

**IOWA UTILITIES COMMISSION**

IN RE:	
INVESTIGATION INTO IOWA UTILITIES’ SUMMER 2025 PREPAREDNESS PLANS AND GRID RESILIENCE PLANS	DOCKET NO. INU-2025-0001

**RESPONSE TO COMMISSION QUESTIONS**

Missouri River Energy Services (“MRES”) submits this response to the Iowa Utilities Commission’s (“Commission”) April 25, 2025 “Order Requesting Information Regarding Summer 2025 Preparedness Plans” (“Order”) in the above-captioned proceeding.

MRES is a not-for-profit municipal power agency, providing power supply and energy services to 61 member communities in the states of Iowa, Minnesota, North Dakota, and South Dakota. All MRES members own and operate municipal electric utilities, and MRES supplies them with wholesale power supply and transmission service pursuant to power sale agreements. Although municipal utilities are not subject to rate-regulation by the Commission and are not required to respond to the questions set forth in Attachment A to the Order, MRES believes it is important for the Commission to understand the steps that MRES and its member municipal utilities have done to ensure summer preparedness and grid resilience.<sup>1</sup>

**Winter 2024-2025 Review**

***1. What was your utility’s experience with 2024-2025 winter operations?***

MRES generating assets performed well during the extremely cold weather conditions of the 2024-2025 winter season. MRES did have one failure to start out of many due to water condensation within an air sensing line. Attention was given to outdoor dampers shutting when

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<sup>1</sup> MRES’ Iowa members are Alton, Atlantic, Denison, Hartley, Hawarden, Kimballton, Lake Park, Manilla, Orange City, Paullina, Pella, Primghar, Remsen, Rock Rapids, Sanborn, Shelby, Sioux Center and Woodbine.

required after unit operation to maintain reliable operations. Member generation under contract with MRES were tested in December and February and operated without any difficulty.<sup>2</sup>

***2. Did your utility experience any difficulty procuring generation fuel or any significant increases in purchased generation fuel prices?***

No, not outside the ordinary cold weather winter limitations for non-firm gas deliveries. When natural gas is unavailable, MRES has fuel oil backup which was available throughout winter.

***3. Did your utility experience any unique event(s) that distinguished this winter's operations compared to prior winters?***

There were no unique events that distinguished this winter's operations compared to prior winters for MRES and its members generation.

***4. Did your utility experience higher or lower locational marginal prices (LMPs) compared to last winter? What will be the potential impact of the LMPs to ratepayers?***

MRES experienced approximately the same LMPs compared to last winter. MRES implements a hedging strategy that limits the impact of spot LMPs on its portfolio. Additionally, MRES' budget includes a forecasted component of surplus sales/purchases at spot LMP prices. Winter 2024/25 LMPs did not negatively impact MRES' budget or MRES member rates.

**Summer 2025 Preparedness**

***5. Is your utility ready to reliably serve peak load for summer 2025? Provide details.***

MRES and its member utilities are committed to providing reliable service to their customers. MRES and its members continue to take the steps set forth in MRES' previous seasonal preparedness filings to reliably serve peak load. For MRES, this includes conducting

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<sup>2</sup> MRES' Iowa members with generation under contract are Denison, Lake Park, Pella, Primghar, and Rock Rapids.

extensive internal generation and transmission resource planning and actively engaging in the transmission planning efforts of the Midcontinent Independent System Operator, Inc. (“MISO”) and Southwest Power Pool, Inc. (“SPP”), all in an effort to enable MRES’ members to provide reliable, cost-effective service to their businesses and residents. SPP has confirmed that MRES has met the 2025 summer resource adequacy requirement with its resources. MRES is projecting a decrease (5.5%) in forecasted 2025 peak load when compared to the somewhat high 2024 actual peak for its Iowa members. No significant changes to MRES’ resources are expected in 2025. Similarly, MRES has met its resource obligations in the 2025-26 MISO planning year through owned capacity resources, power purchase agreements, bilateral purchases, and through participation in the planning resource auction.

