

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

**IN THE MATTER OF THE APPLICATION OF
CROWNED RIDGE WIND II, LLC FOR A FACILITIES PERMIT TO
CONSTRUCT A 300.6 MEGAWATT WIND FACILITY**

Docket No. EL19-

DIRECT TESTIMONY AND EXHIBITS

OF DARYL HART

July 9, 2019

INTRODUCTION AND QUALIFICATIONS

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Q. PLEASE STATE YOUR NAMES AND BUSINESS ADDRESS.

A. Daryl Hart. My business address is 700 Universe Blvd., Juno Beach, Florida, 33408.

Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?

A. I am employed by NextEra Energy Resources, LLC (“NEER”) a Director of Business Development at NEER. I am responsible for commercial aspects of the up to 300.6 megawatt Crowned Ridge II wind generation project (“Project”). I also support Tyler Wilhelm on development and permitting.

Q. PLEASE DESCRIBE YOUR PROFESSIONAL BACKGROUNDS.

A. I have been employed by NEER since 2007 in various roles including wind farm design, utility distribution project management, and renewable energy business development on NEER’s Midcontinent Development team. As a Director of Business Development, I have developed or overseen the development of wind energy projects in eight states with the most recent wind energy center declaring commercial operations on December 23, 2018. Prior to joining NEER, I spent ten years as an officer in the United States Air Force. I received a Bachelor of Science in Electrical Engineering from Worcester Polytechnic Institute, a Masters of Business Administration from Auburn University in 2003 and a Master of Science in Finance from Pennsylvania State University in 2015.

1 **Q. HAS THIS TESTIMONY BEEN PREPARED BY YOU OR UNDER YOUR**
2 **DIRECT SUPERVISION?**

3 A. Yes.

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5 **Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THE PUBLIC SERVICE**
6 **COMMISSION OF SOUTH DAKOTA?**

7 A. No.

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PURPOSE OF TESTIMONY

10 **Q. PLEASE DESCRIBE THE PURPOSE OF THE TESTIMONY.**

11 A. The purpose of our testimony is to provide an overview of the build-own-transfer
12 (“BOT”) of the Project to Northern States Power and break down of the tax benefits
13 associated with the Project.

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OVERVIEW OF BOT

16 **Q. EXPLAIN WHY THE WIND FACILITY IS NEEDED.**

17 A. On July 6, 2017, the Minnesota Public Service Commission approved NSP Petition for
18 Approval of the Acquisition of Wind Generation from the Company’s 2016-2030
19 Integrated Resource Plan, which included NSP’s purchase and sale agreement (“PSA”)
20 with CRW II. Similarly, the North Dakota Public Service Commission issued an order
21 approving an advance determination of prudence for the PPA between NSP and CRW II
22 on December 6, 2018.

23

1 Q. WHO WILL CONSTRUCT THE PROJECT?

2 A. CRW II will construct the Project.

3

4 Q. WHO WILL OWN, OPERATE, AND MAINTAIN THE PROJECT?

5 A. Under the PSA, the Project entity, CRW II, will be transferred to NSP prior to the
6 commercial operations date. CRW II will own, operate, and maintain the Project after
7 the transfer to NSP as a subsidiary of NSP.

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TAX BENEFITS OF THE WIND FACILITY

11 Q. PLEASE EXPLAIN THE TAX BENEFITS ASSOCIATED WITH THE
12 PROJECT?

13 A. The tax benefits associated with the Project include: (1) increasing sales/use tax and
14 contractor excise tax revenues; and (2) the generation of property tax revenues of
15 approximately \$39 million over the contracted life of the Project. I have provided a
16 breakdown of the sales/use tax and contractor excise tax revenues in Exhibit DH-2.

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18 Q. DOES THIS CONCLUDE YOUR TESTIMONY?

