



Mountrail - Williams Electric Cooperative

Internet: www.mwec.com
Service Area
Toll Free: 1-800-279-2667

PO Box 1346
Williston, ND 58802-1346
(701) 577-3765

PO Box 129
Stanley, ND 58784-0129
(701) 628-2242

PO Box 59
New Town, ND 58763-0059
(701) 627-3550

Chairman Porter and members of the committee,

My name is Alex Vournas, I am the General Manager of Mountrail-Williams Electric Cooperative (MWEC). We are a member-owned distribution electric cooperative serving 8,550 members in northwest North Dakota. I am here to testify in opposition to the proposed amendments.

The regulated investor-owned utility (IOU) in our area and a member of the North Dakota Public Service Commission (NDPSC) have blamed Mountrail-Williams Electric Cooperative and one of our members for transmission congestion charges that the IOU incurred in late 2023. They have singled out one large load as the reason for the congestion, but that is a simplistic and incomplete analysis. It is disingenuous to say that congestion charges and energy prices are the result of only one load instead of the accumulation of all loads, including that IOU's load. There also seems to be a misconception that there is little to no oversight involved in managing load growth on the grid outside of NDPSC regulation. MWEC went through the proper processes and participated in the needed studies with Basin Electric Power Cooperative (Basin) and Southwest Power Pool (SPP) before connecting the large member load to the grid.

Another relevant fact that IOU and the PSC member have consistently failed to mention, is the ability for certain loads to act as a demand response resources, curtailing based on price signals or when called upon by grid operators. The flexibility of these loads makes the power market impact much lower than a typical load of the same size.

There is another side to this story that seems to be getting lost, and that is the IOU's lack of investment in our area. Basin Electric Power Cooperative and the distribution electric cooperatives in northwest North Dakota and eastern

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Montana have made substantial investments on behalf of their members to support the needed electrical build out to serve the Bakken and our growing communities. We've built new generation, transmission lines, substations, and distribution lines. Over the last 15 years, MWEC alone has grown about 750 MW, including oil and gas, industrial, residential, and commercial growth, without NDPSC oversight of large loads. The total investment from the cooperatives in our region over the last 15 years exceeds \$2 billion with even more planned in the near future. In contrast, as far as I can observe, the IOU has made minimal investments in our area. That utility serves approximately 150 MW of load in northwest North Dakota, but they have limited generation and transmission. In fact, just two years prior to incurring the congestion charges, the IOU retired its coal power plant in Sidney, MT, leaving only 19 MW of natural gas generation as its dispatchable generation in the area to serve its 150 MW of load.

The regulated IOU is a member of the Midcontinent Independent System Operator (MISO) regional transmission organization (RTO). The electric cooperatives and Western Area Power Administration belong to the Southwest Power Pool (SPP) RTO. Because of the IOU's lack of infrastructure in our area, and membership in a different RTO, they lean predominantly on taking service from SPP transmission lines. In the late 2010s and early 2020s, going to the market instead of building generation was an attractive proposition. Natural gas prices were low, which kept market prices for electricity low. As market conditions have changed, and the IOU has been exposed to higher energy prices and congestion charges, this has turned out to be costly. If they had invested in the needed generation resources in the area to serve their load, instead of islanding themselves in the wrong market and relying on other utilities, they could have protected their customers from some of those market costs. It appears the regulated IOU made the choice to lean on the

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market and it turned out to be a costly decision, leaving them looking for someone to blame.

Rural Electric Cooperatives have provided electricity to our members, using our own process and self-governance to responsibly develop and support our communities for over eighty years. Rural Electric Cooperatives have also been instrumental in the last fifteen years serving explosive growth of the Bakken. The electric cooperatives do not need more regulations.

Thank you.

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