008

Pursuant to South Dakota Codified Law, Chapter 49-34A-101 outlines a state renewable and recycled energy objective (REO) that ten percent of all electricity sold at retail within the stat by the year 2015 be obtained from renewable energy and recycled energy sources. The objective shall be measured by qualifying megawatt hours delivered at retail or by certificates representing credits purchased and retired to offset non-qualifying retail sales. This objective is voluntary, and there is no penalty or sanction for a retail provider of electricity that fails to meet this objective. The objective applies to each retail provider of electricity in the state, regardless of the ownership status of the electricity retailer. Any municipal or cooperative utility that receives wholesale electricity through a municipal power agency or generation and transmission cooperative may aggregate its renewable and recycled energy objective resources to meet this objective.

South Dakota Codified Law, Chapter 49-34A-105 establishes a requirement that annual reports concerning the REO commence on December 1, 2008 and that each retail provider shall annually report to the Public Utilities Commission on the provider's energy sales during the twelve month period ending on the preceding September thirtieth. This report shall include information regarding qualifying electricity delivered and renewable energy and recycled energy certificates purchased and retired as a percentage of annual retail sales and a brief narrative report that describes steps taken to meet the state renewable and recycled energy objective over time and identifies any challenges or barriers encountered in meeting the objective.

Given the power supply relationship between HCPD and its Customers, HCPD has assumed the responsibility for the REO and the associated reporting requirements on behalf of its South Dakota Customer communities. The following South Dakota entities, nineteen municipal utilities, one cooperative utility, and one State agency, are Customers of HCPD:

- Arlington
- Aurora
- Bryant
- Colman
- Estelline
- Groton
- Hecla
- Howard
- Langford
- Madison
- McLaughlin
- Miller
- Northern Electric
- Parker
- Plankinton
- Sioux Falls
- State of South Dakota
- Tyndall
- Volga
- Wessington Springs
- White

In order to meet the South Dakota REO, HCPD will integrate the South Dakota objective into its current Renewable Energy Standard (RES) report and plan as filed with the Minnesota Public Utilities Commission. According to Minn. Stat. §216B.1691, each electric utility shall generate or procure sufficient electricity generated by an eligible energy technology to provide its retail customers in Minnesota, or the retail customers of a distribution utility to which the electric utility provides wholesale electric service, so that at least the following standard percentages of the electric utility's total retail electric sales to retail customers in Minnesota are generated by eligible energy technologies by the end of the year indicated: 2012-12%, 2016-17%, 2020-20%, 2025-25%.

At the present time, HCPD acquires renewable energy resources through a single power purchase agreement (PPA) with Babcock & Brown, LLC. The PPA entitles HCPD to purchase the entire 51 MW of nameplate wind capacity and own all of the environmental attributes associated with such generation from the Wessington Springs Wind Project. (10 MW of the project are committed to another wholesale power supplier.) HCPD intends to meet its REO/RES goals by utilizing the contracted wind generation and associated renewable attributes.

For the period from October 1, 2007 – September 30, 2008, HCPD's South Dakota retail load served was 197,866 MWh. Given HCPD's current customer base and projected retail load served in South Dakota, Minnesota, and Iowa, Tables 1 identifies the projections of HCPD relating to compliance with the South Dakota REO goal.

HCPD doesn't anticipate encountering any obstacles to meet South Dakota's REO with the execution of the Wessington Springs Wind PPA.

In conclusion, HCPD currently has an adequate amount of renewable resource available and a plan to utilize the resource to meet the South Dakota Renewable Energy Objective of 10% by 2015 as part of its overall renewable energy goals for Customers in Minnesota, Iowa, and South Dakota.

Respectfully submitted this 21st day of January, 2009.

HEARTLAND CONSUMERS POWER DISTRICT

Nate Jones
Market Operations Manager
Heartland Consumers Power District
203 W Center St
Madison, SD 57042
(605) 256-6536
njones@hcpd.com

Table 1: Heartland Consumers Power District Renewable Resource Utilization [1]

				Minimum Obligation by Jurisdiction							Renewable Supply by Jurisdiction [3]	
	Renewable Resource (GWh)	Retail Load Served (GWh)		Renewable Energy Supply (GWh)		Percentage of Retail Load		Unobligated Renewable Energy (GWh)	Unobligated Renewable Energy Allocated to Load		Percentage of Retail Load	
Year	Wessington Springs Wind [2]	MN	SD and IA	MN	SD and IA	MN	SD and IA		MN	SD and IA	MN	SD and IA
2012	162	702	449	84	0	12.0%	0.0%	77	47	30	18.7%	6.7%
2016	162	490	469	83	47	17.0%	10.0%	31	16	15	20.3%	13.3%
2020	162	274	493	55	49	20.0%	10.0%	58	21	37	27.5%	17.5%
2025	162	269	526	67	53	25.0%	10.0%	42	14	28	30.3%	15.3%

[1] Heartland plans for current and proposed renewable resources.
[2] 51 MW project with expected inservice date 12/15/2008. 10 MW of project committed to other wholesale supplier. 41 MW to be used as Heartland network resource.
[3] Includes both Minimum Obligation and Unobligated Renewable Energy Allocated to Load

South Dakota Renewable and Recycled Energy Objective

2009 Annual Report
MidAmerican Energy Company

MidAmerican Energy Company (MidAmerican) files the following report in compliance with SDCL 49-34A-105 covering the twelve-month period ending on December 31, 2009. The attached spreadsheet provides the following information:

- Retail Sales (MWh) - Total & SD-based
- Generation Capacity Owned (MW) - Total & SD-based by technology
- Renewable Generation Capacity Owned (MW) - Total & SD-based by technology
- Renewable Generation with RECs retired for SD (MWh) - Total & SD-based by technology
- Renewable Generation with RECs retired for other states/purposes (MWh) - Total & SD-based by technology
- Conserved Energy (MWh) and Capacity (MW)

Brief Narrative Report Describing Steps Taken and Challenges or Barriers:

MidAmerican currently is the nation's leader in owned wind generation by a rate-regulated utility and continues to take steps to increase the amount of renewable energy generation capacity in its generation portfolio. At the end of 2009, MidAmerican's generating capacity included approximately 20 percent renewable generation. Production Tax Credits and the sale of renewable energy credits both help to promote the further development of renewable projects.

Additionally, MidAmerican began offering many of its successful energy efficiency programs to South Dakota customers on May 1, 2009. MidAmerican is offering a variety of energy efficiency programs aimed at helping residential, commercial and industrial customers reduce energy use and save money in the process. In 2009, the South Dakota programs saved customers more than 362,000 kilowatt-hours of electricity.

Please provide a value in each of the boxes below with an "X" in it.

Company:
MidAmerican Energy Company

Calendar Year 2009 RREO Report	Value	Comments
Retail Sales		
Total - All States (MWh)	20,186,481	
SD (MWh)	202,912	
Generation Capacity Owned		
Total - All States (MW)	6,946	12/31/09 nameplate rating per FERC Form 1
SD (MW)	60	Allocated 0.86%
Renewable Generation Capacity Owned		
Total - All States (MW)		
Wind	1,284	
Solar	-	
New Hydro	-	
Old Hydro	4	
Hydrogen	-	
Biomass	-	
Geothermal	-	
Recycled	-	
Total - All States (MW)	**1,288**	
SD (MW)		
Wind	11	
Solar	-	
New Hydro	-	
Old Hydro	-	
Hydrogen	-	
Biomass	-	
Geothermal	-	
Recycled	-	
Total SD (MW)	**11**	
Renewable Energy Credits Retired for SD		
Total - Generated In All States (MWh)		
Wind	1,422	
Solar	-	
New Hydro	-	
Old Hydro	80	
Hydrogen	-	
Biomass	257	
Geothermal	-	
Recycled	-	
Total - All States (MWh)	**1,759**	
Generated in SD (MWh)		
Wind	-	
Solar	-	
New Hydro	-	
Old Hydro	-	
Hydrogen	-	
Biomass	-	
Geothermal	-	
Recycled	-	
Total SD (MWh)	**-**	
Renewable Energy Credits Retired for Other States		
Total - Generated In All States (MWh)		
Wind	403,438	Total retired for all states including South Dakota
Solar	-	
New Hydro	-	
Old Hydro	9,274	Total retired for all states including South Dakota
Hydrogen	-	
Biomass	93,046	Total retired for all states including South Dakota
Geothermal	-	
Recycled	-	
Total - All States (MWh)	**505,758**	Total retired for all states including South Dakota
Generated In SD (MWh)		
Wind	-	
Solar	-	
New Hydro	-	
Old Hydro	-	
Hydrogen	-	
Biomass	-	
Geothermal	-	
Recycled	-	
Total SD (MWh)	**-**	
Conserved Energy & Capacity		
Conserved Energy (MWh)		
Total - All States	1,259,962	Per EIA-861 (Annual Effects)
SD	363	Per EIA-861 (Annual Effects)
Conserved Capacity (MW)		
Total - All States	556	Per EIA-861 (Annual Effects)
SD	-	

MISSOURI RIVER ENERGY SERVICES®

3724 West Avera Drive
PO Box 88920
Sioux Falls, SD 57109-8920
Telephone: 605.338.4042
Fax: 605.978.9360
www.mrenergy.com

June 30, 2010

Ms. Patricia Van Gerpen, Executive Secretary
South Dakota Public Utilities Commission
Capitol Building, 1st floor
500 East Capitol Avenue
Pierre, SD 57501-5070

RE: MRES Renewable Energy Objective Progress Report

Dear Ms. Van Gerpen:

Missouri River Energy Services (MRES) submits this Renewable, Recycled and Conserved Energy Objective (RRCEO) Progress Report on behalf of its twelve South Dakota municipal utility members, pursuant to SDCL 49-34A-101 and 49-34A-105. This report covers the twelve month period from January 1, 2009 through December 31, 2009. This report is filed on behalf of the following MRES members in South Dakota: Beresford, Big Stone City, Brookings, Burke, Faith, Flandreau, Fort Pierre, Pickstown, Pierre, Vermillion, Watertown and Winner.

