

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

June 14, 2022

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

Re: 2022 Summer readiness and request from May 24, 2022 meeting

Pursuant to Chairman Nelson's May 31, 2022 request, Montana-Dakota Utilities Co. ("Montana-Dakota") herewith provides its response to the following questions:

South Dakota's MISO Utilities' 2022 Summer Resource Readiness and Preseason Peak Plan

- A. Are South Dakota utilities ready to reliably serve peak load for summer 2022? If so, please explain how.
- B. Do South Dakota MISO utilities participate in MISO's emergency drills including the firm load shed drill?
- C. Do South Dakota MISO utilities have a comprehensive plan for firm load shed?
- D. How often do South Dakota MISO utilities update their firm load shed plans?
- E. Do South Dakota MISO utilities have any concern with MISO's recent capacity auction result or are South Dakota MISO utilities taking any actions in response to the results?

The Company has prepared the following responses:

**Are South Dakota utilities ready to reliably serve peak load for summer 2022? If so, please explain how.**

Yes, Montana-Dakota is ready to reliably meet its customers' peak load requirements for summer 2022. Regarding the MISO Resource Adequacy Module E capacity requirements, Montana-Dakota has met its capacity requirements through generation that it owns and with a power purchase agreement for capacity and energy purchases that it has with a neighboring utility. Also, Montana-Dakota does not have any unmitigated transmission reliability issues with regards to serving its customer load for summer 2022.

**Do South Dakota MISO utilities participate in MISO’s emergency drills including the firm load shed drill?**

Yes, all of Montana-Dakota’s electric system operators and control room staff participate in these drills.

**Do South Dakota MISO utilities have a comprehensive plan for firm load shed?**

Yes. Prior to any firm load shed, Montana-Dakota will ensure that its contracted demand response customers have been interrupted first. Montana-Dakota identifies critical loads like hospitals, nursing homes, law enforcement, fire stations, and industrial customers whose process is significantly interrupted by a forced outage or firm load shed event. These critical loads and their associated distribution feeders are ranked as last for interruption in a firm load shed event. If time permits, the electric system operators will contact local district operations personnel and direct them to shed load via local distribution feeders. The electric system operation may also utilize the Manual Load Shedding tool on the Company’s energy management system (EMS). This EMS Manual Load Shedding Tool is preprogrammed with transmission circuits of non-critical loads that can be interrupted to achieve targeted load reductions on an automatic revolving basis if enabled by the electric system operator.

**How often do South Dakota MISO utilities update their firm load shed plans?**

Annually.

**Do South Dakota MISO utilities have any concern with MISO’s recent capacity auction result or are South Dakota MISO utilities taking any actions in response to the results?**

Montana-Dakota is concerned with capacity shortfalls of MISO load serving entities in the central and eastern parts of MISO based upon the most recent MISO capacity auction results. The states with capacity shortfalls include MISO Local Resource Zones 4, 5, 6, and 7, which includes the states of Missouri, Illinois, Indiana, and Michigan. Montana-Dakota understands that some of these states have additional dispatchable generation available summer 2022 which did not participate in the MISO capacity auction because they are scheduled to be retired later this year.

Montana-Dakota is supportive of the following MISO initiatives that impact the capacity auction results.

1. MISO’s multi-season resource adequacy construct changes filed with FERC.

2. The development of a multi-day commitment process that would help support dispatchable generation offers over multiple days.
3. Interest in the potential discussion on how a slope demand curve could be applied to the MISO capacity auction clearing price. Montana-Dakota agrees with others that the current vertical demand curve in the MISO capacity auction gives an ineffective signal to load and generation of the value for dependable and dispatchable generation.

If you have any questions regarding this matter, please contact me at (701) 222-7855 or [travis.jacobson@mdu.com](mailto:travis.jacobson@mdu.com).

Sincerely,

*/s/ Travis R. Jacobson*

Travis R. Jacobson  
Director of Regulatory Affairs