

Carbon Cap and Trade: National Policy, Local Impact

SD PUC Forum

Tom Heller

Missouri River Energy Services

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Members of Missouri River Energy Services

North Dakota

- 43 – Cavalier
- 44 – Hillsboro
- 45 – Northwood
- 46 – Lakota
- 47 – Riverdale
- 48 – Valley City

South Dakota

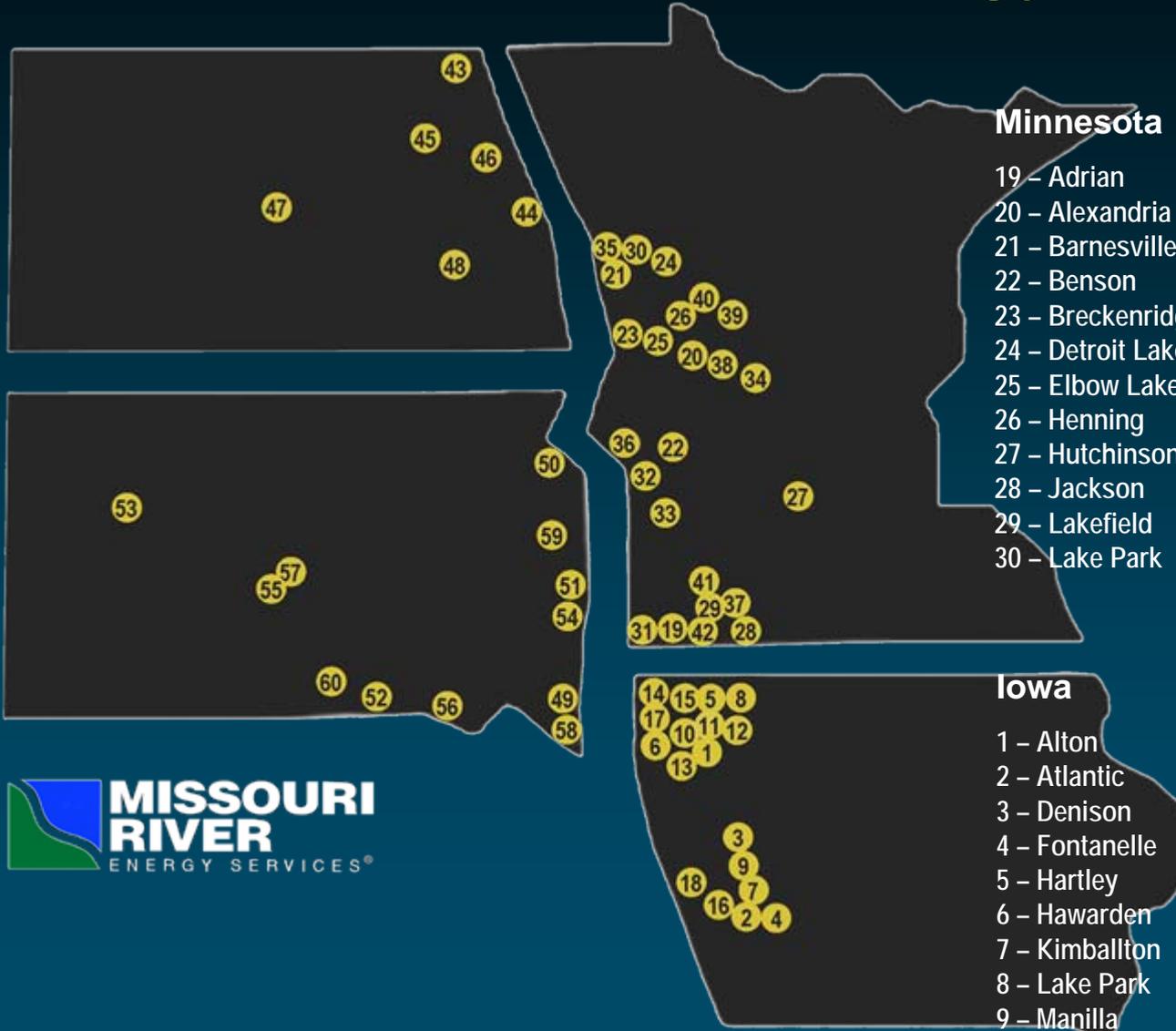
- 49 – Beresford
- 50 – Big Stone City
- 51 – Brookings
- 52 – Burke
- 53 – Faith
- 54 – Flandreau
- 55 – Fort Pierre
- 56 – Pickstown
- 57 – Pierre
- 58 – Vermillion
- 59 – Watertown
- 60 – Winner

Minnesota

- 19 – Adrian
- 20 – Alexandria
- 21 – Barnesville
- 22 – Benson
- 23 – Breckenridge
- 24 – Detroit Lakes
- 25 – Elbow Lake
- 26 – Henning
- 27 – Hutchinson
- 28 – Jackson
- 29 – Lakefield
- 30 – Lake Park
- 31 – Luverne
- 32 – Madison
- 33 – Marshall
- 34 – Melrose
- 35 – Moorhead
- 36 – Ortonville
- 37 – St. James
- 38 – Sauk Centre
- 39 – Staples
- 40 – Wadena
- 41 – Westbrook
- 42 – Worthington

Iowa

- 1 – Alton
- 2 – Atlantic
- 3 – Denison
- 4 – Fontanelle
- 5 – Hartley
- 6 – Hawarden
- 7 – Kimballton
- 8 – Lake Park
- 9 – Manilla
- 10 – Orange City
- 11 – Paullina
- 12 – Primghar
- 13 – Remsen
- 14 – Rock Rapids
- 15 – Sanborn
- 16 – Shelby
- 17 – Sioux Center
- 18 – Woodbine



Missouri River Energy Services Members And Generating Resources



- MRES Member
- MRES Generation Resource
- ▲ Federal Hydroelectric Dam

President's Budget Proposal Cost to MRES and SD Members In 2015

- **100% Auction of Allowances**
- **Assumed Electric Generation only Covered**
- **65% Increase in MRES Rates to Members**
- **\$33.4 Million to 12 MRES/SD Members**
- **\$13.6 Million to Watertown**

Annual Direct Costs To SD Ratepayers 100% Auction of Allowances

<u>Legislation</u>	<u>2015 Annual Costs</u>	<u>2030 Annual Costs</u>
Lieberman-Warner	\$184 Million	\$399 Million
Sanders-Boxer	\$239 Million	\$516 Million

“Analysis of the Electricity Price Impacts of Alternative Carbon Emission Cap-and-Trade Programs in the Midwest,” prepared by Energy Policy Group LLC and Christensen Associates Energy Consulting LLC., on behalf of the Midwest Consumer Utilities coalition.

Annual Direct Costs To SD Ratepayers

100% Allocation of Allowances

<u>Legislation</u>	<u>2015 Annual Costs</u>	<u>2030 Annual Costs</u>
Lieberman-Warner	\$30 Million	\$173 Million
Sanders-Boxer	\$46 Million	\$301 Million

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MRES Position

On Cap and Trade Legislation

- **Consider Impact on Consumers**
- **Set Realistic Targets and Schedules**
- **Cover Broad Range of Emitters**
- **Majority of Allowances Provided to LSEs**
- **Offsets Allowed**
- **Prevent Market Manipulation by Speculators**
- **Funds Needed for Research, Development, and Deployment**