If you have any questions regarding this report, please contact me at 605-338-4042 or mrgsimon@mrenergy.com.

Sincerely,

Mrg Simon

Mrg Simon, Attorney at Law
Director, Legal

Copy:

Jay Nordquist, Beresford Municipal Utilities
Duane Henderson, Big Stone City Municipal Utilities
Steve Meyer, Brookings Municipal Utilities
Jerry Jones, Burke Municipal Utilities
Debbie Brown, Faith Municipal Utilities
Don Johnston, Flandreau Municipal Utilities
Brad Lawrence, Fort Pierre Municipal Utilities
James W. Sellers, City of Pickstown
Leon Schochenmaier, Pierre Municipal Utilities
John Prescott, City of Vermillion
Steve Lehner, Watertown Municipal Utilities Department
Jack Day, Jr., Winner Municipal Utilities
Tom Marvin, SD Municipal Electric Association

Missouri River Energy Services
South Dakota
Renewable, Recycled and Conserved Energy Progress Report

June 30, 2010

Missouri Basin Municipal Power Agency d/b/a Missouri River Energy Services (MRES) is a body politic and corporate and a public agency organized under the laws of the State of Iowa and existing under the intergovernmental cooperation statutes of the States of Iowa, Minnesota, North Dakota and South Dakota. MRES is a multi-state, member-based joint-action agency, headquartered in Sioux Falls, South Dakota. Its members receive a fixed allocation of hydroelectric power and energy from the Western Area Power Administration (WAPA), and purchase their supplemental power from MRES, a not-for-profit agency, to meet their needs over and above their WAPA allocations. As part of that responsibility, MRES provides its members with a balanced power supply portfolio, including renewable generation. MRES has included wind energy in its power supply program since 2002, which has been used primarily to meet Minnesota's Renewable Energy Objective (REO).

The South Dakota Legislature has adopted a voluntary Renewable, Recycled and Conserved Energy Objective (RRCEO) which provides that "...ten percent of all electricity sold at retail within the state by the year 2015 be obtained from renewable, recycled, and conserved energy sources," and allows municipal utilities to aggregate their RRCEO through their municipal power agency. SDCL 49-34A-101 (2009). The objective is measured by qualifying megawatt hours delivered at retail[1] or by certificates representing credits purchased and retired to offset non-qualifying retail sales. Additionally, in 2009, the legislature amended SDCL 49-34A-101 to include recycled or conserved energy as a renewable resource for RRCEO compliance. Id.

The RRCEO also requires that reports be filed with the Public Utilities Commission (Commission) that detail energy sales during the previous twelve-month period, and efforts to meet the RRCEO goal through 2015. SDCL 49-34A-105. As with the RRCEO itself, municipal utilities are permitted to aggregate their reporting requirements through their municipal power agency. SDCL 49-34A-105 was also amended by the legislature in 2009, requiring that the reporting occur annually on July 1, 2009, for information regarding the previous calendar year.

Given the power supply relationship between MRES and its members, MRES has assumed responsibility for the REO and the associated reporting requirements on behalf of all of its South Dakota member communities. The following twelve South Dakota municipal utilities are members of MRES:

---

[1] Calculation of the amount of electricity sold excludes from the baseline of retail sales that portion of MRES SD member sales supplied by WAPA pursuant to each member's hydropower allocation. SDCL 49-34A-103. Calculations used in this report are based on the total MRES energy sales at the town gate, pursuant to the supplemental power supply obligations of the Power Supply Agreement (S-1) contract between MRES and its members.

- Beresford
- Big Stone City
- Brookings
- Burke
- Faith
- Flandreau
- Fort Pierre
- Pickstown
- Pierre
- Vermillion
- Watertown
- Winner

In order to meet the South Dakota REO, MRES has integrated the South Dakota objective into its resource planning in conjunction with similar requirements in Minnesota and North Dakota.[2] MRES allocates its renewable energy generation and renewable energy credits (RECs) based on S-1 energy sales by state.

MRES Renewable Energy Resources

MRES acquires renewable energy resources through its exclusive power supply arrangement with Western Minnesota Municipal Power Agency (Western Minnesota), and through power purchase agreements with independent developers. At the present time, all MRES renewable resources are based on wind generation. Currently, MRES contracts for the output of the following wind generating resources:[3]

- Worthington (MN) Wind Project, 3.7 MW
- Marshall (MN) Wind Project, 18.7 MW
- Odin (MN) Wind Project, 20.0 MW
- Rugby (ND) Wind Project, 40.0 MW

MRES purchases the full output of these units, and owns all of the environmental attributes associated with such generation. These resources total 82.4 MW of nameplate capacity, most of which is dedicated to meeting the various state REOs.[4] MRES intends to meet its REO goals by

[2] Minnesota's REO goal is 1% by 2005, and 7% by 2010. Minn Stat. 216B.1691, Subd. 2. Beginning in 2012, Minnesota's voluntary REO becomes a mandated Renewable Energy Standard (RES) of 12%, which increases to 17% in 2016, 20% in 2020, and ultimately 25% by 2025. Minn Stat. 216B.1691, Subd. 2a. North Dakota's REO is nearly identical to that of South Dakota, in that it imposes a voluntary goal of 10% by 2015. NDCC 49-02-28. Iowa does not presently have a renewable energy objective or mandate.

[3] MRES also purchases the output of two 750 kW turbines owned by member Moorhead Public Service (MPS) and located in Moorhead, Minnesota. The output of the MPS turbines is sold back to MPS, and MPS uses that renewable energy to supply its Capture the Wind® green pricing program required by Minn. Stat. Ann. §216B.169 (West 2007). This transaction results in a net zero purchase to MRES, and thus, MPS generation is not used by MRES for REO compliance purposes.

[4] Minnesota's green pricing statute, which previously required distribution utilities to offer customers the option to purchase renewable and high-efficiency energy at the utility's cost of acquiring the resources, is now a voluntary program, and MRES continues to provide its members in all states with this option through the MRES RiverWinds℠ program. See Minn. Stat. §216B.169. The renewable energy generation that MRES supplies through its RiverWinds program is excluded from the generation available to meet other renewable energy program requirements such as the REO.

utilizing the contracted wind generation, associated renewable attributes, and conserved/recycled energy to meet the MRES SD REO benchmark for each year.

The following Table 1 identifies the projections of MRES relating to compliance with the South Dakota REO goal. Specifically, the table identifies the benchmarks that MRES will use in its efforts to progressively ramp up its renewable resources in the state to meet the statutory goal of 10% by 2015 for its South Dakota municipal utility members.

Table 1: Projected MRES SD RRCEO Goals

Year[1]	MRES SD S-1 Sales[2] (MWh)	SD RRCEO annual benchmark (%)	MRES SD RRCEO (MWh)
2009	581,031	1	5,810
2010	621,464	2	12,429
2011	646,499	3	19,395
2012	660,847	4	26,434
2013	676,922	6	40,615
2014	692,806	8	55,424
2015	708,280	10	70,828

Note 1 12 month period ending December 31
Note 2 Town gate sales

MRES established an M-RETS REO retirement subaccount to demonstrate compliance with the RRCEO requirements of SDCL 49-34A-101. In order to comply with those requirements, MRES transferred 5,811 RECs to its 2009 South Dakota REO subaccount.

MRES continues to evaluate opportunities for additional renewable resources to ensure continuing compliance with the REO goals of Minnesota, North Dakota, and South Dakota, and the future requirements of the Minnesota RES. In 2010 and beyond, MRES will evaluate its renewable energy portfolio and the energy market to determine cost-effective purchases or the acquisition of such resources. MRES seeks out projects that meet its needs as well as the needs of its members as part of our continuing commitment to expand the role of renewable energy used to serve our member communities.

In addition, MRES has expanded the Bright Energy Solutions® program which offers commercial, industrial and residential energy efficiency programs to MRES member communities. The Bright Energy Solutions programs are being implemented in South Dakota with the results for 2009 of MRES South Dakota members described in Table 2.

Table 2: 2009 MRES SD
Recycled/Conserved Energy Savings

Savings (MWh)	Savings (MW)	Incentives to Customers
3,560	.812	$340,868.50

MRES will also evaluate other renewable and recycled energy generation opportunities as they arise.

Obstacles to meeting the RRCEO

While MRES has expanded its renewable portfolio, and continues to pursue opportunities for additional resources, known obstacles to development continue to exist and new challenges often arise. MRES has experienced several challenges in obtaining additional renewable energy generation to serve its member municipal utilities. In the efforts of MRES to meet South Dakota's renewable good faith effort over the past several years, the following major obstacles to additional development of renewable resources have been identified:

a) Economic barriers. The additional, pancaked transmission cost imposed to deliver wind generated outside of the Midwest Independent Transmission System Operator (MISO) market footprint across the seam and into the MISO market creates a major economic barrier to development of the excellent wind resources located in North Dakota and South Dakota.

b) Lack of transmission. The region continues to lack the transmission infrastructure necessary to support new generation, particularly intermittent wind generation. The cost to construct such facilities in relation to the typical size of renewable energy projects makes construction of needed facilities on a project-by-project basis cost prohibitive. Furthermore, uncertainty remains around expansion of the high voltage transmission system as a result of regulatory barriers in other states.

c) Lack of incentives. Public Power entities face difficult financial challenges in owning renewable resources. The fact that the federal Production Tax Credit (PTC), Investment Tax Credit (ITC), and accelerated depreciation are not available to Public Power entities provides other utilities and developers advantages that are not available to MRES.

