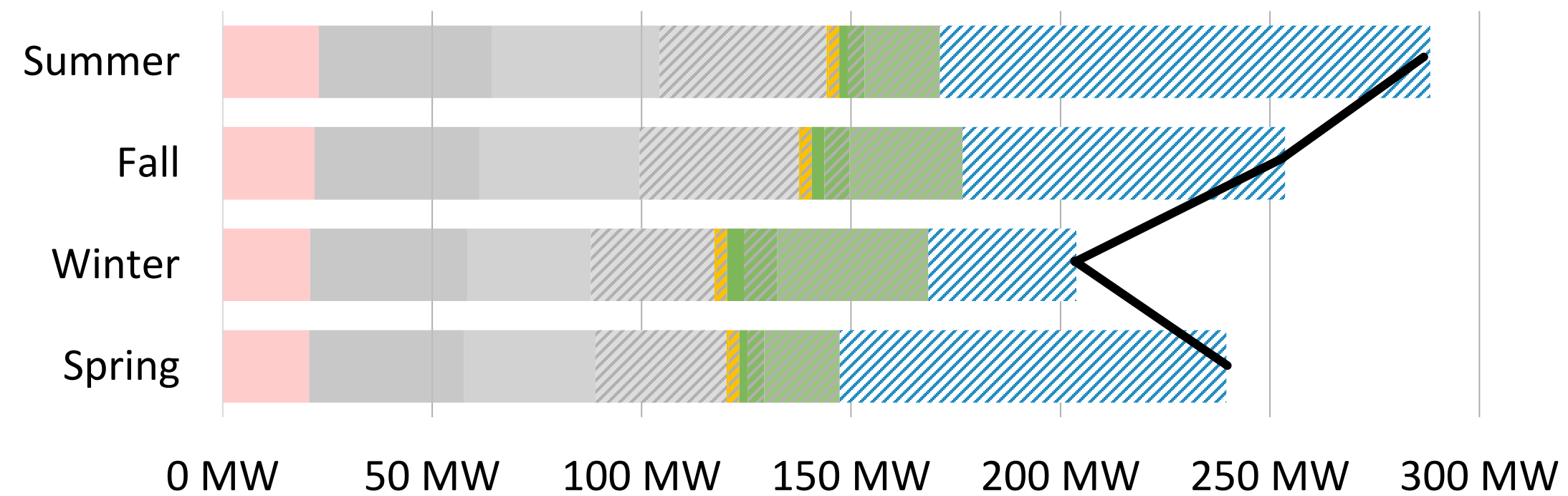
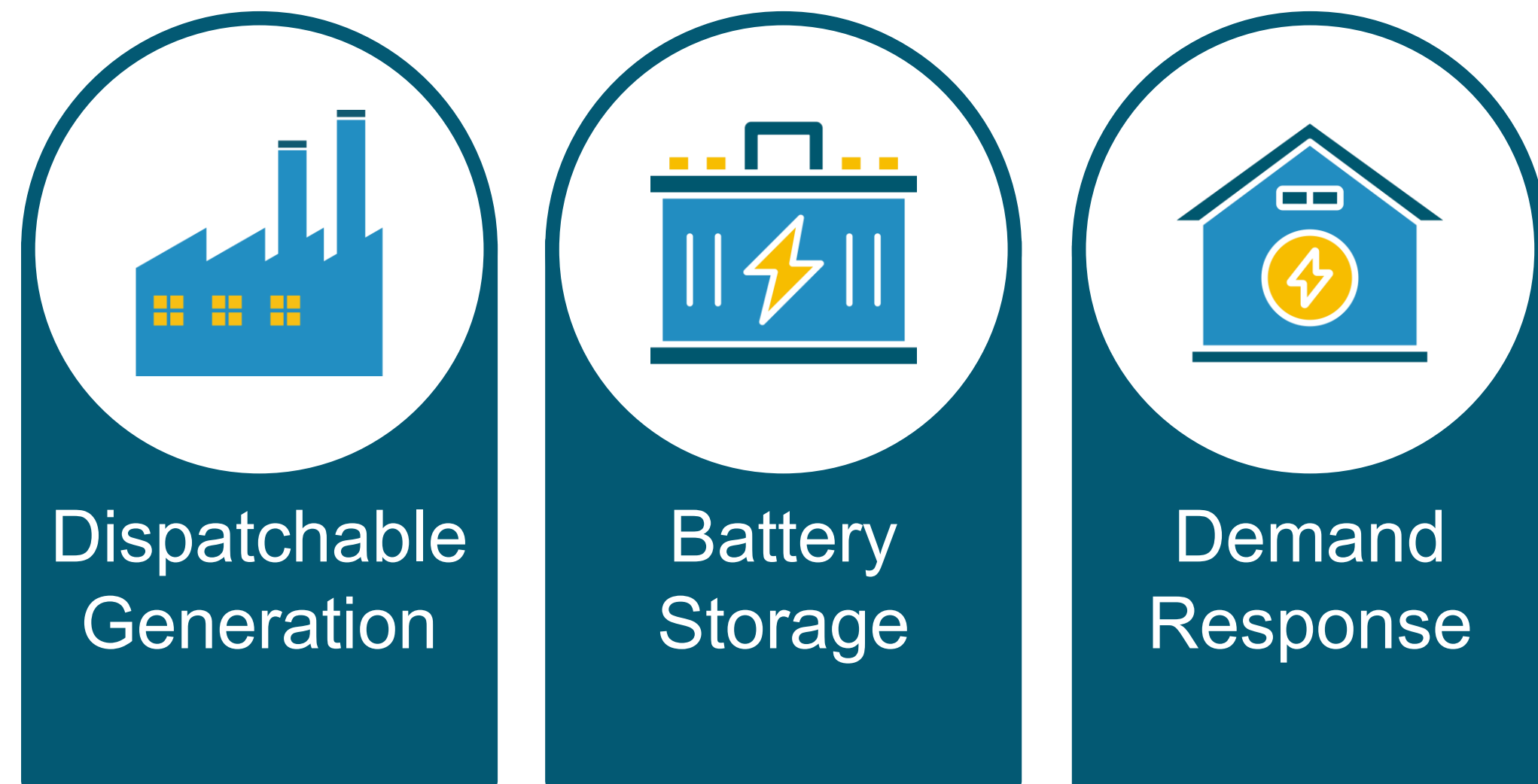


