BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF SOUTH DAKOTA

| IN THE MATTER OF THE |) | |
|--------------------------------|-----|-----------|
| APPLICATION BY CROCKER WIND |) | EL 17-028 |
| FARM, LLC FOR A PERMIT OF A |) | |
| WIND ENERGY FACILITY AND A 345 | j j | |
| KV TRANSMISSION LINE IN CLARK | í | |
| COUNTY, SOUTH DAKOTA, FOR | í | |
| CROCKER WIND FARM | , | |

DIRECT TESTIMONY OF

BARRY FLADEBOE

ON BEHALF OF

CROCKER WIND FARM, LLC

TABLE OF CONTENTS

| I. | Witness Introduction | 1 |
|------|---|-----|
| II. | Purpose and Coverage of Testimony | 3-4 |
| III. | Section 16.0 Local Land Use Controls | 4 |
| IV. | Section 19.2Sale of Power | 4 |
| V. | Section 19.5 Construction Financing. | 5 |
| VI. | Section 19.6 Permanent Financing | 5 |
| VII. | Section 19.7 Expected Commercial Operation Date | 5 |

- 1 Q. Please state your name and business address for the record.
- 2 A. Barry Fladeboe, 7650 Edinborough Way, Suite 725, Edina, MN 55435
- 3 Q. Can you briefly describe your education and experience?
- 4 A. I have a Bachelor of Arts from the University of St. Thomas in St. Paul, Minnesota. I am
- 5 the Director of Wind Development at Geronimo Energy in Edina, Minnesota. I am responsible
- 6 for managing Geronimo's wind development effort and staff. Prior to Geronimo Energy, I
- 7 worked for approximately 11 years in wind and solar development industries, working for
- 8 Gamesa Energy, Invenergy LLC, and Capital Power.
- 9 Q. Have you attached a resume or CV.
- 10 A. Yes.
- 11 Q. Have you previously submitted or prepared testimony in this proceeding in South
- 12 Dakota?
- 13 A. No.
- 14 Q. What is the purpose of your direct testimony?
- 15 A. To provide testimony on the Crocker Wind Farm application.
- Q. Which sections of the application are you responsible for?
- A. I assisted in the preparation of Section 16.0 Local Land Use Controls; Section 19.2, Sale
- of Power; Section 19.5 Construction Financing; Section 19.6 Permanent Financing; and
- Section 19.7 Expected Commercial Operation Date.
- Q. Did you work with the county agencies in the conditional use permit process
- 21 A. Yes. I worked closely with the county board and ZBA.
- 22 Q. Is the current CUP compatible with project goals?
- A. No. The current CUP includes rules that are drastically different then the rules in Clark

County Wind Ordinance. The current CUP limits the project's access to the highest wind speed sites within the project area, and creates engineering and siting issues throughout the project. The current CUP, which includes a "setback" distance of ¾ a mile, is nearly 4 times the "minimum setback" in the ordinance. The reduction in power production and increase in engineering costs places a significant cost burden on the project. The setback in the CUP is larger than any operating project in the Midwest faces. We have significant concerns about Crocker competing in the market under the currently granted CUP. Geronimo developed and planned this project for over 9 years, making significant investments into Clark County based on the Clark County Wind Ordinance.

Q. What efforts did you try to make to bridge the gap?

- A. Geronimo representatives made significant efforts to bridge the gap. Geronimo did prepermit application meetings with many of the wind farm opposition members as directed by the board. Geronimo proactively doubled the setback in the Wind Ordinance and removed 8 turbine sites of concern by opposition landowners at the board's request to address the concerns. Geronimo offered to work under a setback twice what is included in the ordinance. Additionally, as directed by the County Board, Geronimo offered to make payments to the opposition landowners.
- 41 Q. Describe the information provided in Section 19.2 Sale of Power
 - A. The Applicant continues to actively market electricity to third parties, including independently owned utilities, municipalities, cooperatives, and commercial and industrial customers. The sale of electricity may take the form of a power purchase agreement, a financial off-take solution, or the sale of the Project to a utility. The sale will drive the timelines for many of the major commitments such as equipment procurement and construction contracting.

Q. 47 Describe the information provided in Section 19.5 – Construction Financing A. The Applicant will be responsible for financing all pre-development, development, and 48 construction activities. The Applicant has financed all development activities through internal 49 50 funds, and will continue to do so. Construction will be financed through a combination of 51 internal funds and third-party sources of debt and equity capital. Q. Describe the information presented in 19.6 - Permanent Financing. 52 53 A. Permanent financing will be provided with the Applicant's internal funds, and third-party 54 sources of debt and equity capital. Describe the information presented in 19.7 – Commercial Operation Date 55 Q. 56 A. The Applicant anticipates that the project will be begin commercial operations in the fourth quarter of 2019. The commercial operation date is dependent on the completion of the 57 permitting process and the successful sale of power. 58 59 Q. Does this conclude your written pre-filed direct testimony? 60 A. Yes. 61 62 63 Dated this 27th day of September, 2017. 64

65

66 67 Barry Fladeboe