Efforts to Overcome Obstacles

MRES is employing alternatives to overcome some of the obstacles described above. To mitigate some of the economic barriers, MRES has executed power purchase agreements with developers for wind generation as one way to overcome the financial disincentive created by the unavailability of the federal PTC to Public Power entities. For example, MRES added 40 megawatts of clean, renewable wind energy when the Rugby Wind Project near Rugby, N.D., began commercial operation in December 2009. MRES will continue to research and implement future increments of renewable energy projects that provide value to our members.

MRES continues to address transmission limitations by analyzing the best location in the region to construct or acquire additional wind resources, coordinating both transmission needs and wind resources in relation to MRES member needs. MRES has sought to reduce transmission barriers by working on multiple fronts to address the need for additional transmission capacity and to eliminate artificial economic barriers. MRES is actively involved in the CapX 2020 project to expand transmission infrastructure in the region. In addition, MRES continually assesses market conditions that have the potential to affect our members' interests in order to fulfill our commitment to delivering reliable and affordable electricity to MRES members. This includes actively advocating for transmission policies that will address the existing transmission barriers, both with those who operate the transmission systems (e.g. MISO, WAPA, etc.), and before state and federal policymakers (e.g. Federal Energy Regulatory Commission, state legislatures, Congress, state utility commissions, Midwest Governor's Association, etc.).

Conclusion

MRES has developed a plan to meet the South Dakota Renewable, Recycled and Conserved Energy Objective goal of 10% by 2015 as part of its overall renewable energy goals for members in Minnesota, North Dakota, and South Dakota. The SD RRCEO has been integrated into the MRES resource planning process, and MRES has committed to continue to pursue renewable energy as part of its balanced portfolio to supply its member communities with reliable and cost-effective power supply.

Respectfully submitted this 30th day of June, 2010.

MISSOURI RIVER ENERGY SERVICES

Mrg Simon, Director, Legal
Missouri River Energy Services
3724 West Avera Drive
PO Box 88920
Sioux Falls, SD 57109-8920
(605) 338-4042
mrgsimon@mrenergy.com

EXHIBIT A, MRES SD RRCEO PROGRESS REPORT JUNE 30 2010, Calendar Year 2009

Please provide a value in each of the boxes below with an "X" in it.

Company:

Missouri River Energy Services on behalf of MRES municipal electric utility members in South Dakota: Beresford, Big Stone City, Brookings, Burke, Faith, Flandreau, Fort Pierre, Pickstown, Pierre, Vermillion, Watertown and Winner

Calendar Year 2009 RRCEO Report	Value	Comments
Retail Sales		
Total - All States (MWh)	1,956,330	(MRES portion only. Does not include WAPA.)
SD (MWh)	581,031	(MRES portion only. Does not include WAPA.)
Generation Capacity Owned		
Total - All States (MW)	625.5	Laramie River Station (281), Exira Iowa Peaking (138.9), Watertown Power Plant (49.2), Wind (includes Worthington MN--owned by WMMPA/MRES; Odin MN--PPA, and Marshall MN--PPA) (42.4), Municipal member generation (114). This does not include WAPA Power.
SD (MW)	55.2	Watertown Power Plant and municipal member generation
Renewable Generation Capacity Owned		
Total - All States (MW)		
Wind	82.4	Wind (includes Worthington MN--owned by WMMPA/MRES; Odin MN--PPA, Marshall MN--PPA and Rugby ND--PPA)
Solar	0	
New Hydro	0	
Old Hydro	339	Per request of the SD PUC, MRES is reporting here the approximate MW received by our MRES members. MRES/WMMPA does not own the hydro-electric allocation rights. Also, per statute, WAPA power is not considered part of the baseline calculations for determining REO compliance.
Hydrogen	0	
Biomass	0	
Geothermal	0	
Recycled	3.762	
Total - All States (MW)	**425.162**	
SD (MW)		
Wind	0	
Solar	0	
New Hydro	0	
Old Hydro	100	Per request of the SD PUC, MRES is reporting here the approximate MW received by our MRES members. MRES/WMMPA does not own the hydro-electric allocation rights. Also, per statute, WAPA power is not considered part of the baseline calculations for determining REO compliance.
Hydrogen	0	
Biomass	0	
Geothermal	0	
Recycled	0.812	
Total SD (MW)	**100.812**	
Renewable Energy Credits Retired for SD		
Total - Generated In All States (MWh)		
Wind	5,811	SD REO
Solar	0	
New Hydro	0	
Old Hydro	0	
Hydrogen	0	
Biomass	0	
Geothermal	0	
Recycled	0	
Total - All States (MWh)	**5811**	
Generated in SD (MWh)		
Wind	0	
Solar	0	
New Hydro	0	
Old Hydro	0	
Hydrogen	0	
Biomass	0	
Geothermal	0	
Recycled	0	
Total SD (MWh)	**0**	
Renewable Energy Credits Retired for Other States		
Total - Generated In All States (MWh)		
Wind	12,070	Minnesota REO (10,135), ND REO (705) and Green Pricing in all states (1,230)
Solar	0	
New Hydro	0	
Old Hydro	0	
Hydrogen	0	
Biomass	0	
Geothermal	0	
Recycled	0	
Total - All States (MWh)	**12070**	
Generated In SD (MWh)		
Wind	0	
Solar	0	
New Hydro	0	
Old Hydro	0	
Hydrogen	0	
Biomass	0	
Geothermal	0	
Recycled	0	
Total SD (MWh)	**0**	
Conserved Energy & Capacity		
Conserved Energy (MWh)		
Total - All States	16,737 MWh	
SD	3,560 MWh	
Conserved Capacity (MW)		
Total - All States	3.762 MW	
SD	0.812 MW	

MONTANA-DAKOTA
UTILITIES CO.
A Division of MDU Resources Group, Inc.

400 North Fourth Street
Bismarck, ND 58501
(701) 222-7900

June 30, 2010

Ms. Patricia Van Gerpen
Executive Director
South Dakota Public Utilities Commission
State Capitol Building
500 East Capitol
Pierre, SD 57501

Re: 2010 Annual Renewable Energy Objective

Dear Ms. Van Gerpen:

Montana-Dakota Utilities Co. (Montana-Dakota), a Division of MDU Resources Group, Inc., hereby submits its 2010 report regarding South Dakota's renewable energy objective as required by SDCL 49-34A-105. Montana-Dakota also submits a completed Excel spreadsheet form supplied by Mr. Brian Rounds with the Commission Staff.

Sincerely,

Tamie A. Aberle
Pricing & Tariff Manager

Montana-Dakota Utilities Co.
Renewable Energy Objective
Annual Report to the South Dakota Public Utilities Commission
July 1, 2010 Update

Requirement

SDCL 49-34A-105. Annual reports concerning renewable and recycled energy objective. Beginning on July 1, 2009, each retail provider shall annually report to the Public Utilities Commission on the provider's energy sales during the twelve month period ending on the preceding December thirty-first. This report shall include information regarding qualifying electricity delivered and renewable energy and recycled energy certificates purchased and retired as a percentage of annual retail sales, the amount of conserved energy as a percentage of annual retail sales, and a brief narrative report that describes steps taken to meet the state renewable and recycled energy objective over time and identifies any challenges or barriers encountered in meeting the objective.

Report

Montana-Dakota Utilities Co. (Montana-Dakota) provides electric service to customers in portions of Montana, North Dakota, and South Dakota through an integrated electric system which has generation and transmission facilities in each of those states. Customers power supply needs are met through a resource portfolio consisting of demand side management programs, company owned generation comprised of coal fired resources, natural gas peaking capacity, renewable resources and purchased power contracts. The Company's electric retail sales in the State of South Dakota for the twelve month period ending December 31, 2009 were 146,594 MWh, representing 6.1% of the Company's integrated system retail sales. As described further below, Montana-Dakota's generating resources produced 79,035 renewable energy credits (REC's) in 2009.

The states comprising Montana-Dakota's integrated electric system all have adopted either a renewable energy objective or renewable energy standard. Each state's objective or standard is summarized below.

Montana

- In 2007, the Montana Legislature mandated a graduated renewable energy standard for public utilities.
    - In compliance years 2008 and 2009, each public utility shall procure a minimum of 5% of its retail sales of electrical energy in Montana from renewable resources.

- In compliance years 2010 through 2014, each public utility shall procure a minimum of 10% of its retail sales of electric energy in Montana from renewable resources.
- In compliance year 2015 and each succeeding year, each public utility shall procure a minimum of 15% of its retail sales of electrical energy in Montana from renewable resources.
- If a public utility exceeds a standard for a given compliance year, the public utility may carry forward the amount to comply with the standard up to two compliance years.

North Dakota

- In 2007, the North Dakota Legislature enacted a state renewable and recycled energy objective that 10% of all electricity sold at retail within the state by the year 2015 be obtained from renewable energy and recycled energy sources. The objective is voluntary and there is no penalty or sanction if a utility fails to meet the objective.

South Dakota

- In 2008, the South Dakota Legislature enacted a state renewable and recycled energy objective that 10% of all electricity sold at retail within the state by the year 2015 be obtained from renewable and recycled energy sources. The objective is voluntary and there is no penalty or sanction if a utility fails to meet the objective. In 2009, the Legislature amended the objective to include conserved energy as a resource under the objective.

Montana-Dakota has installed a number of renewable energy projects since the Company commenced commercial operation of its first wind farm in early 2008. The Company will continue to evaluate wind and other renewable resources in support of the objectives in North Dakota and South Dakota and the standard in Montana and will incorporate such resources as part of its generation portfolio when reasonable and economic to do so.

Renewable Resources

- In February 2008, Montana-Dakota commenced commercial operation of Diamond Willow, a 19.5 MW wind farm near Baker, Montana. In calendar year 2009 Diamond Willow produced 67,497 MWh of renewable energy. This wind resource is registered on the Midwest Renewable Energy Tracking System (M-RETS) with a designated identifier of "M-152". The M-RETS Administrator issues one electronic Certificate for each MWh of energy generated by Diamond Willow and a unique serial number is assigned to each Certificate. Montana-Dakota retired 35,020 of the REC's produced by Diamond Willow on February 14, 2010 to meet its obligations under Montana's Renewable Resource Standards. An additional 10.5 MW Diamond Willow expansion project commenced commercial operation on June 28, 2010.

