

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA**

IN THE MATTER OF THE REQUEST FOR A))	DECLARATORY RULING
DECLARATORY RULING BY PPM ENERGY,))	REGARDING JURISDICTION
INC. REGARDING THE SITING OF WIND))	
POWER FACILITIES))	EL07-018

On May 16, 2007, PPM Energy, Inc. (PPM) filed a request for a declaratory ruling as to whether PPM is required to have a siting permit per SDCL chapter 49-41B from the Commission for its proposed Buffalo Ridge I Project in Brookings County.

On May 17, 2007, the Commission electronically transmitted notice of the filing and the intervention deadline of May 31, 2007, to interested individuals and entities. No parties filed to intervene.

On October 5, 2007, PPM updated its filing and the description of its wind projects and filed a Brief in Support of Application. According to the brief and attached affidavit, PPM is currently developing the 55 MW MinnDakota Project in Brookings County which will become commercially operable in 2007. PPM plans on developing 50.4 MW for the proposed Buffalo Ridge I Project. On October 29, 2007, the Commission Staff filed its Brief Regarding Jurisdiction.

At its November 6, 2007, meeting, the Commission considered this matter. The Commission has jurisdiction over this matter pursuant to SDCL Chapter 49-41B and SDCL 1-26-15. At the meeting, representatives of PPM explained the projects and answered questions. Both PPM and Commission Staff asserted that the Commission did not have jurisdiction over the projects.

After listening to the arguments presented by PPM and Staff, the Commission voted that the two projects are separate projects and, therefore, no siting permit is required for the Buffalo Ridge I Project.

Under SDCL 49-41B-2(12), the definition of a wind energy facility is as follows:

"Wind energy facility," a new facility, or facility expansion, consisting of a commonly managed integrated system of towers, wind turbine generators with blades, power collection systems, and electric interconnection systems, that converts wind movement into electricity and that is designed for or capable of generation of one hundred megawatts or more of electricity. A wind energy facility expansion includes the addition of new wind turbines, designed for or capable of generating twenty-five megawatts or more of electricity, which are to be managed in common and integrated with existing turbines and the combined megawatt capability of the existing and new turbines is one hundred megawatts or more of electricity. The number of megawatts generated by a wind energy facility is determined by adding the nameplate power generation capability of each wind turbine.

The MinnDakota Wind Project is a 150 MW project, with 54 of the MW located in South Dakota. It has a permit from Brookings County for 99 MW. The MinnDakota Wind Project is expected to be operational in 2007. The Buffalo Ridge I Project has a 55 MW conditional use permit from the Brookings County Commission with a planned development of 50.4 MW. Construction

should be completed in 2008. Both MinnDakota Wind and Buffalo Ridge I are limited liability companies that are owned by PPM Energy, Inc. The projects are intended to be operated and maintained by PPM Technical Services, LLC. The projects have separate financing and the electrical output will be sold to different purchasers under separate agreements. The projects will share an interconnection agreement.

Although the projects are both located in Brookings County, the projects will be located at different sites and separated by two miles. The two projects will also be separately metered. The projects will have separate and dedicated collection and feeder lines. Three feeders from the MinnDakota project will connect to Xcel Energy's Yankee substation. One feeder from Buffalo Ridge will connect to the same substation. The two projects will not be electrically integrated within the substation. The projects will share transmission line poles using separate electrical circuits.

In order for the Commission to have siting jurisdiction, a wind energy facility must be "designed for or capable of generation of one hundred megawatts or more of electricity." SDCL 49-41B-1(12). In addition, the facilities must be commonly managed and integrated. The Commission finds that the two projects are not commonly managed and integrated. The Commission finds that the two projects are not integrated given that the projects are separated by two miles, are separately metered, will have separate and dedicated collection and feeder lines, and will not be electrically integrated within the substation. Thus, based on the record presented to the Commission, the Commission finds that the projects are not "commonly managed and integrated" as required by the statute. It is therefore

ORDERED, that the Commission finds that it does not have siting jurisdiction over the PPM Wind Projects based on the description of the projects as set forth by PPM.

Dated at Pierre, South Dakota, this 16th day of November, 2007.

CERTIFICATE OF SERVICE	
The undersigned hereby certifies that this document has been served today upon all parties of record in this docket, as listed on the docket service list, electronically.	
By:	<u>Delaine Kolbo</u>
Date:	<u>11/16/07</u>
(OFFICIAL SEAL)	

BY ORDER OF THE COMMISSION:

Dustin M. Johnson
DUSTIN M. JOHNSON, Chairman *dk*

Gary Hanson
GARY HANSON, Commissioner

Steve Kolbeck
STEVE KOLBECK, Commissioner