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June 15, 2022

Executive Secretary
North Dakota Public Service Commission
600 East Boulevard Ave. Department 408
Bismarck, ND 58505-0480

Re: Case No. PU-22-145
Demand Response Comments

Montana-Dakota Utilities Co. (Montana-Dakota) herewith electronically files its Comments as required by the North Dakota Public Service Commission's (Commission) March 30 Order in the above noted proceeding. The Commission issued their Order requiring electric public utilities to file comments to address the following standard that was included in the Infrastructure Investment and Jobs Act ("IIJA"), H.R. 3684, 117th Cong. (2021), Section 111(d) of the Public Utility Regulatory Policies Act of 1978 (16 U.S.C. 2621(d)) as amended:

Each electric utility shall promote the use of demand-response and demand flexibility practices by commercial, residential, and industrial customers to reduce electricity consumption during periods of unusually high demand.

The Commission has Ordered each electric public utility to file written comments that provide the following:

- a. A report of existing demand response and demand flexibility practices used by commercial, residential, and industrial customers to reduce electricity consumption during periods of unusually high demand for service to North Dakota, as well as adjoining jurisdictions;
- b. Current rate mechanisms employed for timely recovery of the costs of demand-response and demand flexibility practices;
- c. Previous actions taken by the Public Service Commission or State Legislature to implement the standard or a comparable standard;
- d. Opportunities to further promote the use of demand-response and demand flexibility practices to reduce electricity consumption during periods of unusually high demand; and
- e. Any other information that the Commission should consider.

The Company has prepared the following responses:

A report of existing demand response and demand flexibility practices used by commercial, residential, and industrial customers to reduce electricity consumption during periods of unusually high demand for service to North Dakota, as well as adjoining jurisdictions.

Montana-Dakota currently has two mechanisms in place for demand response options for commercial and industrial customers.

Montana-Dakota offers an Interruptible Large Power Demand Response – Rate 38 which is available to customers having a demand of 500 Kw or more and the ability to shed their entire load when called upon. Montana-Dakota currently offers this rate to customers in North Dakota and Montana. Currently, there is a total of 17.6 MW of interruptible load available through the interruptible rate.

Montana-Dakota also offers a Demand Response Resources (DRR) program to commercial and industrial customers with a curtailable load of 25 KW or greater. Montana-Dakota has partnered with CPower to administer this program and it is available to customers served by Montana-Dakota's integrated electric system. Customers who enroll in this program work with CPower to develop a curtailment plan and nominate into the program for the summer season (June 1 – September 30) and the winter season (October 1 – May 31). Customers receive a quarterly demand payment from CPower based on their enrolled Kw, and also an energy payment for any interruptible events that may occur. As of June, Montana-Dakota has a total of 33 customers enrolled in the DRR program with a curtailable load of 27.6 MW. Montana-Dakota's goal is to have a total of 40 MW enrolled in the DRR program.

Current rate mechanisms employed for timely recovery of the costs of demand-response and demand flexibility practices.

The DRR program is treated as system supply. Costs for this program are recovered in the Fuel and Purchased Power Adjustment – Rate 58 which is filed monthly.

Previous actions taken by the Public Service Commission or State Legislature to implement the standard or a comparable standard.

Montana-Dakota is not aware of previous actions taken by the Commission or the State Legislature.

Opportunities to further promote the use of demand-response and demand flexibility practices to reduce electricity consumption during periods of unusually high demand.

Montana-Dakota has evaluated a residential air conditioning cycling program, as part of the Integrated Resource Plan (IRP) process. Past analysis has proven this to be a cost-effective program; however, due to system supply needs and other lower cost Demand Response options Montana-Dakota has not implemented this program. Montana-Dakota will continue to evaluate the feasibility of offering this type of program to residential customers.

In addition, Montana-Dakota issued a request for proposal for an Electric Energy Efficiency Potential Study in mid-May of this year. The purpose of this study is to quantify the amount of cost-effective electric energy savings achievable through identified energy efficiency measures. In addition to determining the achievable electric energy savings, Montana-Dakota is also seeking a plan for electric energy efficiency program design and delivery. The target date for completion of this study is April 1, 2023.

Montana-Dakota appreciates the opportunity to provide these written comments and looks forward to further engagement on this topic. The Company has not identified any other information that the Commission should consider.

Please contact me at 701.222.7855 or travis.jacobson@mdu.com if you have questions.

Sincerely,

/s/ Travis Jacobson

Travis R. Jacobson
Director of Regulatory Affairs