- Montana-Dakota also received an allocation of 1,200 REC's based on its ownership interest in the Big Stone generating station for energy produced by biomass fuel in calendar year 2009.

- In July 2009, Montana-Dakota began commercial operation of a 5.3 MW waste heat recovery generating station on the Northern Border Pipeline near Glen Ullin, North Dakota. In calendar year 2009 the Glen Ullin facility produced 10,338 MWh of renewable energy. This resource is also registered on the M-RETS system.

- On June 6, 2010, the Cedar Hills wind project began commercial operation. Cedar Hills is a 19.5 MW wind farm near Rhame, North Dakota.

Conserved Energy

In calendar year 2009, Montana-Dakota's conservation programs resulted in savings of 2,374 MWh. Several programs were offered in South Dakota in 2009, but participation was less than measurable in MWhs or MWs. The Company attributes this minimal savings to a high percentage of residential customers located in smaller communities with no industry and few large commercial establishments.

Montana-Dakota did not meet South Dakota's renewable energy objective in calendar year 2009. The additional resources installed in 2010 will serve to help meet the objective and Montana-Dakota will continue to evaluate renewable resources that will serve customers reliably and economically.

Company:
Montana-Dakota Utilities Co.

Calendar Year 2009 RREO Report	Value	Comments
Retail Sales		
Total - All States (MWh)	2,412,292	Montana-Dakota's Integrated System
SD (MWh)	146,594	
Generation Capacity Owned		
Total - All States (MW)	539.0	
SD (MW)	107.8	
Renewable Generation Capacity Owned		
Total - All States (MW)		
Wind	19.5	
Solar		
New Hydro		
Old Hydro		
Hydrogen		
Biomass		
Geothermal		
Recycled		
Other	5.3	Waste heat recovery unit
Total - All States (MW)	**24.8**	
SD (MW)		
Wind		
Solar		
New Hydro		
Old Hydro		
Hydrogen		
Biomass		
Geothermal		
Recycled		
Total SD (MW)	**0.0**	
Renewable Energy Credits Retired for SD		
Total - Generated In All States (MWh)		
Wind		
Solar		
New Hydro		
Old Hydro		
Hydrogen		
Biomass		
Geothermal		
Recycled		
Total - All States (MWh)	**0.0**	
Generated in SD (MWh)		
Wind		
Solar		
New Hydro		
Old Hydro		
Hydrogen		
Biomass		
Geothermal		
Recycled		
Total SD (MWh)	**0.0**	

Company:
Montana-Dakota Utilities Co.

Calendar Year 2009 RREO Report	Value	Comments
Renewable Energy Credits Retired for Other States		
Total - Generated In All States (MWh)		
Wind	35,050	
Solar		
New Hydro		
Old Hydro		
Hydrogen		
Biomass		
Geothermal		
Recycled		
Total - All States (MWh)	**35,050**	
Generated In SD (MWh)		
Wind		
Solar		
New Hydro		
Old Hydro		
Hydrogen		
Biomass		
Geothermal		
Recycled		
Total SD (MWh)	**0**	
Conserved Energy & Capacity		
Conserved Energy (MWh)		
Total - All States	2,374	
SD	0	Several programs were offered in South Dakota in 2009, but participation was less than measurable MWhs or MWs.
Conserved Capacity (MW)		
Total - All States	6.2	
SD	0.0	

NorthWestern Energy

Pamela A. Bonrud
Director - SD/NE Government & Regulatory Affairs
Phone: (605) 978-2900
Fax: (6059) 978-2919
Pam.Bonrud@northwestern.com

NorthWestern Corporation
d/b/a NorthWestern Energy
3010 W 69th Street
Sioux Falls, SD 57108
Telephone: (605) 978-2940
Facsimile: (605) 978-2910
www.northwesternenergy.com

July 1, 2010

Patricia Van Gerpen
Executive Director
South Dakota Public Utilities Commission
523 E. Capitol
Pierre, SD 57501

RE: NorthWestern Energy - Renewable, Recycled and Conserved Energy Objective 2009 Annual Report

Dear Ms. Van Gerpen:

NorthWestern Corporation, d.b.a. NorthWestern Energy (NorthWestern), is pleased to submit its 2009 Renewable, Recycled and Conserved Energy Objective (RREO) Annual Report in accordance with SDCL 49-34A-105.

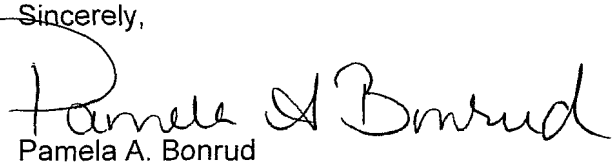
NorthWestern made significant strides in 2009 towards reaching South Dakota's voluntary RREO goal of 10 percent by 2015. Following a public celebration of initiating construction on the Titan 1 wind energy project in August, NorthWestern began receiving wind energy from Titan 1 in December of 2009 through our purchase power agreement. NorthWestern's purchase power agreement with Titan 1 is for 25 MW of nameplate wind energy capacity. With the advent of Titan 1, five percent (5%) of NorthWestern's South Dakota retail energy sales are derived from wind and solar resources. Additionally, NorthWestern continues to explore additional renewable energy resources while evaluating their cost effectiveness for our customers. We remain committed to reaching the 10% by 2015 RREO goal in an expeditious and cost effective fashion.

Looking forward, NorthWestern will continue its efforts to develop a demand side management (DSM) program for our South Dakota customers in 2010. We currently have a docket before the Commission that proposes several different DSM initiatives designed to benefit our customers. Once we have worked out the remaining considerations regarding our DSM offerings with the Commission, we will have another important resource in assisting NorthWestern to meet the RREO.

While NorthWestern is mindful of the RREO, we are also currently in a situation whereby we have excess baseload generation that offers a level of complexity to our evaluation of and the timing for renewable energy resources. NorthWestern will continue to carefully evaluate available energy generation resources alternatives with an eye towards meeting our current supply demands, while balancing how the cost of these resources will impact our customers, and meeting the RREO by 2015.

Thank you.

Sincerely,



Pamela A. Bonrud
Director – SD/NE Government and Regulatory Affairs

CC: Brian Rounds, Staff Analyst
Dennis Wagner, Manager - SD Wholesale Operations

Please provide a value in each of the boxes below with an "X" in it.

Company:
NorthWestern Energy

Calendar Year 2009 RREO Report	Value	Comments
Retail Sales		
Total - All States (MWh)	7,208,860	Includes 5,788,578 MWH from Montana
SD (MWh)	1,420,282	
Generation Capacity Owned		
Total - All States (MW)	534.21	Summer Rating including Colestrip Unit 4
SD (MW) Summer Rating	312.21	
SD (MW) Winter Rating	330.25	
Renewable Generation Capacity Owned		
Total - All States (MW)		
Wind	160	Includes 135 MW Judith Gap Wind Farm
	114.018	Includes 0.3 MW of SQF and 113.7 MW LQF from Montana
Solar	0.01	0 Owned, 0.01 MW Small Qualifying Facility
New Hydro	X	
Old Hydro	X	
Hydrogen	X	
Biomass	X	
Geothermal	X	
Recycled	X	
Total - All States (MW)	**274.028**	
SD (MW)		
Wind	25	0 Owned, 25 MW @ 32 MPH Wind Speed, 20 Year Purchased Power Agreement
Wind	0.018	0 Owned, 0.018 MW Small Qualifying Facility
Solar	0.01	0 Owned, 0.01 MW Small Qualifying Facility
New Hydro	0	
Old Hydro	0	
Hydrogen	0	
Biomass	0	
Geothermal	0	
Recycled	0	
Total SD (MW)	**25.028**	
Renewable Energy Credits Retired for SD		
Total - Generated In All States (MWh)		
Wind	X	
Solar	X	
New Hydro	X	
Old Hydro	X	
Hydrogen	X	
Biomass	X	
Geothermal	X	
Recycled	X	
Total - All States (MWh)	-	
Generated in SD (MWh)		
Wind	0	
Solar	0	
New Hydro	0	
Old Hydro	0	
Hydrogen	0	
Biomass	0	
Geothermal	0	
Recycled	0	
Total SD (MWh)	**0**	
Renewable Energy Credits Retired for Other States		
Total - Generated In All States (MWh)		
Wind	298,789	Montana RECs retired - all based on Judith Gap wind production.
Solar	X	
New Hydro	X	
Old Hydro	X	
Hydrogen	X	
Biomass	X	
Geothermal	X	
Recycled	X	
Total - All States (MWh)	**298,789**	
Generated In SD (MWh)		
Wind	-	Pending application to begin tracking Renewable Energy Credits
Solar	0	
New Hydro	0	
Old Hydro	0	
Hydrogen	0	
Biomass	0	
Geothermal	0	
Recycled	0	
Total SD (MWh)	**0**	
Conserved Energy & Capacity		
Conserved Energy (MWh)		
Total - All States	60,536	Montana DSM & South Dakota DSM
SD	4380	South Dakota DSM Goal
Conserved Capacity (MW)		
Total - All States	6.9	Montana DSM & South Dakota DSM
SD	0.5	South Dakota DSM Goal

215 South Cascade Street
PO Box 496
Fergus Falls, Minnesota 56538-0496
218 739-8200
www.otpco.com (web site)

June 30, 2010

Ms. Patricia Van Gerpen
Executive Director
South Dakota Public Utilities Commission
Capitol Building, 1st floor
500 East Capitol Avenue
Pierre, SD 57501-5070

Re: In the Matter of Otter Tail Power Company's Renewable, Recycled, and Conserved Energy Objective Compliance Report to the South Dakota Public Utilities Commission

Dear Ms. Van Gerpen:

Enclosed you will find the report of Otter Tail Power Company, to the South Dakota Public Utilities Commission on the Company's efforts and status on compliance with the South Dakota Renewable, Recycled, and Conserved Energy Objective contained in Statutes §49-34A-94 through §49-34A-96 and §49-34A-101 through §49-34A-106. This report is required annually commencing on July 1, 2009 and continuing through July 1, 2017.