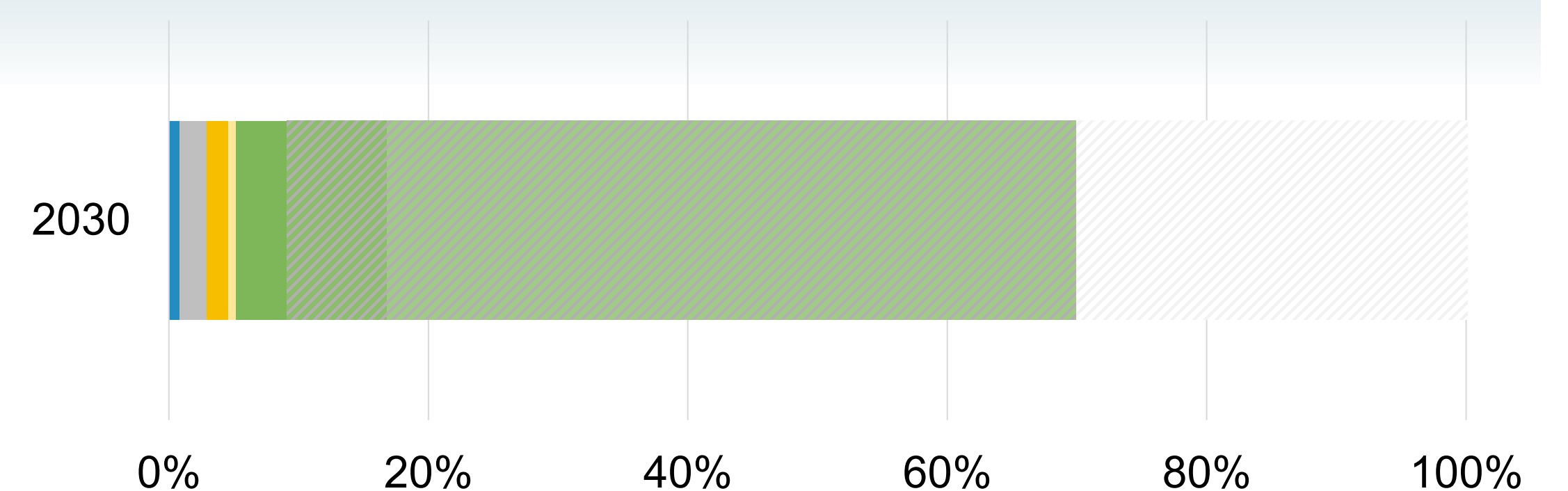
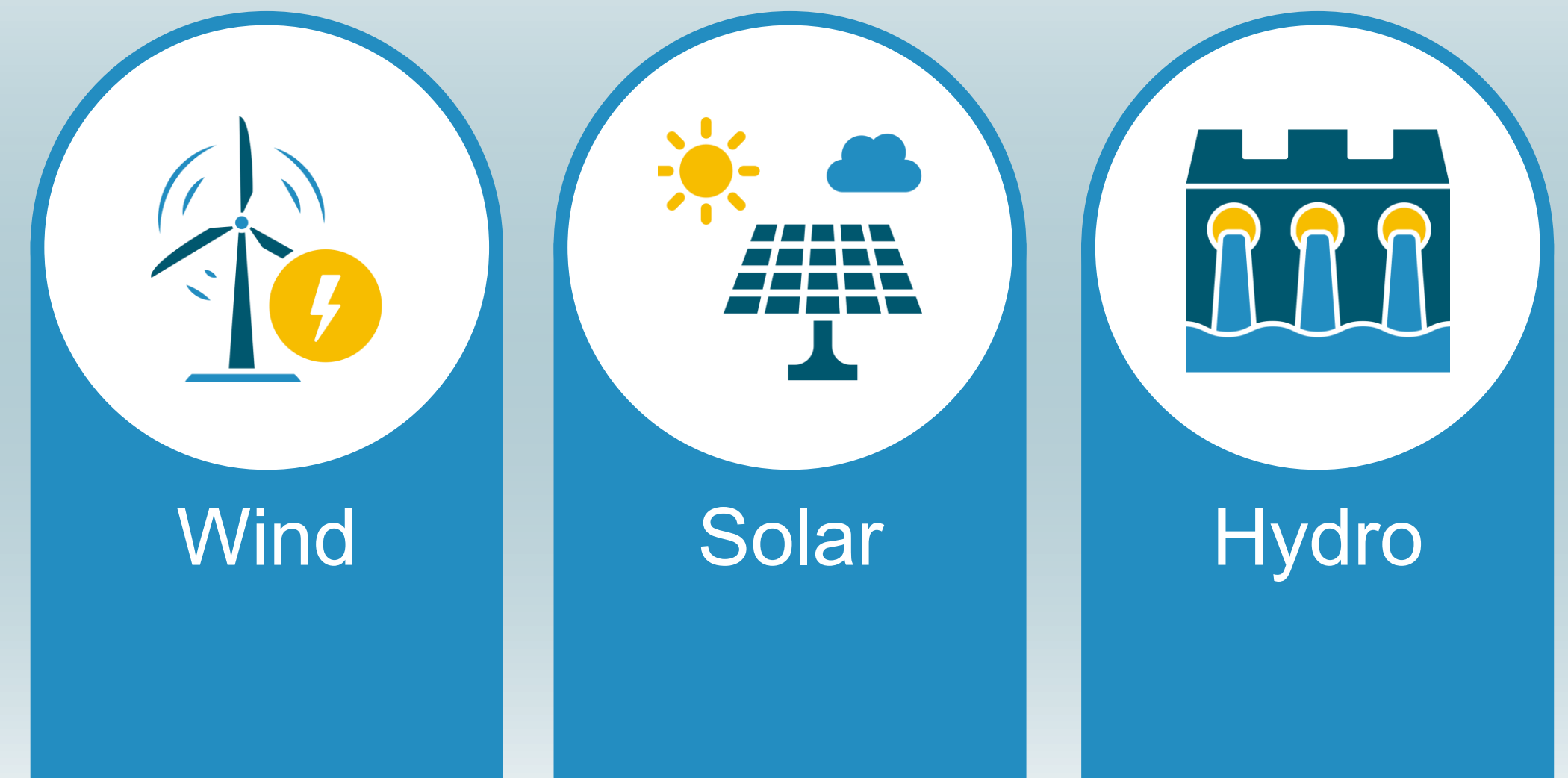
6.A. Renewable Energy Goals and Rate Recommendation

