

Docket Number: EL22-024
Subject Matter: Second Data Request
Request to: Montana-Dakota Utilities Co. (Montana-Dakota or Company)
Request from: South Dakota Public Utilities Commission Staff
Date of Request: December 11, 2022
Responses Due: December 22, 2022

2-1 Refer to Montana-Dakota's response to data request 1-8. The second paragraph states, "the data center loads will likely increase the energy cost for other customers" and that "Montana-Dakota does not expect this to be material and wouldn't be any different if customers were added under a standard tariff service". Given the type of load which is contemplated under this tariff is not comparable with other customers, including the large loads currently on the system, and that a customer of this sort can significantly impact the system and the costs allocated to a state jurisdiction, why would Montana-Dakota not want to assure a contribution sufficient to avoid negative impacts on others customers?

Response:

The MISO market runs around 80,000 to 120,000 MWs at any time. The amount of load that we are adding for Rate 45 is minimal as compared to the entire market. Significant energy pricing swings would most likely be driven by local congestion.

Most of these loads are large enough that will require a specific load addition study. This study will determine constraints on the system for each load addition which would need to be mitigated to minimize future congestion associated with the load.

The MISO network transmission service that the data center will be paying for provides financial benefits to other customers on the network.

If a neighboring utility added this load on their system, Montana-Dakota would see the same LMP impacts and may not receive the associated transmission revenues that would benefit its customers.

Assuming the reference to 'significantly impact the system and the costs allocated to a state jurisdiction' is regarding the allocated F&PP costs. As noted above, the impact of any one of these loads (Rate 45) is unlikely to significantly impact the system. The direct costs for Rate 45 customers would be assigned directly to those customers and would not have an impact on the method of allocation to the states. So, only the extent to which these customers would have an indirect impact on the MISO LMPs and/or congestion would be in question. As noted in Response No. 1-8, this is expected to be minimal. Another consideration is that additional wind generation in certain areas may offset the additional demand of a customer this size and there would be no net change in the demand in a particular area. Transmission buildouts could also change the dynamics of an area that likely would impact LMPs regardless of any Rate 45 load additions. The reason these variables are noted is that a computation would be somewhat difficult to produce as there are so many considerations that could impact pricing that it would be unlikely that an accurate calculation of the impact would be impossible.

Importantly, there would be a direct impact which would benefit customers on the transmission side as noted above. The benefits would be spread across Montana-Dakota's system and would benefit customers and could be easily calculated. The Company expects these benefits will be immediate and potentially fairly material.