If you have any questions regarding this filing, please contact me at 218-739-8693 or kkaseman@otpco.com.

Sincerely,

/s/ KERRY KASEMAN
Kerry Kaseman
Resource Planner

wao
Enclosures
By electronic filing

Renewable, Recycled, and Conserved Energy Objective Compliance Report to the South Dakota Public Utilities Commission

Report RP10-04
Resource Planning Department
July 1, 2010

By: Kerry Kaseman

PREFACE

This document is the report of Otter Tail Power Company, to the South Dakota Public Utilities Commission on the Company's efforts and status on compliance with the South Dakota Renewable, Recycled, and Conserved Energy Objective contained in Statutes §49-34A-94 through §49-34A-96 and §49-34A-101 through §49-34A-106. This report is required annually commencing on July 1, 2009 and continuing through July 1, 2017.

Questions and comments regarding the information and data contained herein should be addressed to Kerry Kaseman at 218-739-8693 or kkaseman@otpco.com.

TABLE OF CONTENTS

INTRODUCTION

Pursuant to South Dakota Codified Laws §49-34A-105, Otter Tail Power Company (Otter Tail or Company), makes this information filing electronically to the South Dakota Public Utilities Commission. This filing is the Company's second annual report on efforts to meet the state renewable, recycled, and conserved energy objective that 10% of all electricity sold at retail be obtained from renewable, recycled, and conserved energy sources by 2015.[1]

As the following pages of this report demonstrate, Otter Tail is well on the way to implementing renewable resources as part of its diverse resource portfolio and expects to be in full compliance of any and all renewable energy objectives and standards within all three state jurisdictions in which Otter Tail serves.

[1] South Dakota Codified Law §49-34A-101.

JURISDICTIONAL REQUIREMENTS

Otter Tail serves retail load in Minnesota, North Dakota, and South Dakota. All three state jurisdictions have some sort of renewable energy objective (REO) or renewable energy standard (RES). Discussion of compliance efforts with any single jurisdiction also requires a discussion of the other two jurisdictions so that a complete understanding of the Company's compliance efforts can be obtained. The following sections describe the requirements in each of the state jurisdictions.

Minnesota

Otter Tail is required to make a good faith effort to comply with the state REO through 2011. Beginning with 2012 the requirement switches to an RES. The state requirements[2] increase in a step-wise fashion, consisting of:

- 2005 – 1% of retail sales
- 2010 – 7% of retail sales
- 2012 – 12% of retail sales
- 2016 – 17% of retail sales
- 2020 – 20% of retail sales
- 2025 – 25% of retail sales.

Eligible energy technologies for compliance include solar, wind, hydroelectric with a capacity of less than 100 MW, hydrogen,[3] or biomass. Biomass includes landfill gas, anaerobic digestion, and mixed municipal solid waste or refuse-derived-fuel from mixed municipal solid waste as a primary fuel. Electricity generated by the combustion of biomass through co-firing with other fuels counts up to the percentage amount of biomass fuel relative to total fuel, only if the generating facility was constructed in compliance with new source performance standards promulgated under the federal Clean Air Act or

[2] These REO and RES requirements only apply to utilities without nuclear generating assets. Utilities with nuclear generating assets have a more aggressive standard as detailed in Minn. Stat. §216B.1691.

[3] Provided that after January 1, 2010 the hydrogen must be generated from the other eligible energy technologies listed.

if the facility employs the maximum achievable or best available control technology for that type of facility.

North Dakota

The state REO is 10% of retail sales by the year 2015, and includes both renewable energy and recycled energy. The calculation contains a provision to reduce the amount of retail sales by any hydroelectric energy that cannot be counted toward the REO.[4] Renewable electricity and recycled energy includes electricity generated from solar, wind, biomass,[5] geothermal, hydrogen,[6] hydroelectric (must be from a facility with an in-service date of no earlier than January 1, 2007 or from efficiency improvements to a facility existing as of August 1, 2007), and recycled energy systems producing electricity from currently unused waste heat resulting from combustion or other processes into electricity and which do not use an additional combustion process. Recycled energy does not include any system whose primary purpose is the generation of electricity.

South Dakota

The state REO is 10% of retail sales by the year 2015, and includes renewable, recycled, and conserved energy.[7] The calculation contains a provision to reduce the amount of retail sales by any hydroelectric energy from a facility with an in-service date prior to July 1, 2008.[8] Renewable and recycled energy include electricity generated from solar, wind, biomass,[9] geothermal, hydrogen,[10] hydroelectric (statutes imply it must be from a facility with an in-service date of no earlier than July 1, 2008), and recycled energy systems producing electricity from currently unused waste heat resulting from combustion or other processes into electricity and which do not use an additional combustion process. Recycled energy does not include any system whose primary

[4] North Dakota Century Code §49-02-30.
[5] Including agricultural crops and wastes and residues, wood and wood wastes and residues, animal wastes, and landfill gas.
[6] Provided that the hydrogen is generated from a source listed in this section of North Dakota Century Code §49-02-25.
[7] South Dakota Codified Laws §49-34A-101.
[8] South Dakota Codified Laws §49-34A-103.
[9] Includes agricultural crops and wastes and residues, wood and wood wastes and residues, animal and other degradable organic wastes, and landfill gas.
[10] Provided that the hydrogen is generated from a source listed in this section of South Dakota Codified Laws §49-34A-94.

purpose is the generation of electricity. In the case of conserved energy, the objective will be measured by methods established by rules promulgated by the commission pursuant to chapter 1-26.

MIDWEST RENEWABLE ENERGY TRACKING SYSTEM

Otter Tail has registered almost all renewable energy resources within the Midwest Renewable Energy Tracking System (M-RETS). There is a number of small customer owned units, generally less than 50 kW each, which the Company has not registered. The customers self-serve a portion of their own load with Otter Tail receiving the remaining surplus energy. Otter Tail pays the cost of, both initial and annual fees, to register a facility in M-RETS and the cost per renewable energy credit (REC) can become quite high on these small units. For 2009, the amount of unregistered renewable energy was about 630 MWh, only about 0.12% of the over 539,736 MWh of registered renewable energy.

Otter Tail has developed an account structure within M-RETS to help segregate RECs by type and usage. For customer-owned facilities that self-serve customer load, all of the generation is reported within M-RETS. Otter Tail then transfers RECs associated with the energy used to self-serve load into an account in the customer's name, for their use as they deem appropriate. The RECs associated with energy purchased by Otter Tail will remain in the Otter Tail account.

The Otter Tail M-RETS accounts include a retirement account by state jurisdiction by year. Thus it will be easy to verify the amount of RECs retired annually for compliance with each state's requirements. RECs associated with **Tail*Winds***, the Company's green pricing program, are retired into separate state jurisdiction accounts to ensure proper accounting for the green pricing tracker balance.

Retired RECs will be tracked on a calendar basis. While Otter Tail began recording renewable energy within M-RETS in the last half of 2007, when the M-RETS system first became operational, the Company began full use of the M-RETS system for reporting verification beginning with the first full calendar year commencing January 1, 2008.

Through 2009, Otter Tail did not sell or purchase any RECs separate from the renewable energy. All energy used for compliance was energy generated by Otter Tail or energy purchased by Otter Tail under power purchase agreements.

RENEWABLE AND RECYCLED ENERGY RESOURCES

The breakdown of existing and potential future renewable energy resources for Otter Tail, to the extent known, at the time of this report are shown in Appendix A. The data provided includes the name of the facility, kW rating, vintage, technology and energy source, whether owned or through a PPA, and state eligibility. For customer-owned facilities, the customer name is not provided in order to protect customer information. The information provided includes future resources which may or may not be constructed, but for which development work has commenced. There are additional renewable energy facilities which are under discussion, but these have not been included in the data since they are still in preliminary stages of feasibility studies.

SOUTH DAKOTA RENEWABLE AND RECYCLED ENERGY

The following data is for the January 1, 2009 – December 31, 2009 time period. The data assumes that renewable energy is allocated across the Otter Tail system based on retail kWh sales. The exceptions to this allocation methodology are that Tail*Winds* energy is based on the amount of wind energy sold under the green pricing program in South Dakota. Pursuant to South Dakota Codified Law §49-34A-103, the hydroelectric energy shown in the table below does not count toward compliance, but can be subtracted from retail sales before calculating the percentage of compliance.

South Dakota Renewable and Recycled Energy MWh January 1, 2009 – December 31, 2009			
Resource	**Total kWh**	**SD Percentage**	**SD kWh**
Borderline Wind	2,099,000	9.67%	203,053
FPL Energy ND Wind II	63,538,000	9.67%	6,146,539
Customer D1	799,000	9.67%	77,294
FPLE Langdon	75,479,000	9.67%	7,301,688
OTP Langdon	154,578,000	9.67%	14,953,567
Ashtabula Wind	156,438,000	9.67%	15,133,499
Luverne Wind	56,869,000	9.67%	5,501,393
Big Stone Plant Biomass	3,111,004	9.71%	302,163
South Dakota Tail*Winds*	197,915	100.0%	197,915
OTP Owned Hydro	24,569,000	9.67%	2,376,756
Manitoba Hydro	208,800,000	9.67%	20,198,894[11]
WAPA Hydro	29,870,478	9.67%	2,889,610[12]

[11] This hydroelectric energy includes only energy under the firm 50 MW contract, which is specified as coming from hydro facilities. (261 days X 16 hours/day X 50 MW)

[12] The WAPA hydroelectric energy is an allocation to five Native American tribes.