Power Supply Resource Plan | Reliable Capacity. Renewable Energy.

Reliable Capacity



Renewable Energy



Continued Conservation



Reliable Capacity Percent Complete

- **PRMR** is the **amount of capacity (in MW)** that each Load Serving Entity (LSE) in MISO must have to meet its expected peak demand **plus a reserve margin** to ensure system has **enough extra capacity** to avoid loss of load in the event of unexpected outages or extreme weather. It's calculated **each planning year** and varies seasonally based on forecasts and system needs.

Planning Year 2025-2026 Seasons	Summer 2025	Fall 2025	Winter 2025-2026	Spring 2026
MISO PRM UCAP	7.9%	14.9%	18.4%	25.3%

- RPU's current **Resource Plan** calls for a mix of existing and new dispatchable and renewable resources fulfilling **67% of our capacity obligation**.

Planning Year 2029/2030	Summer	Fall	Winter	Spring	RPU Position
PRMR	288 MW	254 MW	204 MW	240 MW	246 MW
Existing and Planned Capacity	171 MW	177 MW	168 MW	147 MW	166 MW
Reliable Capacity Percent Complete	59%	70%	83%	61%	67.29%



Renewable Energy Percent Complete

- Renewable Energy Credits (**RECs**) represent the environmental attributes of one megawatt-hour (MWh) of electricity generated from a renewable energy source. **Banking RECs** allows utilities to accumulate surplus RECs in years when they exceed renewable requirement and use them in future years when their generation or procurement might fall short.
- Bringing new renewable resources online prior to 2030 allows RPU's to generate RECs and build a healthy reserve ahead of our separation from SMMPA. These **necessary surplus RECs**, along with RECs from existing renewable resources (which contribute 2% to our goal), can be banked and strategically retired to meet our 100% net renewable goal through 2034.

Hydro, Solar & Wind	2026	2027	2028	2029	2030	2031	2032	2033	2034	RPU Position
RECs Produced	126,088	148,938	802,477	807,900	839,200	839,200	839,200	839,200	839,200	675,711
Retail Sales (MWh)	1,167,689	1,175,078	1,183,391	1,194,346	1,199,381	1,208,186	1,216,615	1,228,453	1,233,443	1,200,732
RECs Balance	126,088	275,026	1,077,503	1,885,403	1,525,222	1,156,236	778,820	389,567	(4,676)	801,021
% Renewable Goal	11%	23%	91%	158%	127%	96%	64%	32%	0%	66.81%





REC Compliance | 100% Net Renewable Energy by 2030 (thru 2034)

Current Goal Portfolio Options

Existing Resources

- Lake Zumbro Hydro
- Valley High Solar
- Olmsted Waste to Energy
- Distributed Energy Resources

Projects/PPA Under Consideration

- **Adams County Wind**
- Dodge County Wind
- North Hills Wind
- Future Distributed Energy Resources

