South Dakota's Renewable, Recycled and Conserved Energy Objective

Report for Calendar Year 2012

Submitted to the Legislature
December 31, 2013

Background

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) about 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 report released in 2009[2] included a detailed discussion of electric utilities in South Dakota, generation sources, renewable portfolio standards and objectives, renewable energy credits (RECs), REC tracking systems, the RRCEO and commission rules. Those seeking a deeper background on this topic can review that report on the PUC website at http://puc.sd.gov/energy/reo/reo.aspx.

Findings

The reports submitted by each retail utility provider are attached in Appendix A in alphabetical order. Most utilities are procuring renewables to meet renewable requirements in other states, diversify their generation mix, and/or meet low-cost energy needs. In addition, utilities continue to ramp up their adoption of energy efficiency programs to reduce the need for additional generation. As a result, most are well positioned to comply with the RRCEO. Although most would be able to satisfy the state's goal of 10 percent renewable energy by 2015, most utilities are choosing not to comply with the RRCEO by holding or selling their RECs in order to benefit ratepayers.

For the utilities that have not yet acquired the resources needed to comply with the RRCEO, the obstacles identified were as follows:

- Transmission – Past issues with interconnection queues have mostly been solved, and new transmission is planned to export wind, but permitting and construction of those lines will likely take another four to six years.
- Intermittency – Most forms of renewable generation are not dispatchable, so there is a limit to how much can be placed in one region without the ability to export. Intermittency also makes it difficult to plan and build new transmission that won't be fully utilized.
- Siting – Environmental studies have become more onerous and expensive.
- Cost – The abundance of low-priced natural gas is making it difficult for most other generation options to compete on price.

[1] Conserved Energy was added during the 2009 Legislative Session

[2] http://puc.sd.gov/commission/Energy/REO/2009-12-232008RRCEOReport1stRevision.pdf

Appendix A

Utility Reports (in alphabetical order)

Kyle D. White
Vice President, Regulatory Affairs
Kyle.White@blackhillscorp.com

625 Ninth Street• P.O. Box 1400
Rapid City, South Dakota 57709-1400
P: 605.721.1700
F: 605.721.2568

June 28, 2013

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 purchase power agreements for old hydro and wind energy.

In 2012, renewable resources accounted for 5.41% of South Dakota retail energy sales and none of those renewable energy credits were retired for Black Hills Power in South Dakota. 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,

Kyle D. White

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

Company:
Black Hills Power

Calendar Year 2012 RREO Report	Value	Comments
Retail Sales		
Total - All States (MWh)	2,018,379	
SD (MWh)	1,481,501	
Generation Capacity Owned		
Total - All States (MW)	471	
SD (MW)	155	
Renewable Generation Capacity Owned		
Total - All States (MW)		
Wind	109,290	Black Hills Power (BHP) currently does not own any renewable generation, however, it has purchase power agreements for Old Hydro and wind energy. In September 2008, the Happy Jack portion of the wind project became operational and Black Hills Power began purchasing energy. The Silver Sage portion of the wind project became operational in October 2009. Based on the operation from the Happy Jack wind project, the Silver Sage wind project, and the current output from the Old Hydro, these renewable resources served approximately 5.41% of the total retail sales for Black Hills Power in 2012.
Solar		
New Hydro		
Old Hydro	20,917	
Hydrogen		
Biomass		
Geothermal		
Recycled		
Total - All States (MW)	**130,207**	
SD (MW)		
Wind		
Solar		
New Hydro		
Old Hydro	20,917	
Hydrogen		
Biomass		
Geothermal		
Recycled		
Total SD (MW)	**20,917**	
Renewable Energy Credits Retired for SD		
Total - Generated In All States (MWh)		
Wind	0	
Solar		
New Hydro		
Old Hydro		
Hydrogen		
Biomass		
Geothermal		
Recycled		
Total - All States (MWh)	**0**	
Generated in SD (MWh)		
Wind		
Solar		
New Hydro		
Old Hydro		
Hydrogen		
Biomass		
Geothermal		
Recycled		
Total SD (MWh)	**0**	
Renewable Energy Credits Retired for Other States		
Total - Generated In All States (MWh)		
Wind	5,082	
Solar		
New Hydro		
Old Hydro		
Hydrogen		
Biomass		
Geothermal		
Recycled		
Total - All States (MWh)	**5,082**	
Generated In SD (MWh)		
Wind		
Solar		
New Hydro		
Old Hydro		
Hydrogen		
Biomass		
Geothermal		
Recycled		
Total SD (MWh)	**0**	
Conserved Energy & Capacity		
Conserved Energy (MWh)		BHP has an energy efficiency solutions plan that was approved by the South Dakota Public Utilities Commission. It became effective on September 1, 2011. 2012 is the first full calendar year of Energy Efficiency program results.
Total - All States		
SD	1,742	
Conserved Capacity (MW)		
Total - All States		
SD	0.33544	

East River
ELECTRIC
A Touchstone Energy® Cooperative

211 South Harth Ave. | P.O. Box 227
Madison, SD 57042-0227

Telephone: (605) 256-4536
Fax: (605) 256-8058

June 19, 2013

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
General Counsel

RKS/sl

Enc.

East River Electric Power Cooperative
South Dakota Renewable Energy Objective Report
July 1, 2013

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, waste heat recovery units, and over forty-five small locally-owned wind and solar projects. These projects include:

- ***Large Scale Wind Energy Generation: 718.9 MW***
- ***Recycled Energy Generation: 44 MW***
- ***Locally-Owned Small Wind Generation: 621 kW***
- ***Locally-Owned Small Solar Generation: 111.4 kW***
- ***Missouri River Hydroelectric Resources***

During the past several years, Basin Electric has significantly increased the amount of new renewable 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.

II. CONSERVED ENERGY

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. In fact, during 2012, utilization of East River's load management system avoided a total of approximately 834,600 kW of wholesale power supply capacity requirements.

East River coordinates a joint marketing program on behalf of its 19 all-requirements member systems in South Dakota. In 2012, this program continued to focus on the installation of Energy Star heat pump systems and energy efficient electric water heaters. East River members installed 784 Energy Star heat pump systems and 1,119 energy efficient water heaters. In addition, 613 members received incentives toward the purchase of Energy Star refrigerators, freezers, dish washers, and clothes washers replacing old inefficient models. During 2012, residential energy audits were conducted on 64 homes. These comprehensive energy audits resulted in over $127,000 in energy saving improvements being made to these structures. East River and its member systems provided the following financial incentives under these various programs: heat pump rebates - $561,000; water heater rebates - $370,000; Energy Star appliance rebates - $43,600; Energy Audit/weatherization rebates - $25,400.

East River thanks the Commission for its leadership in adopting sensible administrative rules to implement the 2009 amendments to the South Dakota REO. We believe the rules recognize two key principles supported by East River and its members: 1) the vital role load management plays in conserving energy and 2) the on-going benefits of certain historical investments. We look forward to working with the Commission staff on the reporting and accounting requirements as time moves closer to the year 2015.

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 project, 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. We urge the Commission to support federal tax incentives, such as the Production Tax Credit and 1063 Grant Program, that help spur renewable energy development at prices affordable to consumers.

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

Company:
East River Electric Power Cooperative

Calendar Year 2012 RRCEO Report	Value	Comments
Retail Sales		
Total - All States (MWh)	3,367,424	EREPC Sales to ALL Members
SD (MWh)	2,983,983	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	38,690	Source: Chamberlain, Day County, and Hyde County Wind Projects
Solar	X	
New Hydro	X	
Old Hydro	X	
Hydrogen	X	
Biomass	X	
Geothermal	X	
Recycled	X	
Total - All States (MWh)	38,690	2012: MN 12% RES = 38,599 RECs, MN PrairieWinds Marketing Program = 91 RECs
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	

Rounds, Brian

From: Colgan Huber <chuber@wrctc.coop>
Sent: Wednesday, June 26, 2013 3:51 PM
To: Rounds, Brian
Subject: Energy Objective Report
Attachments: RRCEO Report Template.xls

Brian,

Attached is our 2012 RREO report. Grand Electric does not own any Generation Capacity or Renewable Generation Capacity.

