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June 30, 2010

SENT VIA E-FILE

Patricia VanGerpen
Executive Director
Public Utilities Commission
Capitol Building, 1st Floor
500 E. Capitol Avenue
Pierre, SD 57501-5070

Re: Docket RM09-002 -- In the Matter of the Adoption of Rules Regarding Renewable,
Recycled and Conserved Energy

Dear Ms. VanGerpen:

Thank you for the opportunity to comment on the South Dakota Public Utilities Commission's Rule-Making Docket, RM09-002, In the Matter of the Adoption of Rules Regarding Renewable, Recycled and Conserved Energy. Basin Electric supports the Commission and Commission Staff for their efforts in recognizing the significant role that energy efficiency and energy conservation play in South Dakota's energy future.

Basin Electric respectfully requests that the Commission consider one additional category of energy savings in the proposed rules. Under Minnesota law, utilities have established percentages for an annual energy savings goal which is referred to as Minnesota Conservation Improvement Program or CIP. Under this savings goal, certain types of projects at the utility's generation, transmission, or distribution level are counted as energy savings. Under Minnesota law, these projects are referred to as electric utility infrastructure (EUI) projects. The relevant portion from the statute is as follows:

"A utility or association may include in its energy conservation plan energy savings from electric utility infrastructure projects approved by the commission under section 216B.1636 or waste heat recovery converted into electricity projects that may count as energy savings in addition to the minimum energy-savings goal of at least one percent for energy conservation improvements. Electric utility infrastructure projects must result in increased energy efficiency greater than that which would have occurred through normal maintenance activity."¹

¹ Minn. Stat. Ann. § 216B.241, Subd.1c (d).

Currently, these projects are approved at the Minnesota Department of Commerce staff level and include turbine upgrades and other projects done at the generation level that have demonstrated energy savings. Maintenance projects do not qualify.

Basin Electric would ask the Commission to consider these types of savings to qualify under the SD Renewable, Recycles and Conserved Energy Objective. Further, we also support the comments submitted by East River Electric Power Cooperative and South Dakota Rural Electric Association. Thank you for your attention to this matter.

Sincerely,



Casey J. Jacobson
Attorney

cjj/ds