19 A. Yes, it does.

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STATE OF FLORIDA)
) ss
COUNTY OF PALM BEACH)

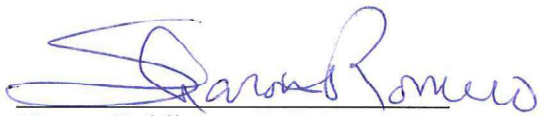
I, Daryl Hart, being duly sworn on oath, depose and state that I am the witness identified in the foregoing prepared testimony and I am familiar with its contents, and that the facts set forth are true to the best of my knowledge, information and belief.



Daryl Hart

Subscribed and sworn to before me this 27 day of
June 2019.

SEAL



Notary Public

My Commission Expires _____



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EDUCATION
MS Finance, 2015
Penn State University

MBA Marketing, 2003
Auburn University Montgomery

BS Electrical Engineering, 1997
Worcester Polytechnic Institute (WPI)

EXPERIENCE:

8/2007-Present NextEra Energy, Inc.

11/13-Present Director, Renewable Business Development, NextEra Energy Resources:

- Lead the team responsible for development in ND, SD, IA, MN, and MI with over \$1 billion (600 MW) of deployed capital and a project pipeline of over 3 GW.
- Developed and constructed wind projects in California's Altamont Pass: 2015 - Golden Hills (86 MW) and 2017 - Golden Hills North (46 MW).

10/11-11/13 Program Manager, Distribution Quality & Technology Group, Florida Power & Light Company (FPL):

- Program Manager overseeing the implementation of the ACT (Availability Cross Functional Team) wind fleet performance automated reporting.
- Directed the operational integration for the City of Vero Beach's electrical utility including integration planning, scheduling, project valuation, risk management, and executive reporting.
- Managed FPL's Energy Smart Florida Distribution Automation Project – Deployed self-healing Smart Grid technology to improve power quality and reduce customer interruption time. Directly responsible for project schedule, vendor management, and \$39 MM budget.
- Project Manager for the DPDC (Distribution Performance & Diagnostic Center) Remodeling

8/10-9/11 Manager, Technical Consulting & Client Services (TCS),

WindLogics (subsidiary of NextEra Energy Resources):

Directed TCS's key functional areas including renewable energy consulting services, sales engineering, applied mathematics consulting, account and project management, and technical support to product management and marketing.

- Established the Business Model Design Consulting team to provide applied mathematics services focused on custom optimization solutions for utilities and power generators.
- Led the team that established the WindLogics Sales Governance, providing guidance for business development methodologies and project fulfillment.
- Mentored two 6-sigma green belt candidates and oversaw two process improvement projects: Product Price Standardization and Contract Proposal Process Improvement.

8/07-7/10 Analyst, Wind Farm Design (WFD), NextEra Energy Resources:

Designed optimized wind turbine arrays, meteorological tower sitings, net capacity calculations, 3-D virtual wind farm visualizations, and geographic information system (GIS) support.

- Project Lead for the Computational Fluid Dynamics (CFD) Proof of Concept Project; responsible for overseeing the evaluation of multiple CFD software applications for feasibility within wind farm design production.
- Led the 6-Sigma Turbine Layout Optimization process improvement project; reduced wind farm design time by 50%. Implemented WFD QA/QC tracking procedures.

6/1997-7/2007 Major, Intelligence/Developmental Engineer, US Air Force (USAF)

4/05-7/07 Operations Officer, Imagery Exploitation Division:

Led 141-person imagery intelligence division at the National Air & Space Intelligence Center; provided intelligence analysis to the Department of Defense. Managed \$4 MM annual budget.

- Rated by Director #1 out of 47 Company Grade Officers (CGOs), Directorate CGO of Year.
- Led imagery collection/analysis support for Hurricanes Katrina/Rita disaster relief missions.
- Spearheaded development of imagery inspection training modules; recognized by Command inspectors as “Best Practice” and recommended for Air Force implementation.
- Led development of monitor calibration process; improved imagery viewing quality by 53%.