In 2012, Basin Electric Power Cooperative allocated its available uncommitted Renewable Energy Credits based on the revenue includable under the patronage formula to the South Dakota cooperative members.
It was Grand Electric's decision to sell these Renewable Energy Credits through Basin Electric.

Therefore, we do not have any Renewable Energy Credits for retirement.

If you have any questions, please feel free to call me.

Thank you.

Colgan Huber, Director of Finance
Grand Electric Cooperative, Inc.
West River Cooperative Telephone Co.
West River Cable TV
801 Coleman Ave.
PO Box 39
Bison, SD 57620
chuber@wrctc.coop

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

Company: Grand Electric Cooperative, Inc.
X

Calendar Year 2012 RREO Report	Value	Comments
Retail Sales		
Total - All States (MWh)	216,962	South Dakota and Montana
SD (MWh)	216,845	
Generation Capacity Owned		No Generation Owned
Total - All States (MW)	0	
SD (MW)	0	
Renewable Generation Capacity Owned		No 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		No retired RECs. Our allocated RECs from Basin Electric are being sold.
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		No retired RECs. Our allocated RECs from Basin Electric are being sold.
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**	
Conserved Energy & Capacity		
Conserved Energy (MWh)		
Total - All States	9.9	
SD	9.9	
Conserved Capacity (MW)		
Total - All States	0.033	
SD	0.033	

HEARTLAND
CONSUMERS POWER DISTRICT

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

Public Document

June 24, 2013

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, 2012 through December 31, 2012.

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:
Kevin Karel, Arlington Municipal Utilities
Andy Studer, Aurora Municipal Utilities
Garry Ladwig, Bryant Municipal Utilities
Grant Groos, Colman Municipal Utilities
Dan DeWitt, Estelline Municipal Utilities
Ward Gilchrist, Groton Municipal Utilities
Dennis Shelton, Hecla Municipal Utilities

HEARTLAND
CONSUMERS POWER DISTRICT

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

Kody Dawson, 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
Bob Brattmiller, Tyndall Municipal Utilities
Brent Brown, Volga Municipal Utilities
Roger Larson, Wessington Springs Municipal Utilities
Dan DeYoung, White Municipal Utilities
Jeff Mehlhaff, SD Municipal Electric Association

Heartland Consumers Power District
South Dakota Renewable Energy Progress Report

June 24, 2013

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 state 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 in 2012, 7 MW's of the project were committed solely to one of HCPD's Minnesota Customers.) 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.

The attached spreadsheet report outlines HCPD's 2012 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, 2012 – December 31, 2012, HCPD's South Dakota retail load served was 203,346 MWh. HCPD's SD Customers conserved 829 MWh of energy. To comply with the MN RES for 2012, HCPD retired 79,135 RECs corresponding to 12% of HCPD's 2012 MN retail load served (659,451 MWh). The type and vintage of RECs retired to comply with the MN RES can be found in the attachment to this report. Per an agreement between the State of South Dakota and HCPD to provide the State of South Dakota Universities with 100% renewable energy, HCPD retired 10,600 vintage 2012 RECs from the Wessington Springs Wind Energy Center. HCPD supplied the State of South Dakota Universities 10,599,169 kWh. To date, HCPD has not retired any RECs corresponding to any other 2012 SD retail load served by HCPD.

HCPD doesn't anticipate encountering any obstacles to meet South Dakota's REO in upcoming years.

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 24th day of June, 2013.

HEARTLAND CONSUMERS POWER DISTRICT

Nate Jones
Market Operations Manager
Heartland Consumers Power District
432 SE 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 2012 REO Report	Value	Comments
Retail Sales		
Total - All States (MWh)	868,656	
SD (MWh)	203,346	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)	135	Laramie River Station 1, Whelan Energy Center 2 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 with NextEra Energy Resources for the entire output from the Wessington Springs Wind Energy Center (WSW) 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 with NextEra Energy Resources for the entire output from the WSW 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	10,600	
Solar	-	
New Hydro	-	
Old Hydro	-	
Hydrogen	-	
Biomass	-	
Geothermal	-	
Recycled	-	

Total - All States (MWh)	**10,600**	
Generated in SD (MWh)		
Wind	10,600	RECs generated from WSW in SD and retired for State of South Dakota University load.
Solar	-	
New Hydro	-	
Old Hydro	-	
Hydrogen	-	
Biomass	-	
Geothermal	-	
Recycled	-	
Total SD (MWh)	**10,600**	
Renewable Energy Credits Retired for Other States		
Total - Generated In All States (MWh)		
Wind	20,028	
Solar	-	
New Hydro	-	
Old Hydro	59,107	
Hydrogen	-	
Biomass	-	
Geothermal	-	
Recycled	-	
Total - All States (MWh)	**79,135**	
Generated In SD (MWh)		
Wind	19,628	RECs generated from WSW in SD and retired for HCPDs MN customers load as required for the Minnesota RES (12% of 2012 MN load)
Solar	-	
New Hydro	-	
Old Hydro	-	
Hydrogen	-	
Biomass	-	
Geothermal	-	
Recycled	-	
Total SD (MWh)	**19,628**	
Conserved Energy & Capacity		
Conserved Energy (MWh)		
Total - All States	943	Conservation for Madelia, Truman, Lake Crystal, Marshall, Grove City not included.
SD	829	Doesn't include those listed above as well as Akron, IA and Tyler, MN.
Conserved Capacity (MW-months)		
Total - All States	50	Conservation for Madelia, Truman, Lake Crystal, Marshall, Grove City not included.
SD	45	Doesn't include those listed above as well as Akron, IA and Tyler, MN.