Future Project

- Wind 50 MW

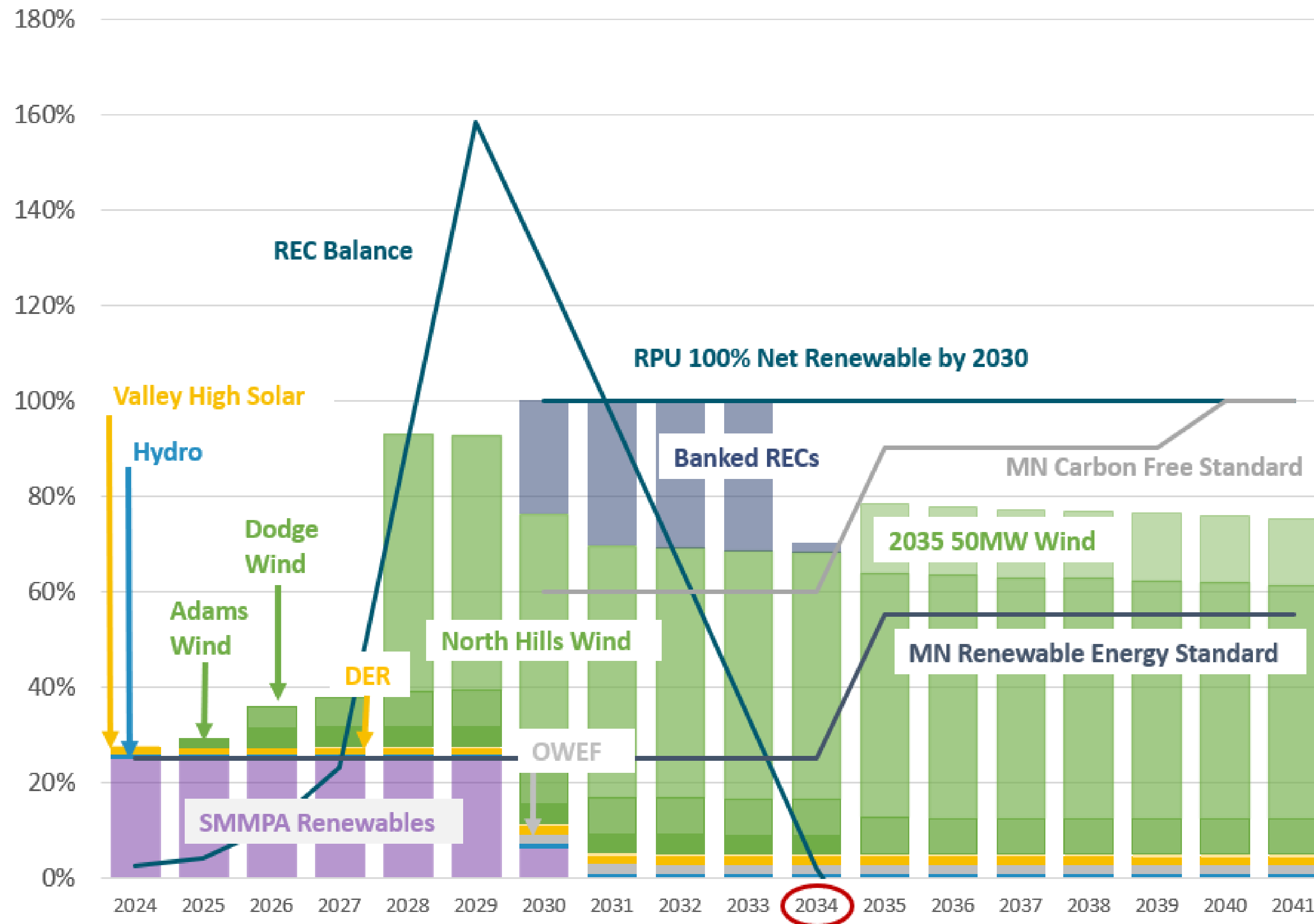
2030 Average Net Cost at Project Node

- Min / Ave / Max = \$2 / \$19 / \$30 million per year

2030 Total Net Cost at Project Node

- Min / Ave / Max = \$2 / \$20 / \$31 per MWh