4/04-3/05 Chief, Imagery Systems Branch: Led 27-person team developing the division’s technical program objectives and requirements. Responsible for \$2.8 MM IT budget.

- Rated by director in “Top” 5 of 42 CGOs and selected as CGO of Quarter.
- Oversaw \$1 MM fiber channel network overhaul.
- Managed project that eliminated intelligence film archive; saved \$2 MM during \$53 MM.
- Directed computer-aided design model upgrades; saved intelligence analysts 1,000 work-hours.

4/01-3/04 Deputy Chief and Flight Training Officer, Standards and Evaluations Division:

Responsible for certifying/evaluating all 100+ Officer Training School (OTS) instructors. Assessed effectiveness of unit training operations and established unit standardization policies. Led the training and professional development of ten 15-person officer training flights.

- Led inspection prep-team, contributed to “Outstanding” rating during Command inspection.
- Rated by Officer Training School commander in “Top” 5% of 75 company grade officers.
- Drove successful completion of 300% student production increase during 90-day training surge managing assets worth \$2.3M while coordinating logistics for 855 officer trainees.

6/97-3/01 Systems Engineer, Imagery Exploitation Support System:

Led 18-person contractor team providing imagery system upgrades and support for 49 worldwide intelligence centers and contractor facilities.

- Project manager for \$4.2 MM hardware upgrade at 41 imagery intelligence analysis centers
- Coordinated hardware upgrade study for 12 forward deployed imagery analysis sites and successfully obtained \$3.5 MM in hardware acquisition funding.
- Oversaw major onsite hardware installation in Bahrain; solved critical hardware failure leading to on-time project completion when leadership expected at least 1-month schedule slip.

ADDITIONAL AWARDS/TRAINING/EDUCATION:

- 2015 James L. Broadhead Quality Award – Wind Availability Cross Functional Team
- PMP (Project Management Professional), 2010 – Certificate #1353721
- Certified Six Sigma Black Belt (BMGI/NextEra Energy), 2010
- Graduate of USAF Squadron Officer School (SOS), 2003
- Graduate of USAF Intelligence Officer Training, 1998
- Graduate of USAF Air Force ROTC (Reserve Officers’ Training Corps), 1997
- Member: Mu Kappa Tau - National Marketing Honor Society

Taxes Outside State Aid Formula				
Project Year	Waverly School District		Watertown School District	
	Allocation Per SDCL 10-35-21	Adjusted: SDCL 13-13-10.1(6B)	Allocation Per SDCL 10-35-21	Adjusted: SDCL 13-13-10.1(6B)
1	225,000	225,000	63,000	63,000
2	225,000	225,000	63,000	63,000
3	225,000	225,000	63,000	63,000
4	225,000	225,000	63,000	63,000
5	225,000	225,000	63,000	63,000
6	225,000	180,000	63,000	50,400
7	225,000	135,000	63,000	37,800
8	225,000	90,000	63,000	25,200
9	225,000	45,000	63,000	12,600
10	225,000	-	63,000	-

Local Effort Taxes			
Project Year	Waverly School District	Watertown School District	Deuel School District
1	\$ -	\$ -	\$ -
2	\$ -	\$ -	\$ -
3	\$ -	\$ -	\$ -
4	\$ -	\$ -	\$ -
5	\$ -	\$ -	\$ -
6	\$ 45,000	\$ 12,600	\$ 44,400
7	\$ 90,000	\$ 25,200	\$ 88,800
8	\$ 135,000	\$ 37,800	\$ 133,200
9	\$ 180,000	\$ 50,400	\$ 177,600
10	\$ 225,000	\$ 63,000	\$ 222,000

Deuel School District	
Allocation Per SDCL 10-35-21	Adjusted: SDCL 13- 13-10.1(6B)
222,000	222,000
222,000	222,000
222,000	222,000
222,000	222,000
222,000	222,000
222,000	177,600
222,000	133,200
222,000	88,800
222,000	44,400
222,000	-