



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



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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.

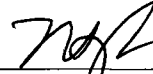
The attached spreadsheet report outlines HCPD's 2012 retail sales, generation capacity owned, renewable generation capacity owned, renewable energy credits (RECs) retired, and conserved energy and capacity. For the period from January 1, 2012 – December 31, 2012, HCPD's South Dakota retail load served 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)		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.
Wind	-	
Solar	-	
New Hydro	-	
Old Hydro	-	
Hydrogen	-	
Biomass	-	
Geothermal	-	
Recycled	-	
Total - All States (MW)	-	
SD (MW)		HCPD has contracted with NextEra Energy Resources for the entire output from the WSW 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)	10,600	
Wind		
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

79,135.0000