Building For The

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by Brenda Kleinjan

YOUR ELECTRIC COOPERATIVE IS KEEPING AN EYE on the future, working to ensure that it has access to the electricity you and your family will need for decades to come.

One way it does that is by working together with other cooperatives to form regional transmission and generation cooperatives. By working together, local Touchstone Energy® Cooperatives can develop the resources they need to provide affordable and reliable electricity to you.

In South Dakota and western Minnesota, most local cooperatives are part of one of three transmission cooperatives: East River Electric Power Cooperative in Madison, S.D., Rushmore Electric Power Cooperative in Rapid City, S.D., and L&O Power Cooperative in Rock Rapids, Iowa. These cooperatives and their members, and a few local distribution cooperatives that aren't part of these three cooperatives, in turn form a portion of Basin Electric Power Cooperative in Bismarck, N.D.

Basin Electric is a consumer-owned, regional cooperative headquartered in Bismarck, N.D. It generates and transmits electricity to 120 member rural electric systems in nine states: Colorado, Iowa, Minnesota, Montana, Nebraska, New Mexico, North Dakota, South Dakota and Wyoming. These member systems distribute electricity to about 1.8 million consumers.

"Our membership is growing – our region is growing – we must grow to meet the demands (for electricity). We build (power) plants because our members need the power," Ron Harper, Basin Electric CEO and general manager, told cooperative leaders at Basin Electric's annual meeting last fall. Harper said Basin Electric is in a construction mode.

Nationally, electric cooperatives are expected to invest about $28 billion in new generating capacity over the next 10 years.

Harper pointed out that Basin Electric's power requirement projections show a demand for electricity growing at a rate of 3.1 percent between now and 2019. "That growth equals the need for 927 megawatts of generating capacity to meet that member demand," he said.

Basin Electric is taking action to power its future. The cooperative's membership is growing, while surplus power is diminishing. Future load projections call for additional generating capacity and Basin Electric is taking several steps to accomplish this.

Projects under way or recently completed include the 22-MW Northern Border Waste Heat Recovery Project under construction in North Dakota and South Dakota; the Groton Generation Station, a 95-MW gas-fired turbine being built in South Dakota; the Wilton Wind Farm in North Dakota; and the Dry Fork Station, Basin Electric's newest coal-based power plant under development in Wyoming.

The 375-MW plant at Dry Fork Station is scheduled for completion in January of 2011. Additionally, a resource coalition has been formed to investigate the options for another coal-based power plant in North Dakota, South Dakota or Iowa. Coalition members include Montana Dakota Utilities Co., Heartland Consumers Power District, Minnkota Power Cooperative, Xcel Energy and Missouri River Energy Services. Fuel supply and rail transportation options are currently being studied. A transmission study has been completed and is currently under analysis. Other major issues to be addressed will include water supply and an air permit.

Locally, electric cooperatives are also looking at local demands as they plan power lines, substations and their cooperative's future. Each month, cooperative members – who have been elected by you to serve on your cooperative's board of directors – meet to guide the cooperative's future.

As a power supplier, Basin Electric must continue

Future

The region's electric cooperatives will continue to include renewable energy in their energy mix as they work to meet members' future electric needs. Top: This artist's rendering shows what Basin Electric's Dry Fork Station will look like. *Photos By: Steve Crane / Basin Electric Power Cooperative*

to manage its energy destiny, which translates into economic opportunity and well-being for the region, Harper said.

Another part of Basin Electric's generating resources is renewable energy. However, Harper said it must be economical and make sense for the cooperatives.

"That's why we have developed a resolution that sets a renewable energy goal. We think this policy position will allow us to engage more effectively in the public policy debate and work toward what is right for you, the member," Harper told cooperative leaders in November.

The cooperative seeks to obtain renewable or environmentally benign resources equal to 10 percent of the megawatt capacity needed to meet its member demand by 2010. The cooperative considers renewable energy to include a variety of types including wind, waste heat and hydroelectricity produced by the Missouri River's mainstem dams.

Fortunately, Harper said there's a continuing strong recognition of the benefits of coal as a generation fuel by policy makers and those who believe low-cost and reliable energy is important.

Looking to the energy future, Harper said that coal gasification will be a part of it. "A great deal of the energy bill is focused on gasification and its benefits for the continued use of coal."

Most of the power used by the nation's electric cooperatives, including Touchstone Energy Cooperatives, comes from coal-fired generating plants. The United States has plentiful amounts of coal and the price is less susceptible to the sharp ups and downs of oil and natural gas.

More than 50 percent of the electricity in the United States is powered by coal, noted Dr. Robert Peltier, editor-in-chief of *Platts Power Magazine*, who spoke to regional cooperative leaders in November at the Basin Electric Power Cooperative annual meeting.

Peltier spoke of key trends in the utility industry, including a movement toward nuclear-based power plants, clean coal technology and integrated gasification combine cycle (IGCC) based plants.

"The United States is the OPEC of coal," Peltier said.