Nodak Staff Plan for 2021 PURPA Compliance

Two new PURPA 111(d) standards were enacted in 2021 via the Infrastructure Investment and Jobs Act ("IIJA") (Public Law 117-58). They require non-regulated cooperatives to consider adopting standards on promoting greater transportation electrification (Sec. 40431) and utility demand response (Sec. 40104).

Nodak Electric Cooperative ("Nodak") already has policies consistent with, supporting, and implementing the new PURPA standards being considered, as discussed herein. As such, Nodak Staff does not request the addition of new or amended policies relative to the new PURPA standards. That said, Nodak Staff welcomes the public's comments and recommendations of the Board regarding improvements to the current Nodak policies for compliance with these new PURPA standards that are codified at 16 U.S.C. 2621 (20) and (21). The standards, and Nodak's current policies and activities supporting each standard, are identified below.

1. Utility Demand Response (Sec. 40104)

(20) Demand-response practices

(A) In general – Each electric utility shall promote the use of demand-response and demand flexibility practices by commercial, residential, and industrial consumers to reduce electricity consumption during periods or unusually high demand.

Nodak Electric Cooperative's Commitment to Demand Response:

In partnership with its power supplier, Minnkota Power Cooperative ("Minnkota"), Nodak helped pioneer its demand response program. The program began in 1977, and now nearly 55,000 consumers participate. The demand response program is a strategic tool to strengthen the grid's reliability while saving member-consumers millions of dollars.

Electricity consumers in the region voluntarily sign up for the program, which allows Minnkota the flexibility to temporarily turn off electric heating, water heaters, vehicle chargers, grain drying, and commercial load with on-site backup generation. About 350 megawatts, or about 1/3 of Minnkota's peak load, can be temporarily interrupted from Minnkota's control center in Grand Forks, North Dakota.

Nodak has more than 4,700 members that participate in its demand response program. Nodak continues to promote the advantages of reducing peak demand and saving its members money on their electric bills by participating in the program. The following information highlights Nodak's current promotions with regard to its demand response program:

Promotions – Demand Response:

Off-peak Heat

www.nodakelectric.com/off-peak-electric-heat/

Rebates

www.nodakelectric.com/off-peak-electric-heat/#rebates

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https://www.nodakelectric.com/wp-content/uploads/2022/02/JanFeb-2022-NN-web.pdf

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(B) Rate Recovery-... (ii) Nonregulated electric utilities – A nonregulated electric utility may establish rate mechanisms for the timely recovery of the costs of promoting demand-response and demand flexibility practices in accordance with subparagraph (A).

Nodak's Commitment to Establish Demand Response Rates:

Nodak's rates are set by its Board of Directors, with input from Nodak Staff. To ensure its rates are fair and equitable, Nodak hires a national rate consultant every four years to perform a comprehensive cost-of-service study. The rate of return on rate base for demand response rates includes administrative and promotion expenses.

Nodak's demand response rates are 25-50% lower than standard rates because the loads are controlled during coincidental peak demand periods in the winter and summer.

The following information provides examples of the demand response rates Nodak offers to its members:

Demand Response Policies:

- General Service Rates Farm, Rural Residential, & Small Commercial Policy Bulletin No. 501.1a
- 2. General Service Rate High Density–Policy Bulletin No. 501.1b.1
- 3. Commercial/Industrial Distribution Delivery Policy Bulletin No. 501.2
- 4. Electric Heating Policy Bulletin No. 507
- 5. Cooperative-owned Public Electric Vehicle Charging Service Policy Bulletin No. 520
- 6. Demand Response (Off-Peak) Rates:
 - a. Commercial Interruptible Rates 470, 471, 472, 473, 474, & 476
 - b. Crop Conditioning Rates 652 & 740
 - c. Electric Vehicles Rate 711
 - d. Irrigation Rates 475 & 477
 - e. Off-Peak Heating Rates 650, 655, 656, 710, & 715
 - f. Water Heating

2. Promoting Transportation Electrification (Sec. 40431)

(21) Electric vehicle charging programs

Each State shall consider measures to promote greater electrification of the transportation sector, including the establishment of rates that-

(A) Promote affordable and equitable electric vehicle charging options for residential, commercial, and public electric vehicle charging infrastructure.

<u>Promotions – Electric vehicle charging programs</u>

- Money-saving energy rate of \$0.062/kWh for charging your vehicle during specific time periods each day plus a \$3.95/month facility charge.
- One-time rebate per charger installation of \$50 per kilowatt with a \$750 maximum.
 www.nodakelectric.com/electric-vehicle-ev-charging-program/

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(B) improve the customer experience associated with electric vehicle charging, including by reducing charging times for light-, medium-, and heavy-duty vehicles.

Nodak sponsored the installation of a Level 3 Charger in the Grand Forks Area through the Volkswagen settlement money granted by the North Dakota Department of Environmental Quality.

www.nodakelectric.com/charged-up-community/

Level 3 Charger located at the 32nd Avenue Wendy's

Nodak also participated in several local Electric Vehicle events including:

 "Plugged into the Future" event at Minnkota Power Cooperative ("Minnkota")
www.nodakelectric.com/electric-transportation-celebration/ 2022 Thunder Air Show at the Grand Forks Airforce Base (GFAFB)
www.nodakelectric.com/nodak-helps-northern-thunder-air-show-take-flight/

(C) Accelerate third-party investment in electric vehicle charging for light-, medium, and heavy-duty vehicles; and

Nodak works with City and State Governments to educate on electrifying main traffic corridors and preparing for EV's.

(D) appropriately recover the marginal costs of delivering electricity to electric vehicles and electric vehicle charging infrastructure.

Nodak has a fixed off-peak rate available for members with EV's and a rebate for EV chargers installed on the program, Nodak performs cost-of-service studies to ensure all members' rates are fair and equitable.