

Public Document

June 30, 2011

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, 2010 through December 31, 2010.

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:

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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
Steve Meyer, 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 30, 2011

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 from January 1, 2010 - December 31, 2010, 5 MW's of the project were committed solely to one of HCPD's Minnesota Customers.) As was outlined in past reports, HCPD plans to meet both the Minnesota Renewable Energy Standard (RES) and the South Dakota Renewable Energy Objective (REO) through its participation in the Wessington Springs Wind Energy Center project.

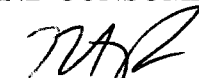
The attached spreadsheet report outlines HCPD's 2010 retail sales, generation capacity owned, renewable generation capacity owned, renewable energy credits (RECs) retired, and conserved energy and capacity. For the period from January 1, 2010 – December 31, 2010, HCPD's South Dakota retail load served was 203,179 MWh. HCPD's SD Customers conserved 45.37 MWh of energy. To comply with the MN RES for 2010, HCPD retired 46,015 RECs; 582 vintage 2008 RECs, 28,807 vintage 2009 RECs, and 16,626 vintage 2010 RECs corresponding to 7% of HCPD's 2010 MN retail load served (657,345 MWh). Per an agreement between the State of South Dakota and HCPD to provide the South Dakota State Universities with 100% renewable energy, HCPD retired 5,401 vintage 2010 RECs corresponding to the energy supplied by HCPD to South Dakota State University (5,400,389 kWh); HCPD didn't supply any energy to Northern State University or the University of South Dakota in 2010. To date, HCPD has not retired any RECs corresponding to any other 2010 SD retail load served by HCPD.

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

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

Respectfully submitted this 30th day of June, 2011.

HEARTLAND CONSUMERS POWER DISTRICT



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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 2010 REO Report	Value	Comments
Retail Sales		
Total - All States (MWh)	866,254	
SD (MWh)	203,179	Arlington, Aurora, Bryant, Colman, Estelline, Groton, Hecla, Howard, Langford, Madison, McLaughlin, Miller, Northern Electric, Parker, Plankinton, Sioux Falls, State of South Dakota, Tyndall, Volga, Wessington Springs, White.
Generation Capacity Owned		
Total - All States (MW)	55	Laramie River Station and Wessington Springs Diesel Generating Units 1 and 2.
SD (MW)	4	Wessington Springs Diesel Generating Units 1 and 2.
Renewable Generation Capacity Owned		
Total - All States (MW)		HCPD has contracted via a PPA with NextEra Energy Resources for the entire output from the Wessington Springs Wind Energy Center project: 51 MW project with 34 turbines.
Wind	-	
Solar	-	
New Hydro	-	
Old Hydro	-	
Hydrogen	-	
Biomass	-	
Geothermal	-	
Recycled	-	
Total - All States (MW)	-	
SD (MW)		HCPD has contracted via a PPA with NextEra Energy Resources for the entire output from the Wessington Springs Wind Energy Center project: 51 MW project with 34 turbines.
Wind	-	
Solar	-	
New Hydro	-	
Old Hydro	-	
Hydrogen	-	
Biomass	-	
Geothermal	-	
Recycled	-	
Total SD (MW)	-	
Renewable Energy Credits Retired for SD		
Total - Generated In All States (MWh)		
Wind	-	
Solar	-	
New Hydro	-	
Old Hydro	-	
Hydrogen	-	
Biomass	-	
Geothermal	-	
Recycled	-	

Total - All States (MWh)	-	
Generated in SD (MWh)		
Wind	-	
Solar	-	
New Hydro	-	
Old Hydro	-	
Hydrogen	-	
Biomass	-	
Geothermal	-	
Recycled	-	
Total SD (MWh)	-	
Renewable Energy Credits Retired for Other States		
Total - Generated In All States (MWh)		REC's generated in South Dakota from the Wessington Springs Wind Energy Center project and retired for HCPD's Minnesota Customers as required for the Minnesota RES (7% of 2010 load).
Wind	46,015	
Solar	-	
New Hydro	-	
Old Hydro	-	
Hydrogen	-	
Biomass	-	
Geothermal	-	
Recycled	-	
Total - All States (MWh)	46,015	
Generated In SD (MWh)		REC's generated in South Dakota from the Wessington Springs Wind Energy Center project and retired for HCPD's Minnesota Customers as required for the Minnesota RES (7% of 2010 load).
Wind	46,015	
Solar	-	
New Hydro	-	
Old Hydro	-	
Hydrogen	-	
Biomass	-	
Geothermal	-	
Recycled	-	
Total SD (MWh)	46,015	
Conserved Energy & Capacity		
Conserved Energy (MWh)		
Total - All States	58	Conservation for Madelia, Truman, Lake Crystal, Marshall, Grove City not included. Doesn't include those listed above as well as Akron, IA and Tyler, MN.
SD	45	
Conserved Capacity (MW)		
Total - All States	64	Conservation for Madelia, Truman, Lake Crystal, Marshall, Grove City not included. Doesn't include those listed above as well as Akron, IA and Tyler, MN.
SD	52	