

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA

IN THE MATTER OF THE)
APPLICATION BY CROCKER WIND)
FARM, LLC FOR A PERMIT OF A)
WIND ENERGY FACILITY AND A 345)
KV TRANSMISSION LINE IN CLARK)
COUNTY, SOUTH DAKOTA, FOR)
CROCKER WIND FARM)

EL 17-028

DIRECT

TESTIMONY OF

ELIZABETH M.

ENGELKING

VICE PRESIDENT OF STRATEGY

AND POLICY

GERONIMO ENERGY, LLC ON BEHALF OF

Crocker Wind Farm

LLC SEPTEMBER 22,

2017

Exhibit __

DIRECT TESTIMONY OF ELIZABETH ENGELKING

SCHEDULES

1 EME-1 Resume

1 **I. INTRODUCTION AND QUALIFICATIONS**

2 **Q: Please state your name and occupation.**

3 A: My name is Elizabeth M. Engelking. I am Vice President for Strategy and Policy at
4 Geronimo Energy, (“Geronimo”).

5 **Q: Please describe your qualifications and experience.**

6 A: I received my MBA in finance and economics from the Carlson School of
7 Management at the University of Minnesota in 1986. From 1988-1998, I was employed as
8 a rate analyst with the Minnesota Public Utilities Commission (“Commission”), where I
9 oversaw the implementation of Integrated Resource Planning and advised the
10 Commission on utility resource planning, ratemaking, and industry restructuring issues. In
11 1998, I joined Great River Energy, where I worked as a transmission analyst and then from
12 2000-2004, as Manager of Resource Planning. In that capacity, I directed the
13 development, filing, and acceptance of two integrated Resource Plans with the
14 Commission. From 2004-2011, I was employed by Xcel Energy as Director of Resource
15 Planning and Bidding. In that position, I was responsible for developing the Integrated
16 Resource Plans as well as long-term generation planning and acquisition. I joined Geronimo
17 Energy in January, 2012, and currently serve as Vice President for Strategy and Policy. My
18 responsibilities include oversight over Geronimo’s regulatory and legislative matters as well as

19 evaluation of our commercial markets for wind and solar energy. My resume is attached to this
20 testimony as Schedule EME-1.

21 **Q: What is the purpose of your testimony in this proceeding?**

22 A: The purpose of my testimony is to address the requirements in South Dakota's siting
23 rules that an applicant address estimated demand and future energy needs of those customers to
24 be directly served by the proposed facility. The relevant rule states:

25 **20:10:22:10. Demand for facility.** The applicant shall provide a description of present and
26 estimated consumer demand and estimated future energy needs of those customers to be directly
27 served by the proposed facility. The applicant shall also provide data, data sources, assumptions,
28 forecast methods or models, or other reasoning upon which the description is based. This
29 statement shall also include information on the relative contribution to any power or energy
30 distribution network or pool that the proposed facility is projected to supply and a statement on
31 the consequences of delay or termination of the construction of the facility.

32 **Source:** 5 SDR 1, effective July 25, 1978; 12 SDR 151, 12 SDR 155, effective July 1,
33 1986.

34 **Q: Does Crocker Wind Farm currently have an offtake agreement?**

35 A: No. Crocker Wind Farm is in the process of discussing offtake with one or more
36 potential customers for the project's output.

37 **Q: Why is it important for South Dakota to consider the demand for Crocker as a part
38 of this proceeding?**

39 A: There are many reasons why a state would want to consider demand for a large energy
40 facility prior to issuing a site permit. Large Energy Facilities have numerous impacts on the
41 natural and economic resources of a state. In addition, for investor-owned utilities, a state would

42 not want to unduly burden its ratepayers with the costs of a large wind project if it were not
43 needed to serve customers.