SubAccount	Subaccount ID	State/ Province	Compliance Period	Reason	Additional Details	M-RETS ID	Generating Facility	Fuel Type	Certificate Type	Certificate Vintage	Generation Period	Certificate Serial Numbers	Quantity	WI RRC Adjusted Quantity
2012 MN REO/RES - HCPD	1992	MN	2012			M451	Twin Cities Hydro LLC - Twin Cities Hydro LLC	Hydroelectric Water	Renewable	01/2011	01/2011	451-MN-01-2011-14160-5001 to 11639	6,639	0.000
2012 MN REO/RES - HCPD	1992	MN	2012			M451	Twin Cities Hydro LLC - Twin Cities Hydro LLC	Hydroelectric Water	Renewable	02/2011	02/2011	451-MN-02-2011-16312-1 to 10510	10,510	0.000
2012 MN REO/RES - HCPD	1992	MN	2012			M451	Twin Cities Hydro LLC - Twin Cities Hydro LLC	Hydroelectric Water	Renewable	03/2011	03/2011	451-MN-03-2011-16313-1 to 9657	9,657	0.000
2012 MN REO/RES - HCPD	1992	MN	2012			M451	Twin Cities Hydro LLC - Twin Cities Hydro LLC	Hydroelectric Water	Renewable	04/2011	04/2011	451-MN-04-2011-16314-1 to 6489	6,489	0.000
2012 MN REO/RES - HCPD	1992	MN	2012			M451	Twin Cities Hydro LLC - Twin Cities Hydro LLC	Hydroelectric Water	Renewable	05/2011	05/2011	451-MN-05-2011-16315-1 to 8682	8,682	0.000
2012 MN REO/RES - HCPD	1992	MN	2012			M451	Twin Cities Hydro LLC - Twin Cities Hydro LLC	Hydroelectric Water	Renewable	06/2011	06/2011	451-MN-06-2011-17824-1 to 8546	8,546	0.000
2012 MN REO/RES - HCPD	1992	MN	2012			M451	Twin Cities Hydro LLC - Twin Cities Hydro LLC	Hydroelectric Water	Renewable	07/2011	07/2011	451-MN-07-2011-16923-1 to 8584	8,584	0.000
2012 MN REO/RES - HCPD	1992	MN	2012			M226	Chandler Wind Farm - Unit 246	Wind	Renewable	08/2011	08/2011	226-MN-08-2011-17250-243 to 282	40	0.000
2012 MN REO/RES - HCPD	1992	MN	2012			M226	Chandler Wind Farm - Unit 246	Wind	Renewable	09/2011	09/2011	226-MN-09-2011-17784-324 to 363	40	0.000
2012 MN REO/RES - HCPD	1992	MN	2012			M226	Chandler Wind Farm - Unit 246	Wind	Renewable	10/2011	10/2011	226-MN-10-2011-18380-553 to 592	40	0.000
2012 MN REO/RES - HCPD	1992	MN	2012			M226	Chandler Wind Farm - Unit 246	Wind	Renewable	03/2011	03/2011	226-MN-03-2011-15041-404 to 443	40	0.000
2012 MN REO/RES - HCPD	1992	MN	2012			M226	Chandler Wind Farm - Unit 246	Wind	Renewable	06/2011	06/2011	226-MN-06-2011-16430-380 to 419	40	0.000
2012 MN REO/RES - HCPD	1992	MN	2012			M226	Chandler Wind Farm - Unit 246	Wind	Renewable	01/2011	01/2011	226-MN-01-2011-14204-341 to 380	40	0.000
2012 MN REO/RES - HCPD	1992	MN	2012			M226	Chandler Wind Farm - Unit 246	Wind	Renewable	02/2011	02/2011	226-MN-02-2011-14602-602 to 641	40	0.000
2012 MN REO/RES - HCPD	1992	MN	2012			M226	Chandler Wind Farm - Unit 246	Wind	Renewable	04/2011	04/2011	226-MN-04-2011-15485-505 to 544	40	0.000
2012 MN REO/RES - HCPD	1992	MN	2012			M226	Chandler Wind Farm - Unit 246	Wind	Renewable	07/2011	07/2011	226-MN-07-2011-16728-249 to 288	40	0.000
2012 MN REO/RES - HCPD	1992	MN	2012			M226	Chandler Wind Farm - Unit 246	Wind	Renewable	05/2011	05/2011	226-MN-05-2011-15902-611 to 650	40	0.000
2012 MN REO/RES - HCPD	1992	MN	2012			M496	Wessington Wind I - Wessington Springs Energy Facility	Wind	Renewable	05/2011	05/2011	496-SD-05-2011-15454-4095 to 5954	1,860	0.000
2012 MN REO/RES - HCPD	1992	MN	2012			M496	Wessington Wind I - Wessington Springs Energy Facility	Wind	Renewable	06/2011	06/2011	496-SD-06-2011-16290-2899 to 4698	1,800	0.000
2012 MN REO/RES - HCPD	1992	MN	2012			M496	Wessington Wind I - Wessington Springs Energy Facility	Wind	Renewable	07/2011	07/2011	496-SD-07-2011-16294-2178 to 4781	2,604	0.000
2012 MN REO/RES - HCPD	1992	MN	2012			M496	Wessington Wind I - Wessington Springs Energy Facility	Wind	Renewable	08/2011	08/2011	496-SD-08-2011-16812-2430 to 5033	2,604	0.000
2012 MN REO/RES - HCPD	1992	MN	2012			M496	Wessington Wind I - Wessington Springs Energy Facility	Wind	Renewable	09/2011	09/2011	496-SD-09-2011-17144-2594 to 5113	2,520	0.000
2012 MN REO/RES - HCPD	1992	MN	2012			M496	Wessington Wind I - Wessington Springs Energy Facility	Wind	Renewable	04/2011	04/2011	496-SD-04-2011-14962-3990 to 5789	1,800	0.000
2012 MN REO/RES - HCPD	1992	MN	2012			M496	Wessington Wind I - Wessington Springs Energy Facility	Wind	Renewable	03/2011	03/2011	496-SD-03-2011-15196-3436 to 5293	1,858	0.000
2012 MN REO/RES - HCPD	1992	MN	2012			M496	Wessington Wind I - Wessington Springs Energy Facility	Wind	Renewable	01/2011	01/2011	496-SD-01-2011-13746-4556 to 5931	1,376	0.000
2012 MN REO/RES - HCPD	1992	MN	2012			M496	Wessington Wind I - Wessington Springs Energy Facility	Wind	Renewable	10/2011	10/2011	496-SD-10-2011-17540-1 to 1526	1,526	0.000
2012 MN REO/RES - HCPD	1992	MN	2012			M496	Wessington Wind I - Wessington Springs Energy Facility	Wind	Renewable	02/2011	02/2011	496-SD-02-2011-14104-1 to 1680	1,680	0.000
													79,135	0.000

South Dakota Renewable and Recycled Energy Objective

2012 Annual Report
MidAmerican Energy Company

MidAmerican Energy Company files the following report in compliance with SDCL 49-34A-105 covering the twelve-month period ending on December 31, 2012. The attached spreadsheet provides the following information:

- Retail sales (MWh) – total and South Dakota-based
- Generation capacity owned (MW) – total and South Dakota-based by technology
- Renewable generation capacity owned (MW) – total and South Dakota-based by technology
- Renewable generation (MWh) with renewable energy credits retired for South Dakota – total and South Dakota-based by technology
- Renewable generation with renewable energy credits retired for other states/purposes (MWh) – total and South Dakota-based by technology
- Conserved energy (MWh) and capacity (MW)

Brief Narrative Report Describing Steps Taken and Challenges or Barriers

MidAmerican Energy 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. Since 2004, MidAmerican Energy has added 2,285 megawatts of new wind resources in Iowa and has power purchase agreements for 109 megawatts of wind-powered capacity. The company completed its most recent addition of 407 megawatts of wind-powered generation in Iowa in 2012 and has approximately 30 percent of its total owned and contracted generation capacity powered by wind. Production tax credits and the sale of renewable energy credits both help to promote the further development of renewable projects.

MidAmerican Energy began offering energy efficiency programs to South Dakota customers on May 1, 2009. MidAmerican Energy offers a variety of energy efficiency programs aimed at helping residential, commercial and industrial customers reduce energy use and save money. In 2012, the South Dakota programs incented customers to make energy efficiency investments that are expected to save approximately 1,642,089 kilowatt-hours of electricity and 176,179 therms of natural gas per year.

MidAmerican Energy has not completed an energy efficiency impact evaluation specific to South Dakota as of July 1, 2013. Total kilowatt-hour and therm savings by energy efficiency measure, along with spending by measure for 2012, were provided in

Exhibit A of MidAmerican Energy's 2012 South Dakota energy efficiency annual report. All savings figures provided in Exhibit A are determined through a deemed savings approach and are either calculated through a savings algorithm or are assumed at a constant level of savings.

In general, algorithms are used for the following measures:

- Air conditioners
- Heat pumps
- Furnace fans
- Water heaters
- Boilers
- Furnaces
- Insulation
- Lighting

In these cases, algorithms are used where it is known that certain measurable characteristics of each piece of equipment (efficiency rating, size of unit, wattage rating of lamps, square foot and R-value of insulation) will affect the level of savings.

Deemed savings are generally used for:

- Aerators
- Showerheads
- Water pipe insulation
- Programmable thermostats
- Water heater blankets
- Low flow sprayers

In these cases, deemed savings values are used because measurable information on the specific characteristics of each piece of equipment and how that equipment is used is not available. Therefore, general accepted savings levels are used.

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

Company:
MidAmerican Energy Company

Calendar Year 2012 RREO Report	Value	Comments
Retail Sales		
Total - All States (MWh)	21,923,979	Form 1 page 401a line 21
SD (MWh)	208,232	
Generation Capacity Owned		
Total - All States (MW)	7,974	12/31/12 nameplate rating per FERC Form 1
SD (MW)	67	Allocated 0.84%
Renewable Generation Capacity Owned		
Total - All States (MW)		
Wind	2,285	
Solar	-	
New Hydro	-	
Old Hydro	4	
Hydrogen	-	
Biomass	-	
Geothermal	-	
Recycled	-	
Total - All States (MW)	**2,289**	
SD (MW)		
Wind	19	
Solar	-	
New Hydro	-	
Old Hydro	-	
Hydrogen	-	
Biomass	-	
Geothermal	-	
Recycled	-	
Total SD (MW)	**19**	
Renewable Energy Credits Retired for SD		
Total - Generated In All States (MWh)		
Wind	2,629	
Solar	-	
New Hydro	-	
Old Hydro	39	
Hydrogen	-	
Biomass	28	
Geothermal	-	
Recycled	-	
Total - All States (MWh)	**2,696**	
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	591,327	Total retired for all states including South Dakota
Solar	-	
New Hydro	-	
Old Hydro	4,695	Total retired for all states including South Dakota
Hydrogen	-	
Biomass	59,604	Total retired for all states including South Dakota
Geothermal	-	
Recycled	-	
Total - All States (MWh)	**655,626**	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	1,926,990	Per EIA-861 (Annual Effects)
SD	2,914	Per EIA-861 (Annual Effects)
Conserved Capacity (MW)		
Total - All States	755	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 27, 2013

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, Recycled and Conserved 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, 2012 through December 31, 2012.