***6. What steps has your utility taken in preparation to reliably serve peak load for summer 2025?***

The activities discussed above highlight steps MRES and its members have taken to reliably serve peak load for summer 2025. This includes some MRES members adopting detailed load shed plans and actively working with Western Area Power Administration (“WAPA”), the local balancing authority for many members, to plan and test communication procedures and systems. This communication is an important component of an effective response to summer peak alert events.

MRES and its members have taken additional steps to ensure that their facilities are resilient to catastrophic failures and extreme weather events. For the MRES members, many have made significant strides to improve local reliability during extreme conditions by undergrounding their local distribution facilities. Undergrounding of electrical equipment improves the resilience of the electric grid, reducing the frequency and duration of outages.

***7. Are there any significant changes that have occurred over the last year that have caused revisions to your summer preparedness strategies?***

No significant changes have occurred over the last year. However, MRES is working with several of the members to install local generation to provide MRES with capacity and to shore up the reliability of generation within its member communities.

***8. Are there any new hazards, threats, or vulnerabilities that you are concerned may affect your utility's ability to reliably serve load on peak usage days?***

No new hazards, threats, or vulnerabilities have been identified other than the addition of a large data center being constructed at one of the member communities that would significantly increase the peak load within a short time period.

***9. Does your utility have any updates to its plans for initiating and managing a systemwide load shed to protect the bulk electric system in the event of an imbalance of electricity supply and demand? If so, what are the updates?***

MRES continues to work with its members to specifically prepare for summer peak alerts and load shedding events ordered and implemented by applicable regional transmission organizations and local balancing authorities, including the adoption of load shed plans or programs. Members have been encouraged to document their critical loads, generators owned by retail customers, loading on various circuits, communications methods, customers on life support equipment, and contact information for each of these groups.

MRES continues to monitor all alerts issued by MISO and SPP and uses an emergency communication software service to send text and email alerts to its members when the alert levels reach an Energy Emergency Alert Level 2 in SPP and Level 2C in MISO. These are the levels where MRES members must issue public appeals to reduce energy, activate load

management, and request retail customer generation under contract to operate. MRES members also must prepare for rolling blackouts with community leaders, critical loads and key accounts. The actions taken are unique to each member based on its individual resources and equipment and are detailed in its individual emergency plan.

***10. Does your utility foresee any supply chain constraints affecting natural gas or coal availability? If so, what are those constraints?***

No. MRES does not foresee any supply chain constraints affecting natural gas or coal availability.

***11. What can the Iowa Utilities Commission or the State of Iowa do to support the reliability and resiliency of your system?***

The Commission and the State of Iowa should continue to support generation resources that operate during grid instability, emergency, and other extraordinary events when generation from intermittent renewable resources may not be available. This includes supporting the Iowa Department of Natural Resources regarding approval of air quality permits for generating assets needed during the most critical periods, such as Exira Station and MRES member-owned diesel generation. Municipal diesel generation units, in particular, operate very infrequently but are critical to supporting regional reliability in ever-increasing generation deficiency situations, such as during Energy Emergency Alert conditions.

***12. North American Electric Reliability Corporation (NERC) issued its 2024 Long-Term Reliability Assessment, how do you view their concerns on energy shortfalls in the MISO region?***

MRES continues to have concerns over the regional retirements of dispatchable generation resources that are critical to meeting electrical energy demands, especially during

times of low renewable production. MRES continues to meet the resource adequacy requirements of MISO and SPP and also performs resource planning analysis to ensure it maintains adequate reserves looking out into the future.

***13. How do these energy shortfall issues impact your decisions on long term generation planning?***

MRES performs ongoing resource planning to identify the optimal demand and energy positions looking out into the future. The result of this analysis takes into account various scenarios and identifies the optimal resource mix MRES should maintain, including its existing generation portfolio and generation additions (and timing thereof) in the future. MRES has also implemented a comprehensive energy hedging program that considers its resource mix, generation dispatch sensitivities, and its energy hedging portfolio to manage its position.

Dated this 23<sup>rd</sup> day of May, 2025.

Respectfully submitted,

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