44 **Q. Does the Commission need to be concerned about the economic impact of this facility**
45 **on South Dakota Ratepayers?**

46 A. Not at this time. Crocker Wind Farm is an Independent Power Producer (“IPP”) that does
47 not serve any retail customers in South Dakota. As an IPP, Crocker is entirely at risk for the cost
48 of the facility. To the extent that Crocker contracts with a Public Utility that serves retail
49 customers in South Dakota, the Commission has regulatory oversight over those contracts
50 through its regulation of the Public Utility, and can consider any ratepayer issues at that time.

51 **Q: How did you determine the demand for the Crocker Facility?**

52 A: I evaluated the demand for wind energy in South Dakota and surrounding states from both
53 electric utilities and commercial customers. For electric utilities, I have reviewed the most recent
54 resource plans of a number of utilities, as well as active RFPs for wind energy. For Commercial
55 customers, I have also considered active RFPs, as well as general market information on
56 commercial demand for renewable energy.

57 **Q: Why did you consider a broader region for evaluating the demand for Crocker?**

58 A: As an IPP, Crocker is not confined to a single set of customers or a defined service
59 territory for sales of its project. Further, the advent of Regional Transmission Operators
60 (“RTOs”) has increased the area over which energy can be economically traded. Crocker is
61 uniquely situated in the vicinity of major transmission lines for both the Mid-continent
62 Independent System Operator (“MISO”) and the Southwest Power Pool (“SPP”), allowing us to
63 market Crocker across a broad region stretching from South Dakota to Indiana and down to
64 Texas. In addition, because many corporate contracts are settled financially instead of

65 physically, corporate customers for Crocker could be located anywhere in the United States.

66 **Q: Based on your evaluation, what is the estimated regional demand for wind energy**
67 **that could be partially fulfilled by Crocker?**

68 A: Utility long range demand in the Midwest shows the intent to purchase approximately
69 1,000 MW of wind energy over the next 5 years. This increased demand is evident through the
70 utilities' integrated resource plans outlined in Section 6.2 of the application. Additionally, as the
71 cost for renewable energy has decreased, commercial, industrial, and institutional (C&I) demand
72 for renewable energy has increased creating a new market to obtain a power purchaser. In 2016,
73 approximately 1,600 MW of wind energy was purchased from the C&I sector.¹ Further, a recent
74 survey of over 150 commercial customers with annual revenues greater than \$250 million, 84%
75 of respondents indicated that they planned to actively pursue or consider directly buying
76 renewable energy.

77 **Q: How has this demand been demonstrated through market activity of potential**
78 **Crocker buyers?**

79 A: Over the past year, eight utility and six corporate/industrial power supply proposal requests
80 for which Crocker would qualify have been received.

81 **Q: What would be the consequence of delay or termination of the construction of the**
82 **Crocker Facility?**

83 A: Should the Crocker facility be delayed or terminated, there would be a smaller supply of
84 cost-effective wind energy to meet the regional clean energy demand. A delay is especially
85 important to avoid as the current ramp-down of the federal Production Tax Credits will likely
86 increase the cost of wind energy in the future. The Crocker Facility is currently qualified to
87 receive the full Production Tax Credit, but if it is delayed that qualification may expire.

88 In addition, the termination of the facility would negate the economic benefits accruing to
89 the project's landowners and community as well as the state and local jurisdictions, and the loss
90 of hundreds of jobs in the State of South Dakota.

91 **Q: Does this conclude your testimony?**

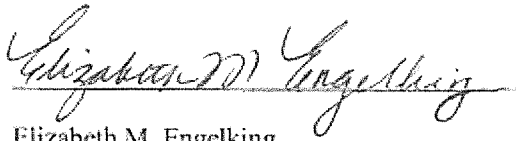
92 **A:** Yes it does.

93

94 Dated this 29th day of September, 2017.

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A handwritten signature in cursive script that reads "Elizabeth M. Engelking". The signature is written in black ink and is positioned above a horizontal line.

97

Elizabeth M. Engelking