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 derek.bertsch@mrenergy.com.

Sincerely,

Derek Bertsch, Attorney at Law
Staff Attorney, 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
Bonnie Nielsen, City of Pickstown
Leon Schochenmaier, Pierre Municipal Utilities
John Prescott, City of Vermillion
Steve Lehner, Watertown Municipal Utilities Department
Genevieve DeMent, Winner Municipal Utilities
Jeffrey Mehlhaff, SD Municipal Electric Association

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

June 27, 2013

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.

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. 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. In 2009, the legislature amended SDCL 49-34A-101 to include recycled or conserved energy as a renewable resource for RRCEO compliance.

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 the information to be provided annually for the preceding calendar year by July 1. Additionally, in 2011, the Commission adopted a new chapter of rules, ARSD 20:10:38, regarding the reporting of renewable energy credits and the measurement and verification of energy efficiency and demand response measures.

[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.

Given the power supply relationship between MRES and its members, MRES has assumed responsibility for the RRCEO 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:

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

In order to meet the South Dakota RRCEO, 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
- Hancock (IA) Wind Project, 3.3 MW

MRES purchases the output of the units in each of these wind projects, and owns all of the environmental attributes associated with such generation.[4] These resources total 85.7 MW of

[2] Beginning in 2012, Minnesota's voluntary REO became 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 the South Dakota REO, imposing a voluntary goal of 10% by 2015. NDCC 49-02-28. Iowa does not presently have a renewable energy objective or mandate.

[3] The Worthington Wind Project is located near Worthington, Minn., in Nobles County. The Marshall Wind Project is located near Marshall, Minn., in Lyon County. The Odin Wind Project is located near Odin, Minn., in Watonwan and Cottonwood Counties. The Rugby Wind Project is located near Rugby, N.D., in Pierce County. The Hancock Wind Project is located near Britt, I.A., in Hancock County.

[4] 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.

nameplate capacity, most of which is dedicated to meeting the various state Renewable Energy Objectives (REOs).[5] MRES intends to meet its REO goals by utilizing the contracted wind generation, associated renewable attributes, and conserved/recycled energy to meet the MRES SD RRCEO benchmark for each year.

The following Table 1 identifies the projections of MRES relating to compliance with the South Dakota RRCEO goals. 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[2,3] (MWh)	SD RRCEO annual benchmark (%)	MRES SD RRCEO (MWh)
2012	614,590	4	24,584
2013	657,744	6	39,465
2014	684,776	8	54,783
2015	707,445	10	70,745

Note 1 12 month period ending December 31
Note 2 Year 2012 lists actual sales; Years 2013-2015 list projected sales
Note 3 Town gate sales

The total actual retail sales of MRES to South Dakota customers in 2012 was 614,590 MWh, as set forth in the report attached as Exhibit A – "MRES SD RRCEO PROGRESS REPORT." MRES established an M-RETS REO retirement subaccount to demonstrate compliance with the requirements of SDCL 49-34A-101. In order to comply with the RRCEO goals, MRES transferred 17,844 RECs to its 2012 South Dakota REO subaccount. In the previous MRES SD RRCEO Progress Report submitted June 26, 2012, MRES disclosed that it inadvertently transferred and retired 6,740 more RECs than was necessary to meet its SD RRCEO annual benchmark of 3% for the 2011 compliance year. As stated in the previous report, MRES intends to use the 6,740 overage for the 2012 compliance year. With this overage, MRES has transferred 24,584 RECs in order to comply with the 2012 RRCEO goal of 4% for its South Dakota municipal utility members.

---

§216B.169. This transaction results in a net zero purchase to MRES, and thus, MPS generation is not used by MRES for REO compliance purposes.

[5] 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[SM] 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 state renewable energy program requirements.

MRES continues to evaluate opportunities for additional renewable resources to ensure continuing compliance with the REO goals of North Dakota and South Dakota, and the requirements of the Minnesota RES. In 2013 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 is in its sixth year with 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 2012 of MRES South Dakota members described in Table 2.

Table 2: 2012 MRES SD
Recycled/Conserved Energy Savings

Savings (MWh)	Savings (MW)	Incentives to Customers
4,833	1.12	$355,661.68

Obstacles to meeting the RRCEO

At this time, MRES does not envision any obstacles to meeting the RRCEO goals established through 2015.

Efforts to Overcome Obstacles

N/A

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 is committed to pursuing renewable energy as part of its balanced portfolio to supply its member communities with reliable and cost-effective power supply.

Respectfully submitted this 27th day of June, 2013.

MISSOURI BASIN MUNICIPAL POWER AGENCY
d/b/a MISSOURI RIVER ENERGY SERVICES

Derek Bertsch
Staff Attorney
Missouri River Energy Services
PO Box 88920
Sioux Falls, SD 57109-8920

EXHIBIT A, MRES SD RRCEO PROGRESS REPORT JUNE 27 2013, Calendar Year 2012

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 2012 RRCEO Report	Value	Comments
Retail Sales		
Total - All States (MWh)	2,363,541	(MRES portion only. Does not include WAPA.)
SD (MWh)	614,590	(MRES portion only. Does not include WAPA.)
Generation Capacity Owned		
Total - All States (MW)	725.8	Laramie River Station (282), Exira Iowa Peaking (140), WPPI / Point Beach--PPA (32.8), Watertown Power Plant (47.7), Wind (includes Worthington MN--owned by WMMPA/MRES; Odin MN--PPA, Marshall MN--PPA, Rugby ND--PPA, Hancock IA--PPA) (85.7), Municipal member generation (137.6). This does not include WAPA Power.
SD (MW)	53.7	Watertown Power Plant and municipal member generation
Renewable Generation Capacity Owned		
Total - All States (MW)		
Wind	85.7	Wind (includes Worthington MN--owned by WMMPA/MRES; Odin MN--PPA, Marshall MN--PPA, Rugby ND--PPA, Hancock IA--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	0	
Total - All States (MW)	**424.7**	
SD (MW)		
Wind	0	
Solar	0	
New Hydro	0	
Old Hydro	100.4	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	
Total SD (MW)	**100.4**	
Renewable Energy Credits Retired for SD		
Total - Generated In All States (MWh)		
Wind	24,584	As disclosed in the MRES SD RRCEO Progress Report, in 2012 MRES inadvertently transferred and retired 6,740 more RECs than was necessary to meet its SD RRCEO annual benchmark of 3% for the 2011 compliance year. As stated in its previous report, MRES intends to use the 6,740 REC retirement overage for the 2012 compliance year.
Solar	0	
New Hydro	0	
Old Hydro	0	
Hydrogen	0	
Biomass	0	
Geothermal	0	
Recycled	0	
Total - All States (MWh)	**24584**	
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	148,106	Minnesota RES (144,637), ND RREO (2,655) and Green Pricing in all states (814)
Solar	0	
New Hydro	0	
Old Hydro	0	
Hydrogen	0	
Biomass	0	
Geothermal	0	
Recycled	0	
Total - All States (MWh)	**148106**	
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	24,325	
SD	4,833	
Conserved Capacity (MW)		
Total - All States	5.19	
SD	1.12	

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

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

June 27, 2013

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

Re: 2012 Annual Renewable, Recycled, and Conserved Energy Objective Report

Dear Ms. Van Gerpen:

Montana-Dakota Utilities Co. (Montana-Dakota), a Division of MDU Resources Group, Inc., hereby submits its report regarding South Dakota's renewable energy objective as required by SDCL 49-34A-105.