South Dakota Renewable and Recycled Energy Compliance January 1, 2009 – December 31, 2009	
South Dakota Retail Sales	410,948,029 kWh
Less Hydro Energy Adjustment	-25,465,261 kWh
Net SD Retail Sales for REO Compliance	385,482,768 kWh
South Dakota Renewable Energy	49,817,110 kWh
SD REO Compliance Percentage	12.92%

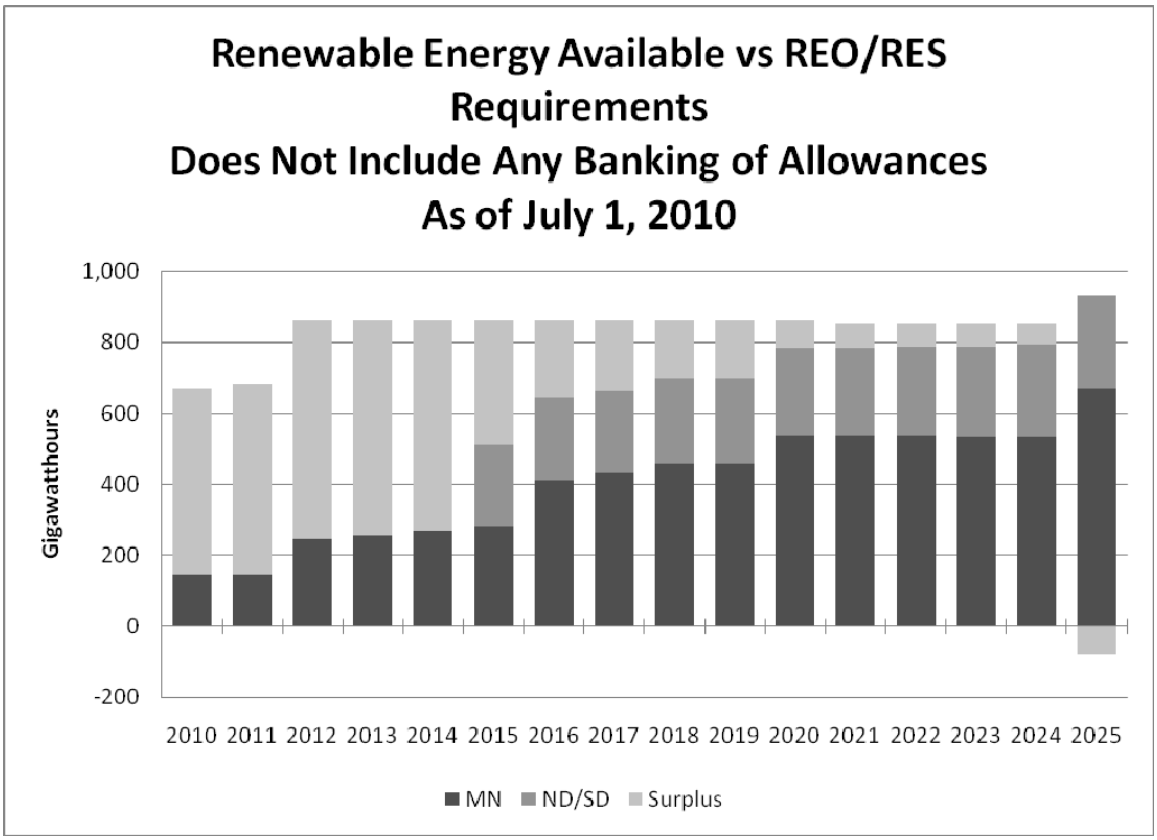
The data shows that Otter Tail is already compliant with the South Dakota statute. The level of compliance will increase in 2010 as the 49.5 MW Luverne Wind Farm experiences a full year of operation. In addition, the 2011-2025 Otter Tail resource plan includes the addition of 50 MW of nameplate wind generation capacity to be operational by the end of 2011. Otter Tail will sell excess RECs and/or bank RECs for future use.

FORECAST OF FUTURE REO/RES COMPLIANCE

Combined with energy output from the 49.5 MW Luverne Wind Farm, the 48 MW the Company owns at the Ashtabula Wind Farm, energy output from the 60 MW the Company owns or purchases from the Langdon Wind Farm, and an additional 50 MW planned to be operational at the end of 2011, Otter Tail is well positioned to comply with the renewable energy objectives and standards in all three states.

The following graph shows the Company's expected available renewable energy compared to the REO/RES requirements going out to 2025. The graph assumes that all RECs are counted in the year they are generated and are not banked for future compliance use. The graph includes 50 MW planned to be operational at the end of 2011. The graph does not include new customer-owned facilities that may be developed. Otter Tail is seeing significant customer interest in owning wind generation. The Company is obligated to purchase any renewable energy offered from customers under the federal Public Utility Regulatory Policies Act of 1978 (PURPA).

The North Dakota and South Dakota requirements are very similar and are lumped together in the graph. As demonstrated in the graph, Otter Tail expects by 2012 to have sufficient renewable energy available to comply with state REO/RES requirements until beyond 2024.


Renewable Energy Available vs REO/RES Requirements
Does Not Include Any Banking of Allowances
As of July 1, 2010
Gigawatthours
1,000
800
600
400
200
0
-200
2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021 2022 2023 2024 2025
MN
ND/SD
Surplus

BARRIERS TO REO/RES COMPLIANCE

The most significant obstacles fall into three basic categories, including:

- Transmission
    - Interconnection queue - The Midwest Independent Transmission System Operator (MISO) interconnection queue has been a major impediment to the development of any resource because interconnection queue process timelines don't match up well with project development timelines.
    - Transmission Congestion - As more and more wind generation is developed in the upper Midwest, the transmission system continues to become more and more congested. This congestion creates issues with both economic dispatch of wind generation and the siting of new wind farms. Otter Tail is a part of the CAPX 2020 group proposing new major high voltage transmission. If approved and constructed, the CAPX 2020 transmission additions will not alone resolve transmission congestion. CAPX 2020 is studying the situation to determine what other new transmission resources are likely to be required.

- Economic and financing issues - The recent economic downturn is hampering the development of renewable resources because there is less capital available at a higher cost than before the downturn.

- Retail Sales Uncertainty - Planning for the REO/RES requirements requires forecasting retail sales since the requirements are based on a percentage of retail sales. There are many factors that go into forecasting retail sales and there is some uncertainty surrounding those factors. One such factor is energy efficiency and conservation. The 2011-2025 Otter Tail integrated resource plan selects significant levels of economic and achievable energy efficiency and conservation over the planning horizon. Energy efficiency, by reducing load, can reduce the amount of renewable energy credits that must be secured for compliance with REO/RES requirements in each of the Company's respective jurisdictions. If the

conservation levels are not realized as planned, the annual REO/RES requirements will be greater and consume more of the Company's banked renewable energy credits and/or annual generation. Therefore, the barriers to REO/RES compliance are tied to any barriers in achieving energy efficiency objectives.

SUMMARY

Otter Tail has stepped forward with its development of renewable resources for a variety of reasons and is completing new renewable energy facilities ahead of REO/RES requirements. The 2006-2020 Otter Tail integrated resource plan called for 160 MW of new wind generation. Otter Tail has completed that amount of wind generation addition to the system. The 2011-2025 Otter Tail integrated resource plan calls for an additional 50 MW of new wind generation to be operational at the end of 2011. All of these wind additions have been shown to be economic by Otter Tail's capacity expansion modeling.

Part of the reason why the capacity expansion modeling is showing wind additions as economic is because of the federal PTC and wind development incentives in North Dakota. The PTC reduces the cost of wind generation by about 33% and is currently set to expire after 2012. The wind development incentives in North Dakota also improve economics and have sunset provisions.

With the current renewable resources and the 50 MW planned for 2011, additional resources for REO/RES compliance will likely not be needed until sometime after 2024. This forecast does not include counting the many small customer owned units currently being installed. There are many uncertainties going forward with all forecasts, including load growth, conservation efforts, and customer-owned renewable resources.

APPENDIX A – RENEWABLE AND RECYCLED ENERGY RESOURCES

Existing Renewable and Recycled Generating Facilities							
Name	**State**	**kW Rating**	**Vintage**	**Technology**	**Power Source**	**Owned/PPA**	**State Eligibility**
Customer A	MN	225	1997	Wind	Wind	PPA	MN, ND, SD
Customer B	SD	90	2002	Wind	Wind	PPA	Tail*Winds*[13]
Hendricks	MN	900	2001	Wind	Wind	PPA	Tail*Winds*
Borderline	MN	900	2003	Wind	Wind	PPA	MN, ND, SD
FPLE ND Wind II	ND	21,000	2003	Wind	Wind	PPA	MN, ND, SD
Customer C	ND	50	1985	Wind	Wind	PPA	MN, ND, SD
FPLE Langdon	ND	19,500	2007	Wind	Wind	PPA	MN, ND, SD
OTP Langdon	ND	40,500	2008	Wind	Wind	Owned	MN, ND, SD
Ashtabula Wind	ND	48,000	2008	Wind	Wind	Owned	MN, ND, SD
Customer D1	MN	1,650	2005	Wind	Wind	PPA	MN, ND, SD
Customer E	ND	660	2008	Wind	Wind	PPA	MN, ND, SD
Customer F	MN	39.5	2008	Wind	Wind	PPA	MN, ND, SD
Customer G	MN	39.5	2008	Wind	Wind	PPA	MN, ND, SD
Customer H	MN	39.5	2008	Wind	Wind	PPA	MN, ND, SD
Customer I	MN	3.5	2007	Wind	Wind	PPA	MN, ND, SD
Customer J	MN	1.8	2008	Wind	Wind	PPA	MN, ND, SD
Customer K	MN	1.8	2008	Wind	Wind	PPA	MN, ND, SD
Customer L	ND	20	2008	Wind	Wind	PPA	MN, ND, SD
Customer T	MN	3	2008	Photovoltaic	Sun	PPA	MN, ND, SD

[13] At this time Tail*Winds* energy counts in ND and SD, but not MN. Tail*Winds* is the Company's green pricing tariff and the energy is counted only as customers purchase the energy, not as it is generated.