REC Production and Balance 100% Renewable



Power Supply Resource Plan | 2026-2027 Budget Assumptions

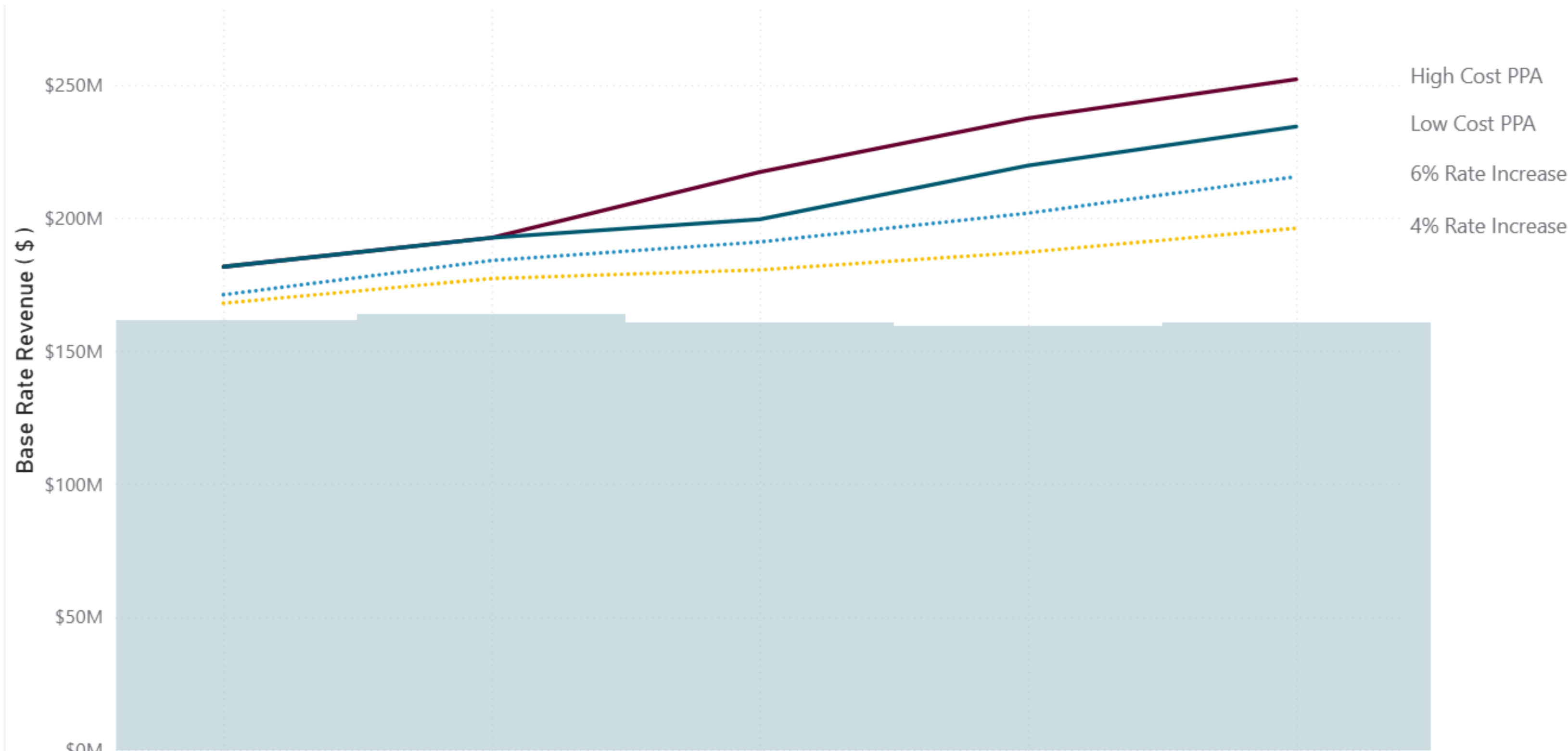
Recommended Budget – Scenario 4
100% net renewable energy by 2030