Sincerely,

Tamie A. Aberle
Director of Regulatory Affairs

Montana-Dakota Utilities Co.
Renewable, Recycled, and Conserved Energy Objective
Annual Report to the South Dakota Public Utilities Commission
July 1, 2013 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 for Calendar Year 2012

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. Customer power supply needs are met through a resource portfolio consisting of Company-owned generation comprised of coal fired resources, natural gas peaking capacity, Midcontinent Independent System Operators, Inc. market purchases, and renewable resources; purchased power contracts, and demand side management programs. Renewable energy requirements applicable to Montana-Dakota's integrated electric system are as follows:

- Montana Standard – In 2012, obtain a minimum of 10% of all retail sales of electrical energy within the state for the prior calendar year from eligible renewable resources with 5.6 MW required to be obtained from a Community Renewable Energy Project.
- North Dakota Objective – By the year 2015, obtain 10% of all retail sales of electrical energy within the state from renewable and recycled energy sources.
- South Dakota Objective – By the year 2015, obtain 10% of all retail sales of electrical energy within the state from renewable, recycled, and conserved energy.

The Company's electric retail sales in the State of South Dakota for the twelve month period ending December 31, 2012 were 143,555 MWh, representing approximately 5 percent of the Company's integrated system retail sales. As described further below, Montana-Dakota's generating resources produced 192,598 renewable energy credits (REC's) in 2012 with 11,044 REC's applicable to South Dakota. This resulted in 7.7 percent of the South Dakota retail load served from renewable resources. Montana-

Dakota is selling the REC's allocated to South Dakota when cost effective to do so. Proceeds from the sale of REC's are recorded as a revenue credit. Montana-Dakota did not offer incentives for electric conservation programs in South Dakota in 2012, therefore, conserved energy resources are not being used to meet the South Dakota objective.

The Company will continue to evaluate wind and other renewable resources in support of the objective in South Dakota and will incorporate such resources as part of its generation portfolio when reasonable and economic to do so.

Following is a description of the generating resources that supplied the REC's produced in 2012.

- In February 2008, Montana-Dakota commenced commercial operation of Diamond Willow, a 19.5 MW wind farm near Baker, Montana. An additional 10.5 MW Diamond Willow expansion project commenced commercial operation on June 28, 2010. In calendar year 2012, Diamond Willow produced 90,892 REC's. 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.

- In July 2009, Montana-Dakota began commercial operation of a 7.5 MW waste heat recovery generating station on the Northern Border Pipeline near Glen Ullin, North Dakota. In calendar year 2012, the Glen Ullin facility produced 38,991 REC's. This resource is registered on the M-RETS system with a designated identifier of "M-535".

- On June 6, 2010, Montana-Dakota commenced commercial operation of Cedar Hills, a 19.5 MW wind farm near Rhame, North Dakota. In calendar year 2012, Cedar Hills produced 62,715 REC's. This wind resource is registered on the M-RETS system with a designated identifier of "M-584".

In accordance with SDAR 20:10:38:07, Montana-Dakota reports that the following REC's were retired in 2012 to meet the state of Montana's renewable energy standard. 2,477.34 of these REC's reflect a portion of South Dakota's allocated REC's with a corresponding payment transfer to South Dakota.

Resource	Number of REC's	Trading System
Cedar Hills-ND	26,386	M-RETS
Diamond Willow-MT	48,370	M-RETS
Total	74,756	

An additional 40,000 REC'S were sold, and 3,211.58 of these REC's reflect a portion of South Dakota allocated REC's with a corresponding payment transfer to South Dakota.

The Commission's Reporting form is provided in Attachment A.

Calendar Year 2012 RREO Report	Value	Comments
Retail Sales		
Total - All States (MWh)	2,674,196	Montana-Dakota's Integrated System
SD (MWh)	143,555	
Generation Capacity Owned		
Total - All States (MW)	486.4	Montana-Dakota's Integrated System based on MISO UCAP Rating Coal & Gas, Nameplate-Wind
SD (MW)	103.4	
Renewable Generation Capacity Owned		
Total - All States (MW)		
Wind	49.5	Montana-Dakota's Integrated System based on MISO UCAP Rating
Solar		
New Hydro		
Old Hydro		
Hydrogen		
Biomass		
Geothermal		
Recycled	7.5	Waste Heat Recovery Unit
Total - All States (MW)	57.0	Montana-Dakota's Integrated System
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	
Renewable Energy Credits Retired for Other States		
Total - Generated In All States (MWh)		
Wind	74,756	
Solar		
New Hydro		
Old Hydro		
Hydrogen		
Biomass		
Geothermal		
Recycled		
Total - All States (MWh)	74,756	
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	86	Montana-Dakota's Integrated System
SD	2	
Conserved Capacity (MW)		
Total - All States	6.7	Montana-Dakota's Integrated System
SD	0	

NorthWestern Energy

Pamela A. Bonrud
Director - 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 7, 2013

Patricia Van Gerpen
Executive Director
South Dakota Public Utilities Commission
500 E. Capitol
Pierre, SD 57501-5070

RE: NorthWestern Energy – 2012 Renewable, Recycled and Conserved Energy Annual Report

Dear Ms. Van Gerpen:

In accordance with SDCL 49-34A-105, NorthWestern Corporation (d.b.a. NorthWestern Energy) hereby submits its 2012 Renewable, Recycled and Conserved Energy Annual Report.

NorthWestern Energy continues to explore the integration of cost effective renewable, recycled and conserved energy resources for its SD energy supply portfolio. It is anticipated that conserved energy resources will play a role in assisting NorthWestern Energy to meet South Dakota's RRECO by 2015. Although NorthWestern is not able to report any conserved energy savings for 2012, a proceeding is currently open before the Commission regarding a Demand Side Management (DSM) program for NorthWestern Energy customers. It is NorthWestern's understanding that the Commission plans to host a DSM workshop later this year to continue discussions with South Dakota utilities about how these programs work and the value DSM provides to customers. We remain hopeful that final agreement with the Commission regarding our proposed DSM program will be reached by the end of 2013 or early 2014. Once final approval is granted, NorthWestern will begin preparations to roll out DSM to its customers.

During 2012, NorthWestern did not add any new renewable resources to its energy supply portfolio for South Dakota. NorthWestern continues to buy output from the Titan 1 wind farm (25 MW nameplate capacity) located near Ree Heights, SD. It is anticipated that NorthWestern's 2013 annual report will reflect the addition of new QF wind resources, assuming contract negotiations are successfully completed and the appropriate Commission approvals are achieved.

Cost effective energy resources - including renewable, recycled and conserved resources – must be carefully evaluated as to their reliability, need to meet customer demand, and potential impact to our customers' pocketbooks. NorthWestern Energy will continue to explore all possible renewable,

recycled, and conserved energy resources for integration into our energy supply portfolio to achieve South Dakota's RRCEO by 2015.

Sincerely,

Pamela A. Bonrud
Director – Government and Regulatory Affairs

Cc: Brian Rounds, Staff Analyst
Dennis Wagner, Director - South Dakota Production

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

Company:
X

Calendar Year 2012 RREO Report	Value	Comments
Retail Sales		
Total - All States (MWh)	7,432,856	Montana default supply sales plus South Dakota sales.
SD (MWh)	1,501,454	
Generation Capacity Owned		
Total - All States (MW)	535.54	Includes Coalstrip Four Unit in Montana added to summer SD rating.
SD (MW) Summer Rating	316	
SD (MW) Winter Rating	330	
Renewable Generation Capacity Owned		
Total - All States (MW)	40	
Wind	40	Spion Kop
Solar	0	
New Hydro	0	
Old Hydro	0	
Hydrogen	0	
Biomass	0	
Geothermal	0	
Recycled	0	
Total - All States (MW)	**40**	
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)	0	
Wind	0	
Solar	0	
New Hydro	0	
Old Hydro	0	
Hydrogen	0	
Biomass	0	
Geothermal	0	
Recycled	0	
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)	592,007	Montana RECs retired to meet 2012 RPS
Wind	557,706	
Solar	0	
New Hydro	34301	
Old Hydro	0	
Hydrogen	0	
Biomass	0	
Geothermal	0	
Recycled	0	
Total - All States (MWh)	**592,007**	
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	91,477	Montana DSM program results in 2012.
SD	0	
Conserved Capacity (MW)		
Total - All States	10.4	
SD	0	

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

June 25, 2013

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 218-739-8883 or cwestergard@otpco.com.