Existing Renewable and Recycled Generating Facilities (Continued)							
Name	**State**	**kW Rating**	**Vintage**	**Technology**	**Power Source**	**Owned/PPA**	**State Eligibility**
Big Stone Plant	SD	245,784	1975	Steam	Biomass	Owned	ND, SD[14]
Bemidji Hydro	MN	740	1907	Hydro	Water	Owned	MN
Taplin Gorge	MN	560	1925	Hydro	Water	Owned	MN
Hoot Lake	MN	1,000	1914	Hydro	Water	Owned	MN
Pisgah	MN	520	1918	Hydro	Water	Owned	MN
Wright	MN	400	1922	Hydro	Water	Owned	MN
Dayton Hollow	MN	980	1909	Hydro	Water	Owned	MN
WAPA Allocation	Several	5,566	Various	Hydro	Water	PPA	None
Manitoba Hydro	Manitoba	50,000	Various	Hydro	Water	PPA	None
Customer X	MN	7.2	2009	Wind	Wind	PPA	MN, ND, SD
Customer W	MN	75	2010	Wind	Wind	PPA	MN, ND, SD
Customer AA	MN	2,130	2010	Internal Combustion	Biogas	PPA	MN, ND, SD
Customer U (Bakke)	SD	2.6	2009	Wind	Wind	PPA	MN, ND, SD
Customer V (Elkton)	SD	1.8	2009	Wind	Wind	PPA	MN, ND, SD

[14] Only the biomass portion of the fuel is counted. For the January 1, 2009 – December 31, 2009 time period only about .04% of the fuel was biomass.

Planned and Expected Future Renewable and Recycled Generating Facilities							
Name	**State**	**kW Rating**	**Vintage**	**Technology**	**Power Source**	**Owned/PPA**	**State Eligibility**
Customer M	MN	39.5	Unknown	Wind	Wind	PPA	MN, ND, SD
Customer Q	MN	4,500	Unknown	Steam	MSW	PPA	MN
Customer S	MN	2.4	Unknown	Wind	Wind	PPA	MN, ND, SD
Customer W2	MN	75	Unknown	Wind	Wind	PPA	MN, ND, SD

APPENDIX B – CALENDAR YEAR 2009 RREO REPORT

Calendar Year 2009 RREO Report	Value	Comments
Retail Sales		
Total - All States (MWh)	4,248,063	
SD (MWh)	410,948	
Generation Capacity Owned		
Total - All States (MW)	798.4	Based on Net Dependable Capacity of owned generation facilities and does not count any contracted capacity.
SD (MW)	278.4	Based on Net Dependable Capacity of owned generation facilities and does not count any contracted capacity.
Renewable Generation Capacity Owned		
Total - All States (MW)		
Wind	138.5	
Solar	-	
New Hydro	-	
Old Hydro	3.8	
Hydrogen	-	
Biomass	256.0	Represents Big Stone Plant, which can burn biomass, generally < 1% of annual generation.
Geothermal	-	
Recycled	-	
Total - All States (MW)	**398.3**	
SD (MW)		
Wind	-	
Solar	-	
New Hydro	-	
Old Hydro	-	
Hydrogen	-	
Biomass	256.0	
Geothermal	-	
Recycled	-	
Total SD (MW)	**256.0**	
Renewable Energy Credits Retired for SD		No Renewable Energy Credits were Retired for SD for 2009.
Total - Generated In All States (MWh)		
Wind	-	
Solar	-	
New Hydro	-	
Old Hydro	-	
Hydrogen	-	
Biomass	-	
Geothermal	-	
Recycled	-	
Total - All States (MWh)	**-**	
Generated in SD (MWh)		
Wind	-	
Solar	-	
New Hydro	-	
Old Hydro	-	
Hydrogen	-	
Biomass	-	
Geothermal	-	
Recycled	-	
Total SD (MWh)	**-**	

APPENDIX B- CALENDAR YEAR 2009 RREO REPORT

Calendar Year 2009 RREO Report	Value	Comments
Renewable Energy Credits Retired for Other States		
Total - Generated In All States (MWh)		
Wind	-	
Solar	-	
New Hydro	-	
Old Hydro	21,352	
Hydrogen	-	
Biomass	-	
Geothermal	-	
Recycled	-	
Total - All States (MWh)	**21,352**	
Generated In SD (MWh)		
Wind	-	
Solar	-	
New Hydro	-	
Old Hydro	-	
Hydrogen	-	
Biomass	-	
Geothermal	-	
Recycled	-	
Total SD (MWh)	**-**	
Conserved Energy & Capacity		
Conserved Energy (MWh)		
Total - All States	39,728	
SD	4,021	
Conserved Capacity (MW)		
Total - All States	9.6	
SD	1.4	

500 West Russell Street
Sioux Falls, South Dakota 57101-0988

July 1, 2010

--Via Electronic Filing--

Patricia Van Gerpen
Executive Director
South Dakota Public Utilities Commission
Capitol Building, 1st Floor
500 East Capitol Avenue
Pierre, SD 57501

Re: 2010 Report of Northern States Power Company on Meeting the Renewable, Recycled and Conserved Energy objective

Dear Ms. Van Gerpen:

In accordance with South Dakota Codified Laws 49-34A-105, Northern States Power Company, a Minnesota corporation ("Xcel Energy" or the "Company") attaches our 2010 report on meeting the state's renewable, recycled and conserved energy objective.

Based on using the jurisdictional energy allocator applicable to South Dakota, we have determined that the share of system-wide energy from renewable resources allocable to South Dakota for 2009 was 213,163 megawatt-hours. This represents the energy we provided to our customers that was generated by renewable generation facilities as defined by South Dakota Codified Laws 49-34A-94.

After restricting the renewable energy from hydro resources to only those with an in-service date on or after July 1, 2008 and adjusting retail energy sales as provided in Chapter 49-34A-103, we calculate that approximately 11.3 percent of the energy provided to South Dakota customers in 2009 was from renewable energy resources. Accordingly, we currently meet the 2015 REO and expect to continue to meet the REO going forward.

Please note that no renewable energy credits ("RECs") have been retired to date to comply with the South Dakota renewable energy objective ("REO").
Attachment 1 includes the following information as requested by the Commission:

Retail Sales (MWh) - Total & SD-based
Generation Capacity Owned (MW) - Total & SD-based by technology[1]
Renewable Generation Capacity Owned (MW) - Total & SD-based by technology[1]
Renewable Generation with RECs Retired for SD (MWh)- Total & SD-based by technology[1]
Renewable Generation with RECs Retired for other states/purposes (MWh)- Total & SD-based by technology[1]
Conserved Energy (MWh) and Capacity (MW)

Since the Company does not currently have any energy efficiency programs approved in the state of South Dakota, the conserved capacity and energy as shown on Attachment 1 for the State of South Dakota are based on our demand side management programs.

Attachment 2 presents the renewable energy calculations.

Additionally, the Commission's order in Docket No. EL09-029, dated February 12, 2010 directs the Company to report any sales of RECs in this report. As of this report date, we have not made any REC sales.

Finally, the Company continues to seek to incorporate renewables and energy efficiency measures when and where those measures are cost effective. We are presently working on a resource plan that will be filed later this summer. That document will depict our plans to add additional renewables-based generation over the next decade. The Company expects to continue to be able to meet and exceed the renewable energy objective in South Dakota.

If there are questions regarding information contained in the report, please feel free to contact me at (605) 339-8350.

SINCERELY,

JAMES C. WILCOX
Manager, Government & Regulatory Affairs

ENCLOSURES

[1] As Defined in SDCL 49-34A-94.

2010 Report of NSP on meeting the renewable, recycled and conserved energy objective Attachment 1

Company:
Northern States Power

Calendar Year 2009 RREO Report	Value	Comments
Retail Sales		
Total - All States (MWh)	41,069,392	
SD (MWh)	1,918,434	
Generation Capacity Owned\Purchased[1]		
Total - All States (MW)	12,285	
SD (MW)	460	Angus Anson - 406 MW; MinnDakota Wind - 54 MW
Renewable Generation Capacity Owned\Purchased		As of 12/31/2009; Includes capacity from PPAs silent on REC ownership[2]
Total - All States (MW)		
Wind	1,266	Includes capacity for Windsource program
Solar	-	
New Hydro	3	Dells Upgrade of units 2 - 4, Dec 2008 - July 2009
Old Hydro	286	
Hydrogen	-	
Biomass\RDF\Landfill Gas	317	Capacity from all steam turbines is presented for mixed fuel plants; only the renewable generation creates RECs
Geothermal	-	
Recycled	-	
Total - All States (MW)	**1,872**	
SD (MW)		
Wind	54	
Solar	0	
New Hydro	0	
Old Hydro	0	
Hydrogen	0	
Biomass\RDF\Landfill Gas	0	
Geothermal	0	
Recycled	0	
Total SD (MW)	**54**	
Renewable Energy Credits Retired for SD		
Total - Generated In All States (MWh)		
Wind	0	
Solar	0	
New Hydro	0	
Old Hydro	0	
Hydrogen	0	
Biomass\RDF\Landfill Gas	0	
Geothermal	0	
Recycled	0	
Total - All States (MWh)	**0**	
Generated in SD (MWh)		
Wind	0	
Solar	0	
New Hydro	0	
Old Hydro	0	
Hydrogen	0	
Biomass\RDF\Landfill Gas	0	
Geothermal	0	
Recycled	0	
Total SD (MWh)	**0**	
Renewable Energy Credits Retired for Other States[3]		
Total - Generated In All States (MWh)		
Wind	382,785	
Solar	-	
New Hydro	-	
Old Hydro	75,795	
Hydrogen	-	
Biomass\RDF\Landfill Gas	210,884	
Geothermal	-	
Recycled	-	
Total - All States (MWh)	**669,464**	
Generated In SD (MWh)		
Wind	-	
Solar	-	
New Hydro	-	
Old Hydro	-	
Hydrogen	-	
Biomass	-	
Geothermal	-	
Recycled	-	
Total SD (MWh)	**-**	
Conserved Energy & Capacity		
Conserved Energy (MWh)[4]		
Total - All States	343,270	
SD	5	
Conserved Capacity (MW)[5]		
Total - All States	1,122	
SD	36	

Footnotes:

[1] Includes owned generation (nameplate capacity) and purchased generation (contracted summer capacity)

[2] "Silent" RECs are related to renewable energy purchases initiated prior to the renewable energy credits market. There is uncertainty regarding whether the credits can be claimed by the energy purchaser or whether they reside fully with the owner.