2028	2029	2030	2033
200MW Wind Power Purchase Agreement (PPA) 100MW Solar PPA 30 MW Repair / Replace Cascade Creek 1	<50 MW – Mt Simon Station 50 MW Battery PPA 50 MW Capacity PPA	100 MW Wind PPA	100 MW Wind PPA
200MW Wind Power Purchase Agreement (PPA) 100MW Solar PPA 30 MW Repair / Replace Cascade Creek 1	<50 MW – Mt Simon Station 50 MW Battery PPA 50 MW Capacity PPA		50 MW Wind PPA

Alternative – Scenario 5
100% net renewable energy by 2040



Rate Scenarios | 4% & 6% Scenarios with PPA Sensitivities



	2026		2027		2028		2029		2030
Base Rate Revenue	\$	161,540,281	\$	163,866,933	\$	160,544,263	\$	159,331,669	\$ 160,636,551
4% Rate Increase	\$	167,921,469	\$	177,184,593	\$	180,461,374	\$	187,122,473	\$ 196,095,340
6% Rate Increase	\$	171,108,448	\$	183,977,000	\$	190,951,201	\$	201,773,960	\$ 215,493,937
High Cost PPA - 4% (PCA cost/kWh)	\$	0.01197	\$	0.01335	\$	0.03348	\$	0.04669	\$ 0.05188
Low Cost PPA - 4% (PCA cost/kWh)	\$	0.01197	\$	0.01335	\$	0.01728	\$	0.03021	\$ 0.03541
High Cost PPA - 6% (PCA cost/kWh)	\$	0.01197	\$	0.01335	\$	0.02392	\$	0.03311	\$ 0.03391
Low Cost PPA - 6% (PCA cost/kWh)	\$	0.01197	\$	0.01335	\$	0.00772	\$	0.01663	\$ 0.01744



2025 Initiatives | General Manager – Continue Improving

- **2025 Continue Improving Campaign**

- We are in a budgeting year and before we ask more of our ratepayers, I am asking that we live out our values and do more with what we have.
- I am introducing a continuous improvement effort at RPU and am asking each division to propose and then make one or more improvements.
- The definition of improvement requires a clear positive cost/benefit outcome. We aren't spending dollars to save pennies. We are spending days to save weeks of effort or improve quality. Examples from 2024:
 - **Fixing a Business Process.** – adjusting high/low read thresholds
 - **Improving Customer Service.** – adding languages to kiosk
 - **Cutting Waste.** – digitizing processes to eliminate paper handling
 - **Automation.** – fixing manual data entry that has opportunity for error
 - **Curating Data.** – single source of truth for weather history
 - **Streamlining.** – overhauling the division report process and design
 - **Quality.** – expanding Service Assured Electric to All-In, Opt Out



Improving should be evaluated through the lens of our mission, vision, values, and our strategy. It's not change for the sake of change. It's getting better and enhancing the value and quality of our service to our customers.

im•prov•ing [*present participle*]

: to enhance in value or quality : make better : to use to good purpose



Power Supply Resource Plan | Recommendation before the RPU Board

1. **Reaffirm the 100% Net Renewable Energy by 2030 Resource Plan Target.**
2. **Affirm the approach of implementing the early wind acquisition strategy and banking RECs to provide flexibility for long-term planning. We can meet the 100% by 2030 goal and sustain it through 2034.**
3. **Direct staff to continue advancing the renewable resource plan while balancing reliability, sustainable rates, and environmental responsibility.**
4. **Adopt the 6%/6% rate trajectory in 2026-27 to smooth rates and reduce the Power Cost Adjustment risk in 2028-29**





Questions