Sincerely,

/s/ CAROL WESTERGARD
Carol Westergard
Contract & Due Diligence Administrator

pmm
Enclosures
By electronic filing

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

Report RP13-04
Resource Planning Department
June 2013

By: Carol Westergard

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 Carol Westergard at 218-739-8883 or cwestergard@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 fifth 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 if the facility employs the maximum achievable or best available control technology for that type of facility.

[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.

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 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 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.

[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.

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. For 2012, the amount of energy from unregistered renewable energy resources was about 666 MWh.

Otter Tail has developed an account structure within M-RETS to help segregate Renewable Energy Certificates (RECs) by type and usage. The Otter Tail M-RETS accounts include a retirement account by state jurisdiction by year. Thus it is 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 energy from renewable energy resources 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 2012, Otter Tail did not purchase any RECs. All energy used for compliance was energy generated by Otter Tail or energy purchased by Otter Tail under power purchase agreements that include renewable energy attributes.

During 2012, Otter Tail sold 539,326 RECs. These RECs had a 2011 and 2012 vintage, and were created by wind facilities located in the state of North Dakota and owned by Otter Tail or obtained by Otter Tail through wind energy purchased power agreements that include renewable energy attributes.

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. Resources are listed in Appendix A if they are resources planned in Otter Tail's Integrated Resource Plan or are customer-owned. Customer-owned facilities are included in Appendix A if an interconnection agreement has been signed or there is agreement on key terms of a purchase power agreement.

SOUTH DAKOTA RENEWABLE AND RECYCLED ENERGY

The following data is for the January 1, 2012 – December 31, 2012 time period. The data assumes that energy from renewable energy resources is allocated across the Otter Tail system based on retail sales kWh. The exception to this allocation methodology is 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 Generated During The Period January 1, 2012 – December 31, 2012			
Resource	**Total kWh**	**SD Percentage**[11]	**SD kWh**
FPLE ND Wind II	54,450,718	9.66%	5,257,335
Customer A	5,095,407	9.62%	489,933
FPLE Langdon	72,204,498	9.67%	6,980,785
OTP Langdon	143,498,426	9.67%	13,871,396
Ashtabula Wind	154,883,605	9.65%	14,952,758
Luverne Wind	175,014,224	9.65%	16,897,141
South Dakota Tail*Winds*	179,250	100.0%	179,250
OTP Owned Hydro	16,990,362	9.65%	1,638,983
WAPA Hydro	29,972,790	9.65%	2,893,766[12]

[11] Energy is allocated to jurisdictions based on monthly jurisdictional retail sales.
[12] The WAPA hydroelectric energy is an allocation to five Native American tribes.

South Dakota Renewable and Recycled Energy Compliance January 1, 2012 – December 31, 2012	
South Dakota Retail Sales	407,054,057 kWh
Less Hydro Energy Adjustment	-4,532,749 kWh
Net SD Retail Sales for REO Compliance	402,521,308 kWh
South Dakota Renewable Energy	58,628,599 kWh
[13]SD REO Compliance Percentage Potential	14.57%

The data shows that Otter Tail is well positioned to comply with the South Dakota statute. In May of 2013 Otter Tail signed a purchase power agreement to purchase 62.4 MW of energy from the Ashtabula III Wind Farm located in Barnes County, ND, Otter Tail expects to begin taking energy from Ashtabula III Wind Farm beginning on August 1, 2013, at that time the level of compliance will increase. Otter Tail will sell excess RECs and/or bank RECs for future use.

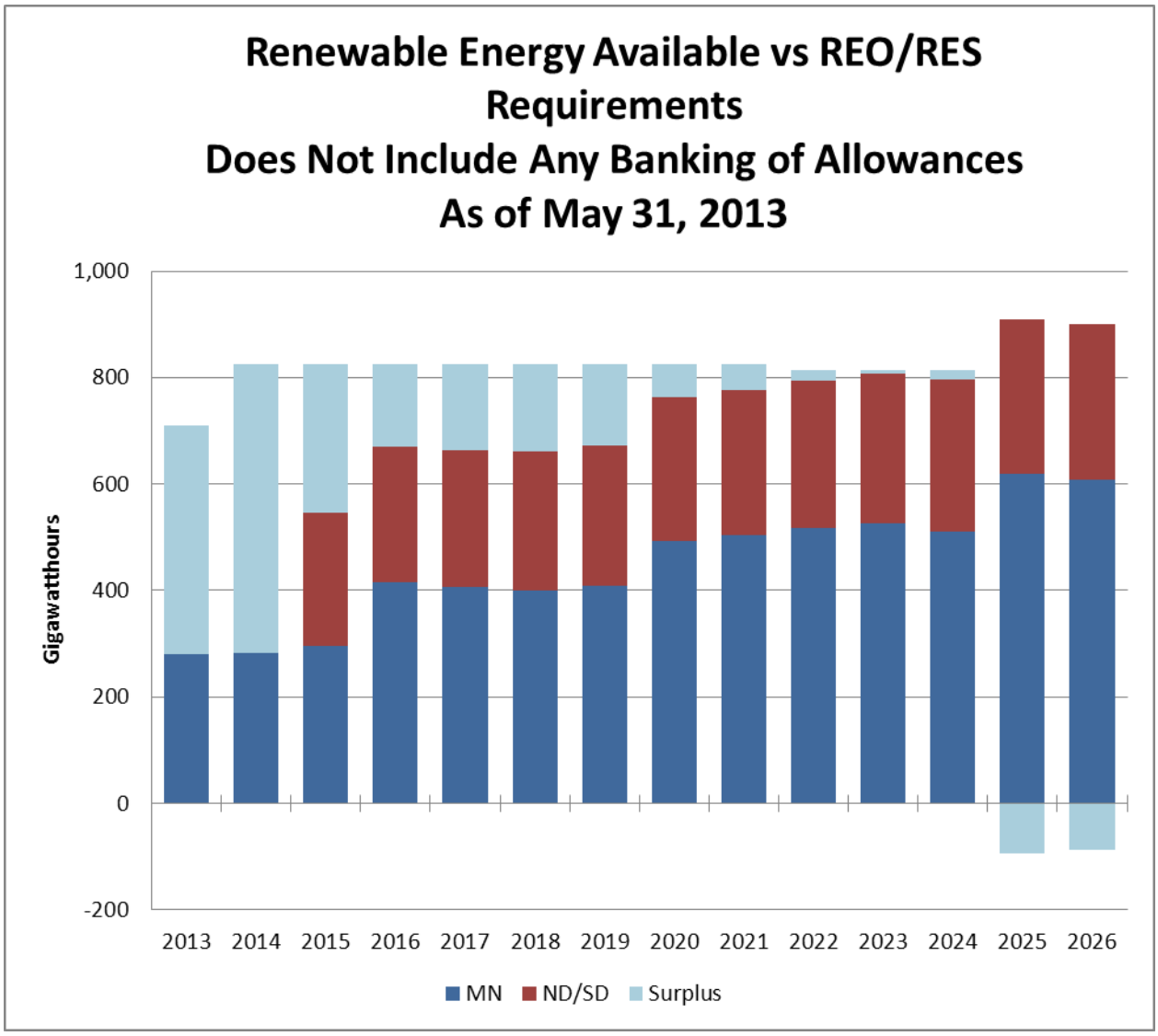
[13] OTP may sell RECs to third parties. RECs sold to third parties would not be eligible for regulatory compliance.

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 62.4 MW Otter Tail will purchase from the Ashtabula III Wind Farm. 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 energy from renewable energy resources compared to the REO/RES requirements going out to 2026. The graph assumes that all RECs are counted for compliance in the year they are generated and are not banked for future compliance use. The graph includes the 62.4MW from the Ashtabula III Wind Farm. The graph does not include new customer-owned facilities that may be developed.

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 to have sufficient energy from renewable energy resources available to comply with state REO/RES requirements until 2025.


Renewable Energy Available vs REO/RES Requirements
Does Not Include Any Banking of Allowances
As of May 31, 2013
Gigawatthours
1,000
800
600
400
200
0
-200
2013
2014
2015
2016
2017
2018
2019
2020
2021
2022
2023
2024
2025
2026
MN
ND/SD
Surplus

BARRIERS TO REO/RES COMPLIANCE

At this time, Otter Tail Power Company does not see any substantial obstacles to meeting the South Dakota Renewable, Recycled, and Conserved Energy Objective. The Company has been and continues to be well ahead of current objectives and standards.