[3] RECs present demonstrate RECs retired for WI RPS and MN RES compliance. It does not include RECs retired on behalf of WI Wholesale Customers Retired RECs are a combination of vintages 2007, 2008 and 2009

[4] Conserved Energy expressed as the annualized energy savings resulting from utilty DSM program achievements in 2009.

[5] Conserved Capacity expressed as the available load management system peak reduction plus the annualized capacity savings resulting from utilty energy-efficiency program achievements in 2009.

South Dakota Renewable, Recyclable and Conserved Energy Objective **Attachment 2**
2009 Status Report

System Total Generation (and Jurisdictional Allocator)

		Energy (MWh)	Percentage
1	MN	32,118,816	74.05970%
2	ND	2,300,491	5.30448%
3	SD	1,904,148	4.39059%
4	WI/MI	7,045,365	16.24523%
5	NSP System	43,368,820	

System Renewable Generation[1]		**M-RETS**	**"Silent"**		
	Source	**RECs**	**RECs**	**Total**	
6	Wind	2,710,686	788,283	3,498,969	
7	Hydro	551,504	101,978	653,482	
8	Biomass	368,321	583,902	952,223	
9	Refuse-Derived Fuel (RDF)	216,669	187,069	403,738	
10	NSP System	3,847,180	1,661,232	5,508,412	
	SD RREO Renewable Energy				
11	SD % of System Total Generation:	4.39059%	4.39059%		L3
12	System RECs allocated to SD:	168,915	72,938	241,853	L10 x L11
13	Remove Old Hydro (per SD RREO):	(24,213)	(4,477)	(28,690)	-L7 x L11
14	SD RREO qualifying renewable energy:	144,702	68,461	213,163	
15	SD retail sales:	1,918,434	1,918,434	1,918,434	FERC Form 1
16	Remove SD Hydro allocation (per SD RREO)	(24,214)	(4,477)	(28,691)	-L7 x L11
17	SD REO adjusted retail sales:	1,894,220	1,913,957	1,889,743	
18	**SD REO renewable energy %:**	**7.6%**	**3.6%**	**11.3%**	(L14/L17)
19	**RECs retired for 2009 RREO compliance**			**0**	

1 All of the renewable generation facilities owned by Xcel Energy have been registered in the Midwest Renewable Energy Tracking System ("M-RETS"). All of the commercially operational facilities the Company purchases renewable energy from, that specifies to the Company the rights to the RECs assigned in the PPAs, are registered in M-RETS. "Silent" RECs are related to renewable energy purchases initiated prior to the establishment of the REC market. There is uncertainty regarding whether the credits can be claimed by the energy purchaser or the owner/generator.

Appendix B

Form Distributed to Utilities

Please provide a value in each of the boxes below with an "X" in it.

Company:
X

Calendar Year 2008 RREO Report	Value	Comments
Retail Sales		
Total - All States (MWh)	X	
SD (MWh)	X	
Generation Capacity Owned		
Total - All States (MW)	X	
SD (MW)	X	
Renewable Generation Capacity Owned		
Total - All States (MW)		
Wind	X	
Solar	X	
New Hydro	X	
Old Hydro	X	
Hydrogen	X	
Biomass	X	
Geothermal	X	
Recycled	X	
Total - All States (MW)	**0**	
SD (MW)		
Wind	X	
Solar	X	
New Hydro	X	
Old Hydro	X	
Hydrogen	X	
Biomass	X	
Geothermal	X	
Recycled	X	
Total SD (MW)	**0**	
Renewable Energy Credits Retired for SD		
Total - Generated In All States (MWh)		
Wind	X	
Solar	X	
New Hydro	X	
Old Hydro	X	
Hydrogen	X	
Biomass	X	
Geothermal	X	
Recycled	X	
Total - All States (MWh)	**0**	
Generated in SD (MWh)		
Wind	X	
Solar	X	
New Hydro	X	
Old Hydro	X	
Hydrogen	X	
Biomass	X	
Geothermal	X	
Recycled	X	
Total SD (MWh)	**0**	
Renewable Energy Credits Retired for Other States		
Total - Generated In All States (MWh)		
Wind	X	
Solar	X	
New Hydro	X	
Old Hydro	X	
Hydrogen	X	
Biomass	X	
Geothermal	X	
Recycled	X	
Total - All States (MWh)	**0**	
Generated In SD (MWh)		
Wind	X	
Solar	X	
New Hydro	X	
Old Hydro	X	
Hydrogen	X	
Biomass	X	
Geothermal	X	
Recycled	X	
Total SD (MWh)	**0**	
Conserved Energy & Capacity		
Conserved Energy (MWh)		
Total - All States	X	
SD	X	
Conserved Capacity (MW)		
Total - All States	X	
SD	X	

Appendix C
Summarized Utility Responses

	Black Hills Power	MidAmerican Energy	Montana-Dakota Utilities	NorthWestern Energy	Otter Tail Power	Xcel Energy	Basin Electric Power Cooperative	East River Electric Power Cooperative	Missouri River Energy Services	Heartland Consumers Power District	Total
Retail Sales											
Total - All States (MWh)	2,285,491	20,186,481	2,412,292	7,208,860	4,248,063	41,069,392	14,973,000	3,022,692	1,956,330	692,307	**95,769,417**
SD (MWh)	1,430,800	202,912	146,594	1,420,282	410,948	1,918,434	1,040,844	2,667,934	581,031	191,034	**8,580,013**
% Retail Sales in SD	62.60%	1.01%	6.08%	19.70%	9.67%	4.67%	6.95%	88.26%	29.70%	27.59%	**8.96%**
Generation Capacity Owned											
Total - All States (MW)	434	6,946	539.0	534.21	798.4	12,285	2,748	0	625.5	55	**24,531**
SD (MW)	175	60	107.8	330.25	278.4	460	256	0	55.2	4	**1,552**
% Capacity in SD	40.32%	0.86%	20.00%	61.82%	34.87%	3.74%	9.32%	NA	8.82%	7.27%	**6.33%**
Renewable Generation Capacity Owned											
Total - All States (MW)											
Wind		1,284	19.5	274.018	138.5	1,266	351	See BEPC	82.4		**3,415**
Solar				0.01				0.002			
New Hydro						3					
Old Hydro		4			3.8	286			339		**633**
Hydrogen											
Biomass					256	317		0.475			**573**
Geothermal											
Recycled			5.3				44		3.762		**53**
Total - All States (MW)	**0**	**1,288**	**24.8**	**274.028**	**398.3**	**1,872**	**395**	**0.477**	**425.162**	**0**	**4,678**
SD (MW)											
Wind		11		25.018		54	43.4				**133**
Solar				0.01							
New Hydro											
Old Hydro									100		**100**
Hydrogen											
Biomass					256						
Geothermal											
Recycled							16.5		0.812		**17**
Total SD (MW)	**0**	**11**	**0**	**25.028**	**256**	**54**	**59.9**	**0**	**100.812**	**0**	**507**
RECs Retired for SD											
Total - Generated In All States (MWh)											
Wind		1,422							5,811		**7,233**
Solar											
New Hydro											
Old Hydro		80									**80**
Hydrogen											
Biomass		257									**257**
Geothermal											
Recycled											
Total - All States (MWh)	**0**	**1,759**	**0**	**0**	**0**	**0**	**0**	**0**	**5,811**	**0**	**7,570**
Generated in SD (MWh)											
Wind											
Solar											
New Hydro											
Old Hydro											
Hydrogen											
Biomass											
Geothermal											
Recycled											
Total SD (MWh)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
RECs Retired for Other States											
Total - Generated In All States (MWh)											
Wind		403,438	35,050	298,789		382,785	3,483	3,591	12,070	4,967	**1,144,173**
Solar											
New Hydro											
Old Hydro		9,274			21,352	75,795					**106,421**
Hydrogen											
Biomass		93,046				210,884					**303,930**
Geothermal											
Recycled											-
Total - All States (MWh)	**0**	**505,758**	**35,050**	**298,789**	**21,352**	**669,464**	**3,483**	**3,591**	**12,070**	**4,967**	**1,554,524**
Generated In SD (MWh)											
Wind							3,483	3,591		4,967	**12,041**
Solar											
New Hydro											
Old Hydro											
Hydrogen											
Biomass											
Geothermal											
Recycled											-
Total SD (MWh)	**0**	**0**	**0**	**0**	**0**	**0**	**3,483**	**3,591**	**0**	**4,967**	**12,041**
Conserved Energy & Capacity											
Conserved Energy (MWh)											
Total - All States	NT	1,259,962	2,374	60,536	39,728	343,270	NT	NT	16,737	82	**1,722,689**
SD	NT	363	0	0	4,021	5	NT	NT	3,560	65	**8,014**
Conserved Capacity (MW)											
Total - All States	NT	556	6.2	6.9	9.6	1122	NT	789	3.762	78	**2,571**
SD	NT	0	0	0	1.4	36	NT	NT	0.812	62	**100**

NT = Not Tracked