SUMMARY

Otter Tail has stepped forward with its development of renewable energy resources for a variety of reasons and is completing new renewable energy resources 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 2013. Otter Tail anticipates purchasing energy from the 62.4 MW Ashtabula III Wind Farm in late 2013. All of these wind additions have been part of an economic least cost mix of resources and have not been added for the sole purpose of complying with renewable energy objectives or standards.

Part of the reason why the capacity expansion modeling is showing wind additions as economic is because of the federal incentives and wind development in North Dakota. The federal incentives reduce the cost of wind generation by about 33% and are currently set to expire for projects after 2013. The wind development incentives in North Dakota also improve economics and have sunset provisions.

With the current renewable resources and the 62.4 MW from Ashtabula III Wind Farm, additional resources for REO/RES compliance will likely not be needed until sometime after 2024. However, additional renewable resources may be added earlier if they are economic. There are many uncertainties going forward with all forecasts, including load growth, conservation efforts, and customer-owned renewable resources but Otter Tail remains well ahead of renewable requirements and therefore is positioned to be in compliance for many years to come.

APPENDIX A – RENEWABLE AND RECYCLED ENERGY RESOURCES

Existing Renewable Energy Resources							
Name	**State**	**kW Rating**	**Vintage**	**Technology**	**Power Source**	**Owned/PPA**	**State Eligibility**
Tail*Winds*	MN and SD	1,890	2001-2003	Wind	Wind	PPA	Tail*Winds*[14]
FPLE ND Wind II	ND	21,000	2003	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
Luverne Wind	ND	49,500	2009	Wind	Wind	Owned	MN, ND, SD
Various Small Solar Producers	MN	7	2008-2012	Photovoltaic	Sun	PPA	MN, ND, SD
Various Small Wind Producers	MN	3,843	1997-2012	Wind	Wind	PPA	MN, ND, SD
Biogas Producer	MN	2,130	2010	Internal Combustion	Biogas	PPA	MN, ND, SD
Various Small Solar Producers	ND	2	2011	Photovoltaic	Sun	PPA	MN, ND, SD
Various Small Wind Producers	ND	1104	1985-2012	Wind	Wind	PPA	MN, ND, SD
Various Small Solar Producers	SD	40	2010-2011	Photovoltaic	Sun	PPA	MN, ND, SD

[14] Wind energy purchased from EMS in SD and Hendricks and Borderline in MN. 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 Energy Resources (Continued)							
Various Small Wind Producers	SD	2.6	2009	Wind	Wind	PPA	MN, ND, SD
Bemidji Hydro	MN	200	1907	Hydro	Water	Owned	MN
Taplin Gorge	MN	500	1925	Hydro	Water	Owned	MN
Hoot Lake	MN	800	1914	Hydro	Water	Owned	MN
Pisgah	MN	700	1918	Hydro	Water	Owned	MN
Wright	MN	500	1922	Hydro	Water	Owned	MN
Dayton Hollow	MN	1,000	1909	Hydro	Water	Owned	MN
WAPA Hydro	Several	5,566	Various	Hydro	Water	PPA	None
Planned and Expected Future Renewable Energy Resources							
Name	**State**	**kW Rating**	**Vintage**	**Technology**	**Power Source**	**Owned/PPA**	**State Eligibility**
Ashtabula III	ND	62,400	2013	Wind	Wind	PPA	MN, ND, SD

APPENDIX B – CALENDAR YEAR 2012 RREO REPORT

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

Company:
Otter Tail Power Company

Calendar Year 2012 RREO Report	Value	Comments
Retail Sales		
Total - All States (MWh)	4,215,516	
SD (MWh)	407,054	
Generation Capacity Owned		
Total - All States (MW)	963.4	Based on Net Dependable Capacity of owned generation facilities and contracted capacity.
SD (MW)	283.8	Based on Net Dependable Capacity of owned generation facilities and contracted capacity.
Renewable Generation Capacity Owned		
Total - All States (MW)		
Wind	178.5	40.5 MW is purchased through long-term purchased power agreements and 138 MW is owned, all located in ND
Solar	-	
New Hydro	-	
Old Hydro	2.7	Owned and located in MN
Hydrogen	-	
Biomass	2.1	Purchase 2.1 MW from a biogas producer located in MN
Geothermal	-	
Recycled	-	
Total - All States (MW)	**183.3**	
SD (MW)		
Wind	-	
Solar	-	
New Hydro	-	
Old Hydro	-	
Hydrogen	-	
Biomass	-	
Geothermal	-	
Recycled	-	
Total SD (MW)	**-**	
Renewable Energy Credits Retired for SD		No Renewable Energy Credits were Retired for SD in 2012
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	218,888	REC's retired for MN REO/RES. From the following units-location of units: Ashtabula Wind Center-ND, Borderline Wind LLC-MN, FPL Energy ND Wind II LLC-ND, Langdon Wind Farm-ND, Langdon Wind LLC, ND, Luverne Wind Farm, ND,
Solar	-	
New Hydro	-	
Old Hydro	30,236	REC's retired for MN REO/RES. From the following units-location of units: Bemidji Hydro-MN, Dayton Hollow Hydro 1, MN, Dayton Hollow Hydro 2, MN, Hoot Lake Hydro, MN, Pisgah Hydro, MN, Taplin Gorge Hydro, MN, Wright Hydro, MN.
Hydrogen	-	
Biomass	-	
Geothermal	-	
Recycled	-	
Total - All States (MWh)	**249,124**	
Generated In SD (MWh)		
Wind	1,200	Unit-location of unit: Borderline Wind LLC-MN
Solar	-	
New Hydro	-	
Old Hydro	-	
Hydrogen	-	
Biomass	-	
Geothermal	-	
Recycled	-	
Total SD (MWh)	**1,200**	
Conserved Energy & Capacity		
Conserved Energy (MWh)		
Total - All States	34,704	
SD	3,910	
Conserved Capacity (MW)		
Total - All States	7.5	
SD	1.1	

South Dakota Renewable and Recycled Energy Objective

2012 Annual Report

Rosebud Electric Cooperative Inc.

Rosebud Electric Cooperative files the following report in compliance with SDCL 49-34A-105 covering the twelve month period ending December 31, 2012.

Brief Narrative

Rosebud Electric does not have any generation. Rosebud Electric purchases power from the Western Area Power Administration (WAPA) and Basin Electric Cooperative (Basin). Rosebud Electric's total purchased power for 2012 was 86,026,282 KWh. We purchased 69% of this power from WAPA and consider it "old hydro" power. The remaining 31% was purchased from Basin. I received the following information from Basin;

" Basin Electric had renewable generation (wind, recovered energy generation (waste heat) and flare gas generation) equal to 15.3% of Basin Electric member and retail sales (which includes sales to DGC, Ellsworth AFB, Warren AFB and Willwood L&P). If you exclude Basin Electric's retail sales and only include member sales, the percentage is 16.2%. This renewable generation equaled 3,031,756 MWh of Basin Electric's generation. However, this renewable generation does not include any of the renewable attributes, as the available renewable attributes have been allocated to the membership".

Basin allocated 3,702 renewable energy credits to Rosebud Electric and they have been retired.

Rosebud Electric has just about completed a complete "advanced" metering program with the TWACS meters. These will replace the "Turtle" meters, which we have had for fifteen years. Rosebud Electric does not, at the present time, have a load control program. With the completion of the TWACS system, we can see a load control program in the near future.

Rosebud Electric is very active with the education of our members on conserving energy. We have approximately 450 geothermal heat pumps, out of the 1080 electrically heated homes, on our system. We offer "free" advice on the installation of these systems, as well as, comparisons of heating with fuel oil or propane. There is no natural gas available. We offer "free" home energy audits. At this time, we do not offer any rebate programs.

Please see the attached generation mix of Rosebud Electric.

Generation Mix Attributable to SD in 2012

Utility Name
ROSEBUD ELECTRIC COOP

Coal
23.81%

Hydro
69.00%

Natural Gas
0.31

Nuclear
0.651

Oil
0.00%

Biomass
0.00%

Recovered Energy Generation
0.403

Wind
3.10%

Short Term Purchases
2.48%

Rosebud Electric buys 69% of it's power requirements from Western Area Power Administration and 31% from Basin Electric Power Cooperative. I listed the WAPA power as hydro and used Basin information for the remainder. I have included the Basin information below.

Basin Information

Percent by Fuel Type (Energy)
Actual
2011 (EOY)
Coal Based Generation
76.8%
Hydro Generation
0.8%
Natural Gas Generation
1%
Nuclear Generation
2.1%
Oil, diesel and jet fuel Generation
0.0%
Biogas
0.0%
Recovered Energy Generation
1.3%
Wind Generation
10%
Short Term Purchases
8%

Rushmore has elected to sell its share of Basin's Green credits and not use any of them ourselves. Until such time as they are a requirement, and Basin still has a policy option to sell, we will continue to take the financial gain for our customers (worth $162,000 in 2013). Rushmore and its members are growing our demand control system. As of the end of 2012, we had 2,111 water heater, 343 central air conditioners, 79 storage heat systems, 3 irrigation systems, and 3 water systems under control. Total demand at peak was 4,014 KW. Total power cost savings for 2012 was $405,635. That system has grown to 4,156 water heaters, 527 central air conditioners, 252 storage heat systems, 12 irrigation systems, and 4 water systems so far in 2013. Savings has increased to $600,119 through October.

Vic Simmons
CEO / General Manager

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

June 28, 2013

—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: 2013 REPORT OF NORTHERN STATES POWER COMPANY ON MEETING THE RENEWABLE, RECYCLED AND CONSERVED ENERGY OBJECTIVE

Dear Ms. Van Gerpen:

In accordance with SDCL 49-34A-105, Northern States Power Company, a Minnesota corporation, provides the attached report on meeting the state's renewable, recycled and conserved energy objective for 2012.

Based on 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 was 296,287 MWh. This represents the energy we provided to our customers in 2012 that was generated by renewable generation facilities as defined by SDCL 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 15.0 percent of the energy provided to South Dakota customers in 2012 was from renewable energy resources. This percent reflects an increase from the 2011 level of 13.3 percent due to the continued addition of renewable resources, increased generation from all renewable resources except hydroelectric resources and the resolution of the assignment of silent Renewable Energy Credits (RECs) pertaining to one renewable contract that did not contain specific REC provisions. We no longer include in the calculation the silent RECs associated with PURPA or amended contracts that were awarded to the

generator owners. In addition, no renewable energy credits 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
Total Renewable Generation Capacity Owned (MW) - All States & SD[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)

Attachment 2 presents the renewable energy calculations.

We include in the report the amount of conserved energy achieved in 2012.[2] In 2012, the Company implemented our Demand Side Management (DSM) plan approved by Commission Order on October 21, 2011 in Docket No. EL11-013. The conserved capacity and energy is shown on Attachment 1 for the State of South Dakota account for the approved DSM plan.

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. Vintage 2012 RECs sold from transactions executed to date are shown in row 17 of Attachment 2. Since July 1, 2012, we have sold just over 100,000 SD RECs which accounts for approximately $511,000 allocated to the SD ratepayers. South Dakota customers have been credited these amounts through the monthly Fuel Clause Charge consistent with the Commission's February 12, 2010 Order in Docket No. EL09-029.

Finally, the Company continues to seek to incorporate renewables and energy efficiency measures when and where those measures are cost effective. The Company expects to continue to be able to meet 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 or Kari Chilcott Clark at (303) 571-6905.

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

[2] These figures were calculated using both the deemed and measured energy savings approaches outlined in the Commission's rules, SD Admin. R. 20:10:38:04 and 20:10:38:05. However, the Company does not include conserved energy toward our compliance with the REO at this time.

SINCERELY,

JAMES C. WILCOX
PRINCIPAL MANAGER

Enclosures

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

Company:
Northern States Power

Calendar Year 2012 RREO Report	Value	Comments
Retail Sales		
Total - All States (MWh)	77,284,306	
SD (MWh)	2,030,028	
Renewable Generation Capacity Owned\Purchased[1]		
Total - All States (MW)	2,407	
SD (MW)	54	MinnDakota Wind (2) - 54 MW
Renewable Generation Capacity Owned\Purchased		
Total - All States (MW)		
Wind	1,820	Includes capacity for Windsource program
Solar	6	
New Hydro	12	Dells Upgrade of units 2 - 4, Dec 2008 - July 2009; SAF Hydro COD 2011
Old Hydro	269	
Hydrogen	-	
Biomass\RDF\Landfill Gas	300	Capacity from all steam turbines is presented for mixed fuel plants; only the renewable generation creates RECs
Geothermal	-	
Recycled	-	
Total - All States (MW)	**2,407**	
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	-	
Solar	-	
New Hydro	-	
Old Hydro	-	
Hydrogen	-	
Biomass\RDF\Landfill Gas	-	
Geothermal	-	
Recycled	-	
Total SD (MWh)	**-**	
Renewable Energy Credits Retired for Other States[3]		
Total - Generated In All States (MWh)		
Wind	4,828,728	
Solar	2,751	
New Hydro	2,938	
Old Hydro	509,211	
Hydrogen	-	
Biomass\Biogas\RDF\Landfill Gas\MSW	798,301	
Geothermal	-	
Recycled	-	
Total - All States (MWh)	**6,141,929**	
Generated In SD (MWh)		
Wind	156,115	
Solar	-	
New Hydro	-	
Old Hydro	-	
Hydrogen	-	
Biomass	-	
Geothermal	-	
Recycled	-	
Total SD (MWh)	**156,115**	
Conserved Energy & Capacity		
Conserved Energy (MWh)[4]		
Total - All States	544,208	Includes all of NSP-MN (MN, ND and SD) and NSP-WI (WI and MI)
SD	5,611	As reported in the 2012 DSM Status Report filed May 1, 2013 in Docket No. EL13-017.
Conserved Capacity (MW)[5]		
Total - All States	153	Includes all of NSP-MN (MN, ND and SD) and NSP-WI (WI and MI)
SD	1.9	As reported in the 2012 DSM Status Report filed May 1, 2013 in Docket No. EL13-017.

Footnotes:

[1] Includes owned generation and purchased generation (nameplate capacity) for renewable resources only

[2] "Silent" RECs are related to renewable energy purchases initiated prior to the renewable energy credits market. Capacity from PPAs in which the RECs have been assigned to the generator owner through negotiated agreements or MNPUC Docket E002/M-08-440 are not included.

[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 2008 - 2012.

[4] The annualized energy savings resulting from utilty energy-efficiency program achievements in 2012.

[5] The annualized capacity savings resulting from utility energy-efficiency program achievements in 2012.

South Dakota Renewable, Recyclable and Conserved Energy Objective
2012 Status Report

Jurisdictional Allocators

	State	State Allocators
1	Minnesota	73.6918%
2	North Dakota	5.2198%
3	South Dakota	4.8702%
4	Wisconsin/Michigan	16.2183%
5	NSP System	100.0000%

System Renewable Generation		**M-RETS**
	Source	**RECs**
6	Wind	4,911,214
7	Solar	6,710
8	Hydro (pre-7/1/2008)	647,982
9	Hydro (post 7/1/2008)	29,650
10	Biomass\Wood\Landfill Gas	1,053,195
11	Refuse-Derived Fuel (RDF)	232,454
12	NSP System	6,881,205

SD RREO Renewable Energy

13	SD % of System Total Generation:	4.87021%	L3
14	System RECs allocated to SD:	335,129	L12 x L13
15	Remove Old Hydro (per SD RREO):	(31,558)	-L8 x L13
16	SD RREO qualifying renewable energy:	303,571	
17	Vintage 2012 REC Sales[1]:	(7,284)	
18	Net SD RREO qualifying renewable energy:	296,287	
19	SD retail sales:	2,009,443	FERC Form 1
20	Remove SD Hydro allocation (per SD RREO)	(31,558)	-L8 x L13
21	SD REO adjusted retail sales:	1,977,885	
22	**SD REO renewable energy %:**	**15.0%**	(L18/L21)
23	**RECs retired for 2011 REO compliance**	**0**	

1 Vintage 2012 REC sales executed as of June 23, 2012

1